



SIMI Annual Report  
2016-2017





PUBLISHING  
COMPANY  
OF THE YEAR  
2016

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# Annual Report

## 2016-2017

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# Mission Statement

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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

### New Sales April 2016 vs April 2017 (YTD)

New Car Sales		↓ 10%
Light Goods Vehicles		↓ 13%
Heavy Goods Vehicles		↓ 8%
Car Hire		↓ 4%
Used Car Imports		↑ 48%

### Irish Car Parc

Q1 2017



### Government Revenue on Car Sales Q1 2017

**€753 MILLION**

**New Cars €677 MILLION**



**Used Cars (IMPORTS) €76 MILLION**



### Employment Q4 2016

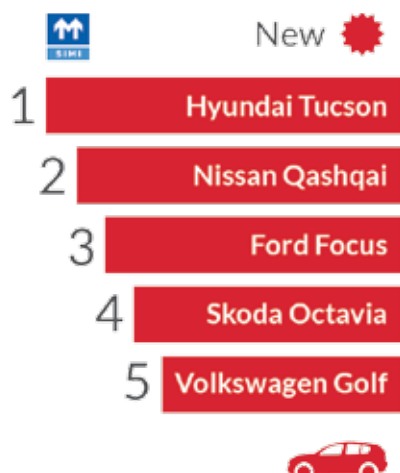


**41,100 PEOPLE**

WORKING IN THE MOTOR INDUSTRY

Ref: CSO

### Top Selling Car Models Q1 2017



### Top Selling Car Colours Q1 2017



# Highlights of the Year 2016-2017



## ELECTION OF NEW SIMI PRESIDENT ALAN GREENE

Alan Greene was announced as the new SIMI President in May 2016. Alan is a native of Dublin, and is Commercial Analytics Manager with Origo, a specialist distribution company, whose wide product portfolio includes automotive components.

## TYRE SAFETY CAMPAIGN



Second hand tyres might not be as cheap as you think.

SIMI and the Road Safety Authority highlight the cost and potential danger of buying second-hand (part-worn) tyres.

Find out more here



## WOMEN@SIMI



The third annual Women@SIMI event was held, in conjunction with its sponsor Bank of Ireland Finance, in the Conrad Hotel, Dublin, on June 10, 2016. The event, attended by over 160 professional women, delivered a very impressive panel of speakers, with Mary Kennedy, Master of Ceremonies, interviewing Moyagh Murdock, CEO, Road Safety Authority, and Regina Doherty, Government Chief Whip and Minister of State in the Department of An Taoiseach, both of whom provided great insight into their own career progression and day-to-day roles in State organisations. Penny Ferguson, founder of The Living Leader, shared her expertise on personal leadership, and encouraged more women to put themselves forward for leadership roles.



Windsor Motor Group, Dublin.



Colm Quinn Ltd, Westmeath.



## PROFIT CLINIC

First Profit Clinics for Retail Members held June 28, 2016, at the Clarion Hotel in Liffey Valley, Dublin.



## VEHICLE RECOVERY OPERATORS' ANNUAL GENERAL MEETING



The 2016 SIMI Vehicle Recovery Operators' Annual General Meeting (AGM) was held on June 30, Red Cow Moran Hotel, Dublin. The AGM had a practical demonstration on electric vehicles and a vibrant discussion from delegates on issues affecting their sector.



## LAUNCH OF MOTOR INDUSTRY REVIEW Q2 OF 2016

Motor Industry takes more conservative view of 2017.



Pictured at the launch were: Cathal Cremin, DoneDeal; Jim Power, Economist; Alan Greene, SIMI President; and Alan Nolan, SIMI Director General.

## 162 REG PLATE





**2016 NEW CAR REGISTRATIONS SURPASS TOTAL FOR 2015**



**€1.2BN GENERATED FOR THE EXCHEQUER FROM NEW CAR SALES SO FAR IN 2016**



**BUDGET LOBBY**

Motor Industry calls for action on insurance costs and underlines the importance of stability ahead of Budget 2017.



**VTN CONFERENCES/AGM**

The Vehicle Testing Network (VTN) Annual Conference and AGM took place on November 7, 2016, at Killashee House Hotel, Naas, Co Kildare.



Alan Greene, President, SIMI, addressing the VTN Conference.



Pictured at the VTN Annual Conference: Justin Martin, Road Safety Authority; Michael Nolan, Nolan Motors Ltd Longford; and John Murray, Automotive Service Centre Ltd.



Pictured at the VTN Annual Conference: Denise Barry, Road Safety Authority; Willie O'Brien, Chairman, VTN Committee; and Liam Duggan, Road Safety Authority.





## NATIONAL RETAILERS CONFERENCE



Gabriel Keane, Conference Chairman; Alan Nolan, Director General, SIMI; Kieran Marshall, Head of AIB Finance and Leasing; Alan Greene, President, SIMI; and Jim Power, Economist.

'Certainty in Uncertain Times – Meeting the Challenges' was the theme of the SIMI National Conference 2016, which was held in the Killashee House Hotel in Naas, Co Kildare, on November 8, 2016. A strong line-up of speakers gave the large attendance at the event their insights and advice on preparing for 2017.



## BREXIT REGIONAL MEETINGS

Following the decision in the UK Referendum to leave the EU and the subsequent steep fall in the value of sterling, the Motor Industry is facing into a challenge that needs to be carefully managed. Facing into a year of potential uncertainty, SIMI held four regional meetings to update Members on some key issues and to highlight what was seen as some important challenges for businesses in the Industry for 2017.



## NEW YEAR FOR THE INDUSTRY



## SIMI IRISH MOTOR INDUSTRY AWARDS



More than 700 guests from all sectors of the Motor Industry attended the SIMI Annual Dinner incorporating the SIMI Irish Motor Industry Awards, held in partnership with Bank of Ireland Finance (BIF).

The SIMI Irish Motor Industry Awards was held at a glittering ceremony at the Clayton Hotel, Dublin, on Thursday, February 16, 2017.

The Awards, now in its seventh year, was attended by over 700 of the Motor Industry's senior figures and guests.

The accolades – adjudicated by an independent panel and announced by RTÉ

Sports commentator and TV presenter, Marty Morrissey – honoured those companies that have demonstrated excellence and best practice in the Industry over the past 12 months.

Open to all sectors of the Irish Motor Industry, eight award categories in total were presented by Alan Greene, President of the SIMI, and Pat Creed, Managing Director, BIF.

Mr Creed said: "BIF is delighted to be in partnership with the Society of the Irish Motor Industry for the third consecutive year to recognise outstanding achievement and excellence within the Industry. BIF is the leading provider of funding to the Irish Motor Industry through tied relationships with 14 manufacturers/distributors, which account for in excess of 50% of the total Industry."

