



SIMI Annual Report
2018–2019







Annual Report 2018-2019

CONTENTS

4 About SIMI: Mission Statement

5 Irish Motor Industry Review

6 Highlights of the Year

10 Membership Services

11 SIMI Management Board

12 SIMI NEC 2018-2019

14 President's Report

16 Director General's Report

18 SIMI Executives

19 Membership by Numbers

20 Training

21 Consumer Complaints Service

22 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

Motor Industry Review Highlights

Year to Date

New Car Sales	-8.5%
2019 73,044 2018 79,813	
Light Commercial Vehicles	-10%
2019 12,892 2018 14,316	
Heavy Goods Vehicles	+3.11%
2019 1,194 2018 1,158	
Used Car Imports	+2.75%
2019 35,717 2018 34,761	
New Electric Vehicles	+308.3%
2019 1,731 2018 424	

April

New Car Sales	+10.8%
2019 8,923 2018 8,053	
Light Commercial Vehicles	+1.12%
2019 1,812 2018 1,792	
Heavy Goods Vehicles	+27.27%
2019 308 2018 242	
Used Car Imports	+2.8%
2019 8,886 2018 8,644	
New Electric Vehicles	+108.5%
2019 296 2018 142	

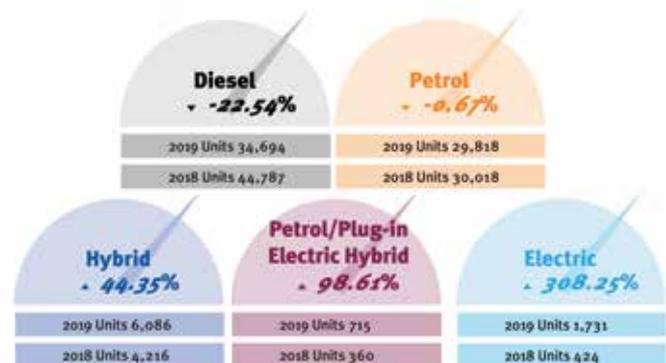
Government Revenue on Car Sales (Q1 2019 vs. Q1 2018)

€722.9mn

Total Revenue



New Cars by Engine Type



New Cars January - April 2019

Average CO₂ 114.57g/km
1.3% on comparison year (113.13g/km)

Cost of a New Car Q.1 2019



Compared to cost of a similar car

Cost of a New Car Based on OMSP*

*Open Market Selling Price



Consumers spending more on higher specification cars

New Cars by Transmission January - April 2019



Highlights of the Year

2018-2019

2018

MAY

ELECTION OF NEW PRESIDENT GERARD O'FARRELL TO OFFICE



JULY

NEW REG PLATE 182



182 is here

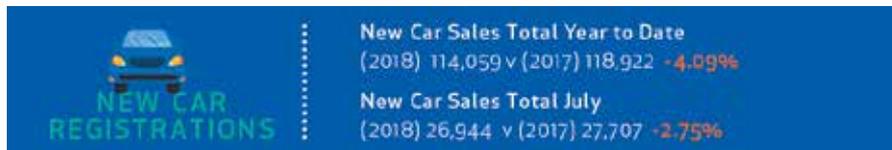
JUNE

NEW LOOK SIMI.IE



AUGUST

182 REGISTRATIONS ONLY SLIGHTLY DOWN ON JULY 2017



SEPTEMBER

SIMI ATTENDS SCHOOL SUMMIT

Students from around the country had an opportunity to learn about future careers choices at the School Summit which took place on Monday, September 10, and Tuesday, September 11, at the National Show Centre, Swords, Co. Dublin.



WOMEN@SIMI



The SIMI hosted its fifth annual Women@SIMI event in conjunction with its sponsor, Bank of Ireland Finance, in the Shelbourne Hotel Dublin. The event had its largest attendance to date with over 160 professional women from a variety of counties, representing different sectors within the Motor Industry in Ireland. Featuring an impressive panel of speakers, the event got underway with Anne Cassin, Master of Ceremonies interviewing Francesca McDonagh, CEO of Bank of Ireland, while listening to speakers Geraldine Herbert, Editor & Motoring Journalist, and Gerry Hussey, Performance Psychology Consultant.

SIMI HOLDS FIRST INDEPENDENT AFTERMARKET CONFERENCE IN SEPTEMBER



Our first Independent Aftermarket Conference was held on Wednesday, September 26, Red Cow Moran Hotel, Dublin. The event was the joint effort of both the Society's Independent Retailer and Wholesaler Committees, which attracted numerous attendees from the independent sector, motor factors and vehicle parts distributors. The primary focus of the Conference was for those in the aftermarket sector with guest speakers reflecting both the Irish and European Aftermarket experience.



Speakers at the first Independent Aftermarket Conference: (l-r) Frank Byrnes, Frank Byrnes Autobody Repairs; Gillian Fanning, Chairperson, Vehicle Parts Distributors Sector; Quentin Le Hetet, GiPA; Keith Browne, Keith Browne Consulting; Jan Bambas, FIGIEFA; Emma Mitchell, Director SIMI; Jim Power, Economist; Alan Nolan, Director General SIMI.

OCTOBER

MOTOR INDUSTRY CALLS FOR BUDGET TO AVOID FURTHER DESTABILISING CAR MARKET



- Declan Breathnach** @BreathnachLouth · Sep 19
Attended an informative briefing today given by SIMI. VRT and Road Tax Bands need adjustment for 2019 to negate what will effectively be a tax increase on new cars - loo on to similie for more info on this. @SIMI IE
- John Curran TD** @curranjohna · Sep 19
Meeting with Tom Cullen from @SIMI_IE (Society of the Irish Motor Industry) at today's Pre Budget Briefing. Lots of concern regarding #Brexit and the sales of cars and vans not reflecting the economic growth on account of uncertainty around #Brexit
- Jerry Buttimer** @jerrybuttimer · Sep 19
@SIMI_IE excellent prebudget briefing

Budget Lobby

SIMI DISAPPOINTED AT ILL-CONSIDERED VRT INCREASE ON DIESEL IN THE BUDGET



Commenting on the Budget decision to increase VRT on the registration of diesel cars, SIMI Director General Alan Nolan said: "This was a poorly considered measure that appears to have been included to give the perception of an environmental focus in the Budget."

SIMI ANNOUNCE THE APPOINTMENT OF BRIAN COOKE AS DIRECTOR GENERAL DESIGNATE

NOVEMBER

VTN CONFERENCE/AGM 2018



The Vehicle Testing Network (VTN) Annual Conference and AGM took place on November 5 in Killashee Hotel, Naas, Co Kildare.



NATIONAL RETAILERS CONFERENCE

SIMI National Conference 'Building Your Future Sound Foundations' was held on the 6th November 2018 in Killashee Hotel, Naas, Co. Kildare. The conference was sponsored by AIB Finance & Leasing.



WATERFORD CAREER EVENT

A career event took place for secondary students on Tuesday 27th November 2018, in The Granville Hotel, Meagher's Quay, Waterford, where the Waterford members showcased the many exciting and dynamic career opportunities available in our fast-paced everchanging industry.



2019

JANUARY

2018 NEW CAR REGISTRATIONS FINISH 4.4% DOWN

"Despite the strong economic performance of Ireland last year, 2018 proved very challenging for new car sales. The drop in new car registrations is largely a result of Brexit and the associated weakness of Sterling. This has led to a surge in used car imports over the last 2 years, and 2018 saw used imports surpass the 100,000 mark for the first time."



