



Serving the Irish Motor Industry

Motor Industry Review

Q1 2018

A Report by Economist,
Jim Power

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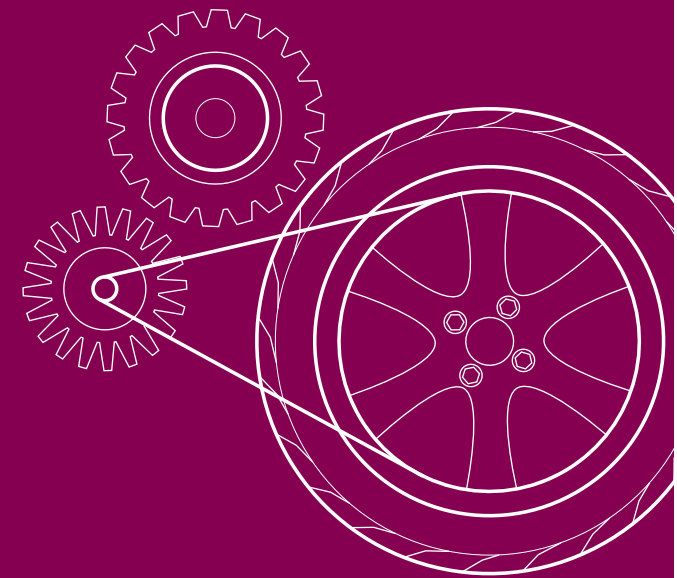
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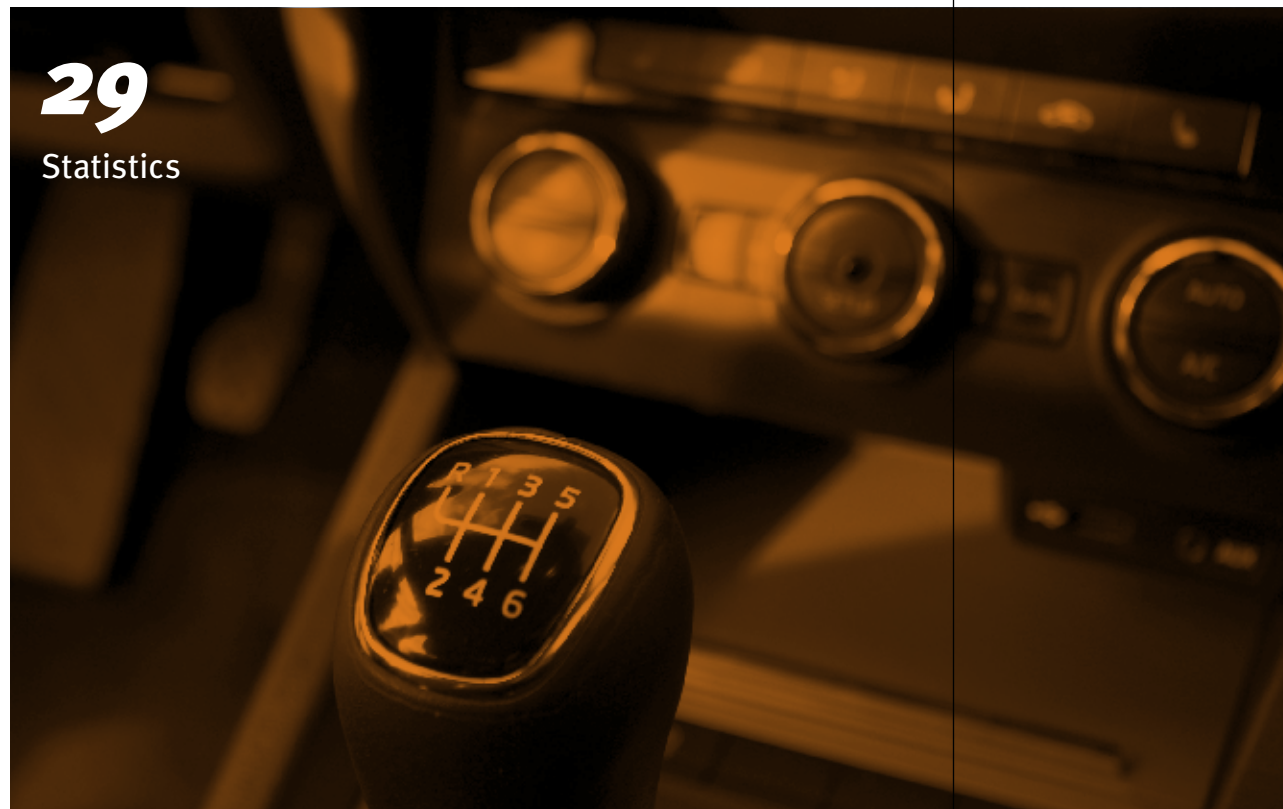
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About the Organisation



Our Chief Economist Jim Power

Jim Power is owner manager of Jim Power Economics Limited, an economic consultancy. He is Economic Advisor to the Friends First Group and was previously Treasury Economist at AIB Group and Chief Economist at Bank of Ireland Treasury.

Jim writes a weekly column in the Irish Examiner and occasional articles for other publications. He lectures on the MSc Management course at Smurfit School of Business UCD. He is a board member of AgriAware, the food awareness body and is Chairperson of Love Irish Food and Three Rock Capital Management an investment company. Jim is a native of Waterford.



About Us SIMI

The Society of the Irish Motor Industry (SIMI) is the national representative body for the Motor Industry in Ireland.

The concept with this report is to review not just the Business health of the Industry on a quarterly basis but also to collate information from various sources to help develop a wider picture of where our sector fits into the overall economy and into the social life of the country. We wish to thank the Report's author, Economist Jim Power.

Executive Summary

New car registrations totalled 131,332 in 2017 which represented a decline of 10.4% on 2016. The decline in new car registrations has continued in the first quarter of 2018.

- **In the first quarter, new car registrations totalled 71,805, which represents a decline of 5.5% on the first quarter of 2017.** While there were fewer trading days in March and exceptional weather conditions disrupted activity, it is clear that Brexit uncertainty and used imports from the UK continue to exert pressure on the domestic new car market.
- **The top 5 selling makes in the first quarter in descending order were Volkswagen (10.45%), Toyota (9.92%), Hyundai (9.69%), Ford (9.39%), and Nissan (8.54%).** Those 5 makes accounted for 48% of total new registrations. The Nissan Qashqai was the most popular model, followed by the Hyundai Tucson, the Volkswagen Golf, the Ford Focus and the Skoda Octavia.
- **In the first three months of 2018, diesel cars accounted for 56.3% of total new registrations,** down from 66.7% in the first quarter of 2017; petrol cars accounted for 37.5% of the total, up from 29.6% in 2017; and petrol electric accounted for 5.4% of the total, up from 3.1% in 2017. Just 282 electric cars were registered in the first quarter of 2018.

- **Every county in the country experienced negative growth in new car registrations in Q1, with the exception of Wexford where registrations increased by 5%.** Cavan experienced the largest decline at 17.8%. Dublin accounted for 39.2% of the market.
- **In March 2018, the average price of a new car based on CSO data was 1.9% lower than a year earlier.** Between January 2008 and March 2018, the average price of a new car declined by 30.3%. In the first quarter of 2018, the average OMSP for new cars was 4.1% higher than a year earlier. This is due to the fact that car buyers are paying more for higher specification cars. The average OMSP for used imports in Q1 2018 was 6.5% higher than a year earlier.
- **In March 2018, the price of petrol was 0.7% lower than a year earlier and the price of diesel was 0.5% lower.** In the year to the end of March, crude oil prices increased by 24%.

€754.7mn

WAS COLLECTED IN VRT AND VAT RECEIPTS FROM CAR SALES IN THE FIRST QUARTER OF 2018.

- **The cost of motor insurance in March 2018 was 13.8% lower than a year earlier.** Average motor insurance costs in March were 37% higher than in March 2013. However, between July 2016 and March 2018, motor insurance costs declined by 19%.
- **The Exchequer collected €754.7 million in VRT and VAT receipts from car sales in the first quarter of 2018, which represents an increase of 0.2% compared to Q1 2017.** The total tax take from new car sales was €669.7 million, which was 1.2% lower than the first quarter of 2017. The total tax take from used car sales was €85 million, which was 12.7% ahead of 2017. In the first 2 months of 2018, €540 million was collected in Excise Duty, NORA Levy, Carbon Tax, Refit Levy and VAT as they apply to motor fuel. This is 2.9% higher than the first 2 months of 2017.
- **The Exchequer is losing considerable revenue from the trend away from new cars towards imported used cars.** In the first quarter of 2018, the average tax take from a new car was €9,323, compared to €3,255 for a used car.
- **In the first quarter of 2018, average CO₂ emissions for new cars sold were 1.4% higher than a year earlier.** This would produce a calculated increase of around 2,000 Tons in annual CO₂ for new cars registered so far this year. Average emissions for used imports were 3.8% lower than a year earlier. However, in the first quarter of 2018, average emissions for new cars stood at 113.20 Gms/KM and 121.05 Gms/KM for used imports.
- **Imported used cars remained a significant part of the market in the first quarter of 2018, although the growth has eased somewhat.** In the first three months of the year 26,114 used cars were imported, which was 9.44% ahead of the first quarter of 2017. 31.4% of the imported used cars were 3 years or less in age. It is the case that imported cars of three years or less are displacing new car sales.
- **The sales of new Light Commercial Vehicles increased by 5.3% in the first quarter to reach 12,529,** reflecting the ongoing improvement in business confidence and business activity levels. Sales of new Heavy Goods Vehicles at 916, were 11.2% down on the first quarter of 2017.
- **In the EU-27 in the first 2 months of 2018, just three countries experienced negative growth—Sweden, the United Kingdom and Ireland.** In 2017, diesel's market share in the EU fell from 49.9% to 44.8%. Petrol cars accounted for 49.4% of the market.
- **For 2018, the used import market is projected to grow by around 15% to reach 107,470.** New car registrations in 2018 are forecast at around 120,000, which would represent a decline of 8.6% on the 2017 outturn. As was the case last year, the year ahead is shrouded in deep uncertainty, largely due to the uncertain performance of sterling and the impact of used imports from the UK. Looking ahead to 2019, at this early stage, the new car market is likely to be similar to the 2018 outturn. The obvious source of uncertainty will very definitely be Brexit.

Economic Background to Motor Industry

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Overview

2017 was a year of solid broad-based growth for the Irish economy, with most economic indicators performing strongly. The strong momentum has carried over to 2018, with the majority of economic indicators continuing to perform strongly.

The Irish economy is benefiting from a very positive global economic backdrop. As we move into the second quarter of 2018, the economic momentum across the developed world still looks solid and the IMF recently upgraded its global economic forecast for this year and next. The world economy is forecast to grow by 3.9% this year and next, with all of the major economies contributing. At this juncture, the global economic cycle remains quite synchronised.

The process of normalising interest rates is underway. The Federal Reserve Bank is likely to increase interest rates by another 1% over the coming year and the Bank of England is likely to add around 0.5% to rates. From the perspective of the European Central Bank (ECB) there is nothing to be concerned about at the moment. Although growth is quite vibrant, inflation is still well behaved at 1.4% and there is still considerable spare capacity. However, the ECB is close to the turning point from which interest rates are likely to gradually rise from zero to a 'normal' level of around 2.5% over the period 2019–2020.

Equity markets have had a very nervous and relatively difficult first quarter. Negative returns have been seen in all markets. For the foreseeable future, nervousness and volatility look set to characterise market behaviour.

The key risks to the global economy over the next couple of years are likely to be posed by trade tensions between the US and China, equity market vulnerabilities, Brexit, and geo-political tensions.

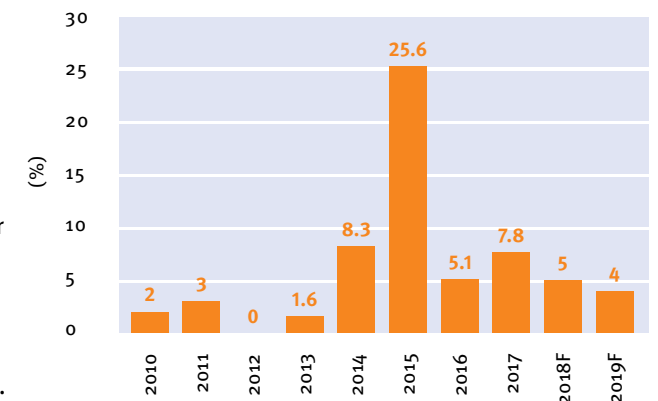
The trade dispute between the US and China is gathering momentum. While the sectors affected and the tariffs suggested at this stage are quite minimal, the rate at which the situation is escalating certainly does give cause for concern. Trump is intent on righting the wrongs which he believes China is exercising on the trade front and China will obviously react to whatever Trump does next. The problem of course is that the impact of an escalation of the trade spat would not be confined to the US and China and would certainly have implications for the wider global economy. Those implications would not be positive.