He also commented that with Brexit looming and the significant increase in used car imports from the UK and Northern Ireland that was evident in 2016, the Industry needs to maintain increased focus at a time when we are recovering from the worst recession in many years.

SIMI President Alan Greene congratulated the companies who were shortlisted in each of the Motor Industry Award categories and underlined that the awards are a great way for SIMI to acknowledge the diverse and dynamic nature of the Industry as a whole.

## SIMI IRISH MOTOR INDUSTRY AWARD WINNERS



Audi North Dublin won Franchised Aftersales Operation of the Year at the SIMI Irish Motor Industry Awards. Pictured are: Geoff Walsh, Head Of Business, Audi North Dublin; Pat Creed, Managing Director, Bank of Ireland Finance; Brian Davis, Head Of Service, Audi North Dublin; Colin Norton, Head of Parts Department, Audi North Dublin; and Alan Greene, President, SIMI.



At the SIMI Annual Dinner, President Alan Greene said a special thank you to Con Dalton, SIMI Membership & Events Manager, who once again organised an outstanding event. Con retired officially in April, having joined the SIMI in 1970. Pictured are Paul O'Donovan, Olympic rowing silver medallist; Alan Greene, President, SIMI; Con Dalton; and Marty Morrissey, RTÉ.

## LAUNCH OF Q4 SIMI/ DONEYEAL MOTOR INDUSTRY REVIEW 2016

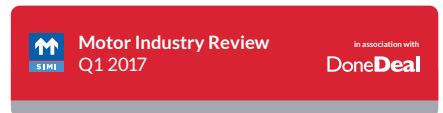
The Society of the Irish Motor Industry (SIMI) presented its final SIMI/DoneDeal Quarterly Motor Industry Review of 2016. The report highlighted the strong economic performance of the Motor Industry last year, with growth in registration figures seen across all counties along with the upbeat nature of business confidence and investment reflected in commercial vehicles despite a softening of the market towards the latter half of 2016.



### SIMI ROAD SAFETY MESSAGE FOR THE ST PATRICK'S DAY CELEBRATIONS



### LAUNCH OF Q1 SIMI/ DONEYEAL MOTOR INDUSTRY REVIEW 2017



## DATA PROTECTION SEMINAR

A free Data Protection Seminar was held for members on April 13, 2017, in the Louis Fitzgerald Hotel, Dublin.



## Management Board 2016-2017



**ALAN GREENE**  
President



**GAVIN HYDES**  
Deputy President/Chairman,  
Franchise Committee



**GABRIEL KEANE**  
Honorary Treasurer



**MARK BOGGAN**  
Immediate Past President



**JAMES MCCARTHY**  
Chairman, Importers'/Distributors' Committee



**GILLIAN FANNING**  
Chairman, Wholesalers' Committee



**KEVIN EGAN**  
Chairman, Independent Retailers' (Sales) Committee



**NOEL DORAN**  
Chairman, Independent Retailers' (Service)



**LIAM DENNING**  
Chairman, VBRS Committee



**JAMES BROOKS**  
Importers'/Distributors' Committee



**MARK WOODS**  
Petrol/Oil Companies' Sector



**ALAN NOLAN**  
Director General

# SIMI National Executive Council

## HONORARY OFFICERS President

### Alan Greene

Origo  
Magna Drive  
Magna Business Park  
Citywest, Dublin 24

## Deputy President/ Chairman Franchise Committee

### Gavin Hydes

Joe Duffy Motor Group  
Exit 5 M50  
North Rd  
Dublin 11

## Honorary Treasurer

### Gabriel Keane

Kia Liffey Valley  
Gabriel Keane Motors Limited  
Liffey Valley  
Dublin 22

## Immediate Past President

### Mark Boggan

Hugh Boggan Motors Ltd  
Newtown Road  
Wexford

## VEHICLE IMPORTERS'/ DISTRIBUTORS'

### SECTION Chairman Vehicle Importers'/Distributors' Committee

#### James McCarthy

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

#### James Brooks

Kia Motors Ireland  
Unit A8 Calmount Park  
Calmount Rd  
Dublin 12

#### Steve Tormey

Toyota Ireland  
Toyota House  
Killeen Road  
Dublin 12

#### Ciáran Mahon

Henry Ford & Son Ltd  
Elm Court  
Boreenmanna Road  
Cork

#### Ciaran Kinahan

Motor Distributors Ltd  
Naas Road  
Dublin 12

#### Lars Himmer

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

#### Stephen Gleeson

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

#### Des Cannon

Gowan Distributors  
Gowan House  
Naas Rd  
Dublin 12

#### Dave Sheeran

General Motors Ireland Ltd  
Fern Road  
Sandyford Business Estate  
Dublin 18

#### David Thomas

Volvo Car Ireland  
Killakee House  
Belgard Square, Tallaght  
Dublin 24

#### Eddie Kavanagh

OHM Group  
Baldonnell Business Park  
Dublin 22

## WHOLESALE'S' SECTION Chairman Wholesalers' Committee

#### Gillian Fanning

Serfac Limited  
Hilary House  
Belgard Road, Dublin 24

#### Alan Lyons

Auto Diesel Electric  
Dartmouth Industrial Centre  
Kylemore Road  
Dublin 12

#### Louis O'Hanlon

National Autoparts  
Camac Close, Emmet Rd  
Inchicore, Dublin 8

#### Greg Howard

B&R Howard Ltd  
Unit 37 Baldoye Industrial Estate  
Dublin 13

#### Paul Warren

Strongline Autoparts  
Units B9 - B11 South City Business  
Centre  
Whitestown Way  
Tallaght, Dublin 24

#### Seamus Moore

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

## RETAILERS' SECTION Chairman Independent Retailers' (Sales) Committee

#### Kevin Egan

Kevin Egan Cars Ltd  
Carroroe  
Sligo

## Chairman Independent Retailers' (Sales) Committee

#### Noel Doran

Robertstown Motors  
Ashbourne  
Co Meath

#### CARLOW

#### Michael 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

#### Padraig Brady

Brady's Arva  
Main St  
Arva  
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

