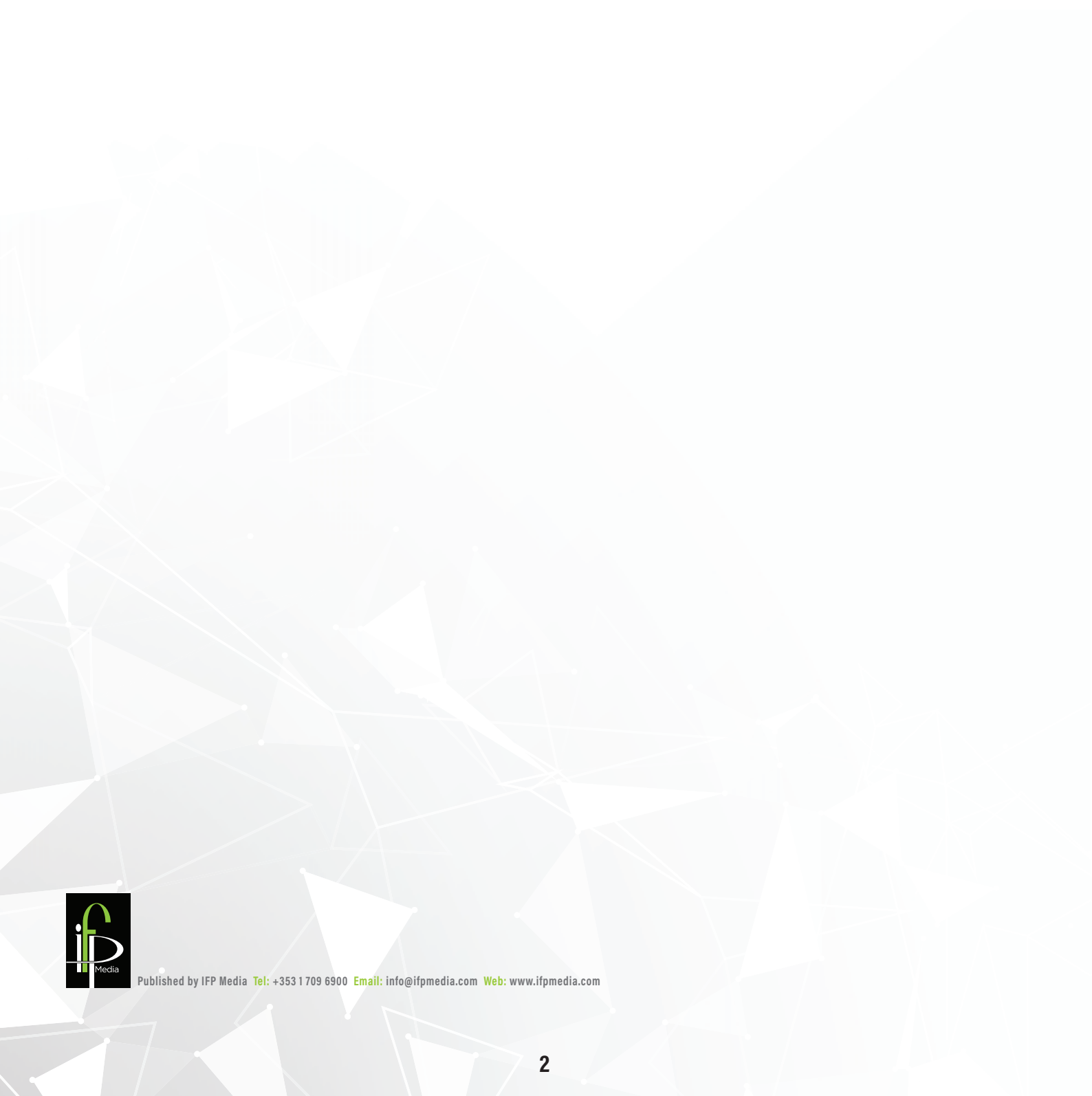


SIMI Annual Report

2022-2023







Annual Report

2022–2023

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Mission Statement

SIMI is the national representative body for the Motor Industry in Ireland and is dedicated to:

- Driving a business environment that supports Industry growth
- Implementing consistently high standards among members
- Delivering quality information and added-value services to members
- Communicating effectively with members and being the voice of the Motor Industry

A Review of the Year

2022
MAY



MOTOR INDUSTRY APPOINTS NEW SIMI PRESIDENT ANTONIA HENDRON

SIMI Climate Action Plan Briefing Cork

SIMI held a Climate Action Briefing, kindly hosted by Johnson & Perrott Motor Group in their Jaguar Land Rover Showrooms in Bishopstown, Cork. The event was the focus of a panel discussion, which addressed the findings outlined in a Report recently released by the Society "Reducing light fleet emissions to achieve the Governments targets".



Paula Cogan, Past President Cork Chamber of Commerce; Tom Cullen, Deputy Director General, SIMI; Antonia Hendron, SIMI President; Terry Lee-Williams, Director Transport Advisory Europe at ARUP Ireland; and Jim Power, Economist.

JULY



222 Registration Begins: New car registrations marginally ahead first half of the year



SIMI Skillnet Introduction to Vehicle Sales

AUGUST

JUNE

CVR test operator authorisation renewal process is now open



Taisilí Rodaomhainneachta um Fheidhiltí Tráchtála
Commercial Vehicle Roadworthiness Testing



ELVES SURPASSES ELV REUSE AND RECYCLING TARGETS AS 2020 IRELAND RESULTS ARE RELEASED



SIMI Submission to the Tax Strategy Group

Disappointing July New Car Registrations down 17.3%: Incentivisation key, Electric Vehicle supports must be retained



Brian Cooke, Director General, SIMI, speaking with Virgin Media News on new and used vehicle registrations



SIMI Budget Lobby Campaign



SEPTEMBER

BUDGET 2023: SIMI CALLS FOR EXTENSION OF ELECTRIC VEHICLE SUPPORTS

World Skills Ireland - Apprenticeships

Thousands of students from around the country attended the WorldSkills Ireland three-day event held in the RDS Dublin (September 13-15). WorldSkills Ireland showcases a variety of apprenticeships and careers available to students. SIMI welcomed the opportunity to support Worldskills as an Automotive & Heavy Vehicle Category Sponsor.



Colin Walsh and Adlan Chebli of SIMI at the WorldSkills Ireland three-day event



Pictured at the WorldSkills Ireland event (l-r): Robert Guy, Director of Group Aftersales, VWGI; Gerard O'Farrell, Importers/Distributors Committee; Brian Cooke, Director General, SIMI; Antonia Hendron, SIMI President; Colin Walsh, Industrial Relations & Compliance Manager, SIMI; Liam Denning, Chairman, VBRS Committee; Emma Mitchell, Operations Director, SIMI; and Enda Conefrey, Franchise Committee.

SIMI SKILLNET Motor Industry Management Development Programme Launch

The SIMI Skillnet Automotive Retail Management Programme (2022-2023) was officially launched by SIMI President Antonia Hendron on Wednesday, September 21, in Killashee Hotel, Naas, Co. Kildare.



BUDGET 2023 NO VRT INCREASE AND CONTINUATION OF ELECTRIC VEHICLE GRANT

The outcome from Budget 2023, with no VRT increases and the continuation of the EV grant for the first half of next year, delivers some degree of stability to both consumers and Industry, which is hugely important in the context of the volatility in the world today.

OCTOBER

Electric Vehicles power ahead as New Car Registrations catch up on last year



NOVEMBER

October new car registrations down 2.1%; New car market just marginally ahead 0.6% on last year

National Franchise Retailers Forum Planning 2023 Webinar
November 25, 2022



SIMI Vehicle Test Centre Operators Conference/AGM

Monday, November 14, in Killashee Hotel, Naas Co. Kildare.



DECEMBER

November new car registrations down 12.3%; More Drivers making the switch to Electric Vehicles

2023

JANUARY



2022 New Car Registrations marginally ahead; 81% uplift in Electric Vehicles

FEBRUARY

January new car registrations up 9.4%; Record month for EV sales



IRISH MOTOR INDUSTRY AWARDS CELEBRATES BEST IN THE BUSINESS

The Society's Annual Dinner incorporating the SIMI Irish Motor Industry Awards in partnership with sponsor Bank of Ireland, took place on Thursday, February 16, 2023 in the Clayton Hotel Dublin. Aidan Tierney, celebrity impressionist, comedian and master of ceremonies announced the accolades in front of over 600 senior Motor Industry figures.



MARCH

Gillian Fanning, Chairperson, Vehicle Parts Distributors' Sector and Anne Marie Murtagh, Chairperson, Independent Retailers' Committee welcomed members and guest speakers to this year's Independent Aftermarket Conference, which was held on Wednesday, March 8, in the Clayton Hotel Liffey Valley, Dublin.