SIMI SKILLNET ACHIEVES INCREASED FUNDING

SIMI is delighted to confirm that Skillnet Ireland recently approved the SIMI Skillnet network for an increased level of funding in 2019. Since 2013 Skillnets, a State-funded, enterprise-led body, which promotes and facilitates training and upskilling, has supported training courses through the SIMI Skillnet and has played a key role in assisting SIMI members to train and develop their staff.

FEBRUARY

191 REGISTRATIONS FURTHER DAMPENED BY BREXIT

Car sales figures for the month of January show that 191 registrations are down 12.6% (32,374) when compared to January 2018 (37,023). It's a similar story for Light Commercials which are down 16.3% (5,650) compared to January last year (6,753), and HGV (Heavy Goods Vehicle) registrations are also down 11.4% (356) in comparison to January 2018 (402).



SIMI ANNUAL DINNER AND IRISH MOTOR INDUSTRY AWARDS

SIMI held its 66th Annual Dinner at the Clayton Hotel in Dublin. SIMI President Gerard O'Farrell welcomed over 700 senior Motor Industry figures and guests in attendance. A highlight of the event was the announcement of the SIMI Irish Motor Industry Awards in partnership with sponsor Bank of Ireland Finance.

MARCH



FEBRUARY NEW CAR REGISTRATIONS ELECTRIC

The total new electric car registrations for the month of February have shown a significant increase with 330 registered in comparison to just 72 in the same month last year. Year to date 1,129 have been registered in the first two months of this year, which has almost surpassed the total sales for the whole of 2018 (1,233).



Pictured at the announcement of Ireland's Presidency of the ITO: Aoife O'Grady, Principal Officer, Department of Transport; Dr Young-Tae Kim, Secretary General of the IFM; Graham Doyle, Secretary General at the Department of Transport; and Tom Cullen, Director, SIMI.

IRISH PRESIDENCY OF INTERNATIONAL TRANSPORT FORUM

In 2020 Ireland will assume the Presidency of the Global Organisation the ITO (International Transport Forum). This organisation is made up of Commercial and Political representatives from around the Globe who focus on the Economic, Environmental, Political and Social impact of transport legislation, implementation and innovation. SIMI is a Key Partner in this project.

SIMI TAKES PART IN IRELAND SKILLS

Thousands of secondary school students attended Ireland Skills Live 2019 which took place over three days in the RDS, Simonscourt, Dublin. While it is no secret that there is a serious skills shortage in Ireland right now, the solution is a little harder to identify. This is a unique event aimed at helping to assist in changing the perception of the skills sector, to encourage those pursuing this career path and to support stakeholders' strategies and future goals. Ireland Skills Live 2019, in an exciting and dynamic way, tackled head-on the negative perceptions students, their parents and, in some cases, their teachers and career advisers have about apprenticeships or skills as a future career pathway. SIMI hosted a stand at the event to represent our Industry



Colin Walsh, SIMI, with John Halligan, Minister of State for Training and Skills and Margaret O'Shea, SIMI, at the Ireland Skills Live event.

and answer questions on Apprenticeships and careers in the Motor Industry.

BREXIT SEMINAR - DEAL OR NO DEAL?

What are the implications for your business? SIMI held various seminars in March in Monaghan, Sligo, Roscommon, Dublin and Kilkenny. VTN Regional Meetings were held in Kildare, Cork, Monaghan, Sligo and Westmeath.

MOTOR INDUSTRY TO RECRUIT 150 APPRENTICES



Regina Doherty, Minister for Employment Affairs and Social Protection; Karl McAllister, Apprentice with Spirit Motor Group; and Sarah Sweetman, Apprentice with Joe Duffy Ford, pictured at the announcement of the Irish Motor Industry's plan to recruit 150 Apprentices throughout Ireland.

CAREER CAMPAIGN TO VISIT A MEMBER



Looking to start a career in the Motor Industry? Then why not visit one of our Member Companies, who will be happy to answer any of your questions. Those who are interested can simply go to our website and register for a visit at <https://www.simi.ie/en/careers-overview/visit-a-member>

APRIL

2019 SIMI VEHICLE RECOVERY OPERATORS NATIONAL CONFERENCE



Seamus McCormack, SIMI, with VRO Conference guest speakers Justin Martin, Road Safety Authority; Frank Byrnes, of Frank Byrnes Auto Body Repairs; and Jim Power, Economist.



The 2019 SIMI Vehicle Recovery Operators National Conference took place on Wednesday, April 3, in the Carlton Hotel Dublin Airport, Co Dublin. The day included industry speakers covering a range of topics and a trade show with a number of exhibitors.

LAUNCH OF NEW SIMI MEMBERS PORTAL



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



GERARD O'FARRELL
PRESIDENT



GABRIEL KEANE
DEPUTY PRESIDENT



ANTONIA HENDRON
HONORARY TREASURER



GAVIN HYDES
IMMEDIATE PAST PRESIDENT



GILLIAN FANNING
CHAIRPERSON
WHOLESALEERS'
COMMITTEE



PADDY MAGEE
CHAIRMAN IMPORTERS'/
DISTRIBUTORS'
COMMITTEE



NOEL DORAN
CHAIRMAN,
INDEPENDENT
RETAILERS' (SERVICE)
COMMITTEE



LIAM DENNING
CHAIRMAN, VBRS
COMMITTEE



JAMES HENNESSY
CHAIRMAN,
INDEPENDENT
RETAILERS' (SERVICE)
COMMITTEE



MARK BOGGAN
FRANCHISE COMMITTEE



MARK TEEVAN
IMPORTERS'/
DISTRIBUTORS'
COMMITTEE



MARK WOODS
PETROL/OIL
COMPANIES' SECTOR



ALAN NOLAN
OUTGOING DIRECTOR
GENERAL
TO APRIL 12, 2019



BRIAN COOKE
DIRECTOR GENERAL
FROM APRIL 12, 2019

SIMI National Executive Council

HONORARY OFFICERS

PRESIDENT

Gerard O' Farrell

Jaguar Land Rover Ireland
JLR House, Arena Road
Sandyford Business Park
Dublin 18

DEPUTY PRESIDENT

Gabriel Keane

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

HONORARY TREASURER

Antonia Hendron

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

IMMEDIATE PAST PRESIDENT SIMI

Gavin Hydes

Joe Duffy Motor Group
Exit 5 M50
North Rd, Dublin 11

VEHICLE IMPORTERS'/ DISTRIBUTORS' SECTION

CHAIRMAN VEHICLE

IMPORTERS'/ DISTRIBUTORS' COMMITTEE

Patrick McGee

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

Steve Tormey/Mark Teevan

Toyota Ireland
Toyota House, Killeen Road
Dublin 12

Paolo Alves /Michael Nugent

BMW Group Ireland
Swift Square, Santry Demesne
Dublin 9

Ciáran McMahon

Henry Ford & Son Ltd
Elm Court
Boreenmanna Road
Cork

Stephen Gleeson

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

James Brooks

Kia Motors Ireland
Unit A8 Calmount Park
Calmount Rd
Dublin 12

James McCarthy

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

Tom Fleming

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 WHOLESALERS' COMMITTEE

Gillian Fanning

Serfac Limited
Hilary House, Belgard Road
Dublin 24

Alan Greene

Origo
Magna Drive, Magna Business
Park
Citywest
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

Hugh Brady

Tech Plus Ltd
Unit E9, South City Business
Park
Tallaght
Dublin 24

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
Limited
Clyde Lodge, 15 Clyde Road
Dublin 4