#### DUBLIN

#### Jonathan Meade

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

#### Gerry Caffrey

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

#### Mr Michael Tynan

Michael Tynan Motors  
Newlands Cross  
Dublin 22

#### Mr Tom Murphy

Murphy & Gunn Ltd  
Rathgar Ave  
Rathgar  
Dublin 6

#### Joe Clarke

Westbrook Motors  
23/24 Parkgate Street  
Dublin 8

#### 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

**Gay Lawton**

Lawton & Foley Motors  
Dublin Road  
Edenderry  
Co Offaly

**LONGFORD/WESTMEATH**

**Frank Kane**  
Longford Motors  
Strokestown Road  
Longford

**LOUTH**

**Derek Holcroft**  
Holcroft Motors  
Matthews Lane, Donore Road  
Drogheda  
Co Louth

**MEATH**

**Marie Proudfoot**  
Nobber Motors  
Nobber  
Co Meath

**MONAGHAN**

**Séamus McPhillips**  
Séamus McPhillips Ltd  
Clontibret  
Co Monaghan

**MAYO**

**Kevin Connolly**  
Kevin Connolly Car Sales  
Dublin Road  
Ballina  
Co Mayo

**ROSCOMMON**

**Tom Raftery**  
Motorpark Athone  
Monksland  
Athlone  
Co Roscommon

**TIPPERARY**

**Gerry Pierse**  
Pierse Motors Ltd  
Limerick Road  
Tipperary Town

**WEXFORD**

**Cormac O'Leary**  
O'Learys Garage  
Dublin Road  
Enniscorthy  
Co Wexford

**WICKLOW**

**Des Fitzpatrick**  
Fitzpatrick Motors  
Dublin Road  
Bray  
Co Wicklow

**John Linnane**

John Linnane Motors  
Tighes Avenue  
Rathnew  
Co Wicklow

**Denis Carter**

Avon Motors  
Savilles Cross  
Rathdrum  
Co Wicklow

**Mick Humby Jnr**

Vartry Garage Kia  
Blainroe  
Co Wicklow

**VEHICLE BODY REPAIRERS' SECTION  
Chairman VBRS Committee**

**Liam Denning**  
Dennings Cars  
Bellavista  
Spawell  
Tallaght, Dublin 24

**Nigel Pratt**

Pratt's Auto Bodyshop  
Hacketstown Road  
Bennekerry  
Co Carlow

**HGV DISTRIBUTORS' SECTION**

**Bruce Archer**  
DAF Distributors  
Baldonnell Business Park  
Dublin 22

**VEHICLE TESTERS' COMMITTEE  
Chairman Vehicle Testers' Committee**

**William O'Brien**  
William O'Brien Motors  
Unit G1, Croke Park Industrial Estate  
Portland Street North, N.C. Road  
Dublin 1

**SPECIALIST TRADE REPAIRERS' SECTION**

**Adrian O'Dwyer**  
AAA Mobile Windscreens  
Unit W1A Togher Business Park  
Newhall, Naas  
Co Kildare

**Thomas Heffernan**

Heffernan Tyres  
Dublin Road  
Kildare  
Co Kildare

**PETROL/OIL COMPANIES' SECTION**

**Mark Woods**  
Maxol Limited  
3 Custom House Plaza  
IFSC  
Dublin 1

**Gordon Lawlor**

Topaz Energy  
Topaz House  
Beech Hill  
Clonskeagh  
Dublin 4

**CO-OPTED MEMBERS**

**Paddy Murphy**  
Advance Tyre Co

**Michael Fennell**  
IMI, Irish Region

**Kevin Farrell**  
ITIA

**Paul Redmond, CRCI**

**Michael Hegarty, VLAI**

**Dermot Eagney**  
Chairman BEN

**TRUSTEES**  
**Eugene Cranley**  
**Brian Murphy**  
**Tom Noonan**

## Retailers - Centre Chairmen

### Carlow

#### Ray Flynn

Flynn's Garage  
Dublin Road  
Tullow  
Co Carlow

### Cork

#### Robert Cogan

Cogan's Garage Ltd  
Cork Road  
Carrigaline  
Co Cork

#### Fergal Nash

Frank Nash's Garage  
Castletownroche  
Mallow  
Co Cork

#### Bob Clarke

Bandon Motors  
Clonakilty  
Co Cork

### Galway

#### Tony Barbour

Higgins Motorpark  
Motorpark  
Headford Road  
Galway

### Kerry

#### David Randles

Manor West Retail Park, Tralee  
Co Kerry

### Kilkenny

#### Kevin Morrissey

Kevin Morrissey Motors  
Smithlands Retail Park  
Waterford Road  
Co Kilkenny

### 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

### Waterford

#### David Dickenson

Daewoo Waterford t/a Chevrolet  
Waterford  
Waterford Business Park  
Cork Road  
Waterford

### Wicklow

#### Tara Jackson

Wicklow VTN  
Glebe Business Park  
Part Access Road  
Wicklow Town  
Co Wicklow

# President's Report



**ALAN GREENE**  
President, SIMI

As I take a moment to reflect on my year in office as SIMI President, the phrase 'what a difference a year makes' comes to mind. Last year can be described as a good year for our Industry, while the outlook for 2017 has been somewhat unpredictable and challenging.

The growth in the first half of 2016 was strong, confidence and investment were on the rise. New car registrations were just shy of 147,000, the highest level since 2008, these positive figures were also replicated in the commercial vehicle sectors, used car sales, and after sales. The latter half of the year, in the aftermath of the Brexit vote and the resulting fall in sterling, saw a decline in consumer confidence and a sense of confusion resulting in a noticeable slowdown in growth and softening of the market towards the end of 2016. New car registrations for January-June were +23%, while July-December was only +6% but, that includes a last quarter that was down -11%.

Conversely, used car imports in 2016 presented a contrast to the new car market, the rate of growth in the second half of the year was +77%. While the short supply of 2009 to 2013 Irish used cars was a factor, the scale of the increase in used imports was driven principally by the weakness of sterling. While car sales are an obvious barometer to measure the impact of Brexit, the effect is being felt right across the industry. Indeed, as a parts wholesaler I can confirm that 2016 presented many challenges for our sector, contributed to by both a weakened sterling and new entrants to the market. The traditional wholesale distribution channels are under pressure and 2017 is a year of change.

So, what has happened in 2017 thus far? The year began with a steady start, 39,000 new cars were registered in January finishing just -1.7% down on January last, similarly light and heavy commercial vehicles were marginally down on last year. As the months have progressed however new vehicle registrations have continued to decline. At the end of April, the statistics reported negative growth as new car registrations are down -10% (83,831) on the same period last year (93,205). Light Commercial Vehicles (LCV) show a decrease of -13% (13,653) in comparison to 2016 (15,716). Heavy Commercial Vehicles (HGV) also show a decline of -8% (1,266) compared to the same time last year (1,373). The decline in sales in all sectors appears to be a nationwide trend in 2017.

The outlook for car sales in 2017 is a bit more difficult to predict than last year. Economist Jim Power, author of the SIMI/DoneDeal Quarterly Review

Q1 of 2017 said: "Consumer behaviour remains relatively cautious. Personal expenditure on big-ticket items, such as cars, is being undermined by the ongoing upward pressure on the price of necessities, such as motor and home insurance, private rents, private health insurance and housing. Based on sales so far in 2017, it is possible that registrations for the full year could be 10% down on 2016. This would imply a total of around 132,000, but it has to be stressed that the market is not very predictable at the moment." Ireland's economic prospects for the year ahead are looking better than at the beginning of the year. Sterling has stabilised; the labour market is strong; the construction sector is expanding strongly, and business investment intentions are promising. However, Brexit still continues to play a role in uncertainty.