Pictured at the Independent Aftermarket Conference (l-r): Quentin Le Hetet, GiPA; Álvaro de la Cruz, FIGIEFA; Anne Marie Murtagh, Chairperson, Independent Retailers' Committee; Colin Walsh, SIMI; Gillian Fanning, Chairperson, Vehicle Parts Distributors' Sector; Peter Melville, HEVRA; Emma Mitchell, SIMI; and Jim Power, Economist.

February new car registrations up 9.9%; Consumers leading the way in EV sales, up 37.5%

APRIL

Q1 New Electric Car Registrations up 49%



SIMI Attend Schools Summit Munster

SIMI attended the Schools Summit Munster which took place at the SETU Arena in Waterford on April 19 and 20. The Schools Summit is an educational and careers event targeted at Transition, Fifth and Sixth Year students. Over the course of the two days, many students visited the SIMI stand, where they received information on apprenticeships and careers in the Motor Industry.

SIMI has again this year launched a €3,000 **Computers for Schools Competition**, which is open to all secondary school students. The objectives of the competition are to raise awareness around the benefits of apprenticeships in the Motor Industry and to show how students can obtain an apprenticeship.

Motor Industry encourages women to get involved and help make a difference

The Society of the Irish Motor Industry (SIMI) hosted its eighth annual Women@SIMI event in conjunction with its sponsor Bank of Ireland, in the Conrad Hotel, Dublin 2. The event was attended by over 170 professional women from a variety of different sectors within the Motor Industry in Ireland. Delivering an impressive panel of guest speakers, Mary Kennedy, Master of Ceremonies welcomed Louise Grubb, CEO of Trivium Vet, a serial life science entrepreneur, with a track record in founding successful businesses, along with Norah Casey, award-winning TV and broadcast journalist, entrepreneur, and human rights campaigner. Antonia Hendron, SIMI President, encouraged attendees to make a difference and help shape the Industry's direction by getting involved with the Society.



MAY

April New Car Registrations up 14%; Electric Vehicles power ahead

Membership Services



SIMI provides a wide variety of business services and cost-saving schemes to members.

Services to members:

- Information and advice on VAT, VRT and other Motor Industry taxation issues
- Advice on all issues in relation to staff management, recruitment, disciplinary procedures, employee handbooks, safety statements
- Legal advice on issues in relation to the handling and resolving of customer complaints
- Vehicle invoice order form books for retail and trade sales
- Vehicle statistical service
- Regular communication online, by email, e-news, bi-monthly magazine and through our website and our members' portal on issues affecting the Motor Industry
- National and local seminars and conferences which also give you the opportunity to network with other Industry professionals
- Industry-specific training courses

Cost Savings:

- Motor Trade Group Insurance Programme
- Group Credit Card/Merchant Services Scheme
- BeepBeep.ie which also includes the Car History Check programme

SIMI Representing You:

- Access to Government through the Society to voice the opinions of the Industry
- Representing the different sectoral interests through dedicated committees
- Lobbying on behalf of the Industry to create a better economic and legislative climate for Member businesses

SIMI Management Board



ANTONIA HENDRON
PRESIDENT



PADDY MAGEE
DEPUTY PRESIDENT



JONATHAN MEADE
HONORARY TREASURER



GILLIAN FANNING
IMMEDIATE PAST PRESIDENT



CARLA WENTZEL
CHAIRPERSON IMPORTERS'/
DISTRIBUTORS' COMMITTEE



ENDA CONEFREY
FRANCHISE COMMITTEE



GERARD O'FARRELL
IMPORTERS'/
DISTRIBUTORS' COMMITTEE
& PAST PRESIDENT



ANNE MARIE MURTAGH
CHAIRPERSON, INDEPENDENT SALES
AND SERVICE COMMITTEE



LIAM DENNING
CHAIRPERSON, VBRS COMMITTEE



MARK WOODS
PETROL/OIL COMPANIES' SECTOR



DAVID RANDES
FRANCHISE COMMITTEE



BRIAN COOKE
DIRECTOR GENERAL

SIMI National Executive Council 2022-2023

HONORARY OFFICERS

PRESIDENT

Antonia Hendron
M50 Truck & Van Centre
Northern Cross Business
Park
North Road
Dublin 11

DEPUTY PRESIDENT

Paddy Magee
Renault Group Ireland
Block 4 Dundrum Town
Centre
Sandyford Road, Dundrum
Dublin 16

IMMEDIATE PAST PRESIDENT SIMI

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road
Tallaght
Dublin 24

HONORARY TREASURER

Mr Jonathan Meade
Hutton & Meade Hyundai
Unit 600 Northwest Business Park
Ballycoolin
Blanchardstown
Dublin 15

VEHICLE IMPORTERS'/DISTRIBUTORS' SECTION

CHAIRPERSON VEHICLE IMPORTERS'/ DISTRIBUTORS' COMMITTEE

Carla Wentzel
Volkswagen Group Ireland Ltd
Block C Liffey Valley Office Campus,
Liffey Valley, Dublin 22

Helen Westby
BMW Group Ireland
Swift Square
Santry Demesne
Dublin 9

Ronan Flood
Kia Motors Ireland
Unit A8, Calmount Park
Calmount Road
Dublin 12

David Thomas
Volvo Cars Ireland
Killakee House
The Square, Tallaght
Dublin 24

Patrick Magee
Renault Group Ireland
Block 4 Dundrum Town Centre
Sandyford Road, Dundrum
Dublin 16

Eddie Kavanagh
OHM Group
Baldonnell Business Park
Dublin 22

James Brooks
Past President SIMI
Opel Ireland
Gowan House
Naas Road, Dublin 12

Ciaran Kinahan/Siobhan Shaw
Motor Distributors Ltd
Naas Road, Dublin 12

Steve Tormey
Toyota Ireland
Toyota House,
Killeen Road, Dublin 12

Stephen Gleeson
Hyundai Cars Ireland
Hyundai House
John F Kennedy Drive
Naas Rd
Dublin 12

James McCarthy
Nissan Ireland
Cedar House
Park West Business Park
Nangor Road, Dublin 12

Des Cannon
Gowan Distributors
Gowan House, Naas Rd, Dublin 12

WHOLESALEERS' SECTION

CHAIRPERSON WHOLESALEERS' COMMITTEE

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road,
Dublin 24

Michael O'Toole
Autoparts Express (Wiper Services Ltd)
Unit 2, The Westway Centre
Ballymount Avenue, Dublin 12

Seamus Moore
Somora Motor Parts Limited
Unit 32
Lavery Avenue
Park West Industrial Park
Nangor Road, Dublin 12

Donnie Dillane
Top Part Holdings Ltd
Upper Rock Street
Tralee, Co. Kerry

Brian Dennis
Qualvecom
Unit A1
Knockmitten
Western Industrial Estate
Dublin 12

Sean Holland
Finol Oils Ltd
3 Stannaway Drive
Crumlin, Dublin 12

Tom Dennigan
Continental Tyre Group Ltd
Clyde Lodge,
15 Clyde Road, Dublin 4

Barry McDowell
OTTO
Unit B2, Airton Business Park
Airton Road
Tallaght, Dublin 24

Niall Murray
Tractamotors Ltd
Dublin Road
Cavan, Co Cavan

Glen Bradshaw
J.L. Bradshaw & Co Ltd
Carlow Road
Portlaoise, Co. Laois.