RETAILERS' SECTION

CHAIRMAN INDEPENDENT RETAILERS' (SERVICE) COMMITTEE

Noel Doran

Robertstown Motors
Ashbourne
Co Meath

CHAIRMAN INDEPENDENT RETAILERS' (SALES) COMMITTEE

James Hennessy

James Hennessy Motors
Stillorgan Road, Mount Merrion
Co Dublin

CARLOW

Rowena Dooley

Dooley Motors Ltd
Sleaty Roundabout
Carlow

CAVAN

Cathal O'Reilly

Auto Tech Bodyshop Ltd
Unit 1 Poles Business Park
Poles, Co Cavan

Tómas Brady

Brady's Cavan
Dublin Road
Cavan
Co Cavan

CORK

Gerard O'Sullivan

Ardfallen Motor Care
Ballycurreen Industrial Estate
Kinsale Road, Co Cork

Martin Condon

Cavanagh's of Charleville
Limerick Road
Charleville
Co Cork

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

Jonathan Meade

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

Michael Grant Jnr

Michael Grant Renault
Beech Road, Sandymount
Dublin 4

Tom Murphy

Murphy & Gunn Ltd
Rathgar Ave, Rathgar
Dublin 6

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

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

Peter Marron

Marron's Garage
Monaghan Road
Castleblaney
Co Monaghan

MAYO

Kevin Connolly
Kevin Connolly Car Sales
Dublin Road
Ballina
Co Mayo

ROSCOMMON

Tom Raftery
Motorpark Athone
Monksland
Athlone
Co Roscommon

SLIGO

Kevin Egan
Kevin Egan Cars Ltd
Carroroe
Sligo

TIPPERARY

Gerry Pierse
Pierse Motors Ltd
Limerick Road
Tipperary Town

WEXFORD

Mark Boggan
Hugh Boggan Motors
Carriglawn
Newtown Road
Co Wexford

Cormac O'Leary

O'Learys Garage
Dublin Road
Enniscorthy, Co Wexford

WICKLOW

Paul Carter
Avon Motors
Savilles Cross
Rathdrum, Co Wicklow

VEHICLE BODY REPAIRERS' SECTION
CHAIRMAN VBRS COMMITTEE

Liam Denning
Dennings Cars
Bellavista
Spawell
Tallaght, Dublin 24

Jamie Lawlor

Jamie Lawlor Crash Repairs
Unit 3A Ard Gaoithe Business
Park
Clonmel, Co Tipperary

CHAIRMAN HGV DISTRIBUTORS' COMMITTEE

Bruce Archer
Daf Distributors
Baldonnell Business Park
Dublin 22

SPECIALIST TRADE REPAIRERS' SECTION

Paschal Quinn
Galway Windscreen Centre
Liosban Industrial Estate
Tuam Road
Galway

Adrian O'Dwyer

AAA Mobile Windscreens
Unit W1A Togher Business Park
Newhall, Naas
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

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 Reail 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
Waterford Motor Village
Waterford Business Park
Cork Road
Waterford

WICKLOW

Tara Jackson
Glebe Business Park
Part Access Road
Wicklow Town
Co Wicklow

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
Paddy Murphy, Advance Tyre
Michael Fennell, IMI, Irish Region
Paul McCarthy, IFHA
Paul Redmond, CRCI
John Wallace, VLAI
Jerry Kiersey, Green Tiger Express
Dermot Eagny, Ben Ireland

TRUSTEES

Eugene Cranley
Tom Noonan
Brian Murphy (until March 5, 2019)
Gaetano Forte (from March 5, 2019)

President's Report

There is no doubt that the business environment in which we operate is a rapidly changing one, in terms of technology, environmental policies and consumer-facing business.

Traditionally, our annual report focuses on reviewing the past year and summarising the various impacts on our Industry. I don't think anyone particularly wants to read about the last year! Yes, we are experiencing a difficult trading environment, fraught with uncertainty, risk and real challenges, but I would prefer that we look towards the future, as we continue to work on our long-term strategy to determine where our Industry is going.

But even the best-laid plans can be disrupted by unanticipated events. Brexit is one such event, which will have substantial implications for Ireland, both politically and economically. I hope that, over the months ahead, the business and consumer issues surrounding Brexit will be clarified and we can plan our businesses with more certainty.

The main question for our Industry is what impact Brexit will have on the imports of both new and used cars, as well as parts coming into Ireland in the future. VRT Taxation, Tariffs, VAT and technical changes will all have an impact.

There has been real focus in both the media and among Members on the record volumes of used car imports to Ireland. While these are important to some of our Members, at the heart of this there is the basic question, which the State has been looking at, do we want to accept, indiscriminately, all older cars that are not wanted in the Member state they are currently in? There are strong indications that Government may be in a much better position post-Brexit to make decisions that are more focused on Environmental compliance and on State revenues.

SIMI is in ongoing engagement with Government to make sure that Members are well-informed of any developments, both those Members for whom imports are an important part of their business and those who are negatively impacted by imports.

Following on from Brexit, we expect to see changes to our VRT and Road Tax systems, as the full roll-out of the WLTP emissions test will happen in January 2020. In our view, and in the EU Commission's view, these modifications should not result in an additional taxation burden on the consumer. New cars remain the cleanest choice for consumers and the State, so we must avoid further cost barriers that could destabilise a market already impacted by Brexit.

We all know that the life-blood of any company is its people and we always try to surround ourselves with the best in the business. But there is an immediate challenge facing us, with the ongoing skills shortage in our Industry. SIMI has increased its involvement with national career events, secondary school presentations and interactions with career guidance counsellors in recent months. And this will continue!

We are one of the few Sectors providing professional employment in over 400 towns and villages across Ireland, offering incredible career opportunities close to where people live, whether that is in a city, suburb or rural village.

The Irish Motor Industry is already a very significant employer in Ireland with 43,000 people employed throughout the many sectors. I encourage Members to maintain this life-blood in our industry by recruiting new employees, both at apprenticeship level and in the variety of other career opportunities across your business.

In the longer-term, there is urgent need for all of us to be more pro-active in our choices to protect our environment for future generations. Ironically, while some observers may see the Motor Industry as part of the environmental problem, I believe that the opposite is actually the case. In fact, we are the providers of progressive solutions to our emissions problems. The drive towards zero emissions is going to be a challenge for our Industry and the other stakeholders, particularly in managing the residual values of internal combustion engine cars over the next number of years, as people gradually move away from them.

The transition to a full zero-emissions national fleet will require a different co-operative, shared approach between the State and all of the key stakeholders. It cannot be based on short-term patchwork decisions that take a simplistic view of the issues; we saw where that brought us in 2008.

Ireland will still require a mixed fleet for many years to come as change will not happen overnight. As we transition to new technology, we should avoid demonising current lower-emitting internal combustion engines. Such practice merely accelerates depreciation of residual values and increases the cost-to-change for the current owners. And while it will take time for Ireland to achieve its zero-emissions goal, the Motor Industry is committed to a zero-emissions future.

What we need now is an agreed, realistic, roadmap with ambitious targets based on an understanding of what can be achieved. It needs a multi-annual commitment, led by Government and involving all of the stakeholders.



Our Industry is currently undergoing its own Renaissance. We are breaking from the past, embracing new ground-breaking technological advances. This could reshape our customers' transport needs and how they use cars in the future.

Connected Autonomous Vehicles (CAVs) will become more mainstream and relevant to our lives, but policy and legislation linked to strategic plans for exploiting them must be in place. Our Government needs to act now to prepare the national infrastructure and reduce our exposure to risk when these vehicles arrive.

