



**Imported Motor Vehicle Industry Association Incorporated**

## **National Executive Chairmen's Report**

**1 April 2017 - 31 March 2018**

## **IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION**

### **NATIONAL EXECUTIVE- CHAIRMEN'S REPORT 2017–2018**

The tone for the 2017-2018 Chairmen's Report unashamedly makes sombre reading.

No-one in the industry could dispute that the first quarter of 2018 has proven to be one of the most difficult in the recent history of the Association, and the business of sourcing, importing and compliance of pre-owned motor vehicles. As this report is being prepared, our members face the perfect storm of challenges, from the Brown Marmorated Stink Bug (BMSB) crisis, resulting revisions to the Import Health Standard, difficulties over ensuring Electronic Stability Control (ESC) compliance, logistics bottlenecks, mass arrivals of stock to an already overheated on-shore preparation network, to indications of further and potentially restrictive fuel efficiency targets and of course the elephant in the room, the looming mandatory Takata alpha-type airbag recall crisis.

New Zealand has long prided itself on a relatively open market economy. Fundamental checks and balances are in place to ensure that environmental and safety standards are met, whilst delivering to everyday New Zealanders an affordable, quality choice of motor vehicles and allowing regular upgrades and uptakes of newer technology. The days of the public viewing used imports as some sort of inferior product are long gone, particularly given that it is nearly two decades since a brand-new motor vehicle was assembled – and in CKD form too – for sale in this country. Today, every motor vehicle we buy is imported, whether used or new, sourced from the same factories, with similar if not almost identical specifications; the only measurable difference being the time spent in service in either New Zealand or another jurisdiction.

Against this backdrop then, it is difficult to contemplate why such an efficient and streamlined resource feels like it is under siege at this time. We would like to hope and assume that the days of any ideological bias are long behind us, given that a number of used imported vehicle dealers have become agents for new vehicle franchises, while mainstream new stores stock a selection of used imports to complement their franchise stock.

Both the BMSB and the Takata alpha-type airbag crisis have proven a nightmare for both the new and used corners of the industry. The financial pain being felt across almost every sector in the industry is significant, right at a time when cashflow is tight and the need for consistency paramount.

The VIA Board of Directors understands implicitly the pain being felt, and of more concern, the consequences should the issues confronting us increase in magnitude or continue without effective resolution.

The mandate of the Association remains unchanged: to protect and advance the interests of the wider imported vehicle Industry in New Zealand. Yet, as we have discussed at meetings past, that mandate has taken us far beyond the initial expectations of the founding members back in the late eighties. Conflict has largely been replaced with effective representation and cooperation to achieve consensus and a level playing field. The need to research raw data and explore concepts of the future have become necessary tools to assist the Association team in representing the membership, by way of understanding the potential pathways forward that may impact, influence or open up opportunities.

We would like to thank David and the staff for what has been a very challenging year.

We appreciate your effort and commitment to this industry.

We are aware that we will have another year of unforeseen issues.

We feel that in the upcoming two years, VIA will have a vital role to play in this industry, and as such we require your support more than ever by keeping us informed of problems in our industry and your continued financial support.

This will assist VIA to ensure that there is a **future** for our industry.

**Graeme Macdonald, North Island Chair**

**Lloyd Wilson, South Island Chair**

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**NATIONAL EXECUTIVE**