2017 Growth

In March, the Central Statistics Office (CSO) produced its first estimate of growth in the Irish economy in 2017. This will be subject to considerable revision over the coming months as further data become available, but it does give us a fairly accurate representation of what went on in the Irish economy last year, and in general it was another good news story. The Irish economy as measured by GDP (Gross Domestic Product) expanded by 7.8%, but Irish GDP numbers have to be treated with a strong degree of caution, given the various activities of some of the larger multi-national companies who support a lot of direct and indirect employment in the economy. As a result of these distortions, the CSO attempts to get a truer picture of what was really happening on the ground by stripping out some of the more nebulous activities of the multi-national sector. Hence, 'modified domestic demand' expanded by 3.9%. This growth number appears like a much more realistic and believable snapshot of what went on in the economy last year. While it does present a more subdued assessment, nevertheless it still represents a healthy level of economic activity that stacks up with most of what we already know about what went on in the economy last year.

A breakdown of growth in 2017, shows that consumer spending on goods and services increased by 1.9%, net Government expenditure expanded by 1.8%; and net exports expanded by €40.7 billion.

FIG. 1 IRISH GDP GROWTH

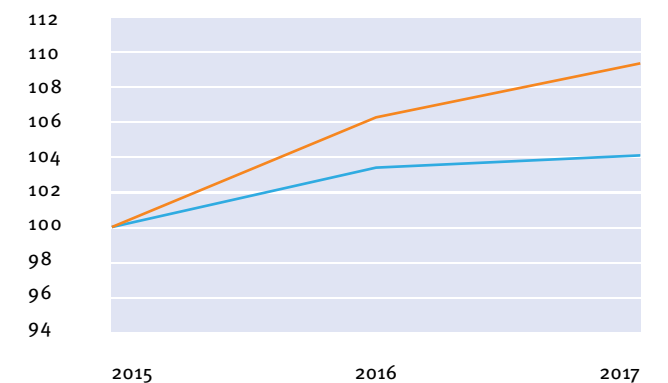


Source: CSO & Jim Power Economics Limited

Consumer Behaviour

Consumer dynamics continue to improve. In 2017, the value of total retail sales, which is consumer spending on goods only, was 0.6% higher than in 2016 and the volume of sales was 2.9% higher. When the motor trade is excluded, the value of sales expanded by 1.9% and the volume of sales expanded by 4.1%. Figure 2 shows the divergence between value and volume growth in recent years, which is indicative of a personal sector that is still resistant to higher prices. The volume of sales is growing quite strongly, but the growth in the value of sales is considerably weaker. This suggests that while the overall environment for the retail sector is getting gradually better, it remains a challenging environment due to financial pressures on the personal sector.

FIG. 2 RETAIL SALES (Base 2015=100)



Source: CSO, Retail Sales

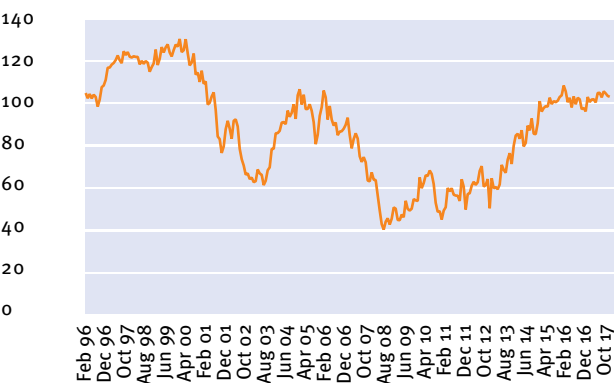
In the first two months of 2018, the value of total retail sales was unchanged on the same period in 2017, and the volume of sales was 1.8% higher. When the weakness of motor trade sales is excluded, the value of sales expanded by 3.3% and the volume of sales expanded by 5.8%.

In January, consumer confidence reached the highest level in 17 years, but it slipped back in February. The decline in February is being attributed to greater caution about household finances. Despite the strong statistical recovery in the economy, income gains are still modest and the finances of the personal sector are still stretched by upward pressures on the price of some essential goods and services. For example, in the year to February 2018, overall consumer prices increased by 0.5%, but private rents increased by 6.2%; the price of electricity increased by 6.8%; the price of home heating oil increased by 3.7%; and the price of postal services increased by 20.4%. On the positive side, motor insurance costs declined by 12.8%; food prices declined by 1.8%; and the price of clothing & footwear declined by 2.8%. Consumer caution is still evident.

The Labour Market

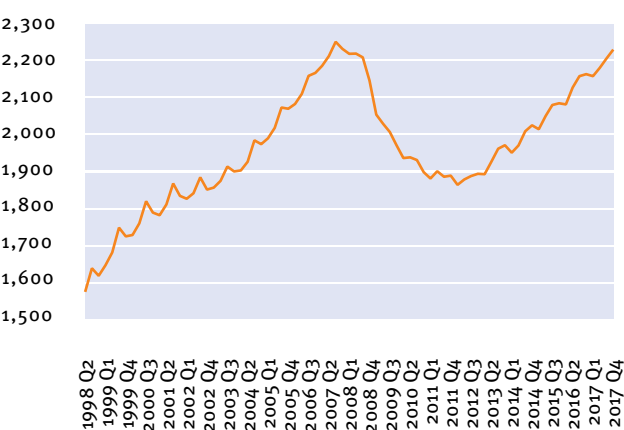
One of the most visible manifestations of the strong economic recovery seen over the past couple of years is the labour market performance. Total employment increased by 66,800 or 3.1% in the year to the final quarter of 2017 to reach 2.231 million. This annual growth was made up of an increase of 5.4% in full-time employment. Total employment at the end of 2017 was just 21,200 lower than peak employment in the third quarter of 2007.

FIG. 3 CONSUMER CONFIDENCE



Source: ESRI/KBC

FIG. 4 EMPLOYMENT (000S)



Source: CSO, Labour Force Survey, 14th March 2018

TABLE 1 Employment by Sector Q4 2017	Q4 2017	YoY Change	Total Employment (%)
Agriculture, Forestry & Fishing	111,500	+1,300	5.0%
Industry	282,300	+4,500	12.7%
Construction	133,200	+12,000	6.0%
Wholesale & Retail Trade	308,900	+5,600	13.8%
Transportation	95,200	+1,500	4.3%
Accommodation & Food Services	169,200	+13,700	7.6%
ICT	116,500	+3,700	5.2%
Financial Services & Real Estate	106,300	-1,600	4.8%
Professional Services	135,100	-5,700	6.1%
Admin & Support Services	94,800	+9,900	4.2%
Public Administration & Defence	101,600	+7,600	4.6%
Education	167,600	+11,100	7.5%
Human Health & Social Services	281,000	+2,100	12.6%
Other	120,400	+1,000	5.4%
TOTAL*	2,231,000	+66,800	

Source: CSO QNHS
(* may not add up due to rounding & Not Stated Category)

Table 1 shows the breakdown of employment by sector. In the year to the final quarter of 2017, all but two sectors recorded positive growth. Total employment is made up of 1.88 million employees and 331,700 self-employed persons.

In March 2018, the unemployment rate stood at 6.1% of the labour force which is the lowest rate since early in 2008 and is down from a high of 16% at the beginning of 2012. In March, the number of unemployed persons totalled 144,400.



Source: CSO Monthly Unemployment, March 2018

External Trade

The export sector of the economy performed reasonably well in 2017, but growth eased as the year progressed. Merchandise exports expanded by 2.4% and imports expanded by 3.7% during the year. Exports of food and live animals increased by 12.5%; exports of Chemicals and related products expanded by 2.1%; and exports of machinery and transport equipment (which includes IT manufacturing) declined by 4.3%. Somewhat surprisingly given the weakness of sterling, exports to the UK increased by 9.2%. It is probably the case that Irish exporters to the UK are using price to maintain competitiveness in the face of adverse exchange rate movements.

This would have negative implications for business margins and would not be a sustainable situation for business in the longer term. Sterling weakness remains a significant challenge for the indigenous export sector.

In January 2018, merchandise exports were 20.4% higher than January 2017, with exports of food & live animals expanding by 6.3%; exports of chemicals & related products were up by 44.4%; and exports of machinery & transport equipment were down by 32.9%. Exports to the UK were up by 22.8%.

Tourism

The tourism performance continues to be very strong. In 2017, the number of overseas visitors to Ireland was 3.6% ahead of 2016. However, visitor numbers from Great Britain were 5.2% lower. Visitors from Great Britain accounted for 37.5% of total overseas visitors to Ireland in 2017—this is down from 40.9% in 2016. Sterling weakness pressurised the market in 2017. In the first two months of 2018, the number of overseas visitors to Ireland increased by 7.9%, with visitors from Great Britain increasing by 4%. Another strong year looks in prospect for Irish tourism.

TABLE 2 Overseas Visitors to Ireland	2017	2016	% Change	Jan–Feb 2018	Jan–Feb 2017	% Change
Great Britain	3,728,000	3,924,100	-5.0%	505,000	485,600	+4.0%
Other Europe	3,482,400	3,302,100	+5.5%	408,600	347,400	+17.6%
North America	2,101,500	1,808,000	+16.2%	173,500	166,500	+4.2%
Other Areas	6109,300	550,200	+12.6%	73,800	76,700	-3.8%
Total	9,932,100	9,584,400	+3.6%	1,160,900	1,076,200	+7.9%

Source: CSO

Exchequer Returns

The Exchequer returns for the first quarter show a deficit of €1.1 billion, which compares to a deficit of €903 million in the first quarter of 2017. The increase in the deficit was primarily due to an increase in Government expenditure.

Total tax revenues came in €141 million behind target but was 3.5% ahead of the same period in 2017. Income tax came in €80 million lower than expected but was 5.7% ahead of the first quarter of 2017. VAT receipts were €15 million ahead of target and were 2.4% ahead of last year. This is indicative of the ongoing improvement in consumer spending. Motor tax came in at €257 million, which was €11 million lower than expected.

TABLE 3 Tax Revenues Q1 2018	(€M)	Profile (€M)	Year-on-Year (%)
Income Tax	4,668	-80	+5.7%
VAT	4,676	+15	+2.4%
Corporation Tax	532	-4	+2.3%
Excise	1,233	-62	-3.4%
Stamps	302	-40	+35.4%
Capital Gains Tax	139	+6	+51.8%
Motor Tax	257	-11	-9.5%
Capital Acquisitions	41	+1	-5.3%
Customs	80	+10	+9.4%
Local Property Tax	0	0	-
Other	24	+24	-55.3%
Total	11,952	-141	+3.5%

Source: Department of Finance

The Housing Market

Housing remains top of the political agenda and the most pressing issue for Government.

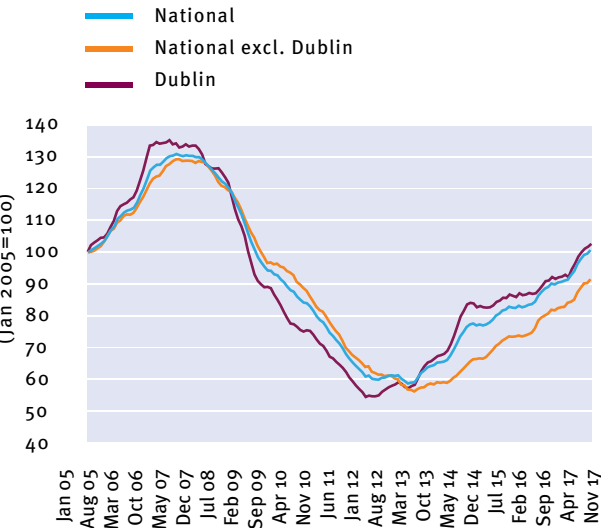
Against a background of limited supply and strong demand, house prices and private rents are rising strongly. The following are the key trends in residential house prices:

- National average house prices declined by 55.2% between the peak of the market in April 2007 and the low point of the market in March 2013. Between March 2013 and January 2018, prices have increased by 73.4%. Prices in January 2018 were 11.3% higher than a year earlier;
- In the Rest of Ireland (excluding Dublin), average house prices declined by 56.5% between the peak of the market in May 2007 and the low point of the market in May 2013. Between May 2013 and January 2018, prices have increased by 65.7%. Prices in January 2018 were 13% higher than a year earlier; and
- In Dublin, average house prices declined by 59.6% between the peak of the market in February 2007 and the low point of the market in February 2012. Between February 2012 and January 2018, prices have increased by 89.2%. Prices in January 2018 were 12.1% higher than a year earlier.

Demand for housing is being driven higher by solid fundamentals such as population growth, employment creation, an improvement in credit availability, and a basic improvement in confidence about Ireland’s future. On the supply side, we are simply not building enough houses for a variety of reasons.

Not surprisingly, the debate has started again about the bubble-like properties of the market. The argument about whether it is a bubble or not, is not really the point. The crunch for any market comes when it is hit by a shock, such as the sub-prime crisis back in 2008. If rising house prices have pushed debt levels higher, which is now happening, then the whole market and the economy becomes very vulnerable as was found out a decade ago. Ireland needs to increase housing supply as a matter of urgency. That is the only real solution. Meanwhile, house prices look set to rise by over 10% in 2018.