The creation of Autonomous, Connected, Electric and Shared technologies will also offer potential for high-calibre job creation and significant economic growth. Ireland is well-positioned to play a leading role in developing the technology underpinning such vehicles and their operation (spanning hardware, software, data hosting and analysis).

Our country has a track record in the design of key components linked directly to the auto sector, with significant employment already in existence across Ireland. Additionally, OEM research and development teams exist in the main universities and research centres across the country and are growing rapidly as they look to develop cutting-edge analytics and tools in the area of CAVs. Ireland hosts leading global data companies that are directly or indirectly involved in this market space through research and data management solutions.

It is clear that Autonomous Vehicles (AVs) and Electric Vehicles (EVs) will begin to converge within the next five years. This means we need to consider the implications for the design of our road network and mobility in our cities. Both elements (AV and EV) must be considered as part of a systematic approach to network management. That will require development of a cohesive policy that will allow Ireland to be at the forefront of knowledge creation.

According to a recent report prepared by Arup, economic impacts linked to CAVs could create approximately 100,000 new jobs by 2030 in direct and indirect services for such technologies.

That is a serious economic prize for Ireland which merits comprehensive and sustained government support to harness such potential. And by extension, if Ireland is to establish itself as a leader in the development of such technologies, it is imperative that we also roll out our own national infrastructure in parallel to enable us to be early adopters. This could be a real win-win formula for Ireland and the Motor Industry.

The roll-out of the next generation of Electric and Hybrid vehicles, a renewed investment plan to expand the charging network and the exciting focus on autonomous driving and connectivity will all really start to take root in the next few years. These technologies will enhance driver knowledge and assist in continuous improvement in Road Safety.

With the development of superfast charge points and the improving efficiency of electric motors and batteries, it is clear that EVs will begin to have a real presence on our roads in the near future. Already we are all noticing a significant growth in consumer awareness and willingness to consider either Hybrid or EV at their next purchase point.

So, our future is very exciting! Over the past 30 or more years that I have worked in this great industry, we have experienced huge technological advances in motor car design and build. However, I believe the next five years will overshadow this, with even more rapid and fundamental change as we welcome mass introduction of zero-emission EVs, connectivity between cars and their environment and stages of autonomous driving to our daily lives.

As we plan ahead, let's think about our future customers, who are only starting to drive now, known as Generation Z. Gen Z can quickly and efficiently shift between work and play, with multiple distractions going on in the background, working on multiple tasks at once. In school – they will create a document on their school computer, do research on their phone or tablet, while taking notes on a notepad, then finish in front of the TV with a laptop, while face-timing a friend.

Just think about how this kind of flow might reshape their attitude towards connected technology in the cars of the future.

Although the unknown future can instil a degree of caution and uncertainty, I believe there will be great new opportunities for businesses who embrace change, continue to adapt their course and remain focused on providing very professional service to their customers.

The Irish Motor Industry needs to own this space of innovation and provision of cutting-edge automotive technologies that are smart and sensitive to our environment.

Gerard O'Farrell

Gerard O'Farrell
President, SIMI

Director General's Report



2018 was another very challenging year for the Industry and, as it happens, for me personally. In mid-year, the Society addressed the task of finding a replacement for our Outgoing Director General, Alan Nolan and the process continued right through to October when the decision on the new appointment was made. I am honoured to have been selected in that rigorous process and to be presenting my first Director General's Report this year. I would wish to thank the Selection Committee, the Members of the Management Board and the National Executive Council and you, the Members for the confidence you have shown in me by making this appointment. I do not take this responsibility on lightly, I deeply care for this Industry and those who work in it and I undertake to work with all of my strength and skill to deliver for you in the years ahead.

The period since last year's AGM has continued to be dominated by Brexit, with used car imports as we had predicted, reaching above 100,000 for the very first time. In the face of all this, New Car Registrations continued to fall-back, finishing on 125,500 at the end of 2018 a little ahead of our predicted 120,000. New Car Registrations have declined by a further 8.5% in the first four months of 2019, while used imports have increased by 2.7%, suggesting 115,000 New Cars and 105,000 used imports by year end, if the market continues as at present.

With only 71 new private imports and a total of 2,115 current year cars imported, the major impact of Brexit on new car sales has been as a result of used car values being driven-down, which is increasing the cost to change for consumers. Without Brexit, given the overall buoyancy of the Economy, the market might well be closer to 170,000, given a potential catch-up impact after so many years of relatively low new car sales.

Since 2016, we have carried a fairly realistic view regarding the Brexit negotiations and the potential impact on Sterling and on the Irish car market. We carried the message right through this period, in our conservative market projections and directly to Members through Newsletters, Editorials and regular local and regional meetings, that this is a time to be cautious and risk averse. Provided the Industry planned for a lower market, then businesses could remain viable through this difficult period. Continued Registrations to date this year would appear to again confirm the accuracy of our conservative projections.

For Commercial Vehicles, the year was slightly better than 2017, with new LCV's up by 5.6% and new HGV's down by just 0.5%. Used Imports of HGV's were up by 13% while new LGV's were down by 3%.

Both Franchise and Independent vehicle sales Members continued to report relatively strong used vehicle sales during the year and on into 2019, provided their valuations were accurate and for those Members importing used vehicles, there was further growth. While the diesel share of the New Car Market fell from 65% to 54% in 2018, the diesel share of used imports is continuing at a very high level (75% Market Share). To date in 2019 the diesel share of new car registrations now stands at 47% while for used imports the diesel share is in excess of 72%.

Average CO₂ for new cars is continuing to rise as a result of the current trend away from diesel engines. The average emissions for a new car was 113 Gms per Km at the end of 2018 and is currently showing 115 Gms per Km so far this year, potentially making the 2021 EU targets more difficult to attain. The decline in diesel market share for new cars is set to continue during 2019 and this is likely to increase the average CO₂ figure. Another feature of the market has been the increase in new Electric Cars (EVs) and Hybrids delivering market shares of 0.5% for EVs and 5.8% for Hybrids in 2018 and this has increased even more significantly, in 2019 to date, with EVs now at 2.4% and Hybrids at 9.3%.

The after-market had another challenging year, although reasonable volume-wise, members reported that margins were very challenged, while consolidation remains a key feature in the Wholesale sector. For Body Repairers, the market has been extremely challenging with pressure from the Insurance Sector on both times and costs on what were already tight margins. In addition, the actions of Insurance Companies in consolidating their Networks has led to further difficulties for many in the sector and serious concerns among Members regarding their future viability. Commercial Vehicle Testers have had a steady year in Testing with the AA taking over the Supervision Contract from Bureau Veritas. The Sector is now facing into a mid-term review of the CVRT testing system in advance of the expiry of the current Contracts in 2024.

The Industry across virtually all sectors has placed a very strong focus on seeking to address skills shortages which have been apparent for some time and are worsening. While Apprenticeship intake has remained weak, the special task-force, under Immediate Past President Gavin Hydes, has started its work on a range of actions aimed at improving the situation. While this is likely to take some time to deliver a significant improvement, early positive feed-back from employment events and the commitment of Distributors, Dealers, Independents, Commercial Vehicle and Body Repair Specialists suggest that the project can make a difference.

The Environment continues to be perhaps the dominant issue for the Industry, Brexit notwithstanding, with a strong anti-diesel sentiment, based on Air-quality concerns and almost weekly updates on further evidence of ever more severe Climate Change consequences developing.

SIMI has stated the Industry's position as a Champion of the Environment committed to working to deliver the changeover of the fleet to zero tail-pipe emissions as efficiently as we can. We have, though, underlined the need for considered longer-term Government policies, not just Budget-to-Budget and not based on knee-jerk reactions to current media focus on specific issues.

