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Marques may quit NZ over clean car plans

New-vehicle distributors lobby government to make targets to slash emissions from fleet more realistic

A number of manufacturers have called on the government to urgently rethink its clean car policies with two warning the proposals may force them to stop importing vehicles into New Zealand.

Suzuki NZ says its whole business will be at risk if the clean car standard goes ahead as outlined in the Land Transport (Clean Vehicles) Amendment Bill.

It predicts the proposed laws will "dramatically reduce" the range of models it's able to import and its most popular car – the Swift – faces being "seriously penalised" by the clean car standard.

Isuzu Utes warns it may also exit the market over the standard unless the government adopts revised carbon dioxide (CO2) targets proposed by the Motor Industry Association (MIA).

The companies are among 11 marques to have made written submissions to the transport and infrastructure select committee considering the bill before it is due to report back to parliament on February 2.

Suzuki has warned the government that the clean car standard, as proposed, may lead to the marque pulling out of New Zealand

Most support cutting transport emissions but not at the rate being put forward by the government, which proposes new cars entering the fleet average 145 grams of CO2 per kilometre in 2023 under the World Harmonised Light Vehicle Test Procedure (WLTP).

The bill targets that level progressively dropping to 63.3gCO2/km by 2027, which the MIA says would be a 60 per cent reduction from 2020's average.

The standard is set to be introduced this year with fees or rebates being applied to importers from 2023.

Many marques describe the targets as too aggressive and add the clean car discount, which is set to expand into a full feebate scheme from April, is too narrowly focused.

Ian Peck, chief executive officer of Suzuki NZ, says fundamental issues in the bill need addressing to "avoid perversions and to improve its effectiveness".

"If the clean car standard

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GUEST EDITORIAL

Facing up to future industry challenges

Hoping for better outcomes in the year ahead

CRAIG POMARE
Chief executive officer, Motor Trade Association

Good old Janus. Now that's not the name of a Toyota hybrid, rather a Roman god after whom this month is named.

Now Janus had an interesting characteristic. He had two faces – one for looking forward, the other for looking back.

So, let's channel Janus and have a little remembrance of things past and a look ahead at 2022.

Delta. As if the original wasn't bad enough, the sequel was a shocker. The MTA's survey of Auckland members showed the 2020 lockdowns hurt them badly, draining reserves and creating stress. This made 2021's shutdown hit harder. Some of the stories we've heard have been frankly upsetting.

Supply lines continued to be impacted – affecting traders trying to sell cars, repairers accessing parts and service stations where staff face the brunt of complaints about fuel prices.

The government has kept us on our toes, responding to decisions and changes in its approach to dealing with Covid-19, and finding ways to help members understand the best way to react and look after themselves, staff and families.

Aside from dealing with Covid – to be fair, pretty well – the government has pressed ahead with a transformational agenda, especially relating to emissions.

We remain worried about the impact of the clean vehicle programme. If we fail to meet low-emissions import volumes, can we find ways to address emissions from the existing fleet?

On that note, let's switch faces for 2022. As I write this, the paint is still wet on the traffic light system. Here's hoping it provides more certainty and the ability to handle new variants.

We want more education for consumers on how to improve their existing cars, and support for low-income families to ensure they can keep them inspected, maintained and running as efficiently as possible.

We'll continue to help businesses find a "new normal", especially with uncertainty around new variants. There are signs the industry is bouncing back and let's hope that gains momentum.

Helping businesses and the public understand the transition to a zero-carbon future will be key in 2022. There's much to be done on the clean car discount and a worthwhile scrappage scheme.

It's plain as the noses on Janus' faces that the pressures facing business are mainly staffing and we need more flex at the border with immigration policies. We also want to see apprentice incentive schemes extended and enhanced.

Supply-chain issues are likely to last through the first half, if not most, of 2022. Inflation is on the rise and will impact the cost of money needed for capital investments in transition, for example EV charging infrastructure and more digital technologies for retail.

Our old mate Janus was also the god of beginnings. Let's hope this year is the beginning of better things for us all.

This is the last editorial from Craig Pomare as the MTA's CEO as he is moving on to a new role. Everyone at the association wishes him all the best for the future. Story – page 14

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Sam Waller, general manager of Isuzu Utes NZ, says the clean car standard "will lead to the demise" of his marque's products in this country

progresses – in its current form – it may become difficult for us to sustain our business. This has potential repercussions for owners of our vehicles and our dealer networks.

"To comply with the requirements of the bill in its current form would require our parent to build new electric vehicle [EV] types just for the New Zealand market by 2025. That's literally 'impossible', a word we hate to use."

Peck says Suzuki in Japan uses kei-class cars, which have engines up to 660cc, to help meet its emission targets along with a number of hybrid domestic models, but none of these meet New Zealand or Australian specifications for their export here.

"Importing vehicles around the globe, to countries not intended in the original design, is a recipe for life-risking recalls. That risk will not be permitted, so Suzuki is already assessing withdrawal from New Zealand imports if the clean car standard is enacted in its current form."

He notes Suzuki Japan has plans to develop new technology products for Australasia, but those aren't slated to arrive until after 2026/27 to coincide with Australia's likely move to Euro 6 emissions standards.

Suzuki NZ is calling for tweaks to be made to the standard, which it says is inequitable, penalises consumers downsizing their vehicles and threatens its business.

"Our projections for our entry-level pricing in the light-car segment will go from $19,990 to $30,000 or more, so there will be an inequitable social cost as many current buyers of smaller low-cost new cars will not be able to afford to change," says Peck.

"The choice of vehicles will be dramatically reduced. For instance, we offer four different models under $25,000. None will be able to be imported after 2025 and they are all likely to be replaced with one BEV model with pricing starting at $30,000 from 2026. That would make our business high risk and unsustainable."

Peck also criticises the weight-based formula for the standard and says it's not practical to expect smaller cars to save as much fuel and CO2/kg of tare as heavier vehicles with the same weight allowance.

"The Swift is the most popular car in the light-passenger segment – small car," his submission states.

"It's low price, Ancap safe, economical and reliable… [but the] Swift is seriously penalised by the weight perversions of clean car standard targets. SUVs with 30g-plus more CO2 get lower penalties. It's crazy.

"In 2025 even our 94g/km hybrid gets a $1,000 clean car standard penalty because it's light, but the clean car discount contradicts this for consumers with a $3,000 rebate, which we agree with. It highlights a serious flaw in the standard's penalty."

Peck also advocates changing the steps in the standard to biennial cycles and altering the 2026/27 targets to follow what's happening in Europe, rather than being ahead of it.

With regard to the clean car discount, he describes the $80,000 price limit for rebate eligibility as counterproductive.

While the cap doesn't affect Suzuki NZ directly, consumers spending more on vehicles still need influencing on whether they make a choice on emissions or power.

He adds: "The select committee needs to make the minister and Ministry of Transport [MoT] rethink the overseas methods they are adopting and instead think locally about enabling our industry with tools and a viable long-term pace."

PREMIUM SECTOR

BMW Group NZ is also calling for the clean car discount to apply to vehicles worth more than $80,000 and says the current cap restricts what models will be imported and risks slowing EV uptake.