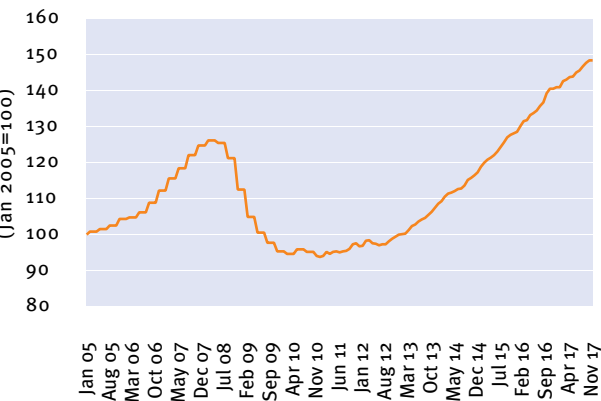
FIG.6 HOUSE PRICE INDEX



Source: CSO

Private rents increased by 6.2% in the year to February 2018 and have increased by 61.6% since the end of 2010.

FIG.7 PRIVATE RENTS



Irish Economic Outlook

The growth momentum in the Irish economy remains strong as we move in the second quarter of the year. Most economic indicators continue to evolve in a positive fashion and the outlook for the years remains positive.

The positive global backdrop is proving very supportive. Real GDP should be capable of expanding by at least 5% in 2018. This growth should be driven by the following factors:

- The ongoing improvement in the global economy will prove supportive of the Irish export sector. The improvement in the Euro Zone should offset the weakness of the UK. Further sterling weakness would pose a threat to the indigenous export sector and visitor numbers from the UK, but sterling has stabilised in recent months and the downward momentum has been arrested for the moment at least. Brexit developments will be crucial to sterling’s pathway over the coming months;
- Consumer spending should be supported by employment growth of 2.9%; average wage growth of around 4%; a modest easing of the tax burden; and growth of around 6% in personal disposable incomes; and

- The investment performance in 2017 was distorted by multi-national transactions, but these should feed out of the system in 2018. Construction output should expand strongly and business investment expenditure should also expand quite strongly;

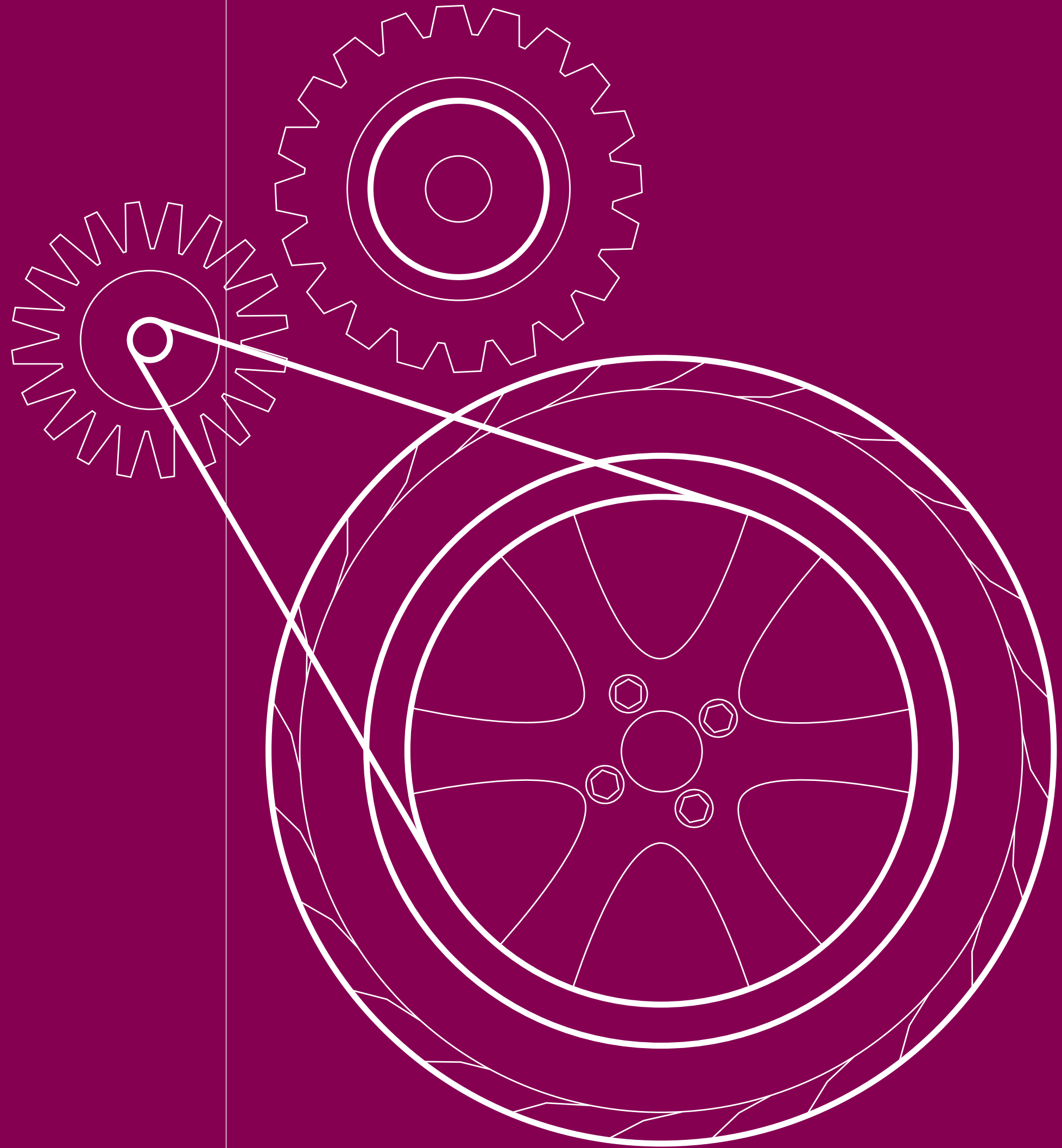
All in all, the indications for the coming year are positive. It is essential that national policy focuses very strongly on broadly-defined competitiveness. This includes wages and other business costs; IT infrastructure and capability; high quality public services; prudent management of the public finances; and the personal tax burden. The following Irish economic forecast is suggested for 2018 and 2019:

TABLE 4 Economic Forecasts	2017E	2018F	2019F
GDP	+7.8%	+5.0%	+4.0%
GNP	+6.6%	+4.8%	+3.0%
Consumer Expenditure	+1.9%	+3.0%	+3.0%
Government Consumption	+1.8%	+3.5%	+3.5%
Investment	-22.3%	+7.5%	+7.0%
Exports Goods & Services	+6.9%	+6.5%	+5.0%
Imports Goods & Services	-6.2%	+3.5%	+3.8%
Unemployment Rate (%)	6.7%	5.8%	5.2%
Employment (000s)	2,194	2,257	2,280
Inflation (HICP)	+0.3%	+0.9%	+2.0%

E=Estimate, F=Forecast

The Motor Industry

Q1 2018



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New Car Registrations

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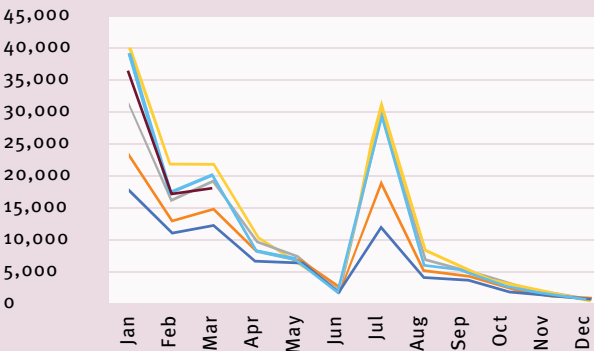
The top 5 selling makes in the first quarter in descending order were Volkswagen (10.45%), Toyota (9.92%), Hyundai (9.69%), Ford (9.39%), and Nissan (8.54%). Those 5 makes accounted for 48% of total new registrations. The Nissan Qashqai was the most popular model, followed by the Hyundai Tucson, the Volkswagen Golf, the Ford Focus and the Skoda Octavia.

In the first three months of 2018, diesel cars accounted for 56.3% of total new registrations, down from 66.7% in the first quarter of 2017; petrol cars accounted for 37.5% of the total, up from 29.6% in 2017; and petrol electric accounted for 5.4% of the total, up from 3.1% in 2017. Just 282 electric cars were registered in the first quarter of 2018, which is 5.4% lower than in the equivalent period in 2017.

TABLE 5 Monthly Car Sales 2017 & Q1 2018	2017	Q1 2018	% Change
January	39,003	37,024	-5.1%
February	17,089	17,014	-0.4%
March	19,890	17,767	-10.6%
Q1	75,982	71,805	-5.5%
April	7,841	-	-
May	5,992	-	-
June	1,400	-	-
Q2	15,233		
July	27,706	-	-
August	5,730	-	-
September	3,897	-	-
Q3	37,333	-	-
October	1,943	-	-
November	682	-	-
December	159	-	-
Q4	2,784	-	-
FULL YEAR	131,332	-	-

Source: SIMI

FIG. 8 MONTHLY TREND IN NEW CAR REGISTRATIONS



Source: SIMI

The monthly totals had been rising consistently since 2013, but 2017 saw a considerably weaker trend, which has continued into 2018.

Car Registrations by County Q1 2018

In the first quarter of 2018 every county in the country experienced negative growth in new car registrations, with the exception of Wexford where registrations increased by 5%. Cavan experienced the largest decline at 17.8%. Dublin accounted for 39.2% of the market.

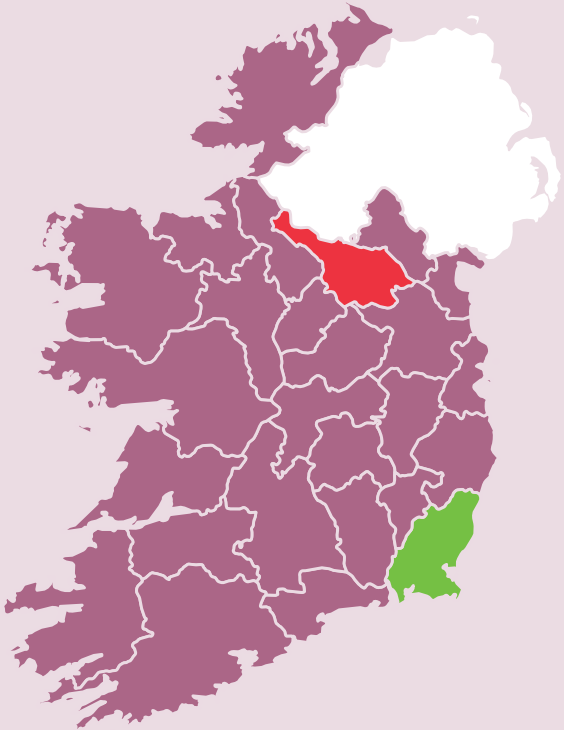
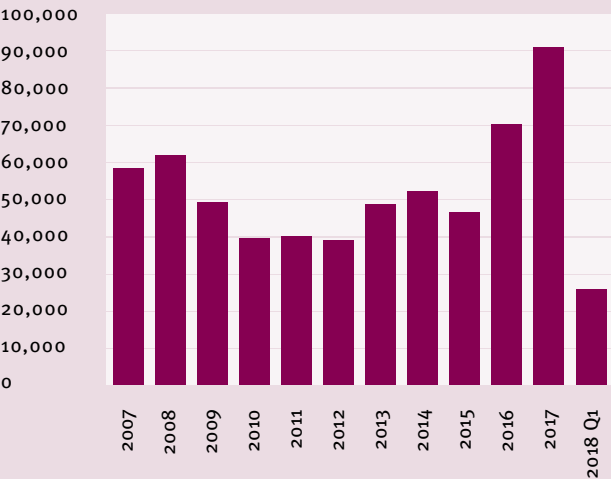