Yet this is exactly what we saw again in Budget 2019, when the Government appeared to back-off from a signalled Carbon Tax increase at the last moment and appeared to substitute a 1% VRT Surcharge on new Diesel cars. While a shift from Diesel was always going to increase CO₂ (+1.3%), if this was intended to improve Air-quality, by shifting diesel drivers to Petrol, Hybrid or Electric, it has singularly failed. While an additional 3,000 cars were registered in these Fuel-Type categories compared to the same period last year, the number of new Diesels was over 10,000 down suggesting that many Diesel owners may simply stop replacing their car or may be opting for an older used Import. Neither will serve to improve our National Environmental or Air-Quality performance.

Budget 2019 did not make any adjustment for transitional change from NEDC to NEDC-2 values for VRT calculations during 2019 but discussions have been ongoing in respect of the much more significant increase we are facing in the change to WLTP values for VRT purposes in 2020. In this regard, the Industry has rolled-out the changeover in both Marketing/Consumer Information and in relation to the increasingly complex VRT and software requirements which are likely to become even more complex in 2020. On the positive side, the VRT relief for conventional Hybrids and Plug-in Electric Hybrids was extended until the end of 2019. The 0% BIK for electric vehicles was extended for a period of 3 years, with a cap of €50,000 on the Original Market Value of the vehicle.

Over the past number of months, SIMI has played host to a number of key events, including our Annual Retailers and Commercial Vehicle Testers Conferences in November and our Annual Irish Motor Industry Awards in February which recognised the best in the business, with accolades awarded in 8 categories presented by our President Gerard O'Farrell. We also hosted a series of Regional Seminars/Meetings in the last Quarter of 2018 and a further series in Quarter One of 2019. These were focused on key issues and current concerns for sectors such as Dealers, Independents and Vehicle Testers at venues around the country, with preparedness for Brexit key issue for many members. Our Vehicle Recovery Operators held their national conference at the end of April.

During 2018 and into this year, most of the economic indicators have continued to perform strongly for Ireland, while the economic fundamentals that would normally underpin new car registrations look set to remain positive. The continued impact of Brexit uncertainty and the resulting low value of Sterling will continue to dominate the landscape for our Sector at least until October but very likely beyond that. While additional time has been allowed for the UK to find a solution that can be delivered, it is still hard to see where a resolution can be found that will gain sufficient support in the UK. The message from the UK electorate in the forthcoming European Elections may sufficiently clarify their preferred route forward; whether Hard Brexit, Soft Brexit, Remain or Change of Government. And that may give us a stronger indication of how this might all end in advance of the October Brexit Extension expiry.

The area of Emissions is another issue that will continue to pose a considerable structural challenge to the Motor Industry in the coming year. The changeover to WLTP, if not well delivered, could significantly increase the price of an average new car, while calls by some for increased environmental taxation on fuel, particularly Diesel, and on VRT and Road Tax just add further to the challenge. The key date for WLTP looks set to be January 2020 but the key Budget decisions on how all of this might operate is not due to be taken until October. As a result, the Industry faces a very challenging and potentially risky period as orders for all of the cars due to be placed on the market during the 2020 peak registration period will already have been committed long before Budget Taxation decisions are taken in October.

SIMI will continue to work on delivering solutions to these significant and worrying challenges in time and to ensure that we can prevent any re-occurrence of the type of devastation that we experienced in 2008. Despite all of those frightening prospects facing us, the rest of 2019 should remain reasonably steady delivering a year-end total for New Cars in the region of 115,000 with perhaps 105,000 used car imports. The prospects for 2020 are tied into Brexit and the changeover to WLTP for VRT purposes. However Brexit resolves, the current approach of the State in targeting New Cars for stronger environmental taxes and controls ignores the fact that this is actually helping to fuel the current excessively high level of used imports at a cost to the Environment, the Exchequer and our Industry. We need to see a change in this approach for 2020!

Finally, I couldn't sign off without mentioning Alan Nolan. Alan Nolan who has been with the Society for 40 years, including as Director General since 2008, is retiring on this the week of the AGM. Alan's time in SIMI has been marked by real achievement, while to many in the Industry he is more than just a colleague or contemporary, he has been a friend. So on behalf of everyone in SIMI, we wish Alan, Mary and all his family a long, happy and healthy retirement.

Brian Cooke

Brian Cooke
Director General, SIMI

SIMI Executives



BRIAN COOKE
DIRECTOR GENERAL



ALAN NOLAN
OUTGOING DIRECTOR
GENERAL



TOM CULLEN
DEPUTY DIRECTOR
GENERAL



EMMA MITCHELL
OPERATIONS DIRECTOR
& SECRETARY



TERESA NOONE
COMMUNICATIONS
DIRECTOR



CHARLIE ROGERS
VTN DIRECTOR



MARGARET O'SHEA
HR & TRAINING MANAGER



MAEVE DOWDALL
OFFICE MANAGER
& EVENTS



YVONNE SLINEY
ACCOUNTS MANAGER



SEAMUS MCCORMACK
MEMBERSHIP
MANAGER



TERESA FAGAN
HUMAN RESOURCES
EXECUTIVE & STATISTICS



JANE O'SULLIVAN
COMMUNICATIONS
EXECUTIVE & EVENTS



COLIN WALSH
MANAGER



SABRINA FORSYTH
RESEARCH &
INFORMATION EXECUTIVE



DANIEL CLEARY
ADMINISTRATION

Membership by Numbers in 2018



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

TOTAL: 1,210



SIMI Training



MARGARET O'SHEA
HR & TRAINING MANAGER

SIMI has been successful in securing year-on-year increased levels of funding from Skillnet Ireland since 2013 to support and subsidise training courses for SIMI members. Skillnet Ireland 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 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 their businesses. An on-line Training Needs Analysis Survey aimed at identifying Members' current and future training needs is circulated each year to facilitate the SIMI Skillnet Steering Group in planning training for the year ahead.

Through their individual Sector Committees, members may also put forward proposals for programmes specific to their area of business. The SIMI Skillnet 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 Skillnet programme.

In 2018, approximately 1,000 training days were delivered as part of the SIMI Skillnet programme and 150 days through other SIMI training courses.

The range of SIMI Skillnet training courses offered included several Technical Up-skilling courses, particularly popular in 2018 were courses focusing on Hybrid and Electrical Vehicle Systems, Customer Service Training, several GDPR Workshops, Workshop and Service Department Training, Vehicle Sales Training and a Profitability Workshop.

With the benefit of increased funding from Skillnet Ireland, SIMI launched a new Management Development Programme in November 2018 – Automotive Retail Management.

The programme was fully subscribed and has been very well-received. Feedback from participants has been extremely positive and the 2019 programme is scheduled to commence in May 2019.

In addition to the SIMI Skillnet programme the SIMI Training Department provides members with a number of courses dealing with essential Motor Industry topics such as VAT and VRT, and the SIMI Consumer Credit CPD programme initiated in 2007, continues to provide members with industry relevant CPD courses that meet the Minimum Competency requirements of the Central Bank for formal CPD training hours.



SIMI Skillnet Automotive Retail Management Graduates 2018-2019, pictured with Alan Nolan, Outgoing Director General, and Margaret O'Shea, Training Manager, SIMI.