Karol Abrasowicz-Madej, managing director, agrees with the principles of the discount and standard, but wants changes made to both.

He suggests the government either removes the discount's price limit for eligibility or almost doubles it to $150,000. He adds this figure should be further eased as the overall cost of EVs reduces post-2028.

"It is more equitable for everyone to buy EVs at any price now, max up possible supply and provide lower-priced ones as soon as possible," he says.

"Easing the upper retail sales price limit from $80,000 will allow all original equipment manufacturers [OEMs] to introduce available models and technology for consumers. This will also help accelerate the adoption rate and provide choice on the range of OEM offerings.

"While the $80,000 price limits our new-car volume now, it allows future two, three and four-year-old imports once they depreciate below $80,000. This limits availability here during that two-to-four-year period – missing CO2 and fuel savings in New Zealand."

As for the standard, Abrasowicz-Madej warns BMW is unlikely to achieve the proposed 2025 target of 112.6gCO2/km as an importer, and describes the proposals as "too aggressive and the distortions it will cause are counterproductive".

He also recommends the standard's targets are set every two years, starting in 2023/24.

'FAST FOLLOWER'

Other marques to make submissions on the bill are Ford, Hyundai, Mazda, Mitsubishi, Nissan, Renault, Tesla and Toyota.

Simon Rutherford, managing director of Ford NZ, says the company shares the government's ambition for sustained reductions in emissions from vehicles, but warns "a quantum change of this magnitude takes time and preparation".

"New Zealand can be a fast follower in transforming its industry and sustaining gains under a considered standard that balances CO2 reduction ambitions with achievable actions aligned with other jurisdictions, while recognising the unique vehicle needs of New Zealand motorists," he explains.

"Ford strongly urges the select committee to recommend the adoption of an international alignment strategy whereby targets proposed in the bill follow those prescribed for Europe with a delay of two years to account for local market transition factors, and to enable local new-vehicle distributors transition in an orderly and sustainable manner."

He says the standard's proposed 2027 target is three years ahead of when other jurisdictions plan to be at comparable levels and isn't viable for this country.

Andy Sinclair, general manager of Hyundai Motors NZ, and Sam Waller, general manager of both Isuzu Utes NZ and Global Motors NZ, which is the independent distributor for Renault, have made similar submissions.

They warn it is unlikely this country will be able to source sufficient low-emissions vehicles (LEVs) to meet the standard's targets, which they predict will lead to a 20 per cent jump in prices.

The two companies call for revised CO2 targets, limiting the targets to the 2023-25 period and removing the EV mandate that would give officials the potential to force importers to secure a minimum proportion of zero-carbon emissions vehicles.

"The inclusion of the 2026/27 target is a surprise and hadn't been signalled by prior consultation," they say. "We feel blindsided by this level."

Waller, in his submission for Isuzu Utes, warns the standard's targets are trying to drive the New Zealand market to reduce emissions too quickly.

"Failure will mean an effective increase in tax on new vehicles, which will reduce vehicle turnover and push out proposed improvements even further, and lead to the demise of Isuzu Utes NZ," he says.

David Hodge, managing director of Mazda Motors of NZ, recommends delaying the standard until 2025, with the current targets realigned until 2032 so LEVs can be sourced and requisite volumes attained.

He also urges changing the rhetoric from "ICE ban" to "low-CO2 product", noting banning vehicles with internal combustion engines will limit future technology options.

"ICE also enables carbon-zero fuels and hydrogen to be used and distributed through existing infrastructure," explains Hodge.

"The ICE engine is not the problem, yet it's so often demonised when discussing climate change. It is the fuel that powers vehicles that must be the focus – whether it's the source of electricity for an EV or diesel for a ute."

Lloyd Robinson, technical services manager of Mitsubishi Motors NZ, says if the government is serious about reducing CO2 emissions from transport, then the standard's penalties should be the same for

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new and second-hand vehicles.

"Most new vehicles will perform at a cleaner running state than an unknown, potentially unserviced used import after several years' operation," his submission states. "These older ICE vehicles need to be discouraged and therefore the penalties need to be the same between new and used."

Nissan NZ predicts the bill's proposals have the potential to severely distort the market if poorly implemented.

Ben Hamilton, managing director, says: "Unachievable penalties caused by targets that are more aggressive than the rest of world will have New Zealand known for the introduction of mechanisms that make doing business difficult and costly to both business and consumer."

Like the MIA and other marques, the company also calls for class MC vehicles – 4WD off-roaders – to be moved from a Type A to a Type B vehicle in the bill.

Toyota NZ raises concerns about the availability of battery EV technology. Neeraj Lala, chief executive officer, adds New Zealand faces intense competition from larger, richer and more powerful markets.

"Our national propensity to allow used imports to enter the fleet has given us limited bargaining power for the latest technology. We consequently have quite long lead times before new models will be available to us."

Tesla is more enthusiastic than other marques about the clean car standard and says such policies will bring in more EVs, which in turn will boost global demand and encourage more supply.

It recommends returning the penalty to the $100 per gram level initially consulted on, rather than the current suggestion of $57.50, and making it the same for new and used imports.

Tesla also wants penalties to apply immediately rather than the phase-in approach being planned.

Emissions targets may be reviewed

Two reports released on the same day – one by the select committee considering proposed legislation, the other from Ministry of Transport officials.

And David Crawford, chief executive of the Motor Industry Association (MIA), notes the latter provides for "an interesting set of recommendations" on targets for the clean car standard.

It states the Minister of Transport, Michael Wood, has been advised targets in the Land Transport (Clean Vehicles) Amendment Bill could be adjusted in response to submitters' concerns on achievability.


Michael Wood

"The minister has indicated he is willing to consider options to cabinet-agreed targets for 2026 and 2027," adds the report, published on December 22. "Officials consider it remains important cabinet reviews targets in 2024, particularly given uncertain supply of low and zero-emissions utes and other commercials over 2025-26."

Essentially, select committee suggestions include a clause requiring Wood to review the standard's targets before 2024, that he consult when setting them and for targets post-2027 to be in-line with the emissions reduction plan.

The MIA says while targets for 2026 and 2027 may be reconsidered, what the government is planning post-2025 remains "far more aggressive" than what the new-car industry can achieve.

Crawford "remains disappointed" with the outcome of the select committee's report because changes to the standard lobbied for have been ignored. In addition, using super credits, alterations to weight-adjusted targets and lower targets have been ruled out.

"The ability to set targets for zero-emissions vehicles [ZEVs] remains as does the ZEV mandate," says Crawford. "The report also reports we oppose the bill. We do not. We oppose its targets."

Meanwhile, the Motor Trade Association (MTA) says an idea tabled by MPs on the proposed legislation will divide the new and used-import industries.

While it describes many of the select committee's changes to the clean cars bill as "tweaking around the edges", one suggestion may have major implications on some businesses.

Greig Epps, the MTA's advocacy and strategy manager, told Autofile that MPs have recommended scrapping the ability to transfer credits on new-car carbon dioxide (CO_2) emissions accounts to those for used vehicles.

"Some players bring in new and used, and they may have seen the ability to transfer between accounts as a way to continue their business models," he says. "This decision creates a divide between the two sectors.