Mr Paul Ward
Maxol Lubricants Ltd
Unit D
Airport Business Campus
Santry, Dublin 9

RETAILERS' SECTION

CHAIRPERSON FRANCHISE COMMITTEE

Enda Conefrey
Brady's Dublin Ltd
Old Navan Road
Castleknock, Dublin 15

CARLOW
Rowena Dooley
Dooley Motors Ltd
Sleaty Roundabout, Carlow

CAVAN
Cathal O'Reilly
Auto Tech Bodyshop Ltd
Unit 1 Poles Business Park
Poles, Co Cavan

Padraig Brady
Brady's Arva Ltd
Arva, Co Cavan

CHAIRPERSON INDEPENDENT SALES AND SERVICE COMMITTEE

Annemarie Murtagh
MF Auto Services
Deansgrange Road
Blackrock, Co Dublin

Noel Howard
High Precision Motors Products Ltd
Dublin Road
Tullow, Co Carlow

Tómas Brady
Brady's Cavan
Dublin Road
Cavan, Co Cavan

CORK
Gerard O'Sullivan
Ardfallen Motor Care
Ballycurreen Industrial Estate
Kinsale Road, Co Cork

Martin Condon

Cavanagh's of Charleville
Limerick Road
Charleville, Co Cork

Robert Cogan

Cogans Garage Ltd
Cork Road
Carrigaline, Co Cork

DUBLIN**Ken Carey**

Carroll & Kinsella Motors Ltd
Rock Road
Blackrock, Co. Dublin

Gerry Caffrey

Gerry Caffrey Motors Ltd
106/112 Terenure Rd. North
Dublin 6W

Michael Grant

Michael Grant Renault
153-155 Harold's Cross Rd, Rathmines,
Dublin 6W, D6W HP44

Andrew Dempsey

Naas Road Autos
Frank Fahy Centre
Nass Road, Dublin 12

Loughlin Murphy

Toyota Sandyford, 40 Heather Road
Sandyford Industrial Estate
Dublin 18

Daniel Sheerin

Kingstown Motors
Lower Kilmacud Road
Stillorgan
Co Dublin

DONEGAL**Lawrence Harrigan**

Highland Motors
Mountain Top
Letterkenny
Co Donegal

KILDARE**Hugh Pitt**

Sheehy Motors Naas
Newbridge Road
Naas
Co Kildare

GALWAY**James McCormack**

Western Motors
Ballybrit, Galway

Tony Burke

Tony Burke Motors
Ballybrit, Galway

LAOIS/OFFALY**Clive Adams**

John Adams Car Sales
Ballymacken
Portlaoise, Co Laois

Richard Downey

Downeys Ltd
Dublin Road
Portlaoise
Co Laois

LONGFORD/WESTMEATH**Frank Kane**

Longford Motors
Strokestown Road, Longford

LOUTH**Noel Stewart/ Donal Waters**

Blackstone Motors
New Grange Business Park
Donore Road
Drogheda, Co Louth

MEATH**Noel Doran**

Robertstown Motors
Ashbourne
Co. Meath

Marie Proudfoot

Nobber Motors
Nobber, Co Meath

MONAGHAN**Peter Marron**

Marron's Garage
Monaghan Road
Castleblaney
Co Monaghan

MAYO**Kevin Connolly**

Kevin Connolly Car Sales
Dublin Road
Ballina
Co Mayo

ROSCOMMON**Tommie Rafferty**

Blueprint Autos
Golf Links Road
Roscommon
Co Roscommon

SLIGO**Kevin Egan**

Kevin Egan Cars Ltd
Carroroe
Sligo

TIPPERARY**Gerry Pierse**

Pierse Motors Ltd
Limerick Road,
Tipperary Town

WEXFORD**Mark Boggan**

Hugh Boggan Motors
Carriglawn
Newtown Road
Co Wexford

VEHICLE BODY REPAIRERS' SECTION**CHAIRPERSON VBRS COMMITTEE****Liam Denning**

Dennings Cars
Bellavista
Spawell
Tallaght, Dublin 24

Owen Cullen Accident Repair Centre

Unit 18
Cookstown Industrial Estate
Tallaght, Dublin 24

Nigel Pratt

Pratt's Autobody Shop Ltd
Hacketstown Road
Bennekerry, Co. Carlow

VEHICLE RECOVERY OPERATORS' SECTION**Derek Beahan**

Derek Beahan Ltd
Rear 90-98 Emmet Road
Inchicore
Dublin 8

Jim O' Sullivan

J&S Motor Repair/ Meath Recovery
Navan
Co. Meath

VEHICLE TESTERS SECTION**CHAIRPERSON VEHICLE TESTERS' COMMITTEE****Michael Nolan,**

M & N Nolan Motor Co. Ltd, Newtownforbes, Co. Longford

CO-OPTED MEMBERS**Sue O'Neill, ITIA****Michael Fennell, IMI, Irish Region****Brian Merrigan, IFHA****Peter Boland, CRCI****Morgan McAndrew, VLA/I****HGV DISTRIBUTORS' COMMITTEE****CHAIRPERSON HGV DISTRIBUTORS' COMMITTEE****Bruce Archer**

DAF Distributors, Baldonnell Business Park, Dublin 22

SPECIALIST TRADE REPAIRERS' SECTION**Adrian O'Dwyer**

AAA Mobile Windscreens
Unit W1A Togher Business Park
Newhall, Naas, Co Kildare

Sean Kirwan

Keyvision Security Ltd (T/A Keyfast)
Keltar, Ballynoe
Whitescross
Co Cork

TRUSTEES**Gaetano Forte****Tom Murphy****Paraic Mooney****PETROL/OIL COMPANIES' SECTION****Mark Woods**

Maxol Limited
3 Custom House Plaza
IFSC
Dublin 1

Jonathan Diver

Circle K Ireland
Beech Hill Office Campus
Clonskeagh,
Dublin 4

RETAILERS - CENTRE CHAIRPERSONS

CORK

Bob Clarke
Bandon Motors
Clonakilty
Co Cork

KERRY

David Randles
Manor West Reail Park
Tralee
Co Kerry

LIMERICK

Noel Kearney
Singland Motors
Dublin Road
Castletroy,
Co Limerick

Frank Hogan

Frank Hogan Ltd
Dublin Road,
Limerick

LOUTH

Nicky Smith
Smiths of Drogheda
North Road
Drogheda,
Co Louth

WESTMEATH/LONGFORD

Ed Tyrrell
Grange Motors (Mullingar) Ltd
Lough Sheever Corporate Park
Mullingar,
Co Westmeath

MEATH

John Malone
Malones Garage
Whistlemount
Kells Road
Navan,
Co Meath

OFFALY

Keith Colton
Colton Motors
Clara Road
Tullamore
Co Offaly

TIPPERARY

Eugene Ryan
Donal Ryan Motor Group
Limerick Road
Nenagh
Co Tipperary

Membership by Numbers in 2023



Please note the membership numbers do not reflect that a company could operate in more than one sector.

TOTAL: 1,168

President's Report



ANTONIA HENDRON
PRESIDENT

The World Health Organization has recently announced that COVID-19 no longer constitutes a public health emergency of international concern, marking an end to the global emergency that triggered lockdowns, restrictions, economic disruption and loss of life worldwide.

I want to commend members who, over the past few years, have adapted their businesses, mitigating against an energy crisis, global supply chain disruptions, inflationary pressures, and many other factors, while continuing to provide vital local employment and support to both the national economy and your own local communities. Members have traded, and continue to do so, under unprecedented, challenging and changing circumstances.

2022 like 2023 is another year of uncertainty, making running a business extremely difficult and this business environment is unlikely to change anytime soon. Our Industry over the past decade has learned to adapt to a chaotic environment and while we are unable to control social, political, or economic events, we can control our own reactions. Chaos though it causes disruption, also brings with it a new perspective, creativity, innovation, and change. It should be embraced and not feared.

We have seen how positively the Motor Industry reacted to the pandemic, with retailers rapidly enhancing their online presence. The climate crisis has been met head on, with the escalation of new vehicle technologies. While chaos is unpredictable, and the outcome unknown, we are hopeful that a different way of thinking or doing will emerge to improve all our businesses.

The climate crisis has resulted in world leaders and nations implementing their own plans to reduce emissions. For our sector, Ireland's Climate Action Plan seeks to reduce transport emissions 50% by 2030, along with the ambition of having 845,000 electric cars in the Irish fleet within that timeframe. This is a unique and ambitious challenge, which requires long-term strategic policy, that supports the uptake of zero and low emissions vehicles, while also reducing emissions from the entire fleet as we make this transition. SIMI and its members have not been found wanting, with the issuing of our own Climate Action Plan by independent consultants. Many of the proposals contained in SIMI's plan are mirrored in the Government's updated plan issued at the end of last year.

Changing consumer behaviour to accept a new vehicle technology in such a short period of time is unprecedented, and this requires continued incentives, supports and education. Numerous studies have highlighted notable barriers to adaption. Range anxiety, purchase price, charging infrastructure, cost to change, and change itself. The electric vehicle project is at the early stages, as we begin to see some real momentum, now is the time to ramp up investment.

The Motor Industry is playing its part at both manufacturer and retailer level, with an increasing number of new electric cars at a variety of price points now available in Ireland and I'm also pleased to say that this technology has been rolled out in the commercial vehicle sector. In addition, we are upskilling our employees to be able to sell, service and repair the ever-growing number of electric vehicles on the road.

The establishment of Zero Emission Vehicles Ireland, or ZEVI, is one we in SIMI warmly welcome and their recent announcement of the electric vehicle charging infrastructure investment is a hugely positive development. We look forward to working with ZEVI and, of course, SEAI on the EV project in the years ahead.

Our new car market has underperformed now for several years. Market growth requires the right economic and taxation environment that supports the sale of new low and zero emissions vehicles. A strong new EV car market will also create an active used EV market, providing the opportunity for a greater cohort of motorists to go electric.