Analysis of SIMI Consumer Complaints Service 2018

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 total, 429 formal complaints were received by the Society in 2018 – a 16% increase on the 2017 figures of 370 which, at the time, was a 10% increase on the previous year. Of the 429 complaints, 26% were outside the scope of the service compared to 30% in 2017. This decrease could be attributed to clearer information regarding the scope of the service on our new website. Of these outside-scope complaints 53% related to new vehicle warranties, 26% were related to non-member garages or lapsed Members and 21% related to a time frame outside the scope.

The amount of complaints formally registered saw a 22% increase with a total of 315 compared to 258 in 2017.

Of complaints registered, 68% were resolved through the initial mediation process compared to 69% in 2017. The average length of time to bring a complaint to a resolution was 40 days, as opposed to 42 days in the previous two years. This can once more be attributed to a proactive and positive approach by Member Companies when engaging and utilising the complaints service. In addition, 5% of complaints were closed due to no engagement from the customer following the initial complaint. In all, 27% of complaints were resolved through the Standards Tribunal compared to 30% in 2017.

The type of complaints registered are summarised as follows:

- 65% related to the condition of the vehicles sold (mechanical and electrical defects), repaired or serviced. This compares to 69% recorded in 2017.
- 21% related to alleged misrepresentation of pricing, documentation, finance, etc. This compares to 19% recorded in 2017.
- 8% related to alleged conditions regarding the previous history of vehicles. This compares to 7% recorded in 2017.
- 6% related to refund of deposits which increased from 5% in 2017.

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

The Tribunal noted with concern the high percentage of complaints registered related to the condition of the vehicle sold as well as the increase in alleged misrepresentation this year, and once again 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 for the third year running 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
INDUSTRIAL RELATIONS
EXECUTIVE & STANDARDS

Priorities by Sector

COMMERCIAL VEHICLE TESTING SECTOR



A number of changes to the Commercial Vehicle Roadworthiness Test system took place during 2018. These were largely introduced by the RSA to finalise compliance with the latest testing directive 2014/45/EU. The target date for completion of these changes was May 2018 and a detailed plan to implement these changes was put in place by the RSA in collaboration with SIMI and the VTN Committee. This was no mean feat and annual CPD training for the 600 registered testers in the Network was moved forward to earlier in the year rather than the customary time for training which is usually in the Autumn. Administration people in the Network were simultaneously issued with detailed instructions on how to implement changes in the administration of the CVRT system. Test Manuals had to be totally rewritten and updated and changes were made to a variety of test items and the way certain categories of vehicle are processed including converted vehicle, vintage vehicles and imported vehicles. Changes to pass/fail classifications were also made and classifications of defects were also reclassified in line with the latest European directive recommendations. CoVIS the RSA's bespoke testing software had also to be updated in line with changes to the vehicle testing manuals. The fact that all of this went off without a hitch, so to speak, and with minimum inconvenience to the general public was testament to the amount of work that has been undertaken by the RSA and SIMI / VTN collaboratively in recent years. It is of course also a great compliment to everybody involved in the CVRT system on all sides that such

a significant change could be brought about in an efficient manner with no notable disruption to the public. There is no doubt that the training and work that has gone into building a quality system in recent years shone through on this particular occasion.

Another item of note during 2018 was the introduction of "fast tractor" testing which was awarded by the RSA to the HCV Testers in the network. A 'fast tractor' is defined as a wheeled tractor in category T (normally T5) with a maximum design speed exceeding 40 km/h. While the scope of the European legislation was open to interpretation, the RSA initially estimated a tractor parc of approx. 8,500 fast tractors in use in the country. One of the RSA's core aims is obviously to ensure that every vehicle that travels on the open road is safe to do so. Unfortunately, the regulations allowed for tractors used for "agricultural use" to be exempted from the requirement to be tested. The end result of this was that literally thousands of tractors that are being used daily on our roads have slipped through the net and only a handful of fast tractors have been presented for test to date. This has left test centre Operators who invested in the necessary equipment and training with a totally unviable return on testing this particular category of vehicle. Furthermore, the handful of tractors that have been presented for test so far show alarmingly high fail rates. Discussions are ongoing with the RSA as to how farmers can be encouraged to bring all fast tractors that they use on the open roads in for test so that they are safe for both their owners to operate and other road users alike. At the VTN Annual Conference Day in November 2018, the RSA announced a review of the commercial vehicle testing system. This was welcomed by the VTN Committee as Members have been looking for some business certainty about investing in the future. Although the earliest expiry date for

currently authorised test centres is still some five years away, the RSA recognise that current test centre operators will naturally become increasingly reluctant to invest significantly in new test equipment, premises and other facilities if they do not have clarity and visibility of their long-term prospects to continuing to provide CVR testing services. Investment in the testing Network is essential to maintain and enhance CVR testing standards, keep pace with emerging testing technologies and ensure quality and consistency of testing across the Network. Therefore, this Review will look at all aspects of the current service delivery model and then hopefully set out a strategy for our members in this sector moving forward post 2024 and further developing the current system. It is expected that results of this review will be available for discussion in Q3 of this year and it is the aim of SIMI and the VTN committee to continue to work with the RSA on what has proved to be a very successful collaboration to date.

COMMERCIAL VEHICLE SECTOR

2018 was another year of steady growth for the Irish Economy and this continued to be reflected in the business community with LCV registrations at 25,561 units, an increase of 5.5 % over 2017. HCV (Inc Buses) registrations recorded a figure of 2590 units for 2018 which was almost the same as the 2603 registrations for 2017. In the first months of 2019 the HCV registrations have shown a 4.9% increase over the same period last year but in the meantime new LCV figures have fallen by 8.7% somewhat similar to the fall in new car registrations. In the meantime, the weakness of sterling and the uncertainty around Brexit has led to a substantial amount of used commercials being imported

into the country. Used Imports of LCV's for 2018 stood at 13,948 vehicles though slightly down 2.94% on 2017. HCV (Inc Buses) came in at 3856 units showing an increase of 13.2% over the 2017 figure. One notable factor when one looks at the age profile of HCV's being imported as against the age profile of cars and vans is that 60% of the HCV vehicles are six years or older and indeed 25% are ten years or older. When compared to the age profile of LCV used imports only 10% would be more than ten years old and in the case of cars the figure is less than 5%. This is certainly not good news for our environmental policies in relation to transport. As the UK continues to take measures to penalise less environmentally friendly older vehicles and their residual values fall as a result, there is a danger that we will effectively become a dumping ground for these older vehicles as we are an obvious nearby market for older used right hand drive vehicles coming out of the UK.

While 98% of Commercial Vehicles in Europe are currently powered by Diesel engines there is no doubt that this will change, though given the lower production volumes of commercial vehicles and economies of scale for Manufacturers, at a really much slower pace than cars in the coming years.

At the moment Manufacturers of Commercial Vehicles are considering various options for alternative fuels such as Electricity (for use by Battery Electric vehicles (BEV), Range extended vehicles (REV), Plug-in Hybrid Electric vehicles (PHEV), Hydrogen (for use by Fuel Cell electric Vehicles (FCEV), natural gas in the forms of Compressed natural gas (CNG) and liquefied natural gas (LPG) and its biogenic equivalent, bio LPG. Developing infrastructure to suit the specific alternative fuel platform will be key in which options are likely to become most popular in the country in the long run.

Given the limited range of electrically charged commercial vehicles and relatively long charging times, the change to these type of vehicles

is likely to be City led, depend on adequate infrastructure and such vehicles will initially be best used on city type distribution work until range has developed. The other big factor that most commercial vehicle owners are concerned about is available payload and may not, especially with LCV's, be willing to sacrifice payload against for example weight of batteries which particularly with N1 vehicles at the 3.5t G.V.W. weight limit for LCV's may be a factor.