"It seems National and Act members on the committee heard what the industry was saying when it comes to supply constraints on zero and low-emissions vehicles [LEVs], and targets being set.

"Having targets and legislation help when it comes to negotiations with suppliers, but the government is going too far, too fast. The message to industry is we will have to work to stimulate demand for ZEVs and LEVs."

In the future, Epps says we may see new brands entering the Kiwi market. "Some from China and some smaller European manufacturers may see opportunities. That said, we don't see any making such noises.

"The crunch time could be in about five years on the back of demand for EVs, and squeezes on components and lithium."

Clean cars dominate agenda

The main talking points for the industry in 2021 centred on proposals to slash vehicle emissions and the ongoing battle with Covid-19

The first part of the clean car discount delivered a boost to the sale of battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) from July last year, but details of the full feebate scheme and a clean car standard targeting importers were still being debated as 2021 ended.

Businesses suffered more pandemic disruption with a nationwide lockdown following the delta outbreak of Covid-19 and Auckland remained under tough restrictions for months.

Extra regulations around car loans, court disputes and change at the top for the AA were among some of the other topics to make it into last year's headlines.

JANUARY

LOOKING AHEAD

Chief executives of industry organisations looked ahead after a tough previous 12 months when the economy was thrown into turmoil by the coronavirus pandemic. David Vinsen, of the Imported Motor Vehicle Industry Association (VIA), predicted "business as usual initially", but warned there would be underlying concern about what would happen from 2022 onwards regarding the fuel-economy standard. David Crawford, of the Motor Industry Association (MIA), expected 2021 to "gradually transform back to more or less a stable economy, but it will take most of the year to do that". And Craig Pomare, of the Motor Trade Association (MTA), said there would be pressure to make changes because "we know this government will be likely to make the industry move if it doesn't do so itself".

The MTA pledged to invest in growing two automotive IT companies after it purchased Systime Automotive Solutions (SAS), SAM and their Australasian operations. The SAM system workshop and service management solution runs about 50 per cent of New Zealand's independent motor-industry service and repair businesses, while SAS provides a dealer and distributor management system.

Alistair Davis was made an Officer of the New Zealand Order of Merit for services to the motor industry, business and sustainability in the new year honours list. He held national and international roles during his career with Toyota NZ spanning four decades. Davis was chief executive officer from 2008 until he retired early in 2020 to become the board's non-executive chairman.

FEBRUARY

INDUSTRY PUSHBACK

The car industry was awaiting more details on plans to introduce a clean car standard amid fears it would be too "aggressive", force sticker prices up and fail to address climate-change goals. The government announced it wanted to cut average carbon dioxide (CO_2) emissions from light vehicles from about 171g/km to 105g/km by 2025. It planned to enact the standard based on fuel economy from 2022 with charges being levied on importers who missed their targets in 2023. Automotive organisations raised concerns and recommended the standard's target date be pushed back to 2030.

Waka Kotahi sought feedback on a new one-stop portal for dealers to access safety information, the generator for fuel-economy labels and other resources. The transport agency's online tool was designed to attract traders and support them in areas beyond an initial focus on vehicle-safety ratings.


Global automotive companies continued to promote the benefits of e-fuels in cutting pollution in 2021


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Emissions of vehicles in fleet need tackling
Industry organisation describes target for electric cars as 'wishful thinking' and price parity 'overly optimistic'

Car dealers were being encouraged to ensure half of all imports were EVs or PHEVs by 2027. The Climate Change Commission issued the advice in a draft package to help the government tackle transport emissions and hit climate goals. It also advocated banning sales of light vehicles with internal combustion engines (ICEs) by no later than 2035.

MARCH

AUDIT PRESSURE

Entry-certification inspection organisations were weighing up the costs of extra regulation and compliance after being reappointed. Waka Kotahi appointed five companies to fulfil the role from the start of March. The AA, VINZ, VTNZ and Drivesure were given five-year terms, while Canterbury Vehicle Compliance in Ashburton secured a three-year deal. The providers faced having to increase levels of reporting to the transport agency and undergo external auditing.

The MTA warned more operators in the industry might suffer loss of income and face higher costs if New Zealand was forced to continue shifting between Covid-19 alert levels. The message came as Auckland was in a level-three lockdown with the rest of the country at level two. Tony Everett, sector manager – dealers, said: "While the industry bounced back from last year's major hit, if we have too many small periods of up and down we may see businesses overwhelmed by extra costs and loss of work."

Honda NZ announced plans to revamp its agency model network, with its 17 independent agents and seven branches shifting to one of three business models. From May, they would operate as stores, service stores or authorised service stores as the marque prepared to launch an e-commerce platform for direct sales.

APRIL

FOCUS ON FLEET

The Climate Change Commission was being urged to put more weight on cutting emissions created by vehicles already on our roads rather than only focusing on what enters the fleet. Industry organisations made the plea as part of consultation on its draft advice to government for reducing greenhouse gases (GHGs). The MIA described the target of 50 per cent

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Haydon Paddon's locally developed electric rally car caught the attention of the global motorsport community last year

of vehicle imports to be electric by 2027 as "entering the realm of fantasy and wishful thinking".

Changes were afoot to mitigate delays caused by onshore verification and improve deliveries of imported vehicles to dealers. Ministry for Primary Industries (MPI) officials met with supply-chain representatives to discuss ways to speed up the discharging of roll-on, roll-off vessels. As a result, it was suggested transitional facilities be set up where vehicles of concern could be taken for closer scrutiny after being unloaded from ships and cleared.

The MTA warned businesses to avoid using counterfeit car parts as pressure on the global supply chain increased. The advice came amid shortages of some components in addition to delayed deliveries to New Zealand. Supply disruption in Australia had resulted in a flourishing market for fake parts, but the same problem had yet to gain similar traction here.

MAY

INSPECTION PRESSURE

The MPI announced a new system to verify used imports would be fully operational by July 1. It aimed to cut the time taken to clear vehicles from ports and came after an increase in the number of used cars failing biosecurity requirements at our border because of seed or pine-needle contamination. As part of the measures, Biosecurity NZ officers would not be returning to Japan to carry out the pre-border verification of vehicles and would continue doing this onshore.

VTNZ called for more collaboration between industry and government when approving organisations for entry-certification inspections. Craig Basher, national manager – technical, said it took almost 16 months to secure approval after companies had to provide more details about their operations than for previous appointment rounds. "We need to have more of a partnership approach," he said. "If industry had had input into the new regulatory processes, the application and implementation process would have gone more smoothly."

Brian Gibbons, chief executive officer of the AA, announced he would be retiring in January 2022. He had held the position for 30 years. For a decade before that he was CEO of the Wellington (Central) Automobile Association, which he joined in 1982.

JUNE

CASH INCENTIVES

The feebate scheme was being revived by the government in a bid to make EVs cheaper and ICE cars more expensive. The Ministry of Transport (MoT) released a discussion document outlining potential policies, such as banning imports of petrol and diesel cars by 2035 and the use of light vehicles with ICEs in 2050. Grant Robertson, Minister of Finance, said $302 million had been put aside for a policy "to implement a regime to incentivise the uptake of low-emissions vehicles".