In the first quarter of 2017, used car imports increased by 56.1% to reach 23,864 while LCV imports were up 53%. Continued sterling weakness is driving this trend, and while many of the imports are relatively old, they are still likely to be displacing some new car sales. In the first quarter of 2017, 49% of the cars imported were between three and five years old, and 31% were between six and nine years old. This primarily reflects a lack of supply of secondhand Irish cars in the 2009-2013 registration period. While the number of nearly new imports are relatively low (9% up to two years old), overall, the volume of imports is impacting, even if indirectly, on the new car market. Although down on last year's strong Q1 performance and while the market is difficult to predict this year, the second quarter of 2017 will hopefully give us a clearer picture.

The Motor Industry continues to be a strong contributor to employment with 40,800 people employed throughout Ireland. Last year our Industry contributed €1.5bn to the Exchequer in car sales alone, and in excess of €5.5bn in total, was generated by the motorist. This year was always going to be a more cautious year for businesses, right across the economy, but we have seen a steady start in January and hopefully we are on track for another good year and continuation of a stable market during the rest of the year.

The Industry will continue to entice consumers with strong offers in the marketplace showing that there is better value to be had at home even with the lower sterling values.

At the start of my Presidency in May, I re-affirmed the SIMI's commitment to assisting the Road Safety Authority (RSA) in the difficult task of reducing

road fatalities. It is unfortunate to report that 2016 was a year where road fatalities increased – 187 compared to 165 in 2015. When road fatalities increase it's easy to lose sight of the work of the RSA. We should remember that not so long ago, in the year prior to the establishment of the RSA (2006), fatalities on our roads stood at 396. They had reduced to 161 in 2012. This result was achieved by the many excellent campaigns championed by the RSA. SIMI will continue to offer it's support and commitment to work with the RSA closely on future road safety initiatives that can help save lives. Perhaps we can start by encouraging people to maintain their vehicles. According to the National Car Testing (NCT) service data, over 50% of cars fail their test, that's over 750,000 cars. The car parc has grown older since 2008, with an average age of nine years. To put this into context, four-year-old cars presenting for their first test have a fail rate of just 17%, while cars over 10 years old have a fail rate of 63%.

These figures would appear to highlight that preventative maintenance reduces as cars age. It's worrying to see the lack of priority that many motorists place on the safety of their vehicles. There is no reason why older cars should be unsafe, they just need to be well maintained. As an Industry, we have to reinforce this message and continually highlight the importance of maintaining and servicing vehicles regularly.

I must also address the issue of insurance. SIMI has expressed serious concern about the escalating costs for some time. We have written to Ministers and raised this on a number of occasions.

Motor insurance costs since 2013 have increased by 62%, and although there was a slight decrease in the last quarter of 2016, all indications from the insurance industry suggest that premiums will continue to rise. Vehicle insurance is not discretionary, it's a legal requirement. We must be concerned that people struggling to meet rising premiums may well scrimp on safety issues, as basic as tyres or brakes, which contribute further to increases in road accidents, serious injuries and deaths.

We also have to be concerned that escalating costs will increase the incidence of uninsured drivers, which had been a serious problem previously, when insurance costs were high. As an Industry, we, of course, acknowledge the recent work of the Oireachtas Committee and the 'Cost of Insurance Working Group', which has made 33 recommendations to be implemented over the next two years. While our preference would have been for the re-establishment of the Motor Insurance Advisory Board (MIAB), which had been extremely successful in the past, we hope that the new measures will deliver fairer premiums for consumers and businesses, but we will have to wait and see if they are effective.

Another crucial issue for the Industry and indeed for us all, is climate change and CO<sub>2</sub> emissions. We witnessed the first significant changes for the industry in 2008 with the introduction of an emissions-based tax system. The revised vehicle registration tax (VRT)/road tax system encouraged consumers to buy lower CO<sub>2</sub> emission cars, which have been predominantly diesels. Recently, nitric oxide (NOx) and particulate emissions have come to the fore with a strong anti-diesel bias from many commentators, suggesting that diesel-fuel taxes should be increased.

There is no doubt that we all need to be concerned about the impact of emissions on our health, but we need to search for holistic solutions that seek to maintain the benefits of lower CO<sub>2</sub> with a reduction in the other harmful emissions. Instead, some of the architects of our current CO<sub>2</sub>-based VRT and road tax systems now seem to be suggesting that they've changed their minds and that NOx is their big issue. Major about-turns like this, produce concerns for the Industry, for motorists and for the country. Ill-considered interference with tax systems, based on knee-jerk reactions to each new issue as it arises, is no way to plan for the future.

We have seen this before when a strong environmental case was made to develop our biofuel usage in Ireland as a renewable resource that could be produced in this country. As a result, our Industry committed millions of

euro, delivering biofuel capable vehicles into the market and rolling-out national coverage in service stations to dispense bio-fuel. As we now know, those who championed that fuel as a potential environmental solution, changed their minds after having set the project in motion and promptly abandoned it, removing all fiscal supports. Now it appears that bio-energy may be back on the agenda again.

The lesson for the State, and those involved in the development of forthcoming budgets, is that such strategies need to be considered for the long-term and national policies need to be consistent.

The lessons of July 2008 in our own sector should never be forgotten. Changes in environmental taxation must be well considered, involve a consultative process with all of the key stakeholders, and seek to avoid the potential for the sort of unplanned consequences that we saw in 2008. These impacted negatively on businesses, on jobs, on the State's tax revenues and on the economy, generally.

Any proposed changes to environmental taxation must be in the context of the new EU emissions testing regime, and only in that context, as the emissions measurements, on which the current system is built, will be superseded by that new system. This is very likely to be early 2019, which is tomorrow in terms of business strategy.

The roll-out of zero emission and low-emission vehicles ranging from hybrid to fully electric will have a key role to play if we are to achieve our CO<sub>2</sub> targets. We acknowledge the commitment of the State in continuing to support the purchase of electric and hybrid vehicles through reduced VRT and Sustainable Energy Authority of Ireland grants. We believe that removal of benefits-in-kind (BIK) on such cars would be a further big step.

However we have always argued that such fiscal incentives alone will not deliver the required volumes, they need to be supported by 'soft incentives' such as free parking, free tolls, the use of bus lanes and the provision of well-located and free charging points.

