

SIMI Annual Report



2021-2022







Annual Report 2021–2022

CONTENTS

- 4** About SIMI: Mission Statement
- 5** Look Back
- 10** Membership Services
- 11** SIMI Management Board
- 12** SIMI NEC 2021-2022
- 15** Membership by Numbers
- 16** President's Report
- 18** Director General's Report
- 20** SIMI Executives
- 21** Training
- 22** Consumer Complaints Service
- 23** Human Resource Management Service
- 24** Priorities by Sector



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

LOOK BACK

2021

May



SIMI President Gillian Fanning re-elected to a second term in office, at Annual General Meeting (AGM) held virtually

Phased re-opening of showrooms and vehicle sales fully re-open on May 17



June

SEAI announce company car users can now apply for EV Home Charger Grant

SIMI lobbied for some time to get this charging grant approved.



July

Motor Industry optimistic as 212 registration plate commences



August

Over 26,000 new cars registered in July

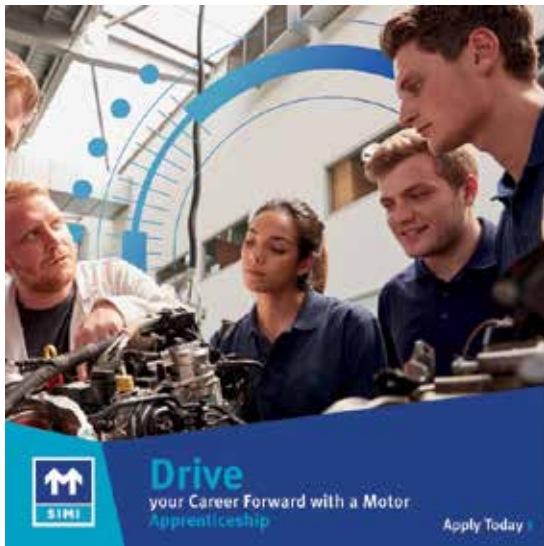


September

August New Car Registrations Up 25%; Budgetary measures need to build on momentum of lower emitting vehicles



SIMI Apprenticeship Recruitment Campaigns



SIMI launched a social media campaign for recent school-leavers highlighting new apprenticeship opportunities now available on our website.

Motor Industry angry and deeply concerned with regressive proposals to increase vehicle registration tax on EVs



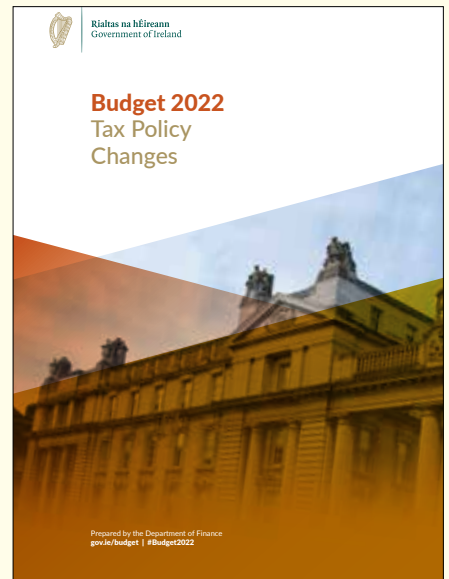
October 22% decline in September new car registrations, 18% upward trend in EV segment

Support the EV Project – No VRT increases and extend EV incentives in Budget 2022



Tom Cullen, Deputy Director General, SIMI, and Charlie McConalogue, Minister for Agriculture, Food and the Marine

BUDGET 2022 – mixed reaction from Motor Industry



Motor Industry appalled at illogical decision to withdraw key environmental incentive Government announces removal of incentive from customers who have pre-ordered low emitting plug-in hybrid vehicles for 2022

November New car registrations up 15% in October

Decarbonise national fleet, Industry and Government must work together to give consumers real choice

Irish Motor Industry and Government share responsibility towards Climate Action Targets



The Climate Action Plan 2021 announced by Government, outlines a range of Industry specific emissions reduction targets for each sector of the economy.

Brian Cooke, Director General SIMI speaking with Sharon Tobin RTE Six One News about the Government's plan to reduce emissions from transport, including a move to electric vehicles and achievable targets. He emphasised the need for Government to invest now in charging infrastructures and to maintain the grants & supports in place for electric vehicles.

December November new car registrations up 24%

EV supports vital to create a viable used car market

SIMI Addresses Oireachtas Committee on the Environment and Climate Action



Addressing the Oireachtas Committee on the Environment and Climate Action (virtually), Brian Cooke, Director General, SIMI, highlighted the importance of the extension of EV supports, the rolling out of a national charging infrastructure, and an increased focus on supporting the business EV market. He also underlined the importance of growing the new electric car market which will in turn create a viable used EV car market.

2022

January

2021 new car registrations up 19%

Apprentice Advert Campaign

SIMI commence a national and local radio advertisement campaign to raise awareness about Motor Industry Apprenticeships and where potential candidates can find information, www.simi.ie/apprentice



February

Over 25,000 new cars registered in January, significant growth for electric and hybrid vehicles

Independent report highlights huge decarbonisation challenge



Terry Lee-Williams, ARUP; Brian Cooke, Director General SIMI; Gillian Fanning SIMI President; and Jim Power Economist

March

Apprentice Expo

SIMI took part in the 2022 Apprenticeship Expo in Meath. The event provided secondary school students with the opportunity to speak to SIMI about the benefits of motor apprenticeships and pursuing their career in our Industry.



Damien English, TD Minister of State Business, Employment and Retail and Colin Walsh at the SIMI 2022 Apprenticeship Expo Meath



SIMI's Colin Walsh and Teresa O'Neill at 2022 Apprenticeship Expo Meath



SIMI launched a Secondary Schools and Apprentices competitions. The competitions were open to all secondary school students and apprentices. The objective of the competition was to raise awareness about the benefits of an apprenticeship and how one is obtained.