Government must continue to support the electric vehicle transition. Their decision to reduce the electric vehicle car grant from the July registration period is extremely disappointing at this still relatively early stage in the EV project. It is important to underline however, that in addition to the grant support, there is still VRT relief for many EVs, as well as low annual road tax which, along with the home charger grant, means there is still a very strong basket of incentives available for those considering the purchase of an electric vehicle. It is important that there is no further diminution of these EV supports over the next couple of years, as supports are essential to both supply and sales at a key time of growth in the market. There is an old phrase: 'a good start is half the work'. We need to give ourselves the best start possible and grasp every opportunity in meeting emission targets, as we transition to electrification.

Within the Society, we have many great committees working to shape policy and the direction of our Industry. I want to acknowledge the outstanding commitment of our vehicle tester members. Over the last 30 years, they have met the highest business and professional standards and now of course are in the process of renewing that commitment for at least another ten more years. I want to acknowledge both this achievement and also to thank the Road Safety Authority for recognising our efforts in meeting their expectations by allowing us to continue commercial vehicle testing.

The Society recently hosted its eighth annual Women@SIMI event in conjunction with its sponsor Bank of Ireland. It was wonderful to see so many successful women from different sectors of our Industry in attendance. The Motor Industry is an area where female employees have been historically under-represented, and I am pleased to say this is changing. The SIMI's Management Board has changed in composition with a representation of six female leaders now sitting at the boardroom table and I am honoured to serve as your President. I would encourage all my colleagues to make a difference and help shape the industry's direction by getting involved with the Society.

It has been a privilege to serve as your President this past year and I would like to thank the Management Board, our members and SIMI for this opportunity.

Antonia Hendron

Antonia Hendron
SIMI President

President's Report



BRIAN COOKE
DIRECTOR GENERAL

At this time of year, in the run up to the Society's AGM, it is important to take a moment to pause and reflect on the past twelve months for our industry, to allow us to review our experiences, learn, plan and move forward. The last twelve months have yet again been challenging with the legacy of COVID-related disruptions, which were further compounded with Russia's invasion of Ukraine. Supply disruptions, increases in the cost-of-living, a surge in inflation, and increases in global energy prices, have all now become embedded in our economy, in everyday life and in the cost of doing business. Following a decade of very low interest rates, they have now increased significantly, reducing disposable income and increasing loan repayments. This impacts both on our members and their customers.

Ireland as a small, open economy, is exposed to the forces of globalisation and what happens at an international level has implications for our economy. The Irish economy has continued to perform strongly despite global challenges. Employment is at record high levels and consumer spending has held up despite confidence being fragile. Household savings reached record levels, a positive foundation for the consumer side of the economy into the future, which at some stage will find their way into consumer spending and hopefully into our sector. However, the outlook over the next couple of years looks deeply uncertain and challenging, primarily due to external developments with no signs of these pressures abating.

Despite the re-opening of the economy and strong economic growth, sales of vehicles, new and used, cars and commercials, have been impacted by supply constraints. The new car market in 2022 finished marginally ahead of 2021, with 105,253 new car registrations, but still remained 10% behind that of 2019 (pre-COVID levels). While new car sales have continued to grow since the start of 2023, we are still a long way from the level of sales required to match Ireland's climate change targets, and the national fleet continues to age. New Light Commercial Vehicle (LCV) registrations in 2022 saw a decrease of 18% compared to 2021, while new Heavy Commercial Vehicle registrations (HGV) also saw a decrease of 8%. Of course, the one real positive of the new vehicle market has been the exceptional growth in electric vehicle (EV) sales, with 15,678 new electric cars registered in 2022, an increase of over 80% on 2021, and the first four months of 2023 has seen a further 50% per cent increase in new EV sales.

Climate change continues to make global headlines. The decisions and actions taken over this decade, by politicians, business leaders and consumers, will determine the scale of future climate change and have intergenerational consequences. Therefore, political commitment, on effective climate action is needed and everyone must play their part if we are to meet our climate targets and transition to zero emissions.

The Motor Industry remains fully committed to working with Government to help achieve their Climate Action Targets. The transition to zero emissions vehicles is a hugely important undertaking, one that must succeed if Ireland is to reach its target of 50% reduction in emissions by 2030. The Government's Climate Action Plan outlines the expected abatement from each sector, with transport having the largest abatement target, of which 47% will come through the electrification of the fleet. In this context, it is vital that Government continues to support consumers in the transition to zero emissions by retaining current supports and not increasing taxes.

The new car market has shown signs of growth in 2023, with electric vehicles continuing to outperform the rest of the market. However, we need this strong growth to continue if we are to achieve our climate ambitions for the end of the decade and beyond. The level of growth will be determined by a number of factors, including economic, taxation and political decisions, all of which will contribute to business and the consumer environment in which our members operate. Get this right, and the industry will deliver more and more zero and low emitting cars at a variety of price points. This means no taxation increases and the continuation of EV supports. The Government announcement of the reduction in the SEAI EV grant from July 1 is disheartening. Had the current maximum of €5,000 been retained beyond June 30, it would have built on the momentum behind electric vehicle sales, especially with the second registration period commencing from July 1.

Budget 2023 saw no VRT or VAT increases, which was warmly welcomed by the industry. However, despite the Society's warnings, the Government did introduce a new Benefit-in-Kind (BIK) system, which increased this tax on nearly all cars, including electric vehicles. The Government's decision to temporarily change to BIK regime for the current year, is very much welcomed by both employees and our Industry, and will no doubt encourage the company car EV market. It is vital that this enhanced threshold is extended out beyond this year.

SIMI has continually highlighted, most recently in our Tax Strategy Group Submission to Government, that we are still in the early stages of the EV

project, and we cannot risk stalling sales at a key time of growth in the market. We, of course, welcome investment in charging infrastructure to allay range anxiety concerns, but one incentive should not be at the expense of another. It is important to underline to consumers that in addition to the grant support, there is still VRT relief for many EVs, as well as low annual road tax, which along with the home charger grant means there is still a very strong basket of incentives available for those considering the purchase of an electric vehicle. It is paramount that there is no further diminution of these EV supports over the next couple of years. The momentum behind new EV sales is clearly there, but we need to continue to incentivise EV purchases if we want to continue the growth in the new EV market share, but also to create an active used EV market.

2023 marks the European Year of Skills in Ireland, a call to action to focus on lifelong learning, addressing the pace of change in the world of work. This means investing in and empowering people on their learning and development journeys, helping them get the right skills for the right jobs. The Motor Industry is perhaps the best example of such change, during COVID we rapidly moved from a traditional retail environment to embracing digitization, while the transition to electrification has required both new skills and upskilling for this technology.

Our industry like many others is experiencing a shortage of skilled employees and apprentices. It is vital that we recruit and develop new talent into the industry. SIMI has maintained a continued focus on encouraging young people to choose a motor apprenticeship and to look at all the career opportunities available in our sectors. Having been a title sponsor at last year's World Skills Ireland, SIMI will once again be Automotive and Heavy Vehicle category sponsor at the event. We will use this opportunity to demonstrate what the industry has to offer as a career path, while we continue to engage at a national level with schools, career advisors and student career events all year round.

The Society's own Training Service continues to grow, and we are fortunate to have secured substantial funding from Skillnet Ireland. This funding allows us to significantly subsidise the cost of training for members. It is with great pleasure we announce that SIMI was successful in a recent application to Skillnet Ireland for the renewal of funding for the next three years and we look forward to the continuation of our partnership with Skillnet Ireland and supporting members in 2023 and beyond.

With COVID-enforced restrictions gone, we have seen a greater return to more in-person events. We held a special presentation of the SIMI's Climate Action Plan in Johnson & Perrott last May. The Society's Vehicle Tester (VTN) Conference, which included a strong presence from the RSA, was back for the first time in three years, and as always had a full attendance from members. The Society has secured for VTN members an extended timeframe of three years for members to secure their authorisations out to 2034, while the RSA also indicated at the Conference a commitment to increasing the test fee. The SIMI Annual Dinner and Irish Motor Industry Awards, sponsored by Bank of Ireland, was a great celebration of the Industry. In addition, SIMI welcomed members to our Independent Aftermarket Conference, where there was a variety of guest speakers, who delivered insightful presentations on the trends affecting the Irish independent aftermarket. The Women@SIMI event, also took place recently, delivering an impressive panel of guest speakers and shining a light on the strong opportunities available for women in the Industry. It is wonderful to meet and engage with members at these events.