The lessons from other European countries that have delivered very strong registrations of electric vehicles are very clear. It requires city councils to buy-in enthusiastically and to add extra value for electric car users which will encourage a far greater uptake. Unfortunately, one of the biggest barriers to making similar progress in Ireland is the lack of interest from Dublin City Council. Dublin should be the natural target area for increased numbers of electric cars. However, instead of implementing any of the incentives mentioned, Dublin City Council has done little to encourage the roll-out of electric vehicles in the city. And, you have to ask, is Dublin the only city in the world where an electric car can be clamped while re-charging at a designated point?

There needs to be a significant shift towards zero emission cars, not only for the benefit of the environment, but also to ensure we can meet the stringent emission targets on the horizon in 2030. SIMI fully supports this project but if we are to deliver on it, we require all of the main stakeholders to get behind the venture and help us to deliver a better future for our environment.

As an Industry, we are facing many challenges in the times ahead, an uncertain market, the impact of Brexit, EU emission developments, climate change, along with our own individual sector challenges. As a national organisation, the importance of SIMI in developing and delivering Industry strategies is crucial going forward and I would encourage all Members to get involved in helping to shape a stable future for our Industry.

Finally, I would like to say to the Members of SIMI thank you for electing me as your President. It has been and remains a great honour.

*Alan Greene*

President, SIMI.



# Director General's Report



**ALAN NOLAN**  
Director General, SIMI

This time last year we were celebrating a very strong start to the year with new car registrations up by 23%. Over the past 12 months, predicting the current marketplace has been challenging and very uncertain for our Industry. That said, 2016 finished out as the best year since 2008.

The Irish economy may be one of the best-performing and fastest-growing in the EU yet, virtually uniquely among Member States, new vehicle registrations here have been producing negative numbers, effectively since August of last year. The good pre-January order bank was somewhat misleading relative to what we have been seeing for the other months since then; nevertheless 2017 should deliver a market that is significantly better than many recent years.

Jim Power, Economist and author of the Quarter 1 Motor Industry Review, commented: "Based on sales so far in 2017, it is possible that registrations for the full year could be 10% down on 2016. This would imply a total of around 132,000, but it has to be stressed that the market is not very predictable at the moment."

Trying to accurately predict the market has been very difficult over the past year but looking to explain the disparity between the strong economic growth and the reduced sales activity brings two issues into focus: consumer confidence and Brexit.

Consumer confidence in Ireland peaked in early 2016. Since then, consumer sentiment has, according to the Economic and Social Research Institute (ESRI), edged lower. The ESRI suggests that the economic upswing in 2016 overpromised and under-delivered relative to consumer expectations. One of the potential complicating factors is, of course, Brexit, and in our own sector we have seen a significant increase in the level of imported

used cars since the devaluation of sterling that followed the UK's Brexit vote. The total at the end of 2016 was 50% up on 2015 and so far this year we have seen a further 50% increase on last year. While the age profile of these cars might not compete directly with new cars, where offers in Ireland are so strong, they are competing directly with cars taken as trade-ins against new cars. In March of this year the UK invoked Article 50, which is likely to mean a two-year countdown to March 29, 2019, the completion date for exit prescribed in the Lisbon Treaty. Over this period we are likely to see volatility in sterling values and continued strong activity in used vehicle imports as a result. But, of course, sterling values and Brexit are also likely to continue to impact on the parts sector and other areas of the Industry.

The Minister for Communications, Climate Action and Environment, Denis Naughten, recently launched consultations: one on climate change mitigation; and the other focused on improving air quality in Ireland. These are key issues for our Industry, with CO<sub>2</sub> targets and much media focus on strategies being considered by some European cities in relation to NOX and particulate emissions, particularly from older diesel vehicles. Providing effective solutions to these challenges will be crucial for the environment, for health and for our economy. Solutions are likely to include improved planning, investment in better public transport, better traffic flow, better vehicle maintenance, eco driving and strategies to encourage modal shift. In all of this, the Motor Industry has a key role as the provider of solutions. It is clear to us that transport solutions for the future must be far more sustainable.

Meanwhile, the Industry and the State are gearing-up for the new

Worldwide Harmonised Light Vehicles Test Procedure (WLTP) emissions testing programme that commences in September of this year and will be fully operational by January 2019. This promises more accurate emissions testing that will help to further drive the environmental agenda. This will bring business challenges also for our sector in relation to the potential impact on both Vehicle Registration Tax (VRT) and Road Tax, when the current emissions test regime, on which they are now based, transits to the new system.

Many Members across all sectors of our Industry face their own sector challenges. The Vehicle Body Repair Specialists (VBRS) sector has had to adapt to a new estimating system which appears to have been seen as an opportunity for some insurance companies to implement further discounts in a marketplace that was already operating on extremely small margins. The Society VBRS Committee has been warning that such further reductions in earnings, while required to deliver the same services and with increasing operating costs, could lead to business closures. Similarly, in the Wholesale section there have been changes with consolidation and some new entrants.

Over the past number of months SIMI has played host to a number of key events, from our Annual Conference in November to our recent centre meetings held around the country, which sought to address the current concerns and issues that members are facing. February saw the Annual Irish Motor Industry Awards which recognised the best in the business, with accolades awarded in eight categories presented by our President Alan Greene.

This year's Women@SIMI event will take place on Friday, June 9, in the

InterContinental Dublin with a range of guest speakers. The event, now in its fourth year, has grown in popularity year on year, demonstrating a much-needed networking opportunity for our professional female colleagues within the Industry and we would encourage all our female Members within the different sectors to take advantage of this networking opportunity.

Within SIMI headquarters itself we have marked a very special occasion with the retirement of the longest-serving member of our executive, Con Dalton, our Membership and Events Manager. Con joined SIMI in 1970, giving 47 years' service to Members, and has firmly set the record for the longest-serving staff member within SIMI. On behalf of Members we would wish to record our thanks to Con for his dedication and commitment to the Motor Industry and we all wish him well in his retirement.

As the key date for both WLTP and Brexit, 2019 looks set to be a pivotal year for the Motor Industry, while 2017, even with all of the current challenges, should still deliver another good business year. A key part of SIMI's rationale for the introduction of a second registration period in July was to allow the Industry some opportunity to recalibrate the year and to provide the potential for a second kick-start to the market. That opportunity will be especially welcome this year.