April Double Celebrations at Irish Motor Industry Awards



SIMI President Gillian Fanning, the first female President in the Society's 100 year history, addressed the audience at the SIMI Annual Dinner and Irish Motor Industry Awards, held in partnership with sponsor Bank of Ireland, at the Clayton Hotel in Dublin.



SIMI were present at the 2022 School Summit in Connacht GAA Air Dome to provide information to students, parents and guidance counsellors on the benefits of a Motor Industry apprenticeship and the various career paths available within our sector

May 71% of women would recommend a career in the Motor Industry

A survey of 140 women from across the Industry was carried out as part of SIMI's ongoing drive to encourage more women to join what has traditionally been viewed as a male-dominated sector and coincided with the 7th Annual Women@SIMI event in conjunction with sponsor Bank of Ireland. The event, which took place recently at the Gibson Hotel, Dublin, featured an impressive panel of guest speakers: Anne Cassin, Master of Ceremonies, Lucy Gaffney, current Director of Digicel Group and Sharon Keegan, founder of female-led athleisure wear company Peachy Lean.



Teresa Noone, Communications Director, SIMI; Sharon Keegan, founder, Peachy Lean; Gillian Fanning, SIMI President; Emma Mitchell, Operations Director, SIMI; Lucy Gaffney, Director, Digicel Group; and Anne Cassin, Master of Ceremonies.

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



**GILLIAN FANNING
PRESIDENT**



**ANTONIA HENDRON
DEPUTY PRESIDENT**



**JONATHAN MEADE
HONORARY
TREASURER**



**GABRIEL KEANE
IMMEDIATE PAST
PRESIDENT**



**PADDY MAGEE
CHAIRPERSON
IMPORTERS'/
DISTRIBUTORS'
COMMITTEE**



**CARLA WENTZEL
VEHICLE IMPORTERS'/
DISTRIBUTORS'
COMMITTEE**



**GAVIN HYDES
FRANCHISE
COMMITTEE & PAST
PRESIDENT**



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



**NOEL DORAN
CHAIRPERSON,
INDEPENDENT RETAILERS'
[SERVICE] COMMITTEE**



**LIAM DENNING
CHAIRPERSON, VBRS
COMMITTEE**



**JAMES HENNESSY
CHAIRPERSON,
INDEPENDENT RETAILERS'
[SALES] COMMITTEE**



**MARK WOODS
PETROL/OIL
COMPANIES' SECTOR**



**BRIAN COOKE
DIRECTOR GENERAL**

SIMI National Executive Council 2021-2022

HONORARY OFFICERS

PRESIDENT

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road
Tallaght
Dublin 24

DEPUTY PRESIDENT

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

IMMEDIATE PAST PRESIDENT SIMI

Gabriel Keane
Kia Liffey Valley
Gabriel Keane Motors Limited
Liffey Valley
Dublin 22

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

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

Steve Tormey

Toyota Ireland
Toyota House
Killeen Road
Dublin 12

Kevin Davidson

BMW Group Ireland
Swift Square
Santry Demesne
Dublin 9

Eddie Kavanagh

OHM Group
Baldonnell Business Park
Dublin 22

Stephen Gleeson

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

Ronan Flood

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

James Brooks

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

James McCarthy

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

Carla Wentzel

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

David Thomas

Volvo Cars Ireland
Killakee House
The Square, Tallaght
Dublin 24

Ciaran Kinahan/Siobhan Shaw

Motor Distributors Ltd
Naas Road, Dublin 12

Des Cannon

Gowan Distributors
Gowan House, Naas Rd,
Dublin 12

WHOLESALE'S SECTION

CHAIRPERSON WHOLESALE'S COMMITTEE

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road,
Dublin 24

Brian Dennis

Qualvecom
Unit A1
Knockmitten
Western Industrial Estate
Dublin 12

Michael O'Toole

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

Sean Holland

Finol Oils Ltd
3 Stannaway Drive
Crumlin, Dublin 12

Niall Murray

Tractamotors Ltd
Dublin Road
Cavan, Co Cavan

Seamus Moore

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

Tom Dennigan

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

Mr Paul Ward

Maxol Lubricants Ltd
Unit D
Airport Business Campus
Santry
Dublin 9

Alan Gaynor

J & S Automotive Distributors
Unit 17
Park West Road
Park West
Dublin 12

RETAILERS' SECTION

CHAIRPERSON FRANCHISE COMMITTEE

Gavin Hydes
Joe Duffy Group
Exit 5, Charlestown, Dublin

CHAIRPERSON INDEPENDENT RETAILERS' [SERVICE] COMMITTEE

Noel Doran
Robertstown Motors
Ashbourne, Co Meath

CHAIRPERSON INDEPENDENT RETAILERS' [SALES] COMMITTEE

James Hennessy
James Hennessy Motors
Stillorgan Road
Mount Merrion, Co Dublin

CARLOW

Rowena Dooley
Dooley Motors Ltd
Sleaty Roundabout, Carlow

Noel Howard

High Precision Motors
Products Ltd
Dublin Road
Tullow
Co Carlow

CAVAN

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

Tómas Brady

Brady's Cavan
Dublin Road
Cavan, Co Cavan

Padraig Brady

Brady's Arva Ltd
Arva, Co Cavan

CORK

Gerard O'Sullivan
Ardfallen Motor Care
Ballycurreren 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 Motors
153-155 Harold's Cross Rd,
Rathmines
Dublin 6W

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
Marie Proudfoot

Nobber Motors
Nobber, Co Meath

Mr Jim Quinn

Quinn Crash Repairs Ltd
Bellinter
Navan
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
Co Tipperary

WEXFORD
Mark Boggan

Hugh Boggan Motors
Carriglawne
Newtown Road
Co Wexford

VEHICLE BODY REPAIRERS' SECTION
CHAIRPERSON VBRS COMMITTEE
Liam Denning

Dennings Cars
Bellavista
Spawell
Tallaght
Dublin 24

Nigel Pratt

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

Jamie Lawlor

Jamie Lawlor Crash Repairs
Ard Gaoithe Business Park
Clonmel
Co Tipperary

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

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

CO-OPTED MEMBERS
Sue O'Neill,

ITIA

Michael Fennell,

IMI, Irish Region

Brian Merrigan, IFHA
Paul Redmond, CRCI

Morgan McAndrew, VLAJ

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 2022



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

TOTAL: 1,190

President's Report



We have been and are continuing to live through unprecedented times - a global pandemic, a climate crisis, Brexit, rising inflation, global supply issues and the recent outbreak of war. The crystallisation of all these factors has made business extremely difficult over the past few years and this is unlikely to change in the near future.