The MTA described the level of enforcement taken against illegal car dealers as "considerable", but warned it was likely to be only "the tip of the iceberg". The Ministry of Business, Innovation and Employment wrote to 647 possible unregistered traders in the 2019/20 financial year. Action taken by its trading standards division resulted in 16 convictions and netted nearly $80,000 in fines during that period.

Proposals for a tougher emissions standard for new vehicles being imported from 2023 were described by the MIA as coming too soon and they would limit what cars many marques could bring in. Its concern came after the MoT started consultation on plans to change the Land Transport Rule: Vehicle Exhaust Emissions 2007 and raise the Euro 5 standard to Euro 6. Crawford said the MIA wasn't opposed to the measure in principle, but suggested timing was an issue.

JULY

INDUSTRY CONCERN

VIA vowed to ensure the clean car discount underwent proper consideration by government officials after being given "very short notice" on introducing rebates for BEVs and PHEVs from the start of July. It warned the gap between starting rebates and introducing the full feebate scheme in 2022 would hurt sales of petrol hybrids and low-emissions vehicles (LEVs). "The market will be screwed for the next

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PART OF MARQUE GROUP


Michael Wood, left, Minister of Transport, with the MTA's CEO Craig Pomare, centre, and president Dave Harris, at an industry event hosted by the association in Wellington on August 10

six months," said Vinsen. "I have no idea why they want to wait an extra six months for applying the rebate to all hybrids. They should do the whole lot in one hit."

The MIA said supplying LEVs to New Zealand would remain "problematic" for the foreseeable future because worldwide demand was far exceeding volumes from production lines. "There remains a large gap in the expectation of ministers and officials on the rate of supply to our domestic market," said Crawford following the government's clean car discount announcement. "The whole world is scrambling for LEVs as demand outstrips supply."

Sales of high-emitting petrol and diesel models were predicted to surge for the rest of 2021 before easing off in 2022 when penalties were to start being applied to them. That was the view of Greg Hedgepeth, of Turners Group, who also believed the rebates and clean car discount were being introduced too soon and would still leave EVs out of most Kiwis' reach.

The Climate Change Commission's final advice to government was tabled in parliament on June 9. It recommended banning imports of vehicles with ICEs, promoting the uptake of LEVs and developing greener fuels.

AUGUST

FINANCE RULES

Car dealers and finance and insurance companies were racing to be ready for changes to the Credit Contracts and Consumer Finance Act (CCCFA) that were due to come into force in October, but were later delayed until December. The new rules were expected to make loan processes longer. There were also concerns they might impact on sales and increase the cost for people seeking credit to help with their vehicle purchases. Chris Stephenson, of CFS Finance, said the government was "taking a big stick to responsible people rather than irresponsible lenders who may already be skirting around laws".

Biosecurity NZ approved six transitional facilities after changing the verification of used imports. Three of the sites were in Auckland outside its port. Wellington, Nelson and Christchurch had one each dockside. Further locations were expected to be approved in Auckland, Wellington, Nelson or Christchurch.

An extension for EVs to be exempt from road-user charges until March 31, 2024, was likely to be the last with the proportion of such models in the fleet increasing. Industry experts welcomed the announcement, but predicted it might be the final incentive of its kind because of the funding impact on the national road network.

SEPTEMBER

SCRAPPAGE PLEA

The MTA outlined details of a scrappage scheme to get greener and safer cars onto our roads and reduce the fleet's average age. Its proposals included offering consumers up to $2,500 to get rid of their old vehicles with that cash having to be spent on buying more modern and efficient models. The association hoped a programme targeting vehicles more than 15 years old could be in place within two years' time.

Businesses across the supply chain were told not to shy away from seeking financial assistance to help them cope with Covid-19 lockdowns. VIA said ongoing disruptions would be difficult for many of its members, who were urged to take advantage of government support packages, such as the wage subsidy scheme and resurgence support payments.

The Giltrap Group was appointed by Polestar – the premium electric brand founded by Volvo Cars and Geely in 2017 – as its official representative in New Zealand. Michael Giltrap, the group's joint managing director, said it was a "privilege" to introduce the Swedish marque to this country.

Jim Gibbons, chairman of Colonial Motor Company, said the public's appetite for new vehicles had been strong in 2021, but "supply to meet this demand has been variable". He expected strong demand to continue for the immediate future. His comments came as Colonial announced a preliminary record profit for the year ending June 2021 of $27.9m. That was up by 61 per cent on the previous financial year and by 13 per cent on its previous best figure in 2018.

OCTOBER

COURT DISPUTE

Negotiations were taking place to sell Autoterminal New Zealand Ltd (ATNZ) after interested parties stepped forward when it went into liquidation with about $40m of debts. Liquidators were appointed in September after a high-court order for ATNZ to repay $38.648m to IBC Japan Ltd – less a credit for heat-treatment rebates – under ▶

Bumper year for dealers

There were 165,582 new vehicles sold in New Zealand during 2021 with the previous strongest year being 2018 with 161,519 units.

Last year's total was an increase of 38.4 per cent and by 45,973 units on 119,609 in 2020.

There were 112,226 new cars sold last year – up 38.8 per cent from 80,849 in 2020. And new commercials came in at 53,356 in 2021 for a 37.7 per cent rise from 38,760.

As for used-imported cars, there were 121,942 first-time registrations, which was up by 7.8 per cent from 113,142 in 2020. Used-imported commercials, however, slumped – from 9,051 to 7,001, or by 22.6 per cent.

The Ranger was top new model. It ended the year with 12,588 sales – 4,149 units ahead of Toyota's Hilux. Mitsubishi's Outlander, with 6,512 registrations, pipped Toyota's RAV4 by 317 units to be top car.

Toyota's Aqua was the most popular used import with 8,853 sales as the Mazda Axela came second on 5,586. The top used-imported commercial was Toyota's Hiace with 1,838 registrations.

Some 130,317 used cars were imported into New Zealand last year – up by 19.9 per cent from 108,663 in 2020.

New-car imports came in at 118,494, which was up by 52.1 per cent, new light commercials shot up by 67.2 per cent to 40,176 and used light commercials rose by 4.9 per cent to 4,925.

Autoterminal New Zealand Ltd went into liquidation last year before later being bought by ATNZ 2000 Ltd – a wholly owned subsidiary of IBC Japan

a vehicle-supply agreement. The court case followed years of litigation between ATNZ, a vehicle importer and wholesaler in south Auckland, and IBC Japan.

The new-vehicle sector warned proposed legislation would impose "crippling costs" on distributors, inflate car prices and fail to reduce emissions to the extent the government was aiming for. The MIA withdrew its tacit support for the clean car standard after the Land Transport (Clean Vehicles) Amendment Bill passed its first reading on September 21. It said the bill showed an "appalling lack of understanding" on how to effectively reduce CO2 emissions from our light-vehicle fleet.

The MTA said the long spell in Covid-19 alert level three was putting a financial and mental strain on its Auckland members. A survey of 800 businesses in the city revealed people had been stressed because of the lockdown with 28 per cent unsure if they would still be operating by year's end. "Our members have drained their reserves – financial and mental – and need more help from government," said Craig Pomare, chief executive.