*Alan Nolan*

Director General, SIMI

# Executives



**ALAN NOLAN**  
Director General



**BRIAN COOKE**  
Deputy Director General



**TOM CULLEN**  
Director



**CON DALTON**  
Events Consultant



**MARGARET O'SHEA**  
HR & Training Manager



**EMMA MITCHELL**  
Operations Manager



**TERESA NOONE**  
Marketing & PR Manager



**CHARLIE ROGERS**  
VTN Director



**MAEVE DOWDALL**  
Office Manager & Events



**YVONNE SLINEY**  
Senior Accounts Executive



**SEAMUS MCCORMACK**  
Membership Services' Executive



**TERESA FAGAN**  
Human Resources Executive & Statistics



**JANE O'SULLIVAN**  
Communications Executive & Events



**COLIN WALSH**  
Industrial Relations Executive & Standards



**SABRINA FORSYTH**  
Research & Information Executive



**DANIEL CLEARY**  
Administration

## Membership Services

The focus of Membership Services is:

- » to increase awareness and promotion of SIMI services among Members;
- » to enhance engagement with our Members and strengthen relationships; and,
- » to further develop the SIMI value proposition to Members.

## Services to Members

- Tax advice
- Legal advice
- HR advice
- Representation at Labour Court
- Access to beepbeep.ie - vehicle statistics, regular and ad hoc stats for Members
- Magazine
- Newsletter
- Social media
- Media representation
- Consumer complaints service
- Order forms
- Updates on new legislation, data protection, etc
- Garage insurance scheme
- Credit card scheme
- Face-to-face contact
- Local centre meetings
- Regional meetings
- Tailored industry courses
- Irish Motor Industry Awards
- Annual Dinner
- CSS
- Autosure
- Sectoral representation
- Representation at Government level
- Representation at European level
- Car History Check
- Golf
- BEN
- Networking opportunities
- Women@SIMI
- End-of-Life Vehicles
- Quarterly Economic Report

## Membership by numbers in 2016



TOTAL  
**1,160**

# SIMI Skillnets Programme & SIMI Training



**MARGARET O'SHEA**  
HR & Training Manager

Every year, since 2013, SIMI has been successful in applying to Skillnets Ltd for funding to support and subsidise training courses for SIMI Members. Skillnets is an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and is funded through the Department of Education and Skills. A key advantage of the Skillnets programme is that it actively supports the development of courses that are directly aligned to Member companies' needs and strategies. Training fees for courses delivered through the SIMI Skillnets programme may cost up to 30% less than normal.

SIMI Member companies are encouraged to become directly involved in the identification and development of training needs and skills requirements that will improve the competitiveness of businesses within the motor sector. Each year, Members are given the opportunity to influence and shape the format of the SIMI Skillnets training plan by completing an online Training Needs Analysis Survey aimed at identifying their current and future training needs. Members can also put forward proposals during the year through their individual sector committees, for programmes specific to their area of business. A SIMI Skillnets Steering Group, made up of Members from a number of different sectors within the industry meets on a regular basis during the year to oversee the efficient operation and delivery of the SIMI Skillnets programme.

In 2016, over 400 trainees from over 150 Member companies availed of SIMI Skillnets training courses and we also provided free places to a

number of eligible jobseekers to attend industry-specific courses with a view to enhancing their chances of gaining employment within the Motor Industry. The range of SIMI Skillnets training courses offered in 2016 included technical up-skilling courses, customer-service training, training workshops on consumer law and employment legislation, time management, aftersales management, service-department training, and profitability workshops.

In 2017, we aim to significantly increase both the number of Member companies engaging with the SIMI Skillnets programme and the number of trainees availing of the SIMI Skillnets Programme, and our target is to deliver over 600 training days.

In addition, alongside the Skillnets programme, the SIMI Training Department provides Members with a number of courses dealing with essential Motor Industry topics, such as VAT, vehicle registration tax (VRT), and the SIMI Consumer Credit continuing professional development (CPD) programme, which was initiated in 2007. The Skillnets programme continues to provide members with industry-relevant CPD courses that meet the minimum competency requirements of the Central Bank for formal CPD training hours.

*Margaret O'Shea*

HR and Training Manager, SIMI

# Analysis of SIMI Consumer Complaints Service 2016



**COLIN WALSH**  
Customer Services' Officer

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.

In 2016, 336 formal complaints were received by the Society, which represents a 16% increase from 292 in 2015. Of the 336 complaints, 15% were outside the scope of the service compared to 12% in 2015. This increase arrives at the back of decreases for the two previous years. Of these outside scope complaints, 58% related to new vehicle warranties, 25% were related to non-Member garages or lapsed Members, and 17% related to timeframe. The amount of complaints formally registered saw a 7% increase with a total of 276, compared to a total of 258 in 2015.

There were 65% registered complaints, which were resolved through the initial mediation process, compared to 52% in 2015. In 2016, there was a significant decrease in the average length of time to bring a complaint to a resolution down to 42 days. This decrease can be attributed to a proactive and positive approach by Member companies when engaging and utilising the complaints service.

Thirty-five per cent of complaints were resolved through the Standards Tribunal compared to 48% in 2015.

The type of complaints registered are summarised as follows:

- 62% related to the condition of the vehicles sold (mechanical and electrical defects), repaired or serviced. This compares to 76% recorded in 2015;

- 26% related to alleged misrepresentation of pricing, documentation, finance, etc. This compares to 13% recorded in 2015;
- 5% related to alleged conditions regarding the previous history of vehicles. This compares to 7% recorded in 2015; and
- 7% related to refund of deposits, which increased from 4% for the years 2013 to 2015.

The Standards Tribunal is chaired by an independent arbitrator and includes Industry representatives and a leading consumer advocate.

The Tribunal noted with concern the increase in the percentage of complaints registered relating to alleged misrepresentation compared to the same period for the previous year, and stressed the importance for Members to understand that you must be able to 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.

The Tribunal noted the decrease in the amount of complaints that went before the Tribunal and 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*  
Customer Services' Officer

# Priorities by Sector

## COMMERCIAL VEHICLE SECTOR

The Commercial Vehicle sector has continued to grow in line with the growth in the economy. This growth continued for the first half of 2016 but the Brexit vote had a significant effect on purchasing decisions by fleet and company operators. For the first five months of 2016, the Heavy Goods Vehicle (HGV) registrations were running 56.5% up on the same period in 2015 and the Light Commercial Vehicles (LGVs) were up 23.4%. During the past year, the Sector Committee worked on a range of key issues including: statistics segmentation, approved vehicle body builders (AVBB) scheme, vehicle identification number (VIN) changes, vehicle weights and dimensions legislations for 5-axle rigid vehicles and extension of the 46-tonne weight limit to drawbar combinations. Advanced driver assistance systems (ADAS), Euro V1 implementation and type-approval issues including the processing of individual vehicle approval (IVA) and national small series type approval (NSSTA), were also covered.

There was a strong focus on the review of the apprentice system and proposals for a SIMI Schools Programme.

Discussions in relation to the roll-out of new interpretations and requirements in respect of the registration and/or conversion of vehicles changing from M1 to N1, whether new or secondhand, have been ongoing as the State has been focused on a tighter definition of a vehicle that would qualify as an N. While the sector has grown, it is difficult to project the market with the uncertainty associated with the Brexit decision.