Our Industry has played an essential role in keeping the country moving since the onset of the pandemic in 2020 and I want to commend the collective efforts of our members who were able to stay in business by adapting rapidly and innovatively to the changing conditions that Covid-19 presented, while at the same time taking the necessary precautions to keep their staff and customers safe. What really became apparent during the height of the pandemic is just how quickly the industry was able to adapt to changing circumstances and constantly shifting goalposts, and we should be proud of our response. As well as embracing remote working and online communications platforms, our members innovated in finding new solutions, new sales channels and new ways to build value for themselves and their customers. We've rapidly accelerated into the digital space with the use of IT platforms, and online media has provided a vital shop window for customers looking to buy cars. I have absolutely no doubt that our members' continued investment and developing expertise in IT will complement their face-to-face sales functions and enhance their product offerings over the months and years ahead.

Without a doubt, the climate crisis is the most urgent and immediate challenge that we are currently facing. Immediate action is needed if we are to avoid the risks of severe climate change and its negative effect on people, wildlife and ecosystems. Our generation has the opportunity to make a difference before it is too late but we need to act now. The Motor Industry globally is investing billions in the development of new technologies to meet climate change objectives and targets, while at a national level, SIMI distributor and retail members are already supplying the vehicles to help customers make better environmental decisions. And while this is absolutely necessary, the road to a world powered by a carbon-free energy future will most certainly present significant challenges to our businesses.

We're taking this very seriously. SIMI recently launched an independent climate change report co-authored by two external partners - global transport management company Arup and one of Ireland's most respected economists, Jim Power. The report outlines an approach to decarbonisation, the policies required and how the Government can work alongside the Industry to create real change and achieve a cleaner national fleet. SIMI members are, of course, key stakeholders in the de-carbonisation and electrification project. The Industry will supply the vehicles, but if we want to match the ambition of the Government's Climate Action Plan, we will need the support of the other stakeholders, as it's only by working together that we can empower customers to reduce their carbon emissions. With the right economic and taxation environment, our members can rise to this challenge and meet our environmental and commercial targets.

Like all plans, actions speak louder than words and the success of this ambitious plan is dependent on vital behavioural changes by motorists, politicians and industry leaders. A nationwide survey by Behaviour & Attitudes of over 1,000 motorists, recently carried out for SIMI, clearly demonstrates the behavioural challenges we are facing.

The survey found that one of the key barriers to changing to a new EV is the lack of perceived clarity around Government grants, subsidies and targets for consumers, with three quarters of those surveyed saying they do not understand the existing information that is publicly available. Respondents also had similar concerns regarding affordability, the availability of charging points, the challenges of driving long distances and battery lifespan. All of these issues and uncertainties need to be addressed in order to increase consumer confidence and to eliminate barriers to change. This will be an immense challenge and ongoing support from all stakeholders, including electricity suppliers and where necessary, Government, in terms of developing the charging network, is vital if we are to convince more consumers that an electric vehicle is a viable choice of car for their driving needs.

We also need Government to deliver the right taxation and incentive framework to allow us to optimise emission reductions. In the short term, it's essential that the existing basket of electric vehicle (EV) incentives are maintained

until we see a move towards mass adoption over the next number of years. To achieve our carbon reduction targets, we need certainty for consumers so that they can make the required behavioural changes and invest in new and newer vehicles, as well as certainty for the industry so that we can plan ahead accordingly.

Like many other sectors, the Motor Industry is experiencing skill shortages. With the rapid transition to EVs, training and upskilling technicians is critical, and the active promotion of apprenticeships and career opportunities remains a top priority for the Society. We all have a collective responsibility to help promote our Industry and the opportunities that exist within it.

I can't stress enough the importance of diversity within our sector, particularly in relation to the male/female employee ratio. Women make up a huge proportion of our customer base, yet they are significantly under-represented in our industry.

A new survey carried out by SIMI found that 71% of respondents would recommend a career in the Industry to others. The survey of 140 women from across the Industry was carried out as part of SIMI's ongoing drive to encourage more women to join what has traditionally been viewed as a male-dominated sector and coincided with our recent annual Women@SIMI event in conjunction with sponsor Bank of Ireland. The survey found a positive outcome to change within the Industry, where 67% of respondents believe that women have become more visible in the industry in recent years, while 67% of respondents also said that their companies had increased the number of new female employees recruited over the last three years.

However, some notable statistics emerged, showing over half of survey respondents believe that women are under-represented in their organisation, while 40% said that women did not have the same opportunities for advancement as men in their companies. Just 26% of survey respondents identified themselves as being at Director/Board level in their organisation. This is lower than the national average of 30%. When asked about what factors could help progress women in leadership roles, a change in cultural perception of the automotive industry overall came out on top, followed by a more flexible working environment, greater management support, and leadership skills/training along with mentorship.

Research has shown that female employees contribute significantly to the long-term success of any company, yet the Motor Industry is lagging behind many other sectors in terms of gender diversity. While our research found that the majority of female employees have seen positive changes for women over the past three years, under-representation of women across the board, and particularly at senior levels, is clearly evident. However, what's encouraging is the fact that almost 86% of respondents feel supported by their male colleagues and this support is critical to the success of gender diversity initiatives.