Vehicle-inspection companies were struggling with a growing backlog of work as coronavirus restrictions and staff shortages hit the industry. The government's decision to allow people to use warrants and certificates of fitness that expired on or after July 21 until November 30 added to the problem. Sean Stevens, of VINZ, said that as of September 20 there were 507,389 inspections outstanding for WOFs and COFs that expired between July 21 and September 19, with the number expected to grow in October and November.

The AA appointed its first female chief executive officer. Nadine Tereora, chief operating officer of Partners Life, was to start her new role in February 2022 following Brian Gibbons' retirement.

NOVEMBER

STRATEGY SHIFT

VIA gave its official backing to the clean cars programme because it wanted to be "part of the solution and not part of the problem" when it came to cutting transport emissions. It took the decision following a vote by its 18-member council. The association would seek to ensure any legislation was fit for purpose because VIA still had concerns about the availability of low-emissions cars for the used-vehicle market.

The MTA praised the government for acknowledging a scrappage scheme would benefit the light fleet. It said such an initiative would decrease CO2 emissions from transport and boost on-road safety by lowering the fleet's age. The idea for a scrappage initiative was one of the suggestions in the government's discussion document for its emissions reduction plan.

The liquidators of Autoterminal New Zealand Ltd completed its sale to ATNZ 2000 Ltd – a wholly owned subsidiary of IBC Japan Ltd. The deal came after the south Auckland business put itself into liquidation in September.

DECEMBER

FINANCE SCRUTINY

Dealers and F&I providers were waiting to see if there would be further tweaks to legislation on car loans and add-on products following a Commerce Commission review. The regulator scrutinised the sector and published its findings in November ahead of December 1's changes to the CCCFA. After meeting with officials, the Financial Services Federation said the commission's main concerns were around the suitability of products sold, that dealers completed customer assessments, and lenders and insurers ensured they provided sufficient training to traders.

Emissions targets for the clean cars programme needed to be "corrected", warned the MIA in its submission on the Land Transport (Clean Vehicles) Amendment Bill. It described the government's proposed levels of reduction of CO2 emissions per vehicle entering the fleet – by 60 per cent by 2027 compared to 2020's average – as "the steepest of any jurisdiction in the world".

Targets in the government's future emissions reduction plan were set to include zero-emissions models to make up 30 per cent of the light fleet by 2035, which was opposed by industry organisations.

Jim Gibbons signed off as Colonial's chairman for the last time and warned the supply of vehicles to New Zealand continued to be a major issue in the ongoing wake of Covid-19.

Savings used instead of loans

Many car finance companies' books dropped during 2020/21 despite vehicle prices increasing.

KPMG's annual survey of non-bank financial institutions suggests more people have used savings to make purchases instead of taking out loans.

More consumers have been using savings rather than taking out loans to buy cars

The survey of 26 businesses reveals the non-banking sector saw less than one per cent growth compared to 2019/20.

Vehicle finance companies taking part were Avanti Finance, Geneva Finance, Harmoney, LeasePlan NZ, Leasing & Finance, Motor Trade Finance (MTF), Turners Automotive Group and UDC Finance, and the finance divisions of BMW, Mercedes-Benz, Nissan and Toyota.

KPMG's report, which was published last month, says profits in car financing seem to have been hit the hardest with six providers reporting reductions in net profit after tax (NPAT).

BMW and Mercedes-Benz recorded loan-book drops of 19 and 15.8 per cent respectively when compared to the 2020 financial year. In contrast, Avanti's jumped by 26.7 per cent to more than $1.5 billion.

KPMG also notes the largest contractions in total assets of survey participants' were in car finance. Toyota was down by $177 million for minus 12.1 per cent growth, Mercedes-Benz dropped $115m and 16.2 per cent, BMW fell $52m or 16.3 per cent, and Nissan tumbled $71m or 12.6 per cent.

Those to notch up total asset increases were Avanti, Geneva, Harmoney, Leasing & Finance, MTF and Turners.

"For the fifth consecutive year, Avanti reported the largest dollar growth of total assets in the non-bank sector," says KPMG.

Its assets rose by $363.7m, or 29.1 per cent, which was almost entirely down to the increase in its loan book.

Avanti was the second biggest non-bank NPAT performer in terms of dollar-value rises – by 42.2 per cent to $30.16m. It came second behind FlexiGroup, which had a jump of 86.4 per cent to $43.29m.

UDC was the largest participant in the survey with a 23.1 per cent market share, followed by Avanti on 10.8 per cent.

John Kensington, head of banking and finance at KPMG, says with the longest Covid-19 shutdown impacting Auckland, there has been a drop in business that could be conducted in the non-bank sector.

"Personal lending and vehicle financing decreased when the lockdown initially kicked in, and lenders have been focused on trying to build back up to pre-lockdown volumes."

Members bid farewell

The chief executive officer of the Motor Trade Association (MTA) is moving on after eight years with the organisation.

Craig Pomare joined the MTA in 2014 as general manager of membership services and was promoted into the top job two years later.

He is moving to the position of CEO of the Police Credit Union, which provides banking services and free courses for police staff and their families.

"It has been a pleasure and a privilege," says Pomare, who was appointed by the board as the MTA's chief executive in June 2016 to reposition it for the future.

"The decision to leave was incredibly difficult. I've loved my time with the MTA, meeting members up and down the country, and being part of an organisation that's at the heart of New Zealand.

"I'm proud of the team and grateful to the board, and know the MTA is in excellent hands."

Bob Boniface, president of the association, says: "It's with much sadness Craig is leaving. It's a measure of how successful and well-regarded he is that he has been head-hunted to lead a larger membership organisation.

"We're sorry to see him go, but at the same time immensely grateful for his leadership."

Pomare's last day with the MTA is January 21. An interim appointment will be made to steer the association through the transition while a replacement is found.

"I can assure members all that work is under way and will continue without interruption," says Boniface. "In the meantime, I'm sure all members will join me in congratulating Craig and wishing him well."

Before joining the MTA, Pomare held positions with Westpac, AXA and the Medical Assurance Society.

Pocket rocket powers to win

Twenty-four of the 30 finalists vying for the coveted crown of AA Driven New Zealand Car of the Year 2021 had some form of electrified powertrain.

But it was a petrol-powered performance model – the GR Yaris – that defied the growing trend for electric vehicles (EVs) to take out the top gong amid Toyota NZ securing six of the 13 awards.

Touted by the judges as an affordable pocket rocket, it saw off Hyundai's Ioniq 5 and the Kia Sorento in the three-way final, and follows in the tracks of Ford's Focus, which scooped the title when the awards were last held in 2019 with 2020's event cancelled due to Covid-19.

Jonathan Sergel, the AA's general manager of motoring services, notes the spread of finalists "marks a paradigm shift" because most models included electrified options – proof they are now just as competitive as their equivalents with internal combustion engines.

"It was a close battle for the top spot with starkly different models rounding out the top three," he adds.

"The sporty Yaris, the Ioniq 5, which was like a window into the future, and the family-friendly Sorento were all equally worthy in their own way of taking the win."