TABLE 6 New Car Registrations by County Q1 2018	2018 Units	2017 Units	2018 % Share	2017 % Share	% Change
Carlow	946	954	1.32%	1.26%	-0.84%
Cavan	778	946	1.08%	1.25%	-17.76%
Clare	1,633	1,737	2.27%	2.29%	-5.99%
Cork	9,063	9,903	12.62%	13.03%	-8.48%
Donegal	1,529	1698	2.13%	2.23%	-9.95%
Dublin	28,109	29,609	39.15%	38.97%	-5.07%
Galway	2,782	2,965	3.88%	3.9%	-6.17%
Kerry	1,607	1,724	2.24%	2.27%	-6.79%
Kildare	3,127	3,144	4.36%	4.14%	-0.54%
Kilkenny	1,440	1,491	2.01%	1.96%	-3.42%
Laois	886	948	1.23%	1.25%	-6.54%
Leitrim	295	351	0.41%	0.46%	-15.95%
Limerick	2,644	2,757	3.68%	3.63%	-4.1%
Longford	364	405	0.51%	0.53%	-10.12%
Louth	1,650	1,654	2.3%	2.18%	-0.24%
Mayo	1,291	1,445	1.8%	1.9%	-10.66%
Meath	2,231	2,341	3.1%	3.08%	-4.7%
Monaghan	587	627	0.82%	0.83%	-6.38%
Offaly	937	957	1.3%	1.26%	-2.09%
Roscommon	656	792	0.91%	1.04%	-17.17%
Sligo	670	714	0.93%	0.94%	-6.16%
Tipperary	2,091	2,173	2.91%	2.86%	-3.77%
Waterford	1,974	2,014	2.75%	2.65%	-1.99%
Westmeath	1,014	1,151	1.41%	1.51%	-11.9%
Wexford	1,892	1,802	2.63%	2.37%	4.99%
Wicklow	1,609	1,680	2.24%	2.21%	-4.23%

Source: SIMI

Used (Imported) Cars
Registered for First Time

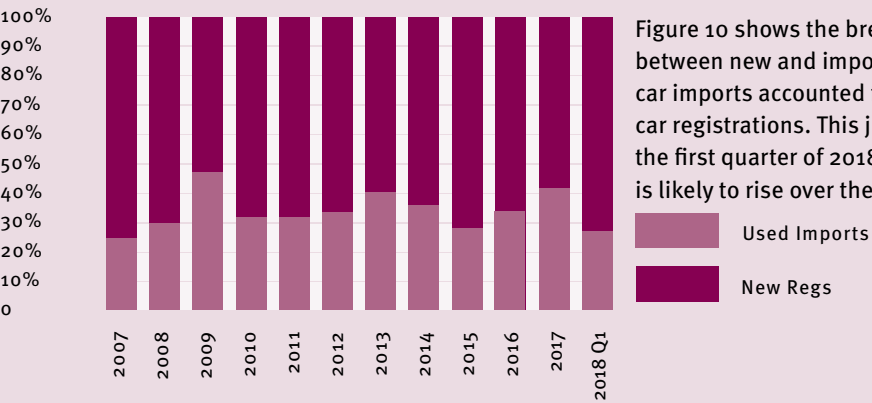
FIG.9 USED (IMPORTED) CARS REGISTERED FOR FIRST TIME



Source: SIMI

Imported used cars remained a significant part of the market in the first quarter of 2018, although the growth has eased somewhat. In the first three months of the year 26,114 used cars were imported, which was 9.44% ahead of the first quarter of 2017. Used imports accounted for 26.7% of the car market in the first quarter. Sterling weakness is the key driver of used imports, with 97.6% coming from the UK. Figure 9 shows the trend in imported used cars since 2007. In 2017, they reached the highest level on record and a new record looks set for 2018.

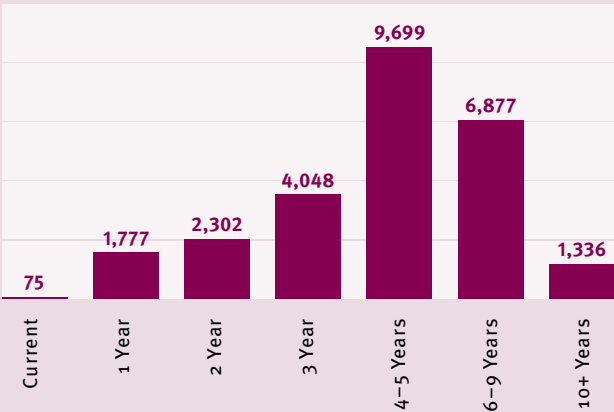
FIG.10 BREAKDOWN OF CARS REGISTERED FOR FIRST TIME



Source: SIMI

Figure 10 shows the breakdown of car registrations between new and imported used cars. In 2016, used car imports accounted for 33% of total new and used car registrations. This jumped to 41.6% in 2017. In the first quarter of 2018, this stood at 26.7%, but is likely to rise over the remainder of the year.

FIG.11 AGE PROFILE IMPORTED USED CARS Q1 2018



Source: SIMI

Figure 11 shows the age profile of imported used cars in the first three months of 2018. 31.4% of the imported used cars were 3 years or less in age. It is the case that imported cars of three years or less are displacing new car sales.

From the perspective of the Revenue Commissioners, there is a financial hit from the displacement of new car sales by used imports, because the VAT and VRT receipts on used car imports are significantly less than from new car sales. In the first quarter of 2018, the average tax take from a new car was €9,323, compared to €3,255 for a used car.

It is also the case that cheaper second-hand car imports from the UK will tend to depress the price of domestic second-hand cars.

FIG.12 STERLING V. EURO



Source: Bloomberg

Sterling weakness is an important driver of used imports from the UK. In 2015, the sterling/euro exchange rate averaged 72.6 pence; in 2016 it averaged 81.9 pence; and in 2017 it averaged 87.64 pence. In the first quarter of 2018 it has averaged 88.32 pence. Used imports from the UK are highly correlated with the performance of the euro against sterling. Sterling has stabilised in recent months, which has possibly taken some of the heat out of used imports from the UK.

Exchequer Receipts from The Motor Industry

The Exchequer collected €754.7 million in VRT and VAT receipts from car sales in the first quarter of 2018, which represents an increase of 0.2% compared to Q1 2017. The total tax take from new car sales was €669.7 million, which was 1.2% lower than the first quarter of 2017. The total tax take from used car sales was €85 million, which was 12.7% ahead of 2017.

In the first 2 months of 2018, €540 million was collected in Excise Duty, NORA Levy, Carbon Tax, Refit Levy and VAT as they apply to motor fuel. This is 2.9% higher than the first 2 months of 2017.

TABLE 7 Tax Receipts from New & Used Car Sales	Type	Q1 2018 (€M)	Q1 2017 (€M)	% Change
New Cars	VRT	351.8	353.7	-0.5%
	VAT	317.9	324.1	-1.9%
	TOTAL	669.7	677.8	-1.2%
Used Cars	VRT	75.2	66.5	+13.1%
	VAT	9.8	8.9	+9.4%
	TOTAL	85.0	75.4	+12.7%
Total Cars	VRT	427.0	420.2	+1.6%
	VAT	327.7	333.0	-1.6%
	TOTAL	754.7	753.2	+0.2%

Source: Revenue Commissioners & SIMI

The Cost of Motoring

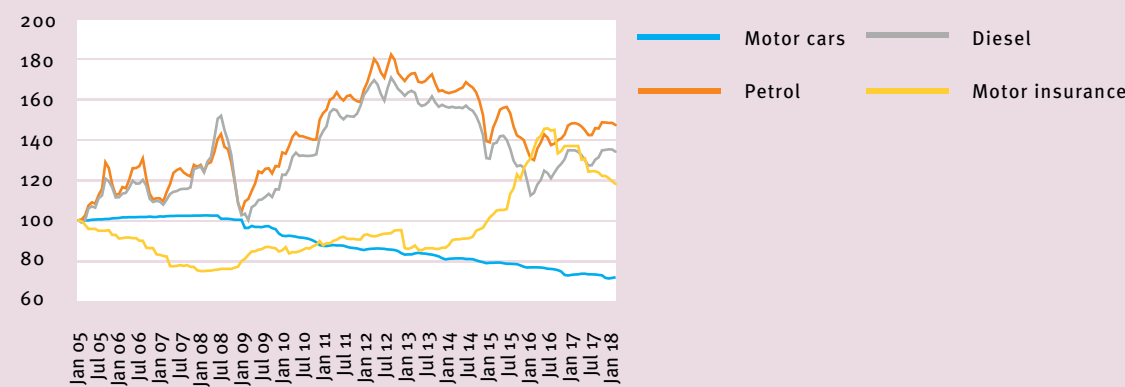
- In March 2018, the average price of a new car based on CSO data was 1.9% lower than a year earlier. Between January 2008 and March 2018, the average price of a new car declined by 30.3%. The CSO compares prices for cars with the same specifications. However, the OMSP (Open Market Sales Price) shows the actual price paid for cars, which is showing a different trend. In the first quarter of 2018, the average OMSP for new cars was 4.1% higher than a year earlier. This is due to the fact that car buyers are paying more for higher specification cars. The average OMSP for used imports in Q1 2018 was 6.5% higher than a year earlier.
- In March 2018, the price of petrol was 0.7% lower than a year earlier and the price of diesel was 0.5% lower. In the year to the end of March, crude oil prices increased by 24%.
- The cost of motor insurance in March 2018 was 13.8% lower than a year earlier. Average motor insurance costs in March were 37% higher than in March 2013. However, between July 2016 and March 2018, motor insurance costs declined by 19%.

FIG. 13 BRENT CRUDE OIL



Source: Bloomberg

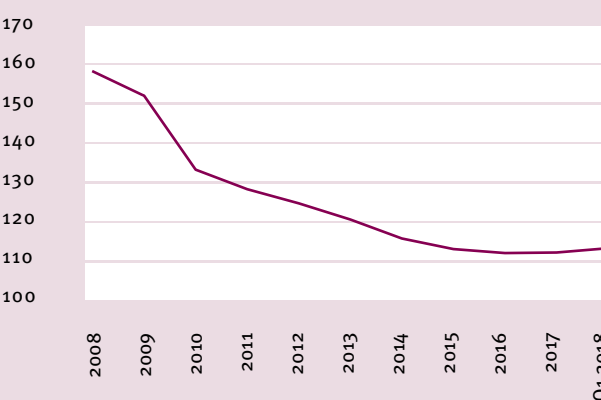
FIG. 14 THE COST OF MOTORING



Source: CSO

Carbon Emissions

FIG. 15 AVERAGE CO₂ EMISSIONS



Source: SIMI

The downward trend in average CO₂ emissions for new cars sold has been firmly established since 2008. However, in 2017, there has been a small increase of 0.1%. This is most likely due to a trend towards petrol and away from diesel cars in 2017. In the first quarter of 2018, average CO₂ emissions for new cars sold were 1.4% higher than a year earlier. This would produce a calculated increase of around 2,000 Tons in annual CO₂ for new cars registered so far this year. Average emissions for used imports were 3.8% lower than a year earlier. However, in the first quarter of 2018, average emissions for new cars stood at 113.20 Gms/KM and 121.05 Gms/KM for used imports.

Commercial Vehicle Registrations

The sales of new Light Commercial Vehicles increased by 5.3% in the first quarter to reach 12,529, reflecting the ongoing improvement in business confidence and business activity levels. Sales of new Heavy Goods Vehicles at 916, were 11.2% down on the first quarter of 2017.

- Sales of Light Commercial Vehicles totaled 12,529, which represents an increase of 5.3% on 2017;
- There were 3,771 used LCV imports into the country, which is 1% higher than 2017;
- Sales of new Heavy Goods Vehicles totaled 916, which represents a decline of 11.2% on 2017; and
- Imports of used HGVs totaled 814, which is 7.9% lower than 2017.

TABLE 8 New Commercial Vehicles Registered for the First Time	Q1 2018	Q1 2017	% Change
New LCV	12,529	11,900	+5.3%
Imports of Used LCV	3,771	3,732	+1.0%
New HGV	916	1,031	-11.2%
Imports of Used HGV	814	884	-7.9%

Source: SIMI

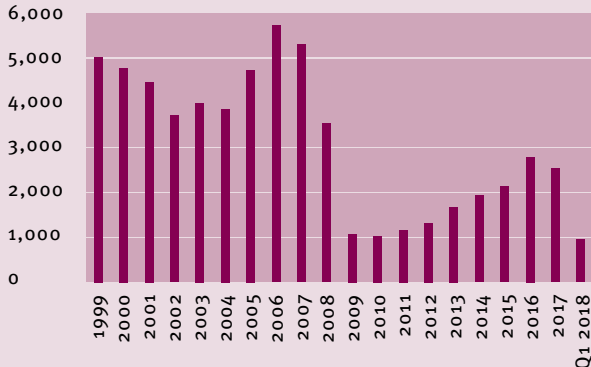
Figures 16 and 17 show the trend in new LCV and HGV registrations since 1999.