While there's no doubt that progress has taken place over recent years, with greater visibility of women than ever in the industry, we still have a long way to go in terms of addressing the inherent gender imbalance. We must continue to stress that this is not just an industry for men and highlight the diverse range of roles and opportunities on offer for women if we are to reap the proven rewards of increased female participation in our sector. We need to plan for the future – a future that will hopefully mean a greater number of women joining us and taking on senior roles and making strategic decisions for their companies. Over coming years, we all have a role to play in ensuring that this vision becomes reality.

It is great to see the return to in-person events, with the Annual Dinner, Women@SIMI and our AGM. 2022 is a very special year for the Society of the Irish Motor Industry as it's our centenary year. This is a remarkable achievement and a cause for celebration, and the Society is planning to mark this milestone at different occasions through the remainder of the year. There would be no Society without members, and our members are the beating heart of this organisation, consistently demonstrating this via their integrity, professionalism, and commitment to the Industry. The SIMI story, which started in 1922, will hopefully continue for at least another hundred years.

Finally, I've had the privilege of being your President for two years and I'd like to thank our members and the SIMI Management Board for affording me the opportunity to stay in office for a second term during these difficult and turbulent times.

A handwritten signature in blue ink that reads 'Gillian Fanning'.

Gillian Fanning
President, SIMI

Director General's Report



When I addressed the AGM a year ago, we had just experienced an extremely difficult year, much of which had been spent in varying degrees of COVID-related lockdown. While the last twelve months have seen improvement and with a more positive business and economic outlook, it has not been without its challenges. The State's roll-out of the COVID vaccine programme has meant that since the end of February businesses are able to operate in a normal trading environment. However, supply chain issues arising initially from COVID, and subsequently the war in Ukraine, have impacted negatively on business levels.

While new car sales in 2021 totalled 104,932, a 19% increase on 2020, they remain behind 2019 levels, and 50% below what would be considered a normal new car market. On a positive note, the sale of electric vehicles (EVs) more than doubled in 2021, while commercial vehicles sales also saw a significant improvement in 2021, with both new light commercial and heavy goods vehicles sales up over 30% on 2020, reflecting the increase in business confidence as the year progressed. On the other hand, used car imports were down over 20% on 2020 and 44% behind 2019 levels. A further deterioration of imports has occurred into 2022, reflecting both the difficulties of trading in a post-Brexit environment and also the used car supply shortage in the UK. With the economic indicators all pointing in the right direction, including strong consumer confidence indices and record personal deposits, it was expected that new car sales would advance further in 2022. While there has been year-on-year growth, overall registrations still remain 21% behind that of pre-COVID (2019) levels. The return to more normal new car sales levels is being hampered in the short term by both supply chain issues and the uncertain global political climate. The increase in new electric vehicle sales continues to be the one positive feature of the new car market, with over a doubling of last year's sales to the end of April. This acceleration in EV sales is down to both the increase in the number of models now available for sale, and the SEAI grants supporting their purchase. Over the medium term, both the high levels of vehicle taxation and the uncertainty over the continuation of electric vehicle supports has the potential to lead to the ongoing suppression of new vehicle demand. This will only make the ability to optimise the reduction in transport emissions more difficult.

The increase in VRT in Budget 2022, on the back of COVID, Brexit, increased fuel taxes and the dramatic VRT changes in Budget 2021, was hugely disappointing. These increases only add to the already heavy tax burden on new cars, and will serve to slow down the renewal of the fleet, acting as a barrier to reducing emissions. On the other hand, the continuation of VRT relief for electric vehicles out to 2023 brings a degree of certainty to both consumers and the Industry on the vital Electric Vehicle Project and will help increase EV sales over the next two years. The 0% Benefit-In-Kind (BIK) has proved a real success in encouraging EV sales within businesses, and while its extension is positive, the tapering of this relief is too early, and should not have commenced until after 2025. In the weeks following the Budget, we saw a further reduction in grant supports, with the removal of the plug-in hybrid electric vehicle (PHEV) support. This decision was anti-consumer and anti-environment, only adding cost to customers making a sound environmental decision. PHEVs are an important stepping stone to going fully electric, particularly in parts of rural Ireland where there is a lack of charging infrastructure. While SIMI accept supports cannot be in place forever, it was way too early to remove this grant. It is particularly unfair to consumers and the Industry who had ordered cars for 2022 in expectation of this support continuing.

The Government issued its updated Climate Action Plan at the start of November. The core focus in relation to transport emissions is towards accelerating the electrification of road transport and a shift to transport modes with lower energy consumption. Specifically, the plan includes targets for electric vehicles on the road by 2030 – 845,000 EVs; 95,000 zero-emissions vans, and 3,500 zero-emissions HGVs. In addition, the aim is to increase the bioethanol blend rate to reach 10% (E10) and the Biodiesel blend rate to 20% (B20) by 2030. The targets for electric vehicles (EVs) outlined in the Climate Action Plan will prove a huge challenge for all stakeholders: consumers, the Government, and energy providers, as well as the Motor Industry. The Motor Industry has already begun the journey towards electrification, with large-scale investment in new EV technologies on a global level and also investments nationally by local retailers in their premises and their employees. However, it must be highlighted that the Irish new and used car

markets have under-performed over the last decade. If the current low levels of new car sales continue into the future, then we will fall well short of the updated targets. However, if we can significantly increase new car sales to more normal replacement levels, the Industry has the ability to get closer to the EV targets outlined in this plan. This can only happen, however, in the right economic and taxation environment.

Following the Government's Climate Action Plan, SIMI was invited to the Oireachtas Joint Committee on Environment and Climate, to discuss the decarbonisation of the national fleet. SIMI outlined to the Committee the importance of creating an active used EV car market in as short a timeframe as possible, while we also highlighted the environmental benefits of supporting a stronger new car market as a means to replacing the older highest emitting cars on Irish roads with EVs or lower emitting cars. In this regard, we need the State to continue its investment in supporting electric vehicles, both in terms of purchase grants and charging infrastructure.