Dean Evans, editor of Driven, says: "The GR Yaris made a big impact from the time it was announced.

"Its numbers are impressive – 200kW from a 1.6-litre three-cylinder, all-wheel drive and a six-speed manual, 0-100kph in 5.2 seconds. It's a throwback to the traditional world-rally cars from the 1990s, but with 2021 safety and technology.

"With fuel economy of 7.6l/100km and a price of $54,990 drive away, it's fast, fun, affordable and frugal."

Neeraj Lala, chief executive officer of Toyota NZ, describes the GR Yaris' victory as a "privilege and an incredible honour".

"It is a special time for us as we transition our fleet to lots of different electrified powertrains," he told viewers watching the awards online at www.driven.co.nz on December 14.

"We have made a commitment to invest in all powertrains and to have so many of our products represented across all categories… but the GR Yaris winning the pinnacle award is the real highlight. We're proud of this recognition and to dominate the awards."

Other winners included the Tesla Model 3 taking out the passenger award, the Subaru Outback landing the safety category and Toyota's Hilux topping the section for light commercials.

The Model 3 also won the people's choice award, which was voted for by nearly 50,000 members of the public.

Previous winners of the top gong in addition to the Focus include the Mercedes-Benz A-Class in 2018, Skoda's Kodiaq in 2017, Mercedes-Benz's E-Class in 2016, BMW's i3 in 2015 and the Mazda 3 in 2014.

Eligibility criteria for the contest this time was tweaked from previous years with the awards covering all vehicles on sale rather than those released in the previous 12 months.

▲The GR Yaris

◀Neeraj Lala, of Toyota NZ, was over the moon with the win after it was announced on www.driven.co.nz

▼Jonathan Sergel, right, announcing the GR Yaris live online as the AA Driven NZ Car of the Year 2021 as host Sam Wallace looks on

Taking honours

CAR OF THE YEAR	Toyota GR Yaris
Small SUV	Toyota Yaris Cross
Medium SUV	Toyota RAV4
Large SUV	Kia Sorento
Passenger car	Tesla Model 3
Sports and performance	Toyota GR Yaris
Light commercial	Toyota Hilux
Luxury ($100k+)	Hyundai Ioniq 5
Safety	Subaru Outback
People's choice	Tesla Model 3
Clean and green	
Battery EV:	Peugeot e208
Plug-in hybrid:	Ford Escape
Petrol hybrid:	Toyota RAV4

The GR Yaris saw off tough competition from Hyundai's Ioniq 5 and Kia's Sorento

‘Example of anti-competitiveness’

In late November while proofing the dealer tools section on rightcar.govt.nz to verify the accuracy of data for the clean car discount, we found what we thought was an obvious mistake – used imports were being charged the same penalty as new ones.

The philosophy from the start of developing the clean car policies was that used vehicles would only attract half the penalty or credit.

The rationale was they would only be in the fleet for only a fraction as long as new imports. Since their benefit or harm would be much less, so should be their incentives and disincentives.

However, Waka Kotahi confirmed there was no mistake and the pricing was as instructed by the Ministry of Transport (MoT).

We then contacted the ministry to seek justification. It advised us the decision had been taken to provide the full penalty for all high-emissions imports, but only half the credit for used imports with low emissions.

It’s difficult to imagine a more blatant example of systemic anti-competitiveness, rules or regulations that reinforce or create a direct advantage to a market subset.

The clean car discount is intended to influence consumer choice. What this change does is send the signal that high-emitters – new or used – are equally bad, but new low-emitters are twice as good as used imports with identical characteristics.

What justification, we have been asking ourselves, is the government using to say cars provided by our competition are twice as good as those we import?

Beyond the advantages this provides to some importers, we must agree with the AA, which quipped this means New Zealanders will be paying for Japanese emissions.

If Kiwis must pay the same penalty as for a new car, then they are paying for the expected emissions from the vehicle’s full life – including its use overseas.

We haven’t yet received any explanation from the ministry on why or when this decision was made, which is frustrating, especially considering how supportive and constructive VIA and the used-vehicle industry has been during this policy’s development.

> “We haven’t yet received any explanation from the ministry”

When we first identified this issue, we were prepared to suspend our indignation, give the MoT the benefit of the doubt, and allow it to show us why this decision was made and how it improves the clean cars programme, which VIA supports. Unfortunately, this hasn’t occurred and, so far, the response has been akin to gaslighting.

We were explicitly told this doesn’t constitute a change, there was consultation and the ministry didn’t understand our concerns.

After checking with the rest of the industry, we were unable to find anyone who was aware this change had been made. We checked with analysts from other transport-related industry associations. All agreed this change isn’t only unfair, but potentially in breach of good-faith consultation.

KIT WILKERSON
Policy adviser and analyst
kit@via.org.nz

That a change of this magnitude could escape the notice of the industry at best constitutes a gross failure in communication, at worst a blatant attempt to hide changes that amounts to misleading conduct.

We requested an explanation for the MoT around the start of December. We haven’t heard back, although we have been promised a response – unfortunately without a deadline.

We fear the government has mistaken the independent importation industry’s co-operation and support for vulnerability.

Unfortunately, as has been demonstrated with other proposed climate-change mitigation policies, this government seems inclined to leave the vulnerable holding the bill.

It needs this programme to be cost-neutral, so it appears prepared to make buyers of used imports subsidise new electric vehicles.

It has also been pointed out to us that this will currently only affect a small percentage of the cars we import, which is true.

We were able to support the clean cars programme because we can do what has been requested – import cleaner vehicles.

Because we’re able to adapt quickly, those who do so will benefit from the discount in the short term, even with this change.

In the long term, however, the situation is much different. The feebate scheme can be expected to remain aligned with the clean car standard and, by the end of this decade, everything except zero-emissions models will receive penalties.

When that happens, hybrids that our customers buy will have to face the full penalty while electric cars we sell will still only be eligible for half the incentive.

We might be able to overcome the disadvantage created by this policy today. But by the end of the decade, it will create a significant market disadvantage for every used car imported.

VIA is more than happy to accept that our customers will be subject to the full penalty if further disincentivising high-emitters will improve the policy’s efficacy, but they also need to be eligible for full credits.

Our ability to adapt to the situation doesn’t mean it’s acceptable, but maybe we’re asking the wrong question entirely.

Perhaps the government was truthful in saying there were no philosophical changes to how used-car penalties are handled. Maybe we need to be asking why the MoT halved the new-car industries penalty to the same effect.

Industry movers

GLEN TODD has announced he is stepping down as chief executive officer of MTF Finance.

He has spent 22 years with the company, including seven at the helm and five years before that as chief financial officer.

"I leave with the company in a healthy position," says Todd, pictured. "It has responded well to the impact of Covid-19 and delivered record commission earnings to its originating shareholders in the last financial year. The board, management and staff are well-advanced with implementing new initiatives to further develop and progress our business strategy."

Mark Darrow, MTF Finance's board chairman, says Todd has led the company through a "very difficult period" and his technical expertise in finance will be missed.

Todd hasn't ruled out another chief executive role, and plans to tackle projects and opportunities to help grow newer businesses in Dunedin.