## COMMERCIAL VEHICLE TESTERS

Last year, 2016 was considered a year of consolidation for the vehicle testing sector. The Road Safety Authority (RSA) has, in recent years, endeavoured to encourage vehicle operators to present their vehicles on time for annual testing. In recent years, system changes have ensured that there is now no advantage in an operator delaying the annual test date for a vehicle. It is good to be able to report that figures are heading very positively in the right direction in this regard, with 96% of commercial vehicles now tested within six months of the test due date and most importantly, a steady increase in the number of vehicles presented for test on time.

After some very positive growth in test volumes over the last few years, the market slowed down to more conservative growth levels during 2016 and the final outcome for the year saw figures more or less flat with a 1.1% increase in LCV volumes and 3.3% increase in HCV volumes. However, the age profile of the commercial vehicle parc still reflects a lot of older commercials on Irish roads with 75% of the total vehicles registered still being more than five years old. There is, therefore, a real potential, as long as economic growth stays positive, for operators to continue to seek to upgrade older vehicles with new or imported vehicles of a younger age. This should ensure that the testing sector is busy going forward as vehicles that change ownership tend to promote extra testing activity with many operators preferring to get a fresh test when purchasing a replacement vehicle. Indeed for the first three months of 2017, test volumes were back up by 13% on LCVs and 8.35% on HCVs compared to the same period a year previously and though it might be optimistic to think that these levels will be sustained over the whole of 2017, it is very positive news for the sector nonetheless.

The RSA is also anxious to encourage more voluntary testing of vehicles inbetween annual regulatory test dates. They have had an active programme over the past few years of calling around to HCV operators with over 3,400 visits taking place in 2016 and informing them and

educating them of the need to maintain ongoing roadworthiness of their vehicle fleets. The RSA says test centres are in a very positive position to promote extra voluntary testing, where an operator can have his/her vehicle checked on the same calibrated test equipment by the same qualified testers as he/she would have done at the time of their annual test. This would surely be of benefit in maintaining the roadworthiness of vehicles. We think that the message is finally getting through to operators that they need more than an annual roadworthiness test to properly maintain roadworthiness of their vehicles and a proper service, maintenance and inspection plan is necessary to ensure this, based on the age profile of the vehicle and operating conditions. We are delighted to say that the RSA reports a significant increase in recorded voluntary tests in recent times with approximately 5,000 voluntary tests registered through CoVIS last year.

The RSA have continued to push test-centre operators to concentrate on trying to achieve the highest possible levels of quality and consistency of the test process. It is absolutely a core objective for our members to continue to deliver on providing a high-quality testing service. SIMI have run test-centre management courses to aid test centre owners and managers in planning and organising their organisations in adapting best quality procedures and all test centres are now engaged in a programme to update the Vehicle Testers Network (VTN) standard, which incorporates ISO 9001:2008 and CITA 9B recommendations to the latest standard which will now incorporate ISO 9001:2015. Solid work has been done in conjunction with the RSA and our Members, in putting the necessary measures in place to ensure best levels of quality and consistency and the RSA will continue to engage in fair and consistent performance management with test centres in 2017. The RSA will also continue with a programme of targeted sectoral enforcement and extra spot checks on buses will also be a feature of the RSA's testing programme for 2017. In accordance with EC Directive 2014/45/EU, there is a requirement to test T5-type tractors (road-going tractors which can exceed 40km/hr) by May 2018 and the VTN Committee are currently in talks with the RSA as to how this might be introduced as part of the current commercial vehicle roadworthiness testing (CVRT) programme. Our Members are obviously well-placed strategically around the country to take on this category of testing, but, obviously, details of what is required will be the subject of discussion over the next 12 months.

Looking to the future, there is no doubt that driver-assist type systems and general intelligent technology are being rapidly introduced throughout the Motor Industry and in many cases becoming standard in all types of motor vehicles.

The challenge in the coming years for the vehicle testing sector will be how we test these types of systems. There is also a huge focus on environmental factors and vehicle emissions and we can expect to see upgrades in relation to emissions testing and more sensitive-type, smoke-testing equipment and indeed more than likely, plug-in diagnostics in testing going forward. SIMI and the VTN Testers Committee will continue to have ongoing dialogue with the RSA in relation to progression of the testing system and build on the huge work that has been done with the RSA in conjunction with our Members over recent years.

## FRANCHISE RETAILERS

Sales activity in the Franchise Retail sector grew from the beginning of 2016. This was very positive and continued into the second quarter. Yet, the vote by the UK to leave the European Union had a significant effect on the Irish Motor Industry. The initial devaluation of sterling led to a



marked increase in the number of used imports. The fluctuating value of sterling and the inconsistency of consumer confidence had the opposite effect for the balance of 2016. While the market is in a much steadier position than it has been for some years, this uncertainty has a negative effect on vehicle sales growth. This causes particular issues as the sector operates a high-risk model of motor retailing with reducing margins and difficulty producing profitable results.

The Committee ran a number of courses and upskilling training during the year and produced reports for the Members on data protection, improving profitability and financial services reporting in addition to the other training programmes that SIMI provides.

The increase in the availability of finance, the introduction of personal contract plans (PCPs) and the low annual percentage rates (APR) are helping consumers to make the decision to purchase. However, finance products such as PCPs, which have been a vital part of the growth in the last few years, bring their own challenges where the risk is carried or underwritten by the retailer. A recent case in the European Court of Justice may also change this landscape for the leasing of vehicles.

The negative publicity around diesel technology and the introduction of new emission standards in Europe may also change the way in which our business evolves. Our commitment to a reduction in CO<sub>2</sub> and environmental outputs will lead an increased focus on alternative fuel vehicles. This will play a key role in our policy making decisions and our ongoing partnership with Government.

We welcome the debate about these and other issues, which are potential opportunities for our sector.

## RECOVERY SECTOR

The Vehicle Recovery sector in SIMI continues to grow and increase the professionalism and profile of the recovery industry in Ireland. The Vehicle Registration Office (VRO) Committee has met at regular intervals throughout the last year and is well represented geographically, with Members from Westmeath, Louth, Laois, Kildare, Cork and Dublin.

The main challenges facing the sector are the rising costs of insurance and shadow economy rogue operators. The Committee has met with representatives from the insurance industry on what the sector can do to address and curb rising insurance costs. The Committee voiced their concerns on the insurance costs and there will be further meetings planned with the insurance sector.

The sector held its Annual General Meeting (AGM) last summer and over 60 companies from across the country were in attendance. Incorporated into the day was a practical demonstration by the Vehicle Manufacturers on what a recovery operator needs to do when faced with a broken-down electric vehicle.