We certainly have had our challenges over the last three years, but despite the unprecedented problems, SIMI members survived and thrived, and can be proud of their efforts in supporting employment in their local communities. While indications are that business will improve, it is still a deeply uncertain trading environment. SIMI is here to support members during these uncertain times as members continue to demonstrate their resilience time and time again.

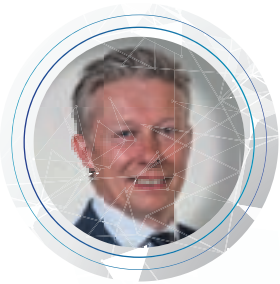
Brian Cooke

Brian Cooke
Director General, SIMI

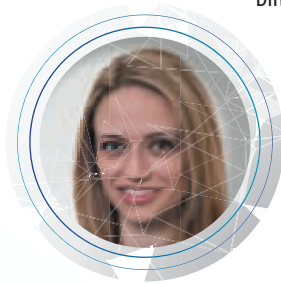
SIMI Executives



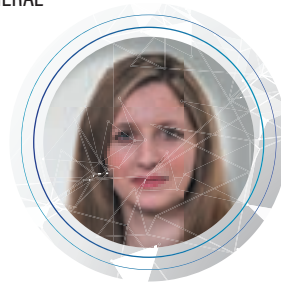
BRIAN COOKE
DIRECTOR GENERAL



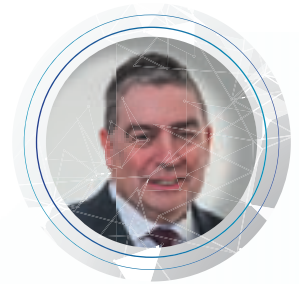
TOM CULLEN
DEPUTY DIRECTOR GENERAL



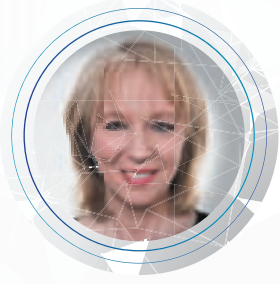
EMMA MITCHELL
OPERATIONS DIRECTOR
& COMPANY SECRETARY



TERESA NOONE
COMMUNICATIONS DIRECTOR



CHARLIE ROGERS
DIRECTOR, COMMERCIAL
VEHICLE SECTOR & VTN



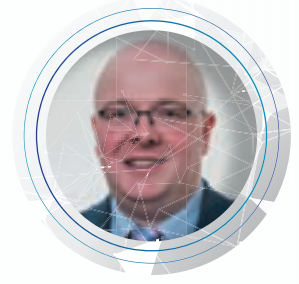
MAEVE DOWDALL
OFFICE MANAGER & EVENTS



YVONNE SLINEY
ACCOUNTS & VTN MANAGER



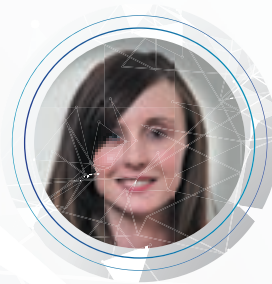
COLIN WALSH
INDUSTRIAL RELATIONS & COMPLIANCE MANAGER



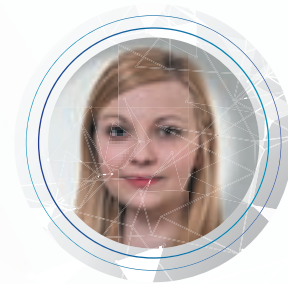
SEAMUS MCCORMACK
MEMBERSHIP MANAGER



JANE O'SULLIVAN
COMMUNICATIONS & EVENTS EXECUTIVE



TERESA O'NEILL
TRAINING MANAGER



SABRINA FORSYTH
RESEARCH & INFORMATION EXECUTIVE



ROISIN TUOHY
COMPLIANCE OFFICER



ADLAN CHEBLI
CUSTOMER SERVICES OFFICER



SOPHIE MULLIGAN
ADMINISTRATION EXECUTIVE



TERESA O'NEILL
TRAINING MANAGER/
SIMI SKILLNET NETWORK MANAGER

SIMI Training



Notwithstanding the many challenges faced by the Motor Industry in recent times, huge credit is due to SIMI Members for their commitment to the ongoing training and development of their employees. In the past, the bulk of SIMI short courses and training courses were classroom and workshop-based, however, since Covid-19, we have continued to work with our Industry training provider partners, guided by the SIMI Skillnet Steering Group, to successfully convert the majority of our training programmes into online learning events. This initiative was enthusiastically embraced by members from the outset, as it resulted in reduced time away from the business for trainees, attracted no associated travel and accommodation costs and still delivered on relevant quality content. In 2022, for the first time since Covid-19, SIMI Skillnet launched a new "Introduction to Vehicle Sales" programme, offering trainees the choice of attending the training virtually or in a classroom setting. SIMI is fortunate that since 2013, we have secured substantial funding from Skillnet Ireland, the business support agency of the Government of Ireland. This funding has allowed us to significantly subsidise the cost of training for SIMI Members and it is a great pleasure to announce that SIMI was successful in a recent application to Skillnet Ireland for the renewal of funding for the next three years and we look forward to the continuation of our partnership with Skillnet Ireland and to supporting Members in 2023 and beyond.

During 2022, more than 275 Member Companies availed of SIMI Skillnet subsidised courses, with over 490 trainees participating in these training events. Courses included: Adapting Vehicle Sales to the Online Environment, Customer Service and Customer Retention, Aftersales Profitability, Parts Management, Service Advisor Training, Hybrid & Electric Vehicle Systems and Other Technical Upskilling programmes, Digital Marketing and Facebook for Beginners and Advanced and many more. New courses in Consumer Law and Introduction to Vehicle Sales were also launched last year.

The grant that SIMI receives from Skillnet Ireland enables us to offer the majority of these courses to Members at a significantly reduced cost and some free of charge. The SIMI Skillnet Training Plan for 2023 is ongoing and the range of courses on offer will be based on the results of the Training Needs Analysis Survey carried out towards the end of 2022 and will also reflect the feedback received from SIMI Sector Committees as to current and future training needs.

Reflecting the Industry's training needs, in light of the targets for Electric Vehicles outlined in the Climate Action Plan and the significant growth already seen in the sales of new Electric Vehicles and Plug-In Hybrid & Electric Vehicles, the most popular and in-demand training course last year was the three-day certified SIMI Skillnet Hybrid & Electric Vehicle Systems Level 2/3 Combined course. As the Motor Industry continues on the journey towards electrification, with investments nationally by local retailers in their premises and their employees, it will be important that SIMI Skillnet continues to provide support to meet the training needs of Members in this area.

Another key priority for Members, following our Training Needs Analysis Survey, is Leadership and Management Development. Following a successful application for additional Skillnet funding, SIMI Skillnet relaunched the Automotive Retail Management programme last year, with Phase 1 Core Management Skills delivered by Optimum Ltd and Phase 2 Industry-Specific Management Skills delivered by Navigate Solutions Ireland Ltd. This comprehensive, bespoke Management Development Programme was designed to increase the business skills and personal effectiveness of the participants to effectively and confidently function at a managerial level and become better equipped to contribute to their management team. SIMI Skillnet took the opportunity even further by extending the scope of the Programme by offering a blended learning approach with both classroom and online modules, 1:1 online coaching sessions, an onsite visit by the trainer and successful completion of Phase 1 led to a QQI Level 6 Award in Managing People.

In addition to the training delivered as part of SIMI Skillnet, SIMI also provides Members with specialised training in VAT and VRT, and we continue to offer SIMI Consumer Credit CPD training modules, tailored specifically for the Retail Motor Industry to meet the Minimum Competency requirements of the Central Bank for formal CPD hours.



ADLAN CHEBLI
CUSTOMER SERVICES OFFICER

Consumer Complaints Service

The SIMI Consumer Complaints Service is a free service offered to members and their customers with the objective of resolving complaints without recourse to expensive and time-consuming legal proceedings. The terms and conditions of the SIMI Order Form advises customers to refer their complaints to the SIMI if the matter cannot be resolved directly with the garage, provided the complaint falls within the scope of the consumer complaints service.

While the primary purpose of the Consumer Complaints Service is to help member companies resolve customer complaints, it also represents for Members a comparative measurement of customer service.

349 formal complaints were received by the Society in 2022 which represented an 11% decrease on the 2021 figures of 388, this may be reflective of ongoing uncertainty in the market. Of the 349 complaints, 27% were outside the scope of the service which is a slight increase of 1% compared to 2021. Of these outside scope complaints, 50% related to new vehicle warranties, 23% were related to non-member garages or lapsed members, and 6% related to a time frame outside the scope. Commercial vehicles made up 15%, and the remaining 6% were miscellaneous, e.g., previously resolved complaints.