BRIAN FOUHY has been appointed as chief financial officer of Armstrong's.

The role was vacated in August by Troy Kennedy when he became the company's chief executive officer.

Fouhy, pictured, has more than 30 years' experience in senior commercial finance and chartered accounting roles.

He says: "After starting my career at KPMG in Wellington and London, I've worked in the transport sector in New Zealand for more than two decades, specifically with Airwork Holdings and KiwiRail Group. I'm excited to now join Armstrong's and enter the world of automotive."

SIMEON BROWN has become National's transport spokesman in leader Christopher Luxon's first line-up.

The Pakuranga MP has replaced David Bennett in the position. Brown, pictured, entered parliament in 2017. He was previously the party's spokesman for police, serious fraud, youth and corrections, and was also deputy shadow leader of the house before Luxon's reshuffle.

Matt Doocey and Scott Simpson are associate transport spokesmen, and Simon Bridges, an ex-Minister of Transport, has secured finance. Simpson also takes on environment, with commerce and consumer affairs going to Andrew Bayly.

Other appointments with links to the automotive industry include Barbara Kruiger – biosecurity, Stuart Smith – energy and resources and Simon O'Connor – customs.

ROGER GRAY starts as chief executive officer of Ports of Auckland Ltd (POAL) on April 4.

Board chair Jan Dawson says: "I'm delighted he will be taking on this critical role leading POAL as we play our part in the Auckland and New Zealand supply chain."

Gray has been Lyttelton Port Company's CEO since February 2020. Before that, he worked for Air NZ for six-and-a-half years with his last position there being group general manager for airports.

In that role, he managed all ground handling and lounge operations at 55 locations globally with 2,800 employees.

Gray has also held senior leadership roles with Goodman Fielder, including managing director of Quality Bakers NZ.

TO FEATURE IN INDUSTRY MOVERS EMAIL EDITOR@AUTOFILE.CO.NZ

Population growth key to opening franchises

Mitsubishi Motors NZ is expanding its network with plans for dealerships in Paraparaumu on the Kapiti Coast and Sockburn in Christchurch.

The locations have been chosen because they are in areas of strong growth, says Reece Congdon, head of marketing and corporate affairs.

"Christchurch's population is projected to increase by 20 per cent in the coming two decades, while the Kapiti region has grown significantly with an 18.7 per cent bump in population over [the past] 15 years," he says. "With the opening of Transmission Gully, which creates an unbroken highway connection to Wellington, this growth is set to continue."

Mike Morrison, who already runs a Mitsubishi dealership in Ashburton, took the marque to Sockburn in October with a new sales and servicing facility.

"Since the business moved to the south side of Christchurch in 2015, it has gone from strength to strength – due in large part to the growth of the Selwyn district following the earthquakes," he says.

"Given the fantastic results and relationships we've enjoyed in Ashburton, we feel privileged to have this opportunity to represent Mitsubishi in the south of the city."

Brent and Rachel Delaney, meanwhile, run Delaney Mitsubishi Kapiti in Paraparaumu, which has been a parts and service dealership for the marque but will now also offer new-vehicle sales.

Brent says: "Having been a parts and service dealer for the past 15 years, and witnessed the growth of the brand, we are excited to expand the scope of our operation."

An artist's impression of Morrison Mitsubishi in Sockburn, Christchurch

Recognised for standards

Automotive Technologies Ltd (ATL) has been accredited to the International Organisation for Standardisation (ISO).

The company has gained ISO/IEC 17020:2012 accreditation as a Type A inspection body.

This means it has met the requirements for the competence of bodies performing such work, and for the "impartiality and consistency" of those activities.

Jacob Bates, general manager of ATL, says this is one of the world's most rigorous and well-regarded standards, which provides assurance that inspection services are performed accurately to international requirements. "It demonstrates our focus on providing the highest quality, consistent and independent inspection services performed by experienced and technically skilled staff."

Shuji Kurumiya, left, chief executive officer of ATL's Japanese operations, with general manager Jacob Bates

ATL's ISO/IEC 17020:2012 accreditation covers three pre-shipment activities – border inspections for cars and trucks, biosecurity inspections for cars, trucks, car parts and tyres on rims as inner cargo, and odometer integrity inspections.

Access seamless to multi-tier offering

Avanti Finance, a New-Zealand-based non-bank lender, has revealed its new loan origination platform called Avanti Loan Finance, or "ALF", which provides its introducer network with easy access to loans from Avanti Finance and products from its subsidiary Branded Financial Services (BFS).

Traditionally, BFS has serviced the first-tier market, while Avanti Finance has worked in the second tier. Following Avanti's acquisition of BFS three years ago, the two companies have worked together to provide a multi-tiered loan offering across a broad market spectrum.

With the release of ALF, this multi-tier offering can now be accessed seamlessly, digitally and with a single application, ensuring that customers who don't qualify for one product are automatically considered for others. The introducing dealer or broker doesn't need to repeat the process.

Andrew Brough, head of auto at Avanti Finance

"Avanti Finance has offered used-car finance to hundreds of automotive dealers and brokers across New Zealand for more than 30 years," explains Andrew Brough, head of auto at Avanti Finance.

"Now, through BFS and ALF, Avanti will be able to offer retail and wholesale finance solutions to dealers at every level – new or used cars, and across Australia and New Zealand.

"Customers who previously may have missed out on deals because they didn't qualify for one tier may now be picked up at a different tier instead. It's going to make a huge difference for the consumer and introducer experience."

Brokers working across multiple product types may already be familiar with ALF as it was recently released for property and personal loans, which Avanti Finance also provides, as part of a staged approach.

"We wanted to ensure a smooth experience for everybody and felt a staged approach was best for that," says Andrew. "It ensures we're able to continue providing excellent service to all our introducers.

"We've already received an excellent response from our mortgage advisers on ALF, so we're excited to bring that to the auto world."

The platform's release coincides with changes to the Credit Contracts and Consumer Finance Act, which means changes in the way many lenders analyse applicants.

ALF has been designed with these changes in mind and with Avanti intentionally prioritising getting "ahead of the curve". The new portal is a significant part of achieving that goal.

"We're able to use ALF to vet every applicant that comes through, covering off all our legal and credit policy requirements, and then run that application through the multiple-tier system," says Andrew. "This includes all our products from 'classics' through to new offers."

One such new offer is the seven-year motor-vehicle product that provides an alternative to the balloon payment at the end of a four- or five-year term.

"We're providing options for borrowers and introducers. We want them to have solutions whatever is being bought, new or used, regardless of budget.

"With ALF and our new suite of products, we're able to do that with one portal – and one application."

AVANTI | FINANCE

The month that was... January

January 27, 1997

Honda shakes up industry – yet again

Not content with having ripped the pricing guts out of the recreation vehicle (RV) and luxury Japanese car markets in 1996, Honda NZ was about to unleash another hurricane.

This time, the sports-car segment was the victim – or possibly the victor – with sticker prices slashed on the 1997 model-year Integra and Prelude.

Honda finished third when it came to new-car sales in 1996, ahead of Mitsubishi and Holden, by increasing its market share by 1.7 per cent to 11.3 per cent.