The SIMI VRO specific branding is being well received throughout the industry and helps to differentiate between the genuine operator and the rogue operator. The lack of enforcement in tackling the rogue operators is of huge concern to the sector. The VRO award at the SIMI Awards Dinner is growing and this year a record number of entries for the VRO sector were received.

## WINDSCREEN REPLACEMENT SECTOR

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 while providing new and better training and accreditation/qualification systems for new entrants into this growth area. The potential to develop continuous learning programmes

for all operatives in this segment should be considered, particularly if this could be supported by the SIMI Skillnets funding.

The current Solas review of apprenticeship and the ongoing work of the Committee with third-level development institutes will produce a programme suitable for all new entrants.

Recalibration of cameras following windscreen replacement with ADAS and telematics, is an important area for this sector in the coming years. The Committee worked closely with the Road Safety Working Group to review areas of safety concerns in windscreen replacement.

## VEHICLE BODY REPAIRERS SECTION

It has been another challenging year for the Vehicle Body Repair sector, which is currently experiencing an ever-changing marketplace. The GlassMatix estimating system, which was used by the majority of the Industry, left the market in March of 2017. This meant that Members had to adapt, integrate and retrain on a new system.

SIMI had previously submitted to the insurance companies that the introduction of a new estimating system should not be used as an opportunity by the insurance industry to unilaterally reduce charges it pays to repairers, who are already operating on very tight margins. We understood from Members' feedback that new arrangements, which have been rolled out, include significant reductions/discounts on paints, as well as labour content, which we understand is significantly less than would have been the case under GlassMatix.

As a result of the very serious concern in the sector on this issue, the Vehicle Body Repair Committee commissioned Keith Browne & Co, Chartered Accountants, to carry out a comparative analysis for identical estimates repairs to be prepared on the GlassMatix and Audatex systems. The report outlines repairs broken down into five separate categories, all of which show an overall decrease in the labour time allowed to carry out the repairs.

The biggest decrease coming from category 1 (0 to seven hours) and category 2 (eight to 12 hours), where much of the repair work is completed. The report makes for harrowing and disappointing reading for our Members and there is real concern that we are seeing the unilateral introduction of significant reductions in labour charges.

The persistent drive to force a reduction in the charges paid to our Members is unsustainable for them and will result in serious damage to the sector.

Over the past number of years, vehicle body repairers have invested heavily in their business, upgrading their equipment and skillset to move with the ever-changing technologies in vehicles. Many companies have voluntarily embraced and achieved the national Irish Certified Steel Standard (CSS), demonstrating their commitment to the highest quality standard in the processes and procedures directly related to the safe repair of accident-damaged vehicles.

SIMI shares Members' concerns that a reduction in rates will put further pressure on already tight profit margins and may result in business closures and a reduction in quality of work carried out. It is important to note that it is a matter for each individual member to decide, on an independent basis, the rates it will agree for work with an individual insurance company or to decide, individually and independently, whether to provide services to the individual insurance companies on the terms offered by them.

As set out in the report by Keith Browne & Co, Chartered Accountants, this reduction may result in business closures, given that our Members currently operate with very low-profit margins. Such significant reductions in the charges paid by insurance companies to Members may also inevitably lead to a fall in repair quality, as repairers will be required to do more for less. This, we believe, is not in anybody's interest.

## VEHICLE MANUFACTURERS/DISTRIBUTORS

While 2016 had started very strongly from a new vehicle sales viewpoint, showing increases of 23% in new car registrations, 26% in LCV registrations and 42% in HGV numbers by the end of June, since last year's AGM, the outlook for new vehicle sales has been very uncertain and certainly less buoyant than the early part of 2016. This has continued through 2017 with new cars down 10%, LCV numbers down 13% and HGVs down 8% by the end of April.

During the year, significant work was carried out with Revenue to deliver the changeover to Electronic Certificates of Conformity (eCoC). This was not without issues for Members and, indeed, the programming changes also resulted in other problems in the registration system. All of this impacted on progress in relation to improved data flows from Revenue, which were put on hold until issues were resolved.

The SIMI End of Life Vehicle (ELV) Company, ELVES, has continued to work on behalf of Vehicle Importers/Manufacturer Members. The Department has been very satisfied by the work undertaken by ELVES on the development of an efficient, best-practice process for dealing with end of life vehicles and ensuring that Ireland is compliant with the requirements of the relevant EU Directive. The Minister signed the PRI order giving effect to the ELVES scheme.

Other major issues on the agenda for Vehicle Manufacturers/Distributors included: vehicle emissions and RDE/WLTP testing developments in Europe; electric and hybrid vehicles; Brexit; and the return of a single Car of the Year event.

## 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 the 1,785 retail sites in the State.

Fuel taxation is very high in Ireland, with over 50% of the retail price of fuel returned to Irish Revenue, and in this regard the Industry was relieved that no further fuel tax increases were imposed in Budget 2016. Revenue's fight against fuel laundering saw more success, with their annual report reporting: "During 2016 the success of Revenue's comprehensive strategy and actions to combat the trade in illicit fuels was clearly evident. Just one mobile laundry was detected, sludge

dumping was considerably reduced and a small number of detections of laundered fuel was made.

"Random sampling of auto fuel licence holders' premises was carried out in January 2016 and was repeated in January 2017. These exercises provide a powerful and robust measure of the scale of any selling of laundered fuel in the State. The results of the two exercises show no detections in either January 2016 or January 2017. Further Revenue research shows that volumes of diesel released for consumption are continuing to grow strongly, and this increase is faster than would be expected from economic growth alone. Analysis suggests that a significant portion of this increase may be due to the continued successful implementation of Revenue's compliance strategy in oils."

## WHOLESALE SECTOR

There have been a number of well-attended and well-informed Parts Wholesalers meetings held. The sector has been well represented at management level by the President Alan Greene, and also the Chairperson, Gillian Fanning. SIMI, along with Gillian, have attended a number of FIGEFA meetings throughout the year representing the sector at a European level.

The key issues for the sector are: Brexit; changes to distribution channels; and access to data through the 'Right to Connect' campaign, which provides an open and transparent sharing of vehicle data and Insurance costs.

## INDEPENDENT SECTOR

Over the past year, the sector has been well served with two independent Retailer Members representing the sector at Management Board level. Members in the sector raised a number of issues and concerns regarding insurance, particularly increases to motor insurance premiums and how this is preventing people from changing their cars. This is certainly having an impact on the 10-year-old cars.

Although, generally, Ireland's economy is in a strong statistical recovery, uncertainty surrounding Brexit and a drop in consumer confidence, are having an impact on the sector.

The shadow economy continues to have a major impact on legitimate business and the issue has been raised with Revenue and will continue to be an action point for the sector in the months ahead. A campaign highlighting the benefits of buying from an SIMI garage is also planned.



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