FIG.16 REGISTRATIONS OF NEW LIGHT COMMERCIAL VEHICLES



Source: SIMI

FIG.17 REGISTRATIONS OF NEW HEAVY GOODS VEHICLES



Source: SIMI

TABLE 9 EU Car Registrations by Country	2018 Units (Jan–Feb)	2017 Units (Jan–Feb)	% Change
Austria	55,067	51,663	+6.6%
Belgium	107,126	103,643	+3.4%
Bulgaria	5,024	3,602	+39.5%
Croatia	7,573	5,429	+39.5%
Cyprus	2,283	2,230	+2.4%
Czech Republic	43,420	41,273	+5.2%
Denmark	37,197	37,163	+0.1%
Estonia	4,354	3,552	+22.6%
Finland	22,688	21,912	+3.5%
France	325,739	314,920	+3.4%
Germany	531,178	485,001	+9.5%
Greece	15,723	11,652	+34.9%
Hungary	18,861	14,423	+30.8%
Ireland	54,131	56,092	-3.5%
Italy	359,907	356,384	+1.0%
Latvia	2,783	2,622	+6.1%
Lithuania	3,716	3,471	+7.1%
Luxembourg	8,917	8,150	+9.4%
Netherlands	94,220	83,107	+13.4%
Poland	88,216	76,503	+15.3%
Portugal	35,278	33,889	+4.1%
Romania	20,521	15,361	+33.6%
Slovakia	15,793	13,776	+14.6%
Slovenia	12,504	12,152	+2.9%
Spain	212,135	182,311	+16.4%
Sweden	50,191	51,017	-1.6%
United Kingdom	244,420	257,679	-5.1%
Total	2,378,965	2,248,977	+5.8%

Table 9 shows EU car sales in the first 2 months of 2018. Just three countries experienced negative growth—Sweden, the United Kingdom and Ireland. In 2017, diesel’s market share in the EU-15 fell from 49.9% to 44.8%. Petrol cars accounted for 49.4% of the market.

Source: www.acea.be

Outlook for the Motor Industry 2018 & 2019

Despite the very positive economic background in 2017, new car registrations declined by 10.4% to 131,332.

The decline in new car registrations has continued in 2018 with new car registrations declining by 5.5% on the first quarter of 2017. While there were fewer trading days in March and exceptional weather conditions disrupted activity, it is clear that Brexit uncertainty and used imports from the UK continue to exert pressure on the domestic new car market.

Looking forward to the remainder of 2018, the economic fundamentals that underpin new car registrations look set to remain positive.

The economic factors will be supportive of activity:

- GDP is forecast to expand by around 5%;
- Employment is likely to grow by around 2.8%;
- The unemployment rate could hit 5.5% by the end of 2018;
- Average earnings are set to grow by around 3%;
- The tax changes announced in Budget 2018 will give a modest boost to personable incomes; and
- Interest rates will remain low.

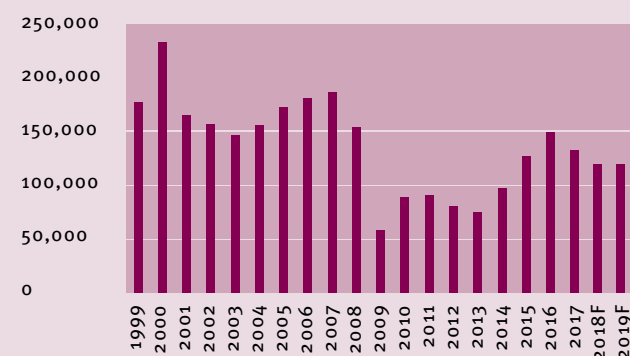
However, continued Brexit related uncertainty and sterling weakness are risk factors that are likely to remain a feature of the landscape and are likely to counter some of the supportive economic fundamentals. In other words, used imports from the UK are likely to remain a significant feature of the market and will undoubtedly displace new car sales once again.

In addition, the surge in used imports from the UK effectively means that those prices are now setting prices for the domestic second-hand car stock, and this is making the cost of change to a new car more expensive and this is also serving to undermine new car sales.

For 2018, the used import market is projected to grow by around 15% to reach 107,470. New car registrations in 2018 are forecast at around 120,000, which would represent a decline of 8.6% on the 2017 outturn.

As was the case last year, the year ahead is shrouded in deep uncertainty, largely due to the uncertain performance of sterling and the impact of used imports from the UK. Looking ahead to 2019, at this early stage, the new car market is likely to be similar to the 2018 outturn. The obvious source of uncertainty will very definitely be Brexit.

FIG.18 NEW CAR REGISTRATIONS



Source: Jim Power Economics Limited

Emissions Issues

Apart from the economic and Brexit-related uncertainty, emissions issues pose a considerable structural challenge to the motor industry over the coming years.

Firstly, the changeover to WLTP could significantly increase the price of an average new car, depending on the pathway chosen.

Secondly, the taxation of diesel and petrol vehicles is becoming an issue of considerable debate. A recent report from the Economic & Social Research Institute (ESRI) and the EPA¹ looks at the environmental impact of the charging of vehicle registration tax and motor tax in Ireland on the basis of CO₂ emissions, which resulted in a significant switch towards diesel-powered cars. In 2009 just 13% of new cars registered were in the lowest emission category (Category A, less than 120 g/CO₂ km). In 2016, this stood at 78%. The study states that as a consequence of increasing diesel consumption, significant air quality issues have arisen as vehicles emit NO_x and particulate matter (PM) as well as CO₂, and diesel vehicles emit more NO_x and PM than petrol vehicles. The study simulates what would happen if the diesel excise rate was increased by 22% to bring it into line with the rate on petrol. The conclusion is that an equalisation of excise rates of petrol and diesel to the current rate for petrol would reduce fuel consumption, drive down vehicle-related emissions and provide a revenue boost to the Exchequer.

The arguments made in this study take a very simplistic approach in calculating a litre-for-litre switch from diesel to petrol and, perhaps because of timing issues, ignore the realities of what is already happening in the market.

The analysis is based on older data which showed diesel cars having 73% market share. Without any changes to relative taxation, this share is already reducing considerably. In the first three months of 2018, diesel cars accounted for 56.3% of total new registrations, down from 66.7% in the first quarter of 2017; petrol cars accounted for 37.5% of the total, up from 29.6% in 2017; and petrol electric accounted for 5.4% of the total, up from 3.1% in 2017.

The trend away from diesel is already well established, and any intervention in the market at this juncture would risk having negative unintended consequences. Changes would reduce the value of second-hand diesel cars and increase the cost of change to a new car. New cars, be they diesel or petrol, are becoming increasingly fuel efficient and environmentally friendly. By making it more expensive to change, this could increase the age of the car fleet,

with negative environmental consequences, and also consequences for Exchequer revenue as less new cars are sold.

The Report suggests that increasing diesel taxation would shift drivers away from diesel to petrol and would deliver a reduction in CO₂ as well as an increased tax-take. This conclusion is based on calculating a simple one-for-one replacement of each litre of diesel by a litre of petrol. The reality is that across EU Member States it is anticipated that CO₂ will actually increase as a consequence of such a shift in fuel-type and solutions are being sought as to how such a significant increase in CO₂ might be prevented. The Report itself highlights the reason why it has reached a different conclusion on the potential increase in CO₂, by ignoring the far more efficient fuel consumption of diesel engines. If this was factored-in, the CO₂ emissions resulting from a shift from diesel to petrol would be significantly higher not lower than current levels. This has been highlighted by the recent move away from diesel towards petrol in new car registrations, which has resulted in average CO₂ emissions for new cars now trending upwards again (+1.4%), after a prolonged period of desirable decline.

Diesel is a very important component of the Irish car market, with a very high level of trade-in against new cars being diesel, and most PCP contracts written to date are for diesel cars. Diesel is also the fuel of choice for rural business.

It would be ill-considered and ill-advised to accept the recommendations of the ESRI report. Its negative consequences would undoubtedly result in the negative consequences outweighing any positive consequences. Besides the impacting most on rural and business drivers, many of whom may not be in a position to switch to an alternative new car or van, such a move would hugely devalue diesel cars currently on our roads, on top of the devaluation already impacting from Used imports. Given that 70% of the newest cars in the National Fleet are diesel, this will make it very difficult for their current owners to trade-up to a newer cleaner-fuel car with negative consequences in terms of both CO₂ and air quality. The market should be allowed work without interference at this juncture, and the push towards electric cars should remain a key priority.

¹The Environmental Impact of Fiscal Instruments, Edgar Morgenroth, Martin Murphy & Kyle Moore, ESRI/EPA, February 2018

Statistics

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Motor Statistics Overview

Source: SIMI Motorstats
www.stats.beepbeep.ie

Total Registrations (January–March 2018)

Passenger Cars



2018	71,805
2017	75,982

Light Commercial Vehicles (LCVs)



2018	12,529
2017	11,900

Heavy Commercial Vehicles (HCVs)



2018	916
2017	1,031

Passenger Cars

Total Registrations	January	February	March	Total
2018	37,024	17,014	17,767	71,805
2017	39,003	17,089	19,890	75,982
% Change	-5.07%	-0.44%	-10.67%	-5.5%

By Make		2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1	VOLKSWAGEN	7,501	7,340	2.19%	10.45%	9.66%
2	TOYOTA	7,120	7,499	-5.05%	9.92%	9.87%
3	HYUNDAI	6,958	7,315	-4.88%	9.69%	9.63%
4	FORD	6,746	7,423	-9.12%	9.39%	9.77%
5	NISSAN	6,131	7,054	-13.08%	8.54%	9.28%
6	SKODA	5,060	4,877	3.75%	7.05%	6.42%
7	RENAULT	4,184	5,295	-20.98%	5.83%	6.97%
8	KIA	4,153	3,886	6.87%	5.78%	5.11%
9	MERCEDES-BENZ	2,856	3,174	-10.02%	3.98%	4.18%
10	AUDI	2,836	3,138	-9.62%	3.95%	4.13%

By Model		2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1	NISSAN QASHQAI	2,859	2,920	-2.09%	3.98%	3.84%
2	HYUNDAI TUCSON	2,597	3,072	-15.46%	3.62%	4.04%
3	VOLKSWAGEN GOLF	2,172	2,249	-3.42%	3.02%	2.96%
4	FORD FOCUS	2,142	2,343	-8.58%	2.98%	3.08%
5	SKODA OCTAVIA	2,033	2,286	-11.07%	2.83%	3.01%
6	KIA SPORTAGE	1,787	1,735	3%	2.49%	2.28%
7	FORD FIESTA	1,718	2,119	-18.92%	2.39%	2.79%
8	TOYOTA YARIS	1,696	1,585	7%	2.36%	2.09%
9	VOLKSWAGEN TIGUAN	1,611	1,314	22.6%	2.24%	1.73%
10	NISSAN MICRA	1,478	881	67.76%	2.06%	1.16%

By CO ₂ Emission Band	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
0 A0	282	298	-5.37%	0.39%	0.39
1–80 A1	1,128	790	42.78%	1.57%	1.04
81–100 A2	11,314	16,703	-32.26%	15.76%	21.98
101–110 A3	20,867	22,283	-6.35%	29.06%	29.33
111–120 A4	19,517	18,940	3.05%	27.18%	24.93
121–130 B1	10,906	10,474	4.12%	15.19%	13.78
131–140 B2	4,345	3,910	11.13%	6.05%	5.15
141–155 C	2,554	1,800	41.89%	3.56%	2.37
156–170 D	504	409	23.23%	0.7%	0.54
171–190 E	331	333	-0.6%	0.46%	0.44
191–225 F	42	32	31.25%	0.06%	0.04
226+ G	15	10	50%	0.02%	0.01

By Segment	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 JEEP/SUV STANDARD (H1)	25,136	21,696	15.86%	35.01%	28.55%
2 SMALL STANDARD (C1)	14,986	18,910	-20.75%	20.87%	24.89%
3 MINI STANDARD (B1)	11,863	12,823	-7.49%	16.52%	16.88%
4 MEDIUM STANDARD (D1)	4,446	5,654	-21.37%	6.19%	7.44%
5 JEEP/SUV PRESTIGE (H2)	4,134	3,481	18.76%	5.76%	4.58%
6 LARGE PRESTIGE (E2)	2,668	2,914	-8.44%	3.72%	3.84%
7 MICRO STANDARD (A1)	1,958	2,383	-17.83%	2.73%	3.14%
8 MEDIUM PRESTIGE (D2)	1,848	2,606	-29.09%	2.57%	3.43%
9 MPV COMPACT (M1)	1,393	1,569	-11.22%	1.94%	2.06%
10 SMALL PRESTIGE (C2)	1,208	1,717	-29.64%	1.68%	2.26%

By Engine Type	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 DIESEL	40,409	50,714	-20.32%	56.28%	66.74%
2 PETROL	26,930	2,2470	19.85%	37.5%	29.57%
3 PETROL ELECTRIC	3,893	2,362	64.82%	5.42%	3.11%
4 PETROL/PLUG-IN ELECTRIC HYBRID	283	136	108.09%	0.39%	0.18%
5 ELECTRIC	282	298	-5.37%	0.39%	0.39%
6 DIESEL/PLUG-IN ELECTRIC HYBRID	8	1	700%	0.01%	0%
7 DIESEL/ELECTRIC	0	1	-	0%	0%

By Colour	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 GREY	27,317	28,348	-3.64%	38.04%	37.31%
2 BLACK	13,018	14,765	-11.83%	18.13%	19.43%
3 WHITE/IVORY	10,446	11,168	-6.46%	14.55%	14.7%
4 BLUE	9,392	9,159	2.54%	13.08%	12.05%
5 RED/MAROON	8,655	8,794	-1.58%	12.05%	11.57%
6 BROWN	1,550	2,194	-29.35%	2.16%	2.89%
7 ORANGE	320	91	251.65%	0.45%	0.12%
8 GREEN	272	545	-50.09%	0.38%	0.72%
9 YELLOW	226	542	-58.3%	0.31%	0.71%
10 WHITE/IVORY AND BLACK	144	77	87.01%	0.2%	0.1%