The Commercial Vehicle Distributors Committee have submitted proposals to the RSA to allow alternatively fuelled vehicles to be driven at 4.2 tonnes G.V.W. on a category B license to offset this potential weight penalty following a similar initiative which has been taken in Germany, France and the UK markets to address this particular segment of the market. It is incentives like this that will need to be put in place to make take up of alternatively fuelled vehicles more acceptable to the mass market. Because of the relatively high mileages and lower fuel consumption of Commercial Vehicles, infrastructure will be key in how fast alternatively fuelled commercial vehicles can be introduced in significant volumes into the Irish market.

In the HCV market getting a new vehicle sold and on the road in any kind of quick time has become an ever increasing challenge in recent years, especially when adding a body to an incomplete vehicle. Customers have had to get used to waiting months and order well in advance especially for vehicles that require specialised bodies and equipment. It is not always possible for customers to wait or plan in this way due to a variety of factors. If a customer sees an upturn in business or their existing truck has an accident and needs to be replaced straight away, it is essential that Dealers can respond with quick delivery. This is why SIMI constantly engage on behalf of our Members with the various stakeholders involved to make sure that any administrative bottlenecks in relation to approval and first registration are as streamlined as possible.

Brexit of course has not helped, with truck manufacturers having to take account of the fact that UK type approval will not be recognised as soon as the UK leaves the EU. All of our truck Distributor Members have worked towards solving these mainly administrative issues during the current year but it has never been so important to manage current stock levels with the ongoing number of EC directives which can leave Distributors holding stock in need of derogations. Although largely an administrative issue, concerns have been expressed about vehicles that are bodied in the UK and how the mutual agreement in relation to approvals between the UK and Ireland may be affected by Brexit. With ever more EC directives relating to improvements in truck specifications, it is essential to keep abreast of these so that Distributors know in good time which derogations on certain models may be required. One topic that has caused a lot of concern in the past year has been the introduction of the new Smart Tachograph in HCV vehicles and this will become a mandatory fitment in all new vehicles from the 15th June 2019. This represents the biggest upgrade to tachograph equipment since digital tachographs were first introduced in May 2006. Distributors have looked for the normal type approval derogation on this introduction but it is not forthcoming at EU level with no leeway on the 15th June introduction date so far. Tachograph Distributors have worked hard with the RSA and NSAI to ensure that there are enough workshops countrywide to cater for this new advanced type 1c tachograph. The RSA have allowed a concession to some of the tachograph workshops who will not be set up to cater for smart tachograph by June an extra years grace where they can continue to service existing digital tacho units. After that they will need to be authorised to service and repair smart tachograph as well as all older models. The Commercial Vehicle Distributors Committee will continue its work and SIMI will continue to hold regular meetings with RSA, NSAI, Revenue

and all of the relative Government Departments in order to meet the ongoing developments in the sector and actively help in supporting Distributors and Dealers in the challenges ahead.

ELECTRO MOBILITY

The Electro Mobility Executive was established in 2015. The objective of the assembly was to prepare and promote the market for growth in low emission technologies. The group was assembled by the SIMI and includes Government Departments, the Road Safety Authority, the SEAI, ESB eCars, as well as Manufacturers, Retailers and Fuel Companies. The diversity of the group is purposeful in ensuring that we have a collective approach to the changes in this developing sector. By forging a spirit of unity and co-operation the group has been successful in affecting beneficial changes to the infrastructure, introducing new incentives and supports such as the attractive BIK rates, reduced Toll charges, the TAXI renewal scheme and the home installation grant. This will result in sales for 2019 that will exceed all previous years.

FRANCHISE RETAILERS

The performance of the Franchise Retail network was down in 2018. New passenger sales for the year were almost 5% back on the 2017 figure. While the results are not surprising, they don't reflect the positive growth in the Irish economy and the resulting increase in retail spending.

The main reason for the continued decline in car sales is the uncertainty around Brexit and the weakened value of sterling. For the first time, the currency differential led to a used import market that exceeded the 100,000 mark. While imports have always played a part in the fabric of the Motor sector, the huge increase in the number of imports resulted in a decrease in the residual value of stock in the Irish market including some PCP future valuations.

Consumer Confidence and Sentiment remained cautious for the year and purchase of new vehicles suffered with this uncertainty.

The Used Car and Aftermarket performed well in 2018 and created some cushion for the drop in the new market.

The availability of Finance was also strong with increased PCP penetration and this certainly helped the new car market and the ability of consumers to bridge the cost to change.

The negative publicity around diesel technology and the introduction of new emission standards in Europe will change the way in which our business evolves. Our commitment to a reduction in CO2 with Improving air quality and environmental outputs will focus our attentions 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.

In the short term our challenges will be a skills shortage within the Aftermarket, Brexit and a change to the taxation structure of VRT and Road Tax in 2019 which will influence consumer purchasing. The medium-term focus will be the move away from internal combustion engines to alternative fuel vehicles along with mobility changes and vehicle ownership models.

Our Franchise Retailers Executive had a very successful Conference, organised retailer meetings, seminars and provided Profitability, Financial, Aftermarket as well as Data Protection Seminars through the year.

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 the shadow economy and the impact it is having on legitimate business; access to repair information; attracting apprentices to the Industry and

retaining technicians. A review of the Autosure programme could also help to strengthen the sector in the fight against the shadow economy. Other key issues include GDPR; the changeover to WLTP and the impact this may have on the VRT and Road Tax systems; the impact of some consumers not being able to insure vehicles that are over ten years old. An Independent aftermarket conference took place in September and was organised between the Wholesaler and Independent Committees. The conference was well attended, along with positive feedback received from the delegates present.

PETROL/OIL SECTOR

The petrol/oil company sector continues to play a key role in the Irish economy, not just in the product it sells but also in the tax it generates for the Exchequer, in the region of €3bn annually, and in the local employment and economic activity resulting from over 1,700 retail sites in the State, employing in the region of 13,000 people countrywide. Fuel taxation is very high in Ireland, with over 50% of the retail price of fuel returned to Irish Revenue. 2018 saw total volumes (diesel and petrol combined) increase slightly, but the mix of diesel in this total increased. In June 2018, the Minister for Communications, Climate Action and Environment announced an increase in the biofuel obligation to 10% by volume (or 11.111% by reference to petroleum products) with effect from 1 January 2019. There are some concerns about the potential technical problems that may arise from the use of higher blends of biofuel, particularly in relation to older petrol vehicles.

VEHICLE MANUFACTURERS/ DISTRIBUTORS

The Brexit impact continued to dampen down the new vehicle markets in the second half of 2018 and on into 2019. Despite the strong economic indicators, new car registrations at

the end of 2018 were down 4.4% on 2017; this has further deteriorated into the first 4 months of 2019, with registrations down by 8.5% on 2018. The key factor in this dampening of new car demand has been the weakening of Sterling due to of Brexit, resulting in ever increasing volumes of used imports with the knock-on impact of reducing the residual values of Irish used cars which has increased the cost to change for new car buyers. The general uncertainty surrounding a solution to the Brexit impasse may also have been impacting on consumers. New Heavy Commercial Vehicle registrations (HGV) were also down by 5.3% in 2018 and by 2.9% so far in 2019. While Light Commercial Vehicles (LCV) were up by 5.6% in 2018 they have fallen back since then and are running 10% down so far in 2019. Imported Used Cars (+7.8%) and Heavy Commercials (+13.2%) were both up in 2018 and this trend has continued in 2019 with Used Cars up 2.7% and Used HGVs up 40.4% since the start of the New Year. Used LCVs were down by -2.9% in 2018 and by -9.6% in 2019 to date.