February 2022 saw the launch of SIMI's own Climate Action Plan, "*Reducing light fleet carbon emissions to achieve Irish Government targets*". This independent report was co-authored by transport consultants Arup and economist Jim Power and highlighted that, in order to deal with the older legacy fleet, help will be required for those with the least economic capacity to make the biggest change. This requires more investment not just at the top end of the market to remain fair and equitable, if Ireland is to provide all commuters with viable low carbon transport options. While the new car market will deliver large numbers of electric vehicles over the next decade, the majority of motorists buy a used car, and for them, particularly those in older cars, their EV journey will be longer. We must support all motorists to trade up to newer, less-polluting cars. This has two clear benefits: it can deliver an immediate reduction in overall emissions and it can shorten the journey time for all owners into an electric vehicle. In this context, electrifying specific fleet sectors can help in the creation of an affordable strong used EV market, removing the barriers to entry for many, and accelerate the electrification of the Irish car market.

The last twelve months has also seen a continued focus on attracting people to our Industry. The confirmation of the National Wage Agreement in June of last year, is an important step in recognising the talent in the Industry. This has been backed up by a national radio campaign encouraging young people to choose a motor apprenticeship. SIMI will be a title sponsor at this year's World Skills Ireland, which provides a great opportunity to showcase what the Industry has to offer as a career path. The Society's Training Service continues to grow; we greatly appreciate the ongoing support of Skillnets. In the area of commercial vehicle testing, the RSA has agreed to provide additional time to those VTN members who need to upgrade their premises, beyond the original deadline of March 2024. We have also seen a return to in-person events, most notably the SIMI Annual Dinner in April and Women@SIMI in May. This June will see the retirement, after over forty years' service, of SIMI's Training Manager, Margaret O'Shea. Margaret has worn many hats in SIMI, particularly in the areas of Customer Complaints, HR and Training. SIMI wish Margaret a long, happy and healthy retirement.

In signing off, I think that it is important to acknowledge it has been a hugely difficult two years for SIMI members and their families. I would like to pay tribute to SIMI members who have shown their determination in the face of COVID, and have continued to serve their local communities, providing vital employment and economic activity. 2022 is the centenary year of SIMI, a hundred years of service to the Motor Industry. We look forward to serving members as we move into our second century.

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



MARGARET O'SHEA
HR & TRAINING MANAGER



MAEVE DOWDALL
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YVONNE SLANEY
SENIOR ACCOUNTS MANAGER



SEAMUS MCCORMACK
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JANE O'SULLIVAN
COMMUNICATIONS & EVENTS EXECUTIVE



TERESA FAGAN
HUMAN RESOURCES OFFICER



COLIN WALSH
INDUSTRIAL RELATIONS & COMPLIANCE MANAGER



SABRINA FORSYTH
RESEARCH & INFORMATION EXECUTIVE



ROISIN TUOHY
COMPLIANCE OFFICER



ADLAN CHEBLI
CUSTOMER SERVICES OFFICER

SIMI Training

Notwithstanding the many tough challenges faced by the Motor Industry during the course of 2021, huge credit is due to SIMI members for their commitment to the ongoing training and development of their employees despite operating restrictions, lockdowns and all of the other problems brought about by the Covid-19 pandemic.

In previous years, most of SIMI short training courses were classroom and workshop-based and often necessitated trainees travelling long distances to attend. However, since early 2020, the SIMI Training Team, guided by the SIMI Skillnet Steering Group, and working with our Industry training-provider partners successfully converted the majority of our training programmes into online learning events. This initiative was enthusiastically embraced by members from the outset, as interactive online learning means less time away from the business for trainees, attracts no travel and accommodation costs, but can still deliver relevant and quality content.

SIMI has secured substantial funding from Skillnet Ireland, the business support agency of the Government of Ireland, and this funding allowed us to significantly subsidise the cost of close to 100 separate training events in 2021 and, happily, our current funding agreement with Skillnet Ireland continues in 2022.

During 2021, more than 230 member companies availed of SIMI Skillnet subsidised courses and other training events, with over 450 trainees participating in either online or practical, technical upskilling training. Courses included: Selling Vehicles in a Digital Environment, Customer Service and Customer Retention, Aftersales Profitability, Parts Management and Training for Service Advisors. New courses in Marketing were also launched last year including Making a Marketing/Sales Video for your Business, Digital Marketing in a Post-Pandemic World and Facebook for Beginners & Advanced.

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 2022 is ongoing. The range of courses offered is based on the results of the Training Needs Analysis Survey carried out at the end of 2021 and also reflects the feedback 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 (EVs) outlined in the Climate Action Plan, and significant growth we have already seen in sales of new EVs and Plug-in Hybrid Electric Vehicles (PHEVs), the most popular Technical Upskilling training programme last year was the three-day certified SIMI Skillnet Hybrid & Electric Vehicle Systems 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, particularly for those in the independent sector.

Another key priority for members, following our Training Needs Analysis Survey, is Leadership & Management Development. Therefore, it is with great pleasure we announce that SIMI Skillnet will re-launch the Automotive Retail Managers Programme later this year. Following a successful application for additional Skillnet funding, SIMI Skillnet is taking the opportunity to extend even further the scope of this programme to include the following features: classroom-based modules, online interactive group sessions, one-to-one online coaching sessions and an onsite visit by the trainer/s to the trainees' place of employment to engage directly with the trainee's employer/senior management to evaluate the impact of the learning and the level of return on investment.

In addition to the training delivered as part of SIMI Skillnet, SIMI also provides members with specialised training on VAT and VRT and continues to offer SIMI Consumer Credit CPD training modules tailored specifically for the retail Motor Industry that meet the Minimum Competency requirements of the Central Bank for formal CPD training hours.



MARGARET O'SHEA
HR & TRAINING MANAGER



TERESA O'NEILL
HUMAN RESOURCES 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.