By County	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
CARLOW	946	954	-0.84%	1.32%	1.26%
CAVAN	778	946	-17.76%	1.08%	1.25%
CLARE	1,633	1,737	-5.99%	2.27%	2.29%
CORK	9,063	9,903	-8.48%	12.62%	13.03%
DONEGAL	1,529	1,698	-9.95%	2.13%	2.23%
DUBLIN	28,109	29,609	-5.07%	39.15%	38.97%
GALWAY	2,782	2,965	-6.17%	3.87%	3.9%
KERRY	1,607	1,724	-6.79%	2.24%	2.27%
KILDARE	3,127	3,144	-0.54%	4.35%	4.14%
KILKENNY	1,440	1,491	-3.42%	2.01%	1.96%
LAOIS	886	948	-6.54%	1.23%	1.25%
LEITRIM	295	351	-15.95%	0.41%	0.46%
LIMERICK	2,644	2,757	-4.1%	3.68%	3.63%
LONGFORD	364	405	-10.12%	0.51%	0.53%
LOUTH	1,650	1,654	-0.24%	2.3%	2.18%
MAYO	1,291	1,445	-10.66%	1.8%	1.9%
MEATH	2,231	2,341	-4.7%	3.11%	3.08%
MONAGHAN	587	627	-6.38%	0.82%	0.83%
OFFALY	937	957	-2.09%	1.3%	1.26%
ROSCOMMON	656	792	-17.17%	0.91%	1.04%
SLIGO	670	714	-6.16%	0.93%	0.94%
TIPPERARY	2,091	2,173	-3.77%	2.91%	2.86%
WATERFORD	1,974	2,014	-1.99%	2.75%	2.65%
WESTMEATH	1,014	1,151	-11.9%	1.41%	1.51%
WEXFORD	1,892	1,802	4.99%	2.63%	2.37%
WICKLOW	1,609	1,680	-4.23%	2.24%	2.21%

Light Commercial Vehicles (LCVs)

Total LCV Registrations				
Year	January	February	March	TOTAL
2018	6,752	2,639	3,138	12,529
2017	6,329	2,487	3,084	11,900
% Change	6.68%	6.11%	1.75%	5.29%

By Make	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 FORD	3,160	2,860	10.49%	25.22%	24.03%
2 VOLKSWAGEN	2,534	2,233	13.48%	20.23%	18.76%
3 RENAULT	1,586	1,442	9.99%	12.66%	12.12%
4 TOYOTA	1,221	1,076	13.48%	9.75%	9.04%
5 PEUGEOT	816	856	-4.67%	6.51%	7.19%
6 CITROEN	707	701	0.86%	5.64%	5.89%
7 NISSAN	618	667	-7.35%	4.93%	5.61%
8 MERCEDES-BENZ	577	597	-3.35%	4.61%	5.02%
9 OPEL	370	451	-17.96%	2.95%	3.79%
10 MITSUBISHI	245	276	-11.23%	1.96%	2.32%

By Model	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 FORD TRANSIT CUSTOM COMM	859	742	15.77%	6.86%	6.24%
2 FORD TRANSIT CONNECT	837	752	11.3%	6.68%	6.32%
3 VOLKSWAGEN CADDY	813	955	-14.87%	6.49%	8.03%
4 TOYOTA LANDCRUISER COMM	718	608	18.09%	5.73%	5.11%
5 VOLKSWAGEN T6	700	522	34.1%	5.59%	4.39%
6 RENAULT TRAFIC VANS	648	675	-4%	5.17%	5.67%
7 FORD TRANSIT VAN	602	691	-12.88%	4.8%	5.81%
8 PEUGEOT PARTNER VAN	589	646	-8.82%	4.7%	5.43%
9 CITROEN BERLINGO	583	560	4.11%	4.65%	4.71%
10 RENAULT MASTER VANS	471	476	-1.05%	3.76%	4%

By Weight	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1-2000kg	2,093	2,279	-8.16%	16.71%	19.15%
2001-2500kg	2,879	2,506	14.88%	22.98%	21.06%
2501-3000kg	3,641	2,958	23.09%	29.06%	24.86%
3001-3500kg	3,767	4,072	-7.49%	30.07%	34.22%
3501kg+	146	85	71.76%	1.17%	0.71%

By County	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
CARLOW	157	155	1.29%	1.25%	1.3%
CAVAN	209	185	12.97%	1.67%	1.55%
CLARE	218	198	10.1%	1.74%	1.66%
CORK	1,272	1,327	-4.14%	10.15%	11.15%
DONEGAL	261	247	5.67%	2.08%	2.08%
DUBLIN	5,066	4,521	12.05%	40.43%	37.99%
GALWAY	528	472	11.86%	4.21%	3.97%
KERRY	354	346	2.31%	2.83%	2.91%
KILDARE	510	534	-4.49%	4.07%	4.49%
KILKENNY	229	234	-2.14%	1.83%	1.97%
LAOIS	168	159	5.66%	1.34%	1.34%
LEITRIM	59	42	40.48%	0.47%	0.35%
LIMERICK	430	478	-10.04%	3.43%	4.02%
LONGFORD	59	79	-25.32%	0.47%	0.66%
LOUTH	273	216	26.39%	2.18%	1.82%
MAYO	300	308	-2.6%	2.39%	2.59%
MEATH	386	369	4.61%	3.08%	3.1%
MONAGHAN	151	152	-0.66%	1.21%	1.28%
OFFALY	198	170	16.47%	1.58%	1.43%
ROSCOMMON	118	101	16.83%	0.94%	0.85%
SLIGO	106	116	-8.62%	0.85%	0.97%
TIPPERARY	406	382	6.28%	3.24%	3.21%
WATERFORD	252	304	-17.11%	2.01%	2.55%
WESTMEATH	215	227	-5.29%	1.72%	1.91%
WEXFORD	367	362	1.38%	2.93%	3.04%
WICKLOW	237	216	9.72%	1.89%	1.82%

By Body Type	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1VAN	10,031	10,117	-0.85%	80.06%	85.02%
2CREW CAB	1,565	897	74.47%	12.49%	7.54%
3PICK-UP	534	516	3.49%	4.26%	4.34%
4MPV	156	150	4%	1.25%	1.26%
5AMBULANCE	52	30	73.33%	0.42%	0.25%
6TIPPER	50	41	21.95%	0.4%	0.34%
7MINIBUS	36	16	125%	0.29%	0.13%
8DROP-SIDE LORRY	32	62	-48.39%	0.26%	0.52%
9HORSE BOX	16	5	220%	0.13%	0.04%
10BUS	13	17	-23.53%	0.1%	0.14%

By Engine Type	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1DIESEL	12,488	11,886	5.06%	99.67%	99.88%
2ELECTRIC	35	6	483.33%	0.28%	0.05%
3PETROL	6	8	-25%	0.05%	0.07%

Heavy Commercial Vehicles (HCVs)

Total HCV Registrations				
Year	January	February	March	TOTAL
2018	402	243	271	916
2017	456	270	305	1,031
% Change	-11.84%	-10%	-11.15%	-11.15%

By Make	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 SCANIA	234	236	-0.85%	25.55%	22.89%
2 VOLVO	180	294	-38.78%	19.65%	28.52%
3 DAF	153	102	50%	16.7%	9.89%
4 MERCEDES-BENZ	92	128	-28.13%	10.04%	12.42%
5 MAN	74	55	34.55%	8.08%	5.33%
6 RENAULT	65	85	-23.53%	7.1%	8.24%
7 IVECO	36	42	-14.29%	3.93%	4.07%
8 ISUZU	30	28	7.14%	3.28%	2.72%
9 FUSO	23	7	228.57%	2.51%	0.68%
10 VDL DAF	17	38	-55.26%	1.86%	3.69%

By Model	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 SCANIA 3 AXLE TRACTOR	110	192	-42.71%	12.01%	18.62%
2 SCANIA 2 AXLE TRACTOR	69	60	15%	7.53%	5.82%
3 VOLVO 3 AXLE TRACTOR	65	192	-66.15%	7.1%	18.62%
4 DAF 2 AXLE RIGID ›17T	55	18	205.56%	6%	1.75%
5 DAF 3 AXLE TRACTOR	38	192	-80.21%	4.15%	18.62%
6 VOLVO 4 AXLE RIGID	35	33	6.06%	3.82%	3.2%
7 VOLVO 4 BUSES & COACHES	28	17	64.71%	3.06%	1.65%
8 MAN 2 AXLE RIGID ›17	25	14	78.57%	2.73%	1.36%
9 DAF 2 AXLE TRACTOR	24	60	-60%	2.62%	5.82%
10 ISUZU 2 AXLE RIGID 6-7.9T	23	26	-11.54%	2.51%	2.52%

By Body Type	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 ARTICULATED TRACTOR UNIT	390	553	-29.48%	42.58%	53.64%
2 BUS	112	94	19.15%	12.23%	9.12%
3 TIPPER	81	99	-18.18%	8.84%	9.6%
4 BOX VAN	71	38	86.84%	7.75%	3.69%
5 OPEN LORRY	43	31	38.71%	4.69%	3.01%
6 TANKER	29	20	45%	3.17%	1.94%
7 CURTAIN SIDER	27	33	-18.18%	2.95%	3.2%
8 INSULATED/ REFRIGRATED VAN	26	25	4%	2.84%	2.42%
9 REFUSE COLLECTOR	22	23	-4.35%	2.4%	2.23%
10 DROP-SIDE LORRY	17	13	30.77%	1.86%	1.26%

By Weight	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1kg–3500kg	2	0	-	0.22%	0%
3501kg–5000kg	2	0	-	0.22%	0%
5001kg–6000kg	1	6	-83.33%	0.11%	0.58%
6001kg–8000kg	73	54	35.19%	7.97%	5.24%
8001kg–10000kg	19	17	11.76%	2.07%	1.65%
10001kg–12000kg	39	24	62.5%	4.26%	2.33%
12001kg–14000kg	7	3	133.33%	0.76%	0.29%
14001kg–17000kg	33	30	10%	3.6%	2.91%
17001kg+	740	897	-17.5%	80.79%	87%

By Segment	2018 Units	2017 Units	% Change	2018 % Share	2017 % Share
1 ARTIC 3+ AXLES	241	440	-45.23%	26.31%	42.68%
2 ARTIC 2 AXLES	139	118	17.8%	15.17%	11.45%
3 2 AXLE RIGID ABOVE 16000KGS	101	71	42.25%	11.03%	6.89%
4 BUSES & COACHES	94	89	5.62%	10.26%	8.63%
5 4 AXLE RIGID	91	102	-10.78%	9.93%	9.89%
6 3 AXLE RIGID	72	59	22.03%	7.86%	5.72%
7 2 AXLE RIGID 6000–7500KGS	48	39	23.08%	5.24%	3.78%
8 2 AXLE RIGID 7501–12000KGS	47	40	17.5%	5.13%	3.88%
9 2 AXLE RIGID 12001–16000KGS	43	40	7.5%	4.69%	3.88%

Vehicle Testing Statistics



Passenger Cars Test Volumes and Pass Rates Q1 2018							
	Pass	%	Fail Refusal	%	Fail Dangerous	%	Total
Full Tests	185,976	50.3%	181,985	49.3%	1,258	0.4%	369,219
Re-Tests	185,852	91.6%	14,294	8.3%	225	0.1%	172,371
	343,828		196,279		1,483		541,590

Source: NCT



Source: SIMI/VTN

Over
2,253
fail dangerous vehicles have been
identified since beginning of this year

LCV Monthly Test Volumes Year-on-Year						
	Q1	Q2	Q3	Q4	Total	% Change
2012	100,261	103,008	100,778	89,931	393,978	-
2013	100,901	105,028	110,634	102,239	418,802	6.30%
2014	107,780	119,269	127,503	132,478	487,030	16.29%
2015	130,152	132,434	142,806	128,190	533,582	9.56%
2016	128,745	142,175	142,951	126,021	539,892	1.18%
2017	143,643	141,867	144,525	118,722	548,757	1.64%
2018	136,653	-	-	-	136,653	-4.87%

LCV Quarterly Test Volumes with Annual Comparison

Please note from Q2 2016 this report covers CVR tests only and does not include Voluntary and Safety Tests.