The run-up to Budget 2018 had seen increased pressure on the Minister for an increase in diesel taxation and in Carbon Tax. While strong objections from rural TDs prevented a change in Carbon Taxes, the absence of such an increase may well have convinced the Government to increase VRT on diesel cars with a 1% surcharge. While this was unwelcome, in the context of a falling new car market and the increasing volumes of used diesel car imports, it was also a further negative in terms of the transition to NDEC-2 emissions values for VRT calculations which was already anticipated to increase VRT by perhaps 5% to 6%. A practical derogation arrangement was achieved for NEDC tested cars that had remained unregistered from September 2018. Revenue and Finance undertook to monitor the potential impact of the transition to WLTP Emissions values in 2019 from the CoC Data collected during from registrations during the first months of 2019. It is clear that an adjustment in the VRT Bands or Rates will be needed

before the VRT is changed-over to WLTP values in 2020. The Industry is also seeking good advanced notice of when and how the changeover will occur. While January 2020 is the likely date, there are likely to be serious practical problems if the final decision is only taken in the Budget in October. Because of the move from Diesel to petrol cars the average CO2 of a new car increased in 2018 and this trend has been continuing in 2019. SIMI will continue to engage with Finance and Revenue seeking a fair and workable solution to the potential negative impact that could arise from the implementation of the required changeover to WLTP Emissions values for VRT and Road Tax purposes. The findings of the CCPC study and the further Central Bank Study of the PCP market were welcomed by the Sector and the recommendations were supported. In relation to Industry information, the upgraded SIMI Statistics Service was rolled out and the new Sale Type identifiers at point of registration is beginning to provide data, which hopefully will prove accurate and valuable for the Sector when the system is fully and accurately utilised at registration.



VEHICLE RECOVERY SECTOR

The Vehicle Recovery Operators Section held their 2019 National Conference in April. The event was well attended with over 70 companies traveling from across the four provinces to the event. The delegates received presentations from guest speakers Jim Power Economist, Justin Martin Acting Head of Enforcement, the Road Safety Authority and from Frank Byrnes of Frank Byrnes Auto Body Repairs. The day also included a trade show with exhibitors selling training, service equipment, insurance, road safety, merchant services,

breakdown trucks and motoring agent club membership.

Over the last year membership in the sector has continued to grow with over 60 companies now registered. The VRO Committee meets at regular intervals throughout the year and the main issues of concern are the rising costs of insurance and the lack of competition for breakdown companies when searching for insurance. The lack of enforcement in tackling rogue operators is still a major concern for the sector while Roadside safety for VRO members when operating in the course of their daily duties is also of paramount importance.

VEHICLE BODY REPAIRERS SECTION



Every sector within the Society have their own business challenges to overcome and one sector that face these challenges daily is the Vehicle Body Repairers. Working in an ever-changing landscape of the insurance approved repair networks and independent business, it is a constant battle to win and secure work, all the while operating on an already tight profit margin. The pressure to work as part of a network or independently 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.

Many vehicle body repair companies continue to raise the Industry's standard by voluntarily embracing and achieving the national Irish Industry standard CSS (Certified Steel standard). These companies continue to demonstrate their commitment to the highest quality standard in the processes and procedures directly related to the safe repair of accident damaged vehicles. Nationally 78 companies currently holding the CSS standard.

Through the Skillsnet funding the VBRS sector were able to avail of support towards the cost of upskilling on estimating training (Audatex system). The committee is actively looking at other training courses that will benefit the sector going forward in particular EV and Hybrid training. Like the Motor and Commercial sectors, the Vehicle Body Repairs too have experienced a reduction in the intake of Apprentices. SIMI and the VBRS Committee were concerned that the State may reduce or even stop supporting the training of staff in the Trade of Vehicle Body Repairer. The State currently pays all training costs as well as Training Allowance (wages) while off the job and subsistence. This is in addition to the development of the training programmes and the provision of premises and equipment. While the State, through SOLAS, really wants to continue to support the Sector, the level of Apprentice-intake has fallen so much that we now have only two Training Centres Ballyfermot and Sligo equipped to deliver VBR Training.

An Apprenticeship Steering Group was set up within SIMI to deal with the downturn in Apprenticeships across all of the motor trade sector families to develop a strategy to ensure that the Industry can attract enough good people for technical apprenticeships into the future. While this will take a little time to develop and to have a strong impact on the situation, the VBRS Committee made an urgent appeal to members last July, to review their current staffing levels and give serious consideration to taking on an apprentice over the next 6 months. The decline in numbers resulted in Sligo's planned phase 2, 20 weeks off-the-job training programme (V.B.R.S) been postponed due to insufficient numbers. Such a commitment from members would place us in a stronger position with regard to making a compelling case with SOLAS for maintaining both training centres, the continuation of VBRS Apprenticeship Programme into the future and the ability to deliver the frequent curriculum updates that will be regularly required given the pace of

technological development. The SOLAS figures up to the end of September 2018 indicated that the number of people who had registered for the Motor Trades was way below what they forecasted for the year (50 VBRS apprentices) -54% Vehicle Body Repairs (23 apprentices registered year to date).

Following the appeal some member companies registered their commitment, with the gap in registrations to the end of December reduced but still down -13% (40 apprentices registered year to date 2018). However, other members while expressing an interest to register a new apprentice in 2018, were holding off until the new version 4 of the VBRS curriculum was released, which we understand is scheduled for Sligo on July 1st and in Ballyfermot on July 15th 2019

We were able to demonstrate to SOLAS that there was still a training requirement for the sector from the uptake in registrations. The SOLAS figures up to the end of March 2019 indicate that registrations have increased, with 17 apprentices registered in comparison to just 7 for the same period in 2018. The SIMI apprentice committee is actively working to address the apprentice situation.

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. 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 should be considered,

particularly if this could be supported by the SIMI Skillnets funding. 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.

WHOLESALE SECTOR

A number of meetings were held for the Parts Wholesalers throughout the year. The sector has been well represented at management level by 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 consolidation in the market; and access to data through the 'Right to Connect' campaign, which provides an open and transparent sharing of vehicle data and Insurance costs. An Independent aftermarket conference took place in September and was organised between the Wholesaler and Independent Committees. It was chaired by Gillian Fanning and covered the following topics: BREXIT and The Impact on your Business - Jim Power, Economist; Independent Garages: Maximising your Profitability - Keith Browne, Keith Browne Consulting; Global Influences and Trends Affecting the Irish Independent Aftermarket and Irish Consumer Attitudes towards Vehicle Maintenance - Quentin Le Hetet, GiPA; The EU Agenda and The Impact of Current and Future Technologies on the Independent Aftermarket - Jan Bambas, FIGIEFA; The Future of Autonomous, Connected, Electric and Shared Vehicles - John McCarthy, ARUP and How to market your business and maximise your social media presence - Frank Byrnes, Frank Byrnes Autobody Repairs. The conference was well attended and positive feedback received from delegates present.

Bankers

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

Auditors

Grant Thornton, Molyneux House,
Bride Street, Dublin 8

Solicitors

Hayes Solicitors,
Lavery House, Earlsfort Terrace, Dublin 2

Insurance Brokers

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

Publishers

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

Website

www.simi.ie



The Society of the Irish Motor Industry
is a Registered Friendly Society
Registration Number 374T
VAT Registration Number - IE 0656762 N

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

info@simi.ie | **www.simi.ie** |  **@SIMI_ie**