The number of complaints formally registered saw an 11% decrease with a total of 255 compared to 287 in 2021. This represents a 10% decrease from the 2020 figure of 284. 70% of complaints registered were resolved through the initial mediation process, which is a 9% increase compared to 2021. The average length of time to bring a complaint to a resolution was 53 days, as opposed to 51 days the previous year. The COVID-19 pandemic caused significant disruption to the operation of the industry which is reflected in the figure of 64 days average resolution time in 2020. 11% of complaints were closed due to no engagement from the customer following the initial complaint. 17% of complaints were resolved through the Standards Tribunal compared to 29% in 2021.

The type of complaints registered are summarised as follows:

- 76% related to the condition of the vehicles sold (mechanical and electrical defects), repaired or serviced by members, warranty disputes or customer service issues involving members. This is a decrease from the 84% recorded in 2021.
- 18% related to alleged misrepresentation of pricing, documentation, finance, etc. This compares to 10% recorded in 2021.
- Change of ownership (i.e., logbook issues) remains at 2%, as it was in 2021. There was a stark increase in 2020, the figure was 7% which was due to the disruption caused to Revenue services due to the pandemic.
- 4% related to refund of deposits, which is identical to the figure in 2021.

The Tribunal is chaired by an Independent Arbitrator and includes industry representatives and a leading consumer advocate.

The Tribunal noted with concern that a high percentage of complaints registered related to the condition of the vehicle sold and must once again stress the importance for members to understand that you can stand over anything you say about the condition of the vehicle, documentation, its age, number of previous owners, recorded mileage, whether it was involved in a crash, whether it was rented or leased or used for taxi work, etc. Remember your company or firm will be liable for any statement you make. You could also be liable to prosecution in the case of a serious misrepresentation.

As always, the Tribunal encourages members to continue their efforts in approaching complaints with a quick positive reaction as in many cases a simple explanatory letter from the garage can often bring a complaint to a resolution removing the need for the matter to go before the Tribunal. Such a straightforward approach can, on many occasions, save a lot of time and effort for those involved and, in addition, may result in members retaining more satisfied customers.



COLIN WALSH
INDUSTRIAL RELATIONS
& COMPLIANCE MANAGER

Human Resource Management Service

The SIMI HR Management Service provides support to member companies with employment law and HR advice, representation in employment cases and industrial relations support in union negotiations or trade disputes.

The employment landscape in the Motor Industry in Ireland is undergoing radical change through rising standards and increased legislative obligations. Employers are required under legislation to put in place procedures and policies to deal with a wide variety of issues such as disciplinary action, dismissal, grievances, health, safety and welfare, terms of employment, dignity and work, pensions, protected disclosures, equality law and much more. These responsibilities have increased the burden on employers. However, given the size of many dealerships, the burden of employing a full-time HR manager is too great.

Access to the SIMI HR Management Service is included as part of membership and members are encouraged to fully utilise the service.

The HR service aims to:

- Assist and advise Members in complying with equality legislation, from advertising a role within the company through the entire recruitment process;
- Advise on recruitment, induction, performance review, training needs assessment, retention, succession planning, redundancies, grievance, and disciplinary procedures;
- Advise and provide draft contracts and company handbooks to comply with terms of employment legislation;
- Review all HR practices on an ongoing basis;
- Provide guidance on any employment matter that might arise;
- Provide representation at Workplace Relations Commission (WRC);
- Assist at Union negotiations or Trade disputes.

Priorities by Sector

COMMERCIAL VEHICLE TESTING NETWORK (VTN)



Annual test numbers reflect the overall growth in the commercial vehicle parc which is typically around 3% per annum. After much distortion of the annual numbers, as a result of the pandemic and extension to test dates, figures have now returned to more normal growth levels in 2022 – so good news for the network.

Following a lot of work and discussion, since the last major review of the system in 2019, the legislation was finally put in place (S.I. 475 of 2022) to enable members to apply for the next main authorisation period for CVR Testing which is from 2024-34. The RSA have also issued the latest and updated version of the Premises & Equipment Guidelines (2022. V1).

The SIMI/VTN Annual Conference returned to Killashee House Hotel last November and was attended by RSA personnel and members alike. The RSA gave a series of detailed updates on where the overall system is currently at and what members can expect going forward.

As a concession, given the disruption caused by the COVID pandemic, it was agreed following input from SIMI and the VTN Committee, that an extra three-year period of a shorter authorisation from March 2024-27 would be allowed. This timeframe would give adequate time to the test operators who needed it, to upgrade their premises whereupon they can then re-apply for a new authorisation to take them up to the main common end date for the next ten-year authorisation period, March 2034.

The RSA requires CVRT to deliver high-quality consistent testing and a high quality service to be undertaken in suitable premises using appropriate quality equipment. They fully recognise that the level of investment required by some CVR operators, to enable them to comply fully with the provisions of the latest premises and equipment guidelines may be considered too great, such that they withdraw from the service or do not seek further renewal of their authorisations after March 2027.

However, the RSA have consistently underlined to the Network that they do want to achieve “a level playing field” for all test operators and the premises and equipment guidelines are

designed to create uniform and consistent facilities throughout the country. In particular due to inflation, rising business costs, the current skills shortage in the industry and difficulties in both retaining and sourcing staff, we have asked the RSA to implement a long overdue increase in fees as per recommendation 8 of the 2019 Review Programme, where test fees should be increased using the CPI with a baseline of November 2019. The RSA have indicated that they agree in principle with these recommendations and talks with the Department of Transport are ongoing in this regard as to achieving an implementation date as soon as possible.

The CoVIS system has also been updated in recent times. There have been some issues encountered by test centres and we will continue to work with the RSA to resolve these issues to ensure that all test centres do not suffer unplanned downtime and can continue to deliver the customer service that they are renowned for.

We will also continue to work forward with the RSA on the CVR Project and on the 2019 Review document which sets out the recommended path for the development of the service going forward.

At European level, a Revision of the Directives of the Roadworthiness Package is underway. Vehicles are becoming ever more complex and to keep pace with this trend, adaptations in the methods of inspecting vehicles will need to be considered in the future. Visual and Mechanical vehicle inspections which are the current modes of inspection will need to be enhanced. Access to vehicle data and OBD will play a part in ensuring the functioning of modern safety components, ADAS-related systems and emission-related features over the entire lifetime of a vehicle.

Test sector members are busy, there is a lot of work to be done and decisions to be made about going forward into the next authorisation period for ongoing positive development of the system in the years ahead.

COMMERCIAL VEHICLE SECTOR

The market for Light Commercial Vehicles (LCVs) in Ireland tends to be a steady and consistent affair with around 25,000 units per annum on average over the last seven years. After a really good performance in 2021 giving a record high of 28,742 units sold, the supply chain problems

which have bedevilled the industry in recent times brought registration numbers back to a sobering 23,653 units in 2022.

LCV Manufacturers/Distributors are fully committed to achieving EU climate neutrality targets. The Motor Industry recognises that a rapid shift to low and zero emission vehicles is now essential. In this regard, it is vital that the development of zero emissions LCVs will play a critical role in the sustainable urban mobility and logistics plans that are being developed for countries, cities and towns. As well as LCVs being used to transport goods, they are also vital for the delivery of services. They are key components in logistics chains and must, therefore, be given key consideration in any urban logistics plans going forward.

For businesses, we know that there is a strong cost of ownership focus in purchasing commercial vehicles and lifecycle costs are carefully considered when purchasing a new vehicle. It is important to be aware that this transition will happen segment by segment in the overall commercial vehicle market. We expect as the number of new zero emissions LCV models increase, we will see a significant increase in their market share. The first vehicles to make this shift when considering the total CV market, are likely to be those vehicles that are currently used in urban environments. As technology advances and the range of low and zero emission vehicles increases, the market will obviously grow, provided that there is availability of a suitable charging and refuelling infrastructure to enable the market ramp up of electric mobility which seems to be the way forward, certainly for LCV (N1 and N2) category vehicles.

However, despite the rapidly growing and successful development of the EV sector in the car market over recent years, the LCV market is developing at a much slower pace. This is due to a number of factors, not least because the lower production volumes of vans compared with cars does not allow for the same economies of scale. Therefore, they have longer development and production cycles and lag behind in terms of technological development. That is mainly why, for LCVs, diesel engines continue to dominate the CV sector making up 96% of total LCV registrations in Ireland for 2022. This tends to mirror the situation in Europe where diesel engine vehicles still make up 86% of new LCV registrations.