LCV Full Tests	2016 Q1	2017 Q1	2018 Q1	% Change 2017/2018
Fail	39,377	42,218	37,686	-10.73%
Fail Dangerous	1,649	1,871	1,690	-9.67%
Pass	50,338	59,154	61,754	4.40%
Total	91,364	103,243	101,130	-2.05%
LCV Re-Tests	2016 Q1	2017 Q1	2018 Q1	% Change 2017/2018
Fail	2,143	2,166	1,873	-13.53%
Fail Dangerous	104	91	70	-23.08%
Pass	34,994	37,759	33,144	-12.22%
Total	37,241	40,016	35,087	-12.32%

HCV Monthly Test Volumes Year-on-Year

	Q1	Q2	Q3	Q4	Total	% Change
2012	29,346	29,924	30,436	25,094	114,800	-
2013	29,738	30,635	33,028	29,009	122,410	6.6%
2014	32,154	34,550	38,928	32,962	138,594	13.2%
2015	35,635	37,477	41,108	34,093	148,313	7.0%
2016	36,891	40,240	41,730	34,321	153,182	3.3%
2017	39,103	38,927	40,618	32,989	151,637	-1.0%
2018	37,338	-	-	-	37,338	-4.5%

HCV Quarterly Test Volumes with Annual Comparison

Please note from Q2 2016 this report covers CVR tests only and does not include Voluntary and Safety Tests.

HCV Full Tests	2016 Q1	2017 Q1	2018 Q1	% Change 2017/2018
Fail	12,248	11,598	9401	-18.94%
Fail Dangerous	451	527	380	-27.89%
Pass	11,503	14,098	16,255	15.30%
Total	24,202	26,223	26,036	-0.71%
HCV Re-Tests	2016 Q1	2017 Q1	2018 Q1	% Change 2017/2018
Fail	1,028	848	556	-34.43%
Fail Dangerous	26	37	17	-54.05%
Pass	10,661	10,317	8,349	-19.08%
Total	11,715	11,202	8,922	-20.35%