2020 was an exceptional year due to the Covid-19 pandemic which resulted in a change in the manner of working for the Complaints Service and also a decline in the number of complaints received. While many restrictions eased in 2021, some remained and remote/hybrid working continued.

388 formal complaints were received by the Society in 2021 which represented a 1% increase on the 2020 figures of 383, which is reflective of the slowdown in transactions due to the pandemic. Of the 388 complaints, 26% were outside the scope of the service which is the same as 26% in 2020. Of these outside scope complaints, 38% related to new vehicle warranties, 26% were related to non-member garages or lapsed members, and 12% related to time frame outside the scope. Commercial vehicles made up 20%, and the remaining 4% were miscellaneous (the complainant not actually being a customer of the garage concerned, for example) or the complainant was referred to a more suitable avenue (insurance, the financial services ombudsman).

The amount of complaints formally registered saw a 1% increase with a total of 287 compared to 284 in 2020. This represents a 25% decrease from the 2019 figure of 385 which demonstrates the ongoing impact of the pandemic.

61% of complaints registered were resolved through the initial mediation process, the same as in 2020. The average length of time to bring a complaint to a resolution was 51 days which opposed to 64 days the previous year. This is closer to the figure of 52 days in 2019 which shows there was less disruption to the workings of the service in 2021. 10% of complaints were closed due to no engagement from the customer following the initial complaint.

29% of complaints were resolved through the Standards Tribunal compared to 28% in 2020.

The type of complaints registered are summarised as follows:

- 84% 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 rise from 75% recorded in 2020.
- 10% related to alleged misrepresentation of pricing, documentation, finance, etc. This compares to 12% recorded in 2020.
- Change of ownership (i.e., logbook issues) fell down to 2% from 7% in 2020 and is now more in line with the 4% figure in 2019 and 3% in the previous two years. This could be reflective of the disruption caused to Revenue services in 2020.
- 4% related to refund of deposits, a drop from 6% in 2020.

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 must 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.



ROISIN TUOHY
COMPLIANCE OFFICER

Human Resource Management Service



TERESA O'NEILL
HUMAN RESOURCES
OFFICER



COLIN WALSH
INDUSTRIAL RELATIONS &
COMPLIANCE MANAGER

The SIMI HR Management Service provides support to member companies with employment law and HR advice, representation in employment cases and industrial relations along with 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)



Over the last twelve months the Vehicle Testing Network has seen national test numbers return to positive and more normal volumes after the inevitable disruption caused by the COVID Pandemic during 2020 where both an initial lockdown and three month extension on test due dates caused a real challenge in anticipating monthly test volumes. First time test rates are now back in line, if slightly up on 2019 figures. Discussions have continued with the RSA in relation to the next authorisation period 2024-2034. For most Test Operators, this will mean renewing their authorisation from March 2024 when the current ten year authorisation expires. Details about the new authorisation process and the update requirements necessary for existing Operators in relation to premises will be available before the end of Q2 2022. Due to the inevitable disruption caused by the COVID Pandemic, the RSA have now agreed in principal to a three year grace period to allow extra time for the Test Operators that need it, to carry out the improvements, requested in the Review Document (Nov 19). Although subject to final approval by the Department and the relative legal people, we understand that existing Operators will now be able to avail of a further three year authorisation until March 2027. VTN have had continuing discussions over the past two years and while recognising that some of the improvements will be challenging for some members, we can see that the RSA are firm in their aim to continue to develop and have a high quality, consistent and uniform Network of Test Operators throughout the country.

Surveys of Operators premises and equipment have been carried out over the past two years and we understand that the RSA will be contacting all Operators during the summer months with a view to knowing their intentions regarding the next authorisation period. In relation to equipment, the Premises & Equipment Guidelines will always be as such a "living document" subject to when upgrades and new technologies are developed at EU level and a new EC Directive in relation to Periodic Technical Inspections (PTI) which the "test" as we know it is called in the EU, is currently being developed. With the advent of more and more "smart features" or ADAS type technology in vehicles, it is a given that there will have to be some element of OBD or electronic diagnostics of systems for vehicle inspection going forward. We can also expect development of a new emissions test as both NOx and particulates are of big concern today and the EC Commission is anxious that test standards keep up with developments in emission standards as we move forward. Therefore, we can expect as we move through the next authorisation period that there will be a definite path of development in relation to test equipment and requirements to meet modern technology which is constantly being updated in vehicles. There is a significant upgrade to IT equipment in test centres underway with FUJITSU now winning the contract and taking over the running of the CoVIS IT system from the current provider SGS. It is planned that all I.T. hardware will be renewed in test centres over the coming twelve months. There are several challenges facing the sector going forward and indeed other sectors of the Motor Industry at this point in time. A key challenge facing everybody is the shortage of suitably qualified technicians especially on the HCV side of the

business. SIMI is encouraging all sectors to source and take on new apprentices where possible to ensure the future of the Industry. The general rise in inflation and shortage of suitable staff is all going to be very challenging for business owners in the coming twelve months. Retaining skilled staff is of course a key concern and priority for any business at this time. SIMI will continue to work closely with the VTN Committee, advising and helping Members while also encouraging them to engage with the RSA on the new authorisations process over the coming year.

COMMERCIAL VEHICLE SECTOR

Despite being into the second year of the COVID Pandemic, in overall terms, the Irish economy did well in 2021. As commercial vehicles (CVs) are the vehicles that are indelibly linked to the provision of essential services throughout the economy, it was no surprise that commercial vehicle sales held up better than perhaps the car market which is more consumer influenced. In 2021 new LCV registrations finished at 28,742 vehicles for the year, which marked the best year in recent times since 2016. HCV registrations were 2,715 vehicles for the year, which is what we would see as normal levels and up 17.3% on the 2020 figures that had been badly impacted by the first COVID lockdown. Despite economic indicators in Ireland being strong entering 2022, the first months of the year have brought significant challenges. As a consequence of the COVID Pandemic worldwide, the Industry has been bedevilled by supply chain problems. Unfortunately, these problems, given most informed opinion, are unlikely to be solved anytime soon. The global shortage of semi-conductors has been much publicised but, for many manufacturers, other materials and

vital components have also fallen into short supply.