It is notable though, with the massive

investment the Motor Industry is putting into complying with the climate change agenda, that predictions are the market will rapidly change as the options for operators in terms of models increases. Provided adequate infrastructure continues to be put in place and the Government continues to implement positive measures to enable operators to transition to new, more environmentally-friendly vehicles, we should be positive about what is probably the biggest ever change seen in the Motor Industry in modern times.

In relation to the Heavy Commercial Vehicle (HGV) market, the seven-year average registration figures come in at approximately 2,200 units per year and, true to form, 2022 reflected what is a very stable sector within the overall CV market. Supply chain problems continue to cause issues with some distributors reporting 12 months delivery on the specialised vehicles that they typically supply. The climate change agenda has triggered massive investment in zero emission technologies and will entail a profound restructuring of the commercial vehicle industry. Ensuring that transport operators will invest in, and can profitably operate, zero emission vehicles in the HCV sector is a truly huge challenge. While the Motor Industry's truck and bus manufacturers are strongly committed to providing the right vehicles to achieve climate change commitments, they will be crucially depending on Government policy and other Industry stakeholders living up to the same ambition level in terms of providing the necessary structure to operate these vehicles. CV operators and hauliers invest in vehicles based on profitability considerations, so the solutions going forward are going to have to make sense to the end user.

For the present time, as with the LCV market, diesel vehicles still remain the engine type of choice for HCV customers and we appear to be some years away from achieving anything like the range that Operators are used to in this sector. Despite significant growth from a zero base, electrically chargeable vehicles still make up only 0.6% of the EU HCV market and sales of alternatively fuelled HCVs accounted for 2.8% of the total EU market in 2022.

The bus and coach market in Ireland is also a very specialised sector running at a 7-year sales average of approximately 350 new units per year. It is a sector that was badly hit by the pandemic, given the impact on tourism and indeed normal local travel arrangements during that period of time. Electrically-charged buses continue to make real headway in the EU taking a 12.7% share of the EU market in 2022 and the

Government has taken a good lead in terms of switching public sector fleets to this type of vehicle.

The outlook for the next twelve months in the CV sector would appear to be about managing supply chain issues and trying to get supply back in line with demand. Despite some economic storm clouds lurking on the horizon, most distributors remain positive for the coming year.

Climate Action Group

This group was established in 2019 to collectively manage the transition to alternative fuel technologies. The Government has issued several iterations of their Climate Action Plan and the Motor Industry needed to present its view of the quickest way to transition the fleet to zero emissions transportation. The group includes all sectors of the industry together with a panel of consultants and stakeholders, was established. A Terms of Reference was prepared, and the group began work on these objectives:

- Deliver a five-year-year Strategic Climate Change Plan.
- Create a Climate Change Stakeholder Map with dependencies within sector directly affecting vehicles.
- Create a set of data tools to support the plan.
- Engage in consumer insights.

The outcome was extremely successful and in March 2021, the SIMI launched its own Climate Action Plan, completed by Economist Jim Power and internationally-renowned transport expert Terry Lee Williams from ARUP. The report received wide acclaim from the media, members, businesses and consumer organisations. The document remains very accurate and relevant, and many commentators use it as a reference on how to achieve our climate emission targets from transport.

The Working Group is now preparing an Annual EV Report for 2023 and the next iteration of the Climate Action Plan which will be ready in 2024 and will cover the period 2026-2030.

The current basket of incentives that are available for battery electric vehicles and hybrid technology are some of the best incentives in Europe. However, ambitious targets for an electric vehicles fleet can only be obtained with continuous support through incentives, both financial and non-financial, until such time as the technology becomes affordable and comparable with the cost of internal combustion vehicles. This group is influential in deciding on, and delivering, successful campaigns to achieve the continuation of these incentives. They also influence the strategic development

of the infrastructure and the development of advertising and social media content to promote alternative fuel technology.

The group has been credited with many successful campaigns and the future development of this sector will be influenced by the thinking and drive of this creative and delivery-driven assembly.

PETROL/OIL SECTOR

The petrol/oil company sector continues to play a key role in the Irish economy, not just in the product it sells but also in the tax it generates for the Exchequer, in the region of €3bn annually, and in the local employment and economic activity resulting from over 1,700 retail sites in the State, employing in the region of 13,000 people countrywide. Fuel taxation is very high in Ireland, with circa 50% of the retail price of fuel returned to Irish Revenue.

The cost of living crisis saw the Government reduce fuel duties temporarily during 2022 and into 2023, although the process of reversing these reductions has already begun. Further fuel taxation increases via the carbon tax have been signalled between now and 2030. The Government confirmed that it is to introduce a minimum percentage of ethanol in petrol with effect from 1 July, 2023. This introduction of E10 is within the context of a planned annual increase in biofuel blending obligations on fuel suppliers, as set out in the Renewable Fuels for Transport Policy to meet Climate Action Plan targets.

Franchise Retailers Executive

This section of our Industry is extremely strong within the SIMI structure. The group is well represented at Board level and contributes a huge amount towards the policy and lobbying dossier of the organisation. The retail sector has had a strong financial return this year, even with a reduced new car market and a minimal supply of used cars from the UK and Japanese markets. This has led to robust used car values due to limited supply. While this benefits the retail sector in the short term, the long-term viability of this model will be very difficult. We need a strong new car market to create a buoyant used car fleet, which is particularly important as we transition to alternative fuel technology.

The Retail Franchise Sector has had to manoeuvre its way through a unique trading environment. This has been achieved despite an unparalleled set of external circumstances: Brexit, limited supply chain, semi-conductor availability, a cost-of-living crisis and a reduction in consumer confidence.

Climate change and promoting cleaner, safer and more sustainable mobility is a critical objective for the motor sector and the franchise network. The Motor Industry is ideally placed to meet the demands of sustainable transport, connecting our urban, suburban and rural communities while reducing our reliance on fossil fuels and transitioning to alternative fuel technology. While this transition will come with many challenges, it also offers the Motor Industry a huge opportunity in moving all our customers to electric vehicles over the next few decades. The Franchise retailers are accelerating the move with many new options of electric and hybrid/plug-in hybrid vehicles. This, together with changes in attitudes and behaviours, will help with the transition. The SIMI Climate Action Plan to reduce emissions was launched, in March 2021, to widespread acclaim and support from other business sectors and the media. The four-point plan describes the solutions that are required to meet the Governments targets, backed with technical and financial data. The success of this project depends upon continued incentives, an efficient infrastructure, removing the most polluting vehicles off the road, investing in public transport services and instilling confidence into consumer purchasing decisions. Climate change will be the biggest challenge for all stakeholders and a huge opportunity – if the policy decisions are aligned with International best practice, the result will be a move towards our zero emissions transport targets. This is a seismic change that must be strategically planned, realistic and managed correctly by all involved, so it is beneficial to all and most importantly our planet. The market for 2022 post-pandemic has hinged on the dynamics of supply and demand. COVID, supply chain issues, computer chip shortages and a reduction in the number of used imports from the UK has all led to a significant reduction in the number of new and used car sales. While used car values have remained strong, the supply issues are limiting the move to electric vehicles and the replacement of the fleet. Consumer confidence and sentiment had dropped a little due to global unrest with the war in the Ukraine, and an increase in energy prices and inflationary pressures will mean that consumer confidence will remain extremely cautious for the year. While the second-hand market performed well, as did the aftermarket, the need for a buoyant new car market has become more important. The finance market has seen its own challenges as inflation has led to interest rate increases and although the market is still very strong, we may see the increased cost of finance as an issue into 2024.

The distribution of new vehicles through the existing network channels will be a challenge for franchise retailers as we see many manufacturers grappling with new business network models such as agency contracts. This will benefit some retailers and disadvantage others. How the Industry plots its way through this period of huge change will be extremely challenging. Practical, pragmatic, and effective leadership is required to get the right result for the businesses and their employees. As we go through this period of significant change, we need to be clear about our direction and the need to innovate and develop change that can benefit our sector and allow us to thrive through the next decade – our customers will expect nothing less.

INDEPENDENT SECTOR

The Independent Retailers Committee are very active in identifying and highlighting the obstacles independent members face and working towards addressing these issues through the committee. Delays in NCT appointments, technician shortages and availability of used vehicle stock continue to contribute to a difficult trading environment for independent members. Rogue operators and the shadow economy remain a priority for the committee.