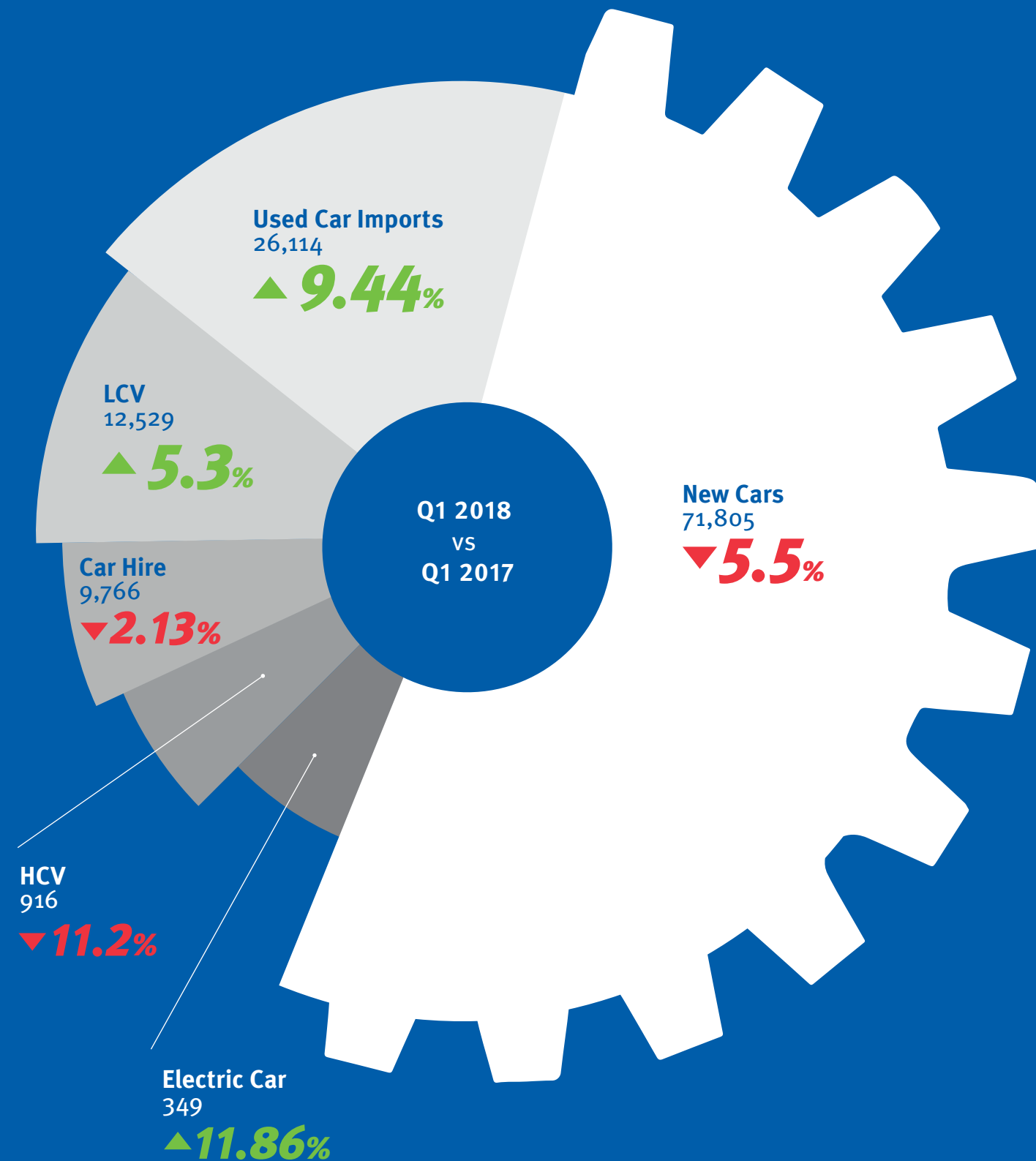


Motor Industry Review Highlights





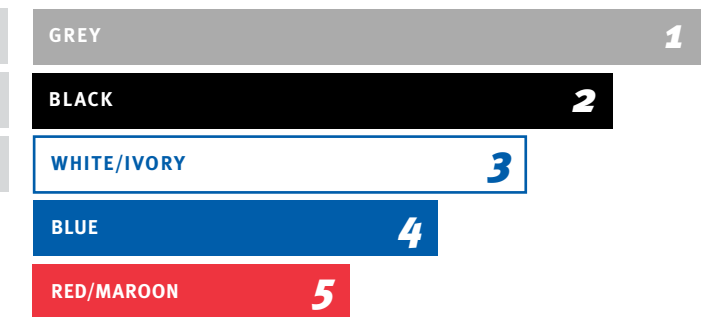
01 Total First Registrations



02 Top Selling Car Body Types Q1 2018



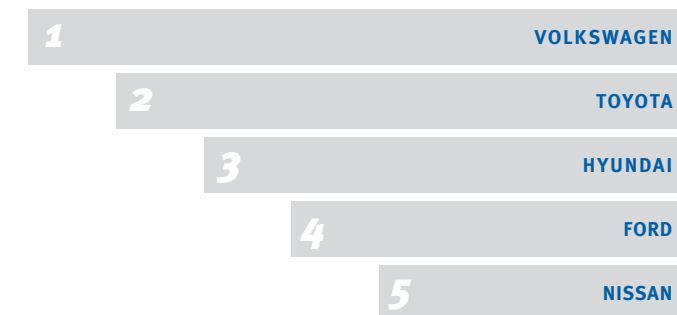
03 Top Selling Car Colours Q1 2018



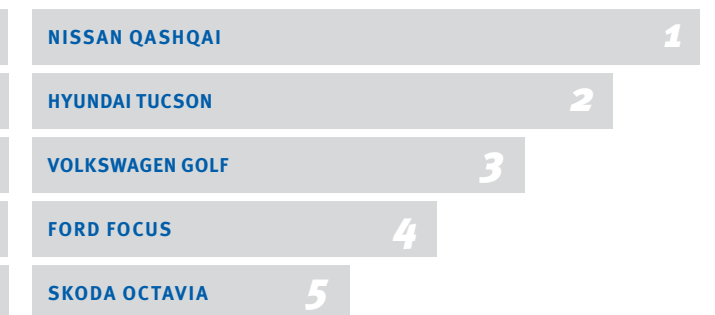
Source: SIMI Stats

04 Top Selling New Car Makes and Models Q1 2018

New Car Make

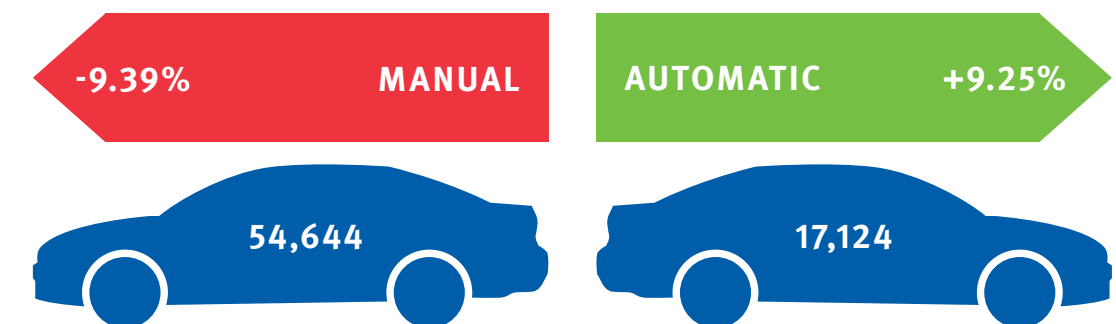


New Car Model

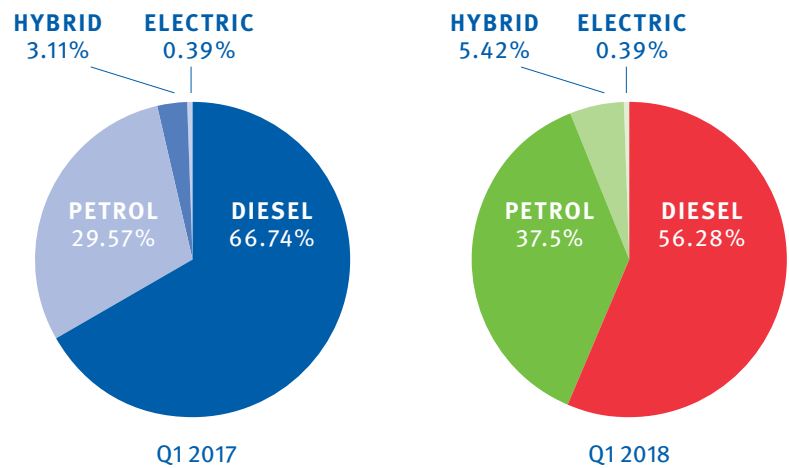


Source: SIMI Stats

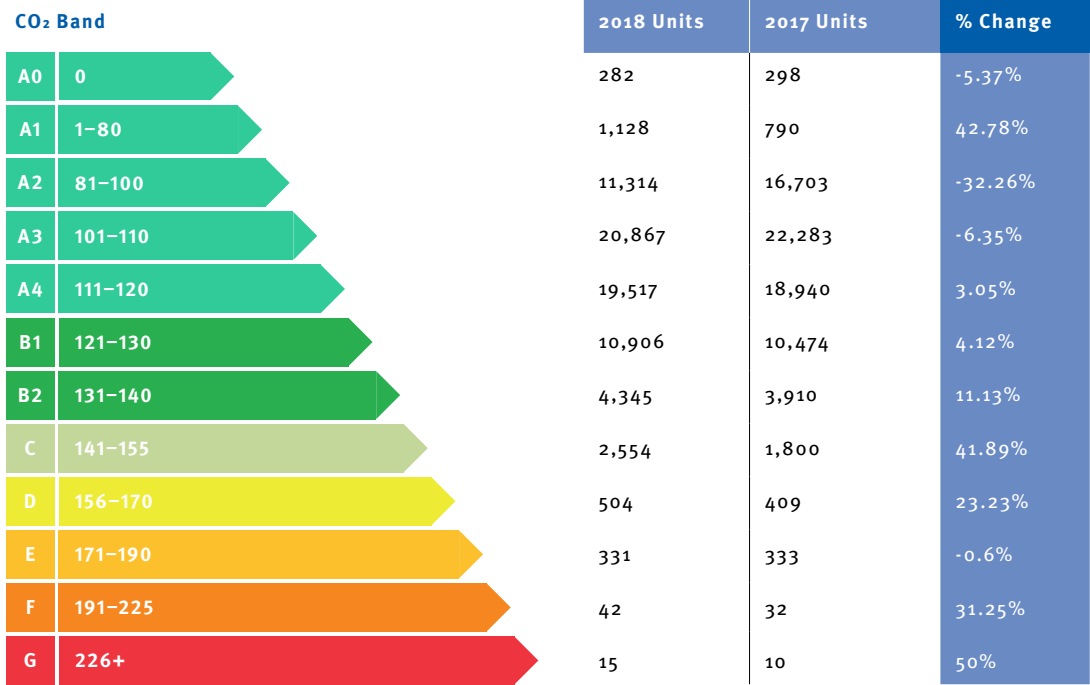
05 New Cars by Transmission Q1 2018



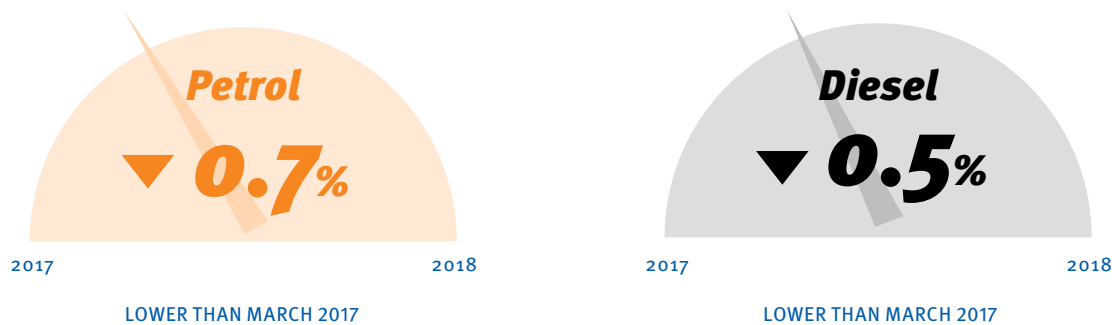
06 New Cars by Engine Type



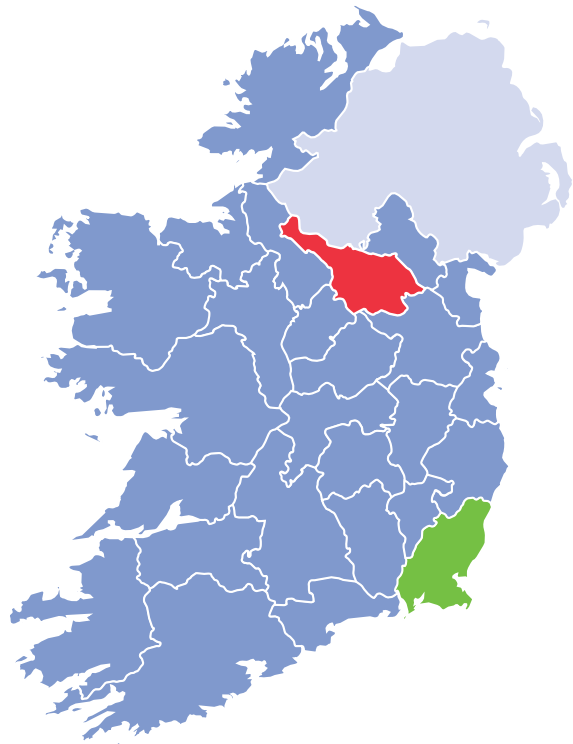
07 New Cars by Emissions



08 Cost of Motoring



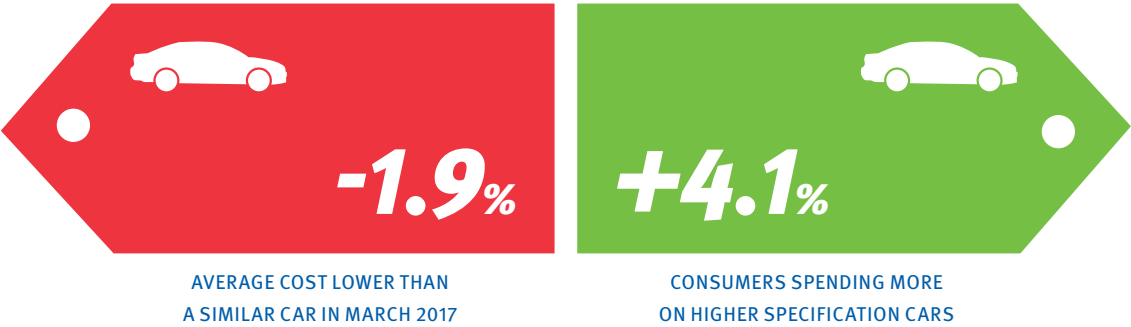
09 New Car Registrations
% Change by County
January–March 2018



County	2018 Units	2017 Units	2018 % Share	2017 % Share	% Change
Carlow	946	954	1.32%	1.26%	-0.84%
Cavan	778	946	1.08%	1.25%	-17.76%
Clare	1,633	1,737	2.27%	2.29%	-5.99%
Cork	9,063	9,903	12.62%	13.03%	-8.48%
Donegal	1,529	1698	2.13%	2.23%	-9.95%
Dublin	28,109	29,609	39.15%	38.97%	-5.07%
Galway	2,782	2,965	3.88%	3.9%	-6.17%
Kerry	1,607	1,724	2.24%	2.27%	-6.79%
Kildare	3,127	3,144	4.36%	4.14%	-0.54%
Kilkenny	1,440	1,491	2.01%	1.96%	-3.42%
Laois	886	948	1.23%	1.25%	-6.54%
Leitrim	295	351	0.41%	0.46%	-15.95%
Limerick	2,644	2,757	3.68%	3.63%	-4.1%
Longford	364	405	0.51%	0.53%	-10.12%
Louth	1,650	1,654	2.3%	2.18%	-0.24%
Mayo	1,291	1,445	1.8%	1.9%	-10.66%
Meath	2,231	2,341	3.1%	3.08%	-4.7%
Monaghan	587	627	0.82%	0.83%	-6.38%
Offaly	937	957	1.3%	1.26%	-2.09%
Roscommon	656	792	0.91%	1.04%	-17.17%
Sligo	670	714	0.93%	0.94%	-6.16%
Tipperary	2,091	2,173	2.91%	2.86%	-3.77%
Waterford	1,974	2,014	2.75%	2.65%	-1.99%
Westmeath	1,014	1,151	1.41%	1.51%	-11.9%
Wexford	1,892	1,802	2.63%	2.37%	4.99%
Wicklow	1,609	1,680	2.24%	2.21%	-4.23%

Source: SIMI

10 Cost of a New Car

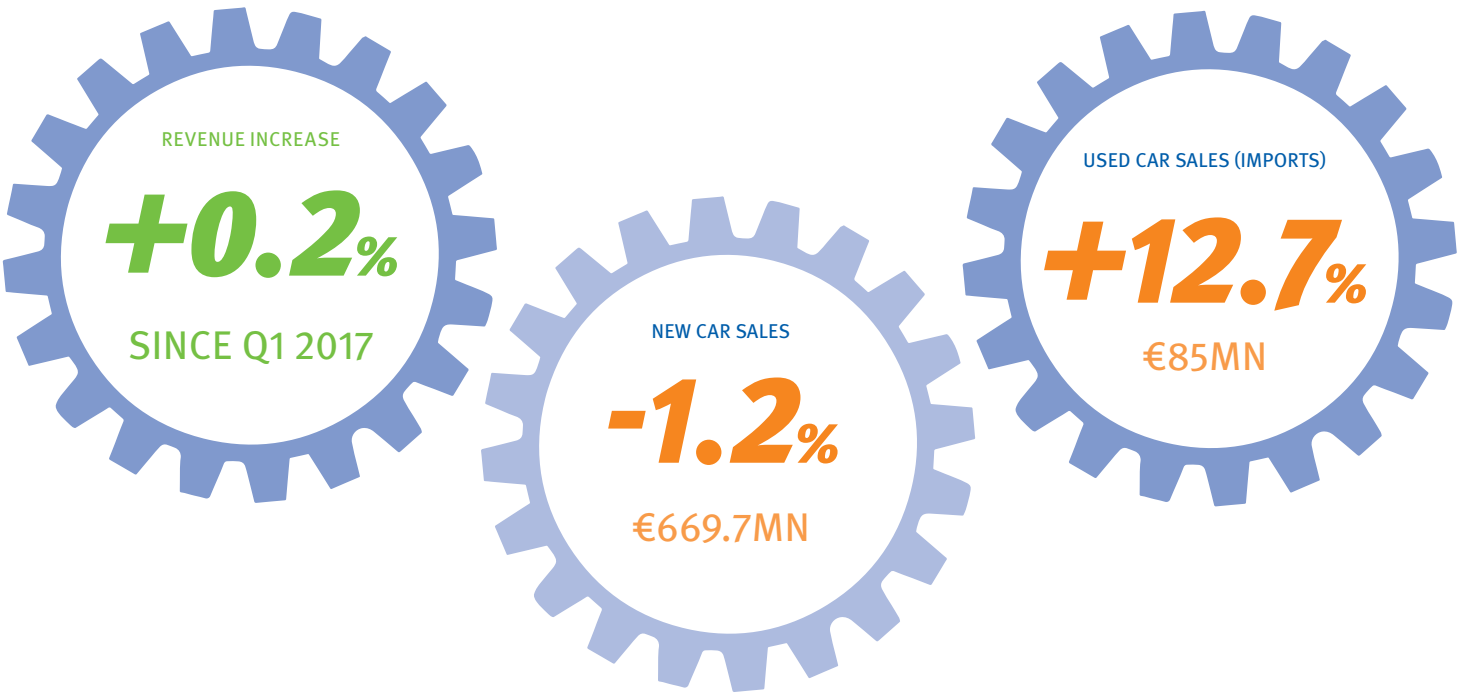


Source: CSO

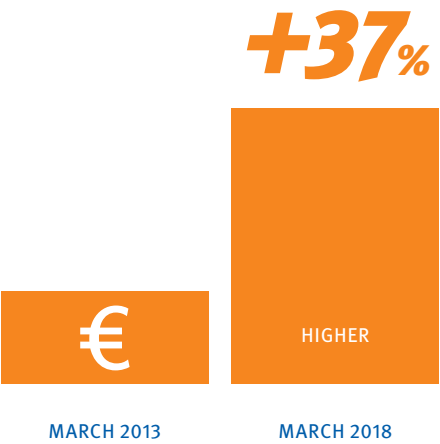
11 Cost of a New Car Q1 2018 Based on OMSP*

* Open Market Sales Price

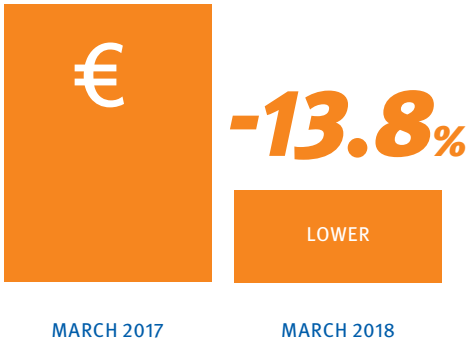
12 Government Revenues on Car Sales (Q1 2018 vs Q1 2017)



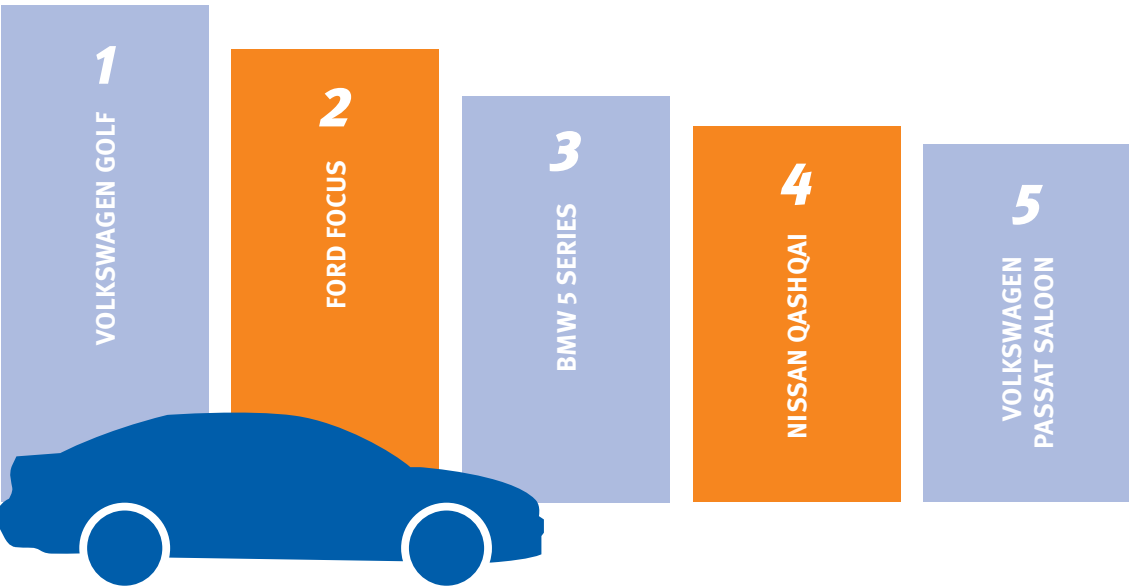
13 Average Motor Insurance Costs



14 Motor Insurance Cost



15 Top Selling Used Imports Models



16 Age Profile Used Imports

	2018 Units	2017 Units	% Change
Current Year	75	129	-41.86%
1 Year Old	1,777	1,487	19.5%
2 Years Old	2,302	1,839	25.18%
3 Years Old	4,048	3,290	23.04%
4 & 5 Years Old	9,699	8,353	16.11%
6 to 9 Years Old	6,877	7,389	-6.93%
10 Years & Older	1,336	1,375	-2.84%
Total	26,114	23,862	



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