For years, the traditional model in the Motor Industry has been one of lean, just-in-time component management only maintaining a minimal amount of buffer stock for assembly lines. Manufacturers have been badly caught out by the effect of the Pandemic on rising costs in materials, transport costs and further disruption caused by staffing issues as a result of the Pandemic.

Although local distributors report healthy order books albeit with long delivery times, business confidence has cooled a little in recent months with the Ukraine War and a host of negative news in relation to energy-related issues. Diesel prices increased by 36% over 2021 and continued to reach record levels towards the end of Q1 in 2022. Fuel is such a significant cost for operators of HCVs that this alone can feed very negatively into a transport operator's business outlook.

After a really good 2021, commercial vehicle figures for Q1 2022 were down 17% for LCV's and 14% for HCV's respectively. It is hard to see these figures recovering for the rest of the current year unless supply chain problems ease and energy prices stabilise but nevertheless the underlying momentum of the economy still remains strong. The Climate change and Green Agenda is now a priority for the Motor Industry and indeed Society as a whole. Due to weight, size, and number of specific usage requirements, some technological solutions available for passenger cars are not directly applicable to vans and trucks, and the lower production volumes do not allow for the same economies of scale. This means that effectively LCVs and HCVs are still hugely limited in range in relation to cars and in the adaption of EV technology. It is not surprising that diesel vans remain the main and most commercially viable choice for commercial vehicle users. LCV sales in 2021 reflected this with diesel vans making up 97.1% of registrations. EVs were 2% of new registrations. It is a similar situation in Europe where alternatively fuelled

vans made up 4.2% of total sales in 2021. Similarly, in the HCV sector 95.8% of new trucks sold are still diesel-powered.

Commercial Vehicle Manufacturers are totally committed to developing and designing new vehicles on the road to zero emissions, investing billions of euros in the process. It is important to realise that development and indeed the heavy-duty infrastructure needed for such vehicles is significantly behind that of cars and for most Operators except those on very specific operations do not represent a realistic competitive and economic choice at this point in time.

The outlook for the next twelve months would appear to be, to manage supply chain issues and to get supply back in line with demand, with an underlying hope that inflation stabilises and especially in relation to energy related issues.

ELECTROMOBILITY EXECUTIVE

The Electromobility Group was established in 2015 to collectively manage the transition to alternative fuel technologies. At the time, there was very little collective thinking in this area. The group has been very successful in addressing many of the issues in the evolution of this transition by virtue of the stakeholders that collaborate on this team. The OEMs, Franchise Retailers, Fuel Distributors, Government Departments, the Road Safety Authority, the SEAI, eCars and technical specialists all contribute to the objectives.

The current basket of incentives that are available for battery electric vehicles and hybrid technology are some of the best incentives in Europe. However, the ambition for an electric vehicles fleet can only be realised 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 €3 billion 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. Budget 2022, and the increase in carbon taxes, only adds to this taxation burden and further increases have been signalled annually up until 2030. The surge in oil prices internationally has also increased the cost of fuels, from which the Government also benefits through increases in VAT Revenues, although this has been somewhat offset by recent temporary duty reductions. The Government's Climate Action Plan, issued in November, includes proposals to increase bio-fuel content in fuel to reduce emissions – the aim is to increase the bioethanol blend rate to reach 10% (E10) and the biodiesel blend rate to 20% (B20) by 2030.

FRANCHISE RETAILERS EXECUTIVE

While the past two years of the pandemic have been hugely damaging for new cars sales, the Industry has manoeuvred its way through a very unique trading environment. This has been achieved through an unparalleled set of external circumstances. With

a limited supply of imported vehicles from the UK due to Brexit, the demand for secondhand vehicles has grown significantly post-pandemic, especially with increased levels of savings and strong growth in consumer demand.

Climate change and promoting cleaner, safer and more sustainable mobility is a critical objective for the Motor Industry 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 in electric and hybrid/plug-in hybrid vehicles. This, together with changes in attitudes and behaviours, will help with this transition.

The SIMI Climate Action Plan to reduce emissions, Reducing light fleet carbon emissions to achieve Irish Government targets, was launched in February to widespread acclaim and support from other business sectors and the media. The four-point plan describes the simple solutions that are required to meet the Government's 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 our roads, investing in public transport services and instilling confidence into consumers' 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 end result will be a move towards our zero emissions transport objectives. This is a seismic change that must be strategically planned, realistic and managed correctly by all of us. In that way, we all benefit including the planet.

The market for 2022 post-pandemic has been 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 remained strong but global unrest, with the war in the Ukraine, an increase in energy prices and inflationary pressures, will mean that consumer confidence will remain extremely cautious for the year. While the secondhand market performed well, as did the aftermarket, the need for a buoyant new car market has become more important.

The finance market continues to be very strong. With low interest rates and competitive pricing, the strength of the financial offers that are available to customers should continue into 2022.

Many of our franchises have made the move to digital platforms and contactless selling. Our focus will be on protecting the staff and ensuring that they are motivated to deal with the challenges ahead. 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. COVID-19, Brexit and supply chain issues continue to contribute to a difficult trading environment for independent Members. Rogue operators and the shadow economy remain a priority for the committee.

In relation to importing vehicles, whilst the complexities associated with importing vehicles has created additional burdens for independent Members which we have adapted to, it has assisted in moving towards a level playing field as those same burdens are now unavoidable for rogue traders importing vehicles. In relation to the repair of vehicles, work continues in conjunction with all sectors of the industry and stakeholders to improve the Autosure programme to bring about licensing within the Industry. Licensing is primarily designed for safety and standards, however this should 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 our sector. Members of the independent committee form part of the Apprentice Steering Group, which, through the team at the SIMI, is 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 being provided through SIMI Skillnet and will also be developed through the Autosure programme. SIMI and its Members engage with career fairs, guidance counsellors and schools on a constant basis to promote the benefits for students of pursuing a Motor Industry Apprenticeship. The Independent Retailers 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 that the sector can work to resolve.