Work by the committee continues in conjunction with all sectors of the Industry and stakeholders to develop the Safe Car Programme to bring about licensing within Industry for vehicle repairs. The programme is primarily designed for safety and standards, however it should also serve to strengthen the sector and address the shadow economy by aiming to ensure that only appropriately-qualified individuals in a licensed business are permitted to carry out repairs on vehicles. Attracting and retaining technicians and apprentice technicians is a key focus for the committee and the sector. Members of the independent committee form part of the Apprentice Steering Group, which, through the team at the SIMI, are continuously working on ways in which the industry can attract and retain technicians. Training in EV/hybrid technology is identified as crucial over the coming years. This is currently being provided through SIMI Skillnet and will also be developed through the Safe Car Programme to develop a QQI accredited HVT Technician course for the industry. SIMI and its members engage with career fairs, guidance counsellors and schools on a constant basis to promote the pathways to, and benefits of, careers in the Motor Industry and apprenticeships. The

independent sector will be represented at Worldskills Ireland 2023 to deliver the message to students, parents and teachers about careers and apprenticeships within the sector. The Independent Retailers Committee in conjunction with the Parts Wholesalers Committee hosted its first in-person Independent Aftermarket Conference since the COVID pandemic and the event was a huge success. The committee would encourage any independent retailer or repairer to become involved in the committee. It is from independent members' issues and experiences that the committee can identify key obstacles in our sector, which the sector can then work to resolve.

VEHICLE MANUFACTURERS/ DISTRIBUTORS

Supply constraints remain a major challenge for the Industry with a number of vehicle manufacturers ceasing or limiting production over the past year, however it is reported that this issue is starting to resolve and should be fully resolved by the start of 2024. It is predicted that the new car market will be in the region of 115,689 by the end of the year. The surge in inflation over the last eighteen months has led to an increased cost of living, and even though it would appear that inflationary pressures are easing, price pressures continue to increase, and any inflationary increases in living costs are now embedded in people's daily lives. Cost of living, increasing costs of vehicle production and increasing interest rates, along with the fall in consumer confidence, could impact on the number of vehicles registered.

One of the continuing major challenges for the new car market is the climate change agenda. Vehicle manufacturers are making huge investments in both electric vehicle and lower-emitting ICE vehicles. While there were no changes to VRT in Budget 2023, it was signalled that the €5,000 SEAI EV purchase grant would be reduced in the second half of 2023, this Grant will be reduced by €1,500 from July 1. A new BIK structure for company cars came into effect from January 1, 2023, which increased the charge on both EV company car drivers and high mileage drivers who are required to use their company cars to undertake their employment. To mitigate against the cost of living increases, the Government announced a temporary relief from the new BIK regime. A €10,000 reduction is to be applied to the OMV of company cars in Category A-D, the reduction will also apply to all vans and electric vehicles. The VRT relief for EVs is due to expire at the end of 2023. This relief is of particular importance in the family

car segment of the market. Reductions in the supports for EVs is damaging to the move to zero emission vehicles. Currently €105 million has been allocated to the EV Project, but this is required to cover a number of areas including the SEAI EV purchase grant, home charger grant, taxi grant scheme, public charging etc. There is competition for funding allocation for all of these and there is a concern that additional funding will not be provided, which could lead to the further reduction or even removal of the SEAI EV purchase grant.

The EV market share continues to grow each year. The EV market share, BEV and PHEV combined (25%), surpassed diesel vehicles (22%) for the first time in Q1 of this year.

VEHICLE RECOVERY OPERATORS SECTOR



The Recovery Sector like other businesses in the Industry has been faced with increasing costs over the last 12 months. The rising cost of fuel in particular has been very challenging for members to deal with. Insurance premium increases and wage demands from staff have also contributed to another challenging period for operators in the sector. However, traffic volumes for both commercial and private journeys have returned to pre-pandemic levels, so this has seen an increase in business volume for recovery members. The sector is facing issues and challenges with regard to the insurance companies and motoring clubs for the work carried out by our members. SIMI recovery operators are also competing against rogue and unregulated operatives. The SIMI VRO sector members continue to promote the professionalism and the competency of the sector to the SIMI membership in general and to the motoring public. The SIMI VRO logo is promoted and

used by VRO members on their various company vehicles, websites and social media platforms. The logo was advertised and continues to be promoted to the general SIMI membership through the various SIMI communication portals.

Vehicle Body Repairers Sector



With traffic volumes back to pre-pandemic levels, body vehicle repairers are very busy. There is plenty of discussion within this sector as to the requirements for the future due to the ever-growing complexity of new vehicles. So, what is the biggest challenge facing this sector? There are several challenges but perhaps the most pressing is the shortage of skilled technicians. There is simply not enough 'young blood' taking up apprenticeships within the Industry and this can only be tackled by attracting new people into the industry and offering them an attractive career path. With the lowest unemployment levels in the history of the state, retaining existing people within the Industry is also becoming a crucial factor. We are currently undergoing one of the biggest periods of change in Motor Industry history. The market share of electric vehicles (EVs) is rapidly increasing year on year. Given the growing number of EVs coming into the national vehicle fleet with complex hybrid and electric systems and the ever-increasing complexity of ADAS-based safety features, VBRS members are asking new questions every day about this tidal wave of new technologies coming down the tracks. Am I prepared to take on the repair of an EV? Do I have a dedicated facility to charge an EV? Is my bodyshop equipped? Do I have personnel trained to handle the repair of an EV and implement the necessary safety procedures and precautions called for in dealing with high voltage vehicles? A VBRS repairer should expect the possibility of receiving EVs with various levels of crash damage. So knowing how to deal with these vehicles safely is now a priority and this will require confidence, training and investment in the future.

Many of the risks surrounding EVs are relatively new and insurers are somewhat cautious, so it's essential that a VBRS business takes advice

and carries out an appropriate risk assessment to make sure it has adequate insurance in place to cover all risks associated with repairing and storing these new technology vehicles. Inflation, rising energy costs and supply chain difficulties in obtaining the specialised parts required for crash repairs has also impacted the sector in recent times. There is a responsibility on distributors to ensure realistic availability of the parts needed to effect efficient repair of vehicles for their customers. Unfortunately, some of these parts required after a collision are not "fast moving parts," depending on crash damage. Of course, a customer never really thinks that they will crash their car but if they do, they expect that the aftermarket support is there. The VBRS sector depends on support from the manufacturers/distributors and aftermarket parts suppliers in this regard.

The future looks bright with a potentially terrific opportunity for those who can adapt to the demands of what the VBRS business will require going forward. But the biggest thing that needs to happen when one talks to people within this sector, who are passionate about what they do, is that they need the insurance Industry to understand the investment required in this sector going forward and to work closely with their repairers in understanding the costs, giving them the confidence to make the required investment necessary for the future. Otherwise, there is a real fear that the professional repairers that want to invest in the specialised personnel and the right equipment to deal with today's technologically advanced vehicles, will simply exit the market in the long run, finding they are not getting adequate return for their endeavours. This will ultimately lead to less choice, for both the consumer and the insurance industry, in relation to the availability of a professional motor industry repair service going forward.

This is a sector that provides an essential service to customers who have often had a stressful event with their vehicle. Vehicle Body Repairers are an integral part of the Motor Industry and we would encourage all of our members to support our VBRS members who undertake the highest standard of professional repair of motor vehicles.

WINDSCREEN REPLACEMENT SECTOR

The Windscreen Replacement sector continues to focus on the importance of standards and the potential benefit of recognized qualifications and training for operators and operatives. Qualifications and accreditation support the ongoing needs of employee development.

It will be necessary to benchmark minimum competency standards for existing operatives within the sector. We also need to provide new and better training with accreditation/qualification systems for new entrants into this growth area. The potential to develop continuous professional development for all operatives in this segment, as well as a return to normal business, is the priority for this group.

WHOLESALE SECTOR

Throughout the year, the Wholesaler Sector has been well-represented at management level by Chairperson Gillian Fanning. SIMI, along with Gillian, have participated in a number of FIGIEFA meetings throughout the year, representing the Irish sector at a European level and engaging with ITGs and aftermarket organisations across different countries. Together with FIGIEFA, there has also been ongoing engagement with Irish and EU politicians, and the Road Safety Authority, to promote the interests of the Irish aftermarket. The key issues for the sector are: remote access to data, Data Act, Motor Vehicle Block Exemption Regulation, T1 Parts not accessible.

Bankers

Allied Irish Banks,
1-3 Lwr Baggot St, Dublin 2

Auditors

Grant Thornton,
13 - 18 City Quay, Dublin 2

Solicitors

Hayes Solicitors,
Lavery House, Earlsfort Terrace, Dublin 2

Insurance Brokers

Willis Risk Services (Ireland) Limited
Willis Towers Watson House,
Elm Park, Merrion Road,
Dublin 4

Publishers

IFP Media Ltd,
Castlecourt,
Monkstown Farm,
Glenageary, Co Dublin

Website

www.simi.ie



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The Society of the Irish Motor Industry
5 Upper Pembroke Street, Dublin 2

info@simi.ie | www.simi.ie | [@SIMI_ie](https://twitter.com/SIMI_ie)