

ISSUE THREE

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OUT OF THE BLUE

ECONOMIC AND MARKET OVERVIEW
FROM BLUESTONE MOTOR FINANCE

Donal's Diary

Don't miss out on the
shift to online finance.

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DONAL'S DIARY



Are you missing out on the shift to online finance?

By Donal Murphy MD Bluestone Motor Finance

Finance is a great marketing tool that all too often, we risk under-utilising. When I say this to dealers, they often point to the availability of finance referenced on their websites as a defence. To this, I counter with the possibility that this access, which is usually limited to 'finance being available' risk being too little and too late.

Now, don't get me wrong, I have no desire or reason to criticise dealers, I have been in the industry too long and have gained too many friends in it to bite the hand that feeds me. No, my aim is to help dealers optimise the value of finance. Increasing the option of finance online to be controlled by the customer can do just that. What we have to recognise is that the way people buy cars and access money has changed rapidly and that COVID-19 has simply accelerated the shift to online. To put it in context:

- **Over 90% of people find their next car online**
- **The vast majority need finance to finalise a purchase**
- **App-based banking is growing at a rapid rate**

Consumers want to manage their finances where and when they want, which is changing the face of financial services. This point was made clear by a media headline that I saw recently; *'Rise of money apps threatens to undermine Irish banks'*¹

My point is that if in online marketing you are not providing finance tools, or access to them so that potential customers can establish a monthly cost (let's be honest it is how many people budget their car purchase), and/or tools to allow them to apply for finance directly from you themselves, then you could be missing an opportunity.

Recognising this and having seen the impact of online calculators in other markets, we have partnered with www.donedeal.ie to offer dealers the capacity to promote their stock by monthly payment and provide online access to dealer finance.

These are rapidly changing times, so let us talk to you about how this and our other areas of fresh thinking can help your business to grow its car and finance sales.

Contact us at info@bluestonemf.ie or call us on 01 644 8951.

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¹ <https://www.rte.ie/news/business/2020/0907/1163703-bank-digital-fintech/>

NEWS UPDATE



Motor Finance Journal A View of the Irish Market

In their latest edition, the Motor Finance journal interviewed motor finance leaders in Ireland about how the Irish market has withstood Covid-19, the ongoing Brexit situation and plans for the year. Bluestone Motor Finance is a prominent face and voice in the feature.

[Read the full article now](#)

August New Car Registrations and Used Car Imports - SIMI 01/09/20

New car registrations for August were down 4.2% (4,875) when compared to August 2019 (5,088).

Year to date registrations were down 28.6% (78,920) on the same period last year (110,527).

Light Commercial vehicles (LCV) sales were down 11% (1,683) compared to August last year (1,891) Year to date LCV sales were down 23.8% (16,700)

Used car imports for August (8,143) saw a decrease of 16.1% on August 2019 (9,706)

Year to date imports were down 45.1% (39,672) on 2019 (72,214).

As Sales Fall SIMI Calls for a Reduction in VRT to Save Motor Industry Jobs

"August represents another disappointing month for new car sales, with sales again down on the same month last year, as they have been each month of 2020. This has led a year to date reduction of 29% in new cars sales, and a 43% reduction over the last 4 years. The Industry is operating at the same business levels as 10 years ago, when the sector shed close to 15,000 jobs. The outlook for 2021 is not optimistic, with the negative impact of both COVID and BREXIT, new car sales will continue at

recession levels. The Motor Industry in Ireland supports employment in local communities throughout the country and to protect these jobs, it needs a fair taxation environment in which to operate. With Budget 2021 only weeks away, now is the time for a significant reduction in Vehicle Registration Tax (VRT). This would enable the car market return to normal sustainable levels that would not only save jobs but increase overall tax take and help renew the Irish car fleet, reducing both the age of the fleet and emissions from transport."

- Brian Cooke, SIMI Director General

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Key economic data summary

as at 07/09/20



CPI (Monthly Change July)	0.2%	Central Statistics Office
HCIP (Monthly Change July)	0.2%	Central Statistics Office
Unemployment Rate (July)	5.1%	Central Statistics Office
GDP (Q1)	+1.2%	Central Statistics Office
ECB Interest Rate	0.5%	Last changed 18/09/19
Crude Oil	\$39.77	Prices have fallen since last month
Gold	€1,911.18	Prices have risen since last month

A new economic report supports major tax reform on new car sales

A new economic report published on August 12 and commissioned by the Irish Car Carbon Reduction Alliance (ICCR), which includes the majority of car dealers in Ireland, representing almost every brand, calls for change on new car taxes.

The report notes that substantial reform of Ireland's motor tax system is necessary. According to the report, the current level of

tax on new cars is hindering motorists from switching to newer greener models thereby facilitating rather than reducing carbon emissions.

In addition, the report highlights the need for reform to safeguard the amount of revenue that the government gains from motor taxes for the maintenance and safety of Ireland's transport system.



House Price News

Source: House Price Report MyHome.ie

Region	Mix-adjusted asking price	% Change quarter-on-quarter	% Change year-on-year
National	€280,000	1.2%	4.3%
Dublin	€383,000	0.3%	2.9%

Asking price inflation rose by 1.2% nationally compared with Q2 2019, by 0.3% in Dublin, and by 1.5% elsewhere around the country.

Quarterly asking price inflation has been even more pronounced – by 4.3% nationally, 2.9% in Dublin and 4.7% elsewhere around the country.