VEHICLE MANUFACTURERS/ DISTRIBUTORS

Over the past year, supply constraints have been a major challenge for the Industry with a number of vehicle manufacturers ceasing or limiting production over the past year. This, coupled with a reduction in the number of used imports from the UK, has led to a significant reduction in the number of new and used cars available. From an economic perspective, the Irish economy should be capable of delivering a new car market of 125,000 in 2022. However, based on supply chain constraints and the recent events with the war in Ukraine, market forecasts have been adjusted down to a market of around 115,000.

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. However, it would appear that the Government intend to increase VRT on an annual basis. Budget 2022 saw further increases to VRT bands above 111CO₂ km. The 20 VRT bands now span from 7% to 41%. The SEAI purchase grant for plug-in hybrid electric vehicles (PHEV) was removed with very little notice and did not take into account any contracts already agreed and committed to for Q1. It was also announced that the 0% Benefit In Kind (BIK) relief will be tapered from January 2023. This short-termism is not only damaging for business, it is damaging to the move to zero emission vehicles. Funding of €100m has currently been allocated for the EV project, but this has to cover a number of areas including: the SEAI EV purchase grant, home charger grant, taxi grant scheme, public charging etc. There is a 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 reduction, or even removal, of the SEAI EV purchase grant.

The Industry has responded to the need to have a wider range of EV models available. Supply issues aside, electric vehicles now account for 21% of the cars currently sold, with ICE vehicles falling from almost 70% last year to 54% this year.



VEHICLE RECOVERY OPERATORS SECTOR

During COVID-19 lockdowns traffic volumes were at reduced levels. The Vehicle Recovery sector has seen increased activity for members right across the country, with a return to higher traffic volumes by both commercial and private motor vehicle journeys. However, with wage demands increasing from staff, increased fuel costs, and challenging insurance premiums, it continues to be a difficult period for operators in trying to run their businesses. The sector is also facing continual issues and difficulties with regard to the insurance companies and motoring clubs for the work carried out by our members. SIMI recovery operators are also competing against unregulated operatives from the shadow economy.

However, the SIMI VRO sector endeavours to focus on the promotion of the professionalism and the competency of the sector to the general SIMI membership and to the motorist at large. The SIMI VRO logo was circulated to all VRO members for use 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. The sector also commissioned a digital media video which enabled VRO member companies to advertise and promote their business to their current and potential new customers.

VEHICLE BODY REPAIRERS SECTION



Like other sectors the Vehicle Body Repair Sector is facing challenging times brought about by COVID, Brexit and now war in Ukraine. In recent months cars have been "off the road" due to supply chain difficulties and inability to obtain parts.

Manufacturers parts supply issues and back order delays are showing no signs of easing (especially since the tragedy unfolding in Ukraine) and are having a serious negative impact on this sector. Inability to obtain the sometimes low volume specialised parts that a crash repairer needs has a huge impact on the quality of service available. There is also a knock-on effect on the availability of courtesy cars when a customer is off the road, if parts don't arrive on time. The workshop will quickly run out of replacement cars and this can result in a workshop potentially full of unfinished vehicles. Many crash repairers, now will not start the job until they obtain all of the parts but it is little consolation to the owner who finds themselves with a crashed vehicle and nowhere to go. Heightened customer tensions are not easy to deal with, over issues that repairers simply have no control over and inevitably takes its toll on the people involved in the day to day management of the business. Technology in the industry is rapidly advancing and "smart features" or advanced driver assist systems (ADAS) are now standard on all new cars. It has never been more important that a car is repaired to a high standard and SIMI continues

to promote the CSS Standard of repairs. These changes in technology mean that it is so important for the VBRS sector to invest in the right equipment and their staff's skillset and development.

At the moment we have a skills shortage across the motor industry. Recruitment is difficult in the current environment but it is absolutely essential that we attract the right people and replace an aging workforce with the next generation of employees, so that we can look to the future with confidence. SIMI continue to promote strongly the relative apprentice programs for the Industry. The Society's Training department continues to run upskilling courses for the Industry which are of particular importance for this sector, given the priority of the Governments Climate Change Agenda towards Electric Vehicles (EVs). EV sales are the most rapidly growing segment of the car market and the VBRS sector need to know how to appropriately deal with these vehicles when arriving with possibly significant crash damage. This is a real health and safety issue and electric vehicle training is vital.

With all of the latest safety features and life preserving technology involved in modern vehicles, complex software and ADAS systems have all added to the challenge of compiling accurate estimates. It really can impact on profitability. Never has it been so important to ensure the right information is available and staff are adequately trained. SIMI run regular courses on Audatex which is the default system for Bodyshops. It is so important that these courses are supported and most of the people that attend say they always come away with something new.

Despite the challenges, there are shoots of green with traffic levels returning to more normal levels and a consequent increase in business for the sector. The Vehicle Body Repair sector is an essential and integral part of the Motor Industry. We would encourage all Members to support their Industry colleagues who operate a professional high-quality crash repairer service of motor vehicles.

WINDSCREEN REPLACEMENT SECTOR

With significantly reduced vehicles on the road due to lockdowns and home-working, the replacement rate for windscreens has been significantly reduced so it has been a very difficult trading environment. The windscreen replacement sector continues to focus on the importance of standards and the potential benefit of recognised 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 and SIMI President, Gillian Fanning. SIMI, along with Gillian, has 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: changes to distribution channels and consolidation in the global aftermarket; the COVID-19 crisis (staffing issues); ongoing Brexit issues (customs delays at ports); Motor Vehicle Block Exemption Regulation; and remote access to in-vehicle data, as well as access to data through the 'Right to Connect' campaign, which provides for open and transparent sharing of vehicle data.

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