The marque also gained the distinction of being the only distributor in the top six to significantly boost sales of new vehicles in 1996 in a market that finished two per cent behind 1995's total. The results of other distributors ranged between one per cent ahead to 18 per cent behind the previous year.

During 1996, Honda turned the luxury-car market on its collective roof by slashing nearly $20,000 off its new Legend and launching an RV no-one knew quite how to categorise at a price that had customers queuing up to write cheques. Large chunks were shaved off two models in the Civic and Accord ranges.

January 25, 1999

Former top Toyota dealership to close

One of Auckland's premier dealerships, Derbyshire Motor Group – formerly Derbyshire Toyota – was set to close its Otahuhu operation in March.

Managing director Clive Derbyshire said the lease had expired on the Great South Road site and it had been purchased by new owners. A Japanese used-imports company was set to take it over.

"With the industry in general going through major reconstruction at present and as a consequence of having the key Toyota franchise withdrawn, it's currently not commercially viable to set up a new large franchise dealership," said Derbyshire.

The company had been one of Toyota's most successful dealerships and had operated from the site for nine years. It was jointly owned by Derbyshire and the Holyoake Group, which also owned the Kia distributorship in New Zealand.

The group had planned to set up a large multi-franchise dealership in central Auckland, but moves by distributors to buy up retail outlets and to involve themselves more closely in the retail market meant those plans were not commercially viable.

January 17, 2007

Restriction draft gets go-ahead

Judith Tizard, Associate Minister of Transport, announced measures to restrict imports of vehicles with older technology to help reduce emissions that contributed to air pollution and climate change.

The Ministry of Transport had been given the go-ahead to draft a rule outlining options for entry restrictions on imports, which would be released for consultation around March 2007.

The minister said the regulations would set out a series of steadily increasing standards that used vehicles would have to meet and they might be ready to be implemented in 2008.

In an announcement that might have slipped through the Christmas-break cracks, Tizard stated the government wanted to send a clear message, "that we are serious about reducing harmful emissions and transport greenhouse gases".

She added: "If we want to reduce emissions, we need to bring in vehicles built to higher standards. We are proposing an emissions technology standard that vehicles will need to meet before they can be imported. We'll then test them at the border to ensure they meet the standard."

January 29, 2010

How to appeal to women buyers

It was women who made 80 per cent of the decisions when it came to buying the family car. However, about the same percentage of them were probably too scared to go onto some yards.

Although the Motor Trade Association didn't have specific training or guidelines when it came to selling vehicles to women, it did highlight the dealer promise. That was: "We will listen to you. Please let our salespeople know how they can best help you."

Donna Silvester had been in the automotive business in Canterbury for 30 years. She began by working with her father, then being influential in bringing in Japanese brands by accompanying him on work trips to Japan.

As dealer principal, Silvester had one main point when it came to her sales team selling to females – "look the woman in the eye and know they have the cheque book".

Her dealership also had a user-friendly children's zone "well away from the road, just a simple area that works well".

Silvester's biggest tip was having booster and car seats on the yard for when families tested vehicles, so parents didn't have to remove the seats from their own cars.

The archetypal 'game of two halves'

The past two years in the new-vehicle market have been great with sales records being set.

Margins have been excellent in the face of strong demand and residual values have also increased in-line with stronger used prices.

The used-imports market has been solid, but not quite as spectacular, while the two-wheel sector had its best year in 2021 since 2008.

Overall, times have been pretty damn good, but that's not to say last year wasn't without its challenges.

Covid-19 was disruptive, although forced containment might have contributed to some people's spending inclinations. There's nothing like a new Ducati or Lamborghini to appease those who couldn't otherwise go to Italy on holiday, if you catch my drift.

Things might have been even better if supply hadn't been so constrained. Many overseas manufacturing plants lost production due to growing component shortages.

The supply of computer chips caused headaches over much of 2021 for most marques. In some cases, vehicle content and specifications are having to be changed on the fly to keep production lines running.

And now we hear magnesium is shaping up to be an additional material in short supply. This directly impacts on castings for engines and transmissions along with wheels and many other components.

Supply issues have impacted not only new vehicles, but also on the used-imports market as well.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Constraints in the Japanese market have held back the country's domestic new-car market, which in turn has resulted in fewer trade-ins becoming available for prospective used buyers based here in New Zealand. In addition, worldwide shipping capacity has been limited with costs rising.

> "Supply looks like it will remain tight through the first half of the year"

The increase in Kiwi property prices has worked very well for those with property and, in turn, that newfound wealth has been a primary reason behind the very strong market conditions we have enjoyed.

So, what will 2022 bring? Supply looks like it will remain tight through the first half of the year as component shortages drag on.

The second part of the clean car discount scheme takes effect on April 1. That will result in hybrids joining the list of vehicles attracting rebates. Conversely, there will be the introduction of fees on higher carbon dioxide (CO_2) emitting vehicles. Consequently, the first quarter of this year will likely be the archetypal "game of two halves" with hybrid deliveries being deferred to catch any rebates and sales of models with internal combustion engines (ICEs) being advanced to get them in before the fees take effect.

From the second quarter of 2022 onwards, the price of higher CO_2-emitting ICE vehicles will increase on the back of fees under the clean car discount.

Importers of new or used cars will have to think about the clean vehicle standard tracking and reporting activity from around mid-year. However, actual credits and penalties won't be applied until the start of 2023.

On a different tack, new finance laws came in on December 1. The changes are expected to impact on buyers who can't prove an adequate financial surplus to meet repayment obligations.

And, of course, those with poor credit profiles will increasingly be shut out of the market so sales activity in lower-price levels of the used-car sector might be reduced.

The impacts will likely be similar to what happened in Australia where finance-reliant sales took a noticeable hit. We understand the powers-that-be there may now look at revisiting their respective law changes just as ours are brought into play.

It would be unfortunate if some motorists are unable to upgrade to safer or perhaps more fuel-efficient vehicles simply because the revised finance legislation serves to negate those opportunities. From an observer's perspective, it looks like government policies might be working against each other in this space.

On the back of emerging inflation, interest rates are likely to rise along with many other operating costs as we move forward.

Mortgage-rate increases might serve to dampen the enthusiasm of some buyers, and it will be up to sales folk to promote the long-running industry mantra that "there's never a better time to buy than right now".

Overall, it looks like the winds of change will still be with us during 2022. Unfortunately, most of the breeze will be coming from the south, unless you're at least buying a hybrid.

Electric dreams may come true


Lexus' LF-Z Electrified

Lexus describes the LF-Z Electrified as its "next generation" of design and technology – a battery-electric crossover with performance and range it claims will rival Tesla.

Sporting the marque's design cues and a few new ones, the concept is underpinned by the Direct4 EV all-wheel-drive (AWD) system and rides on a bespoke platform.

Coming in at 4,880mm long, 1,960mm wide and 1,600mm tall, the LF-Z Electrified is aimed at a similar part of the market as the established RX mid-sized SUV while offering a claimed range of up to 600km.

With power being drawn from a 90kWh lithium-ion battery, it will accelerate from 0-100kph in three seconds thanks to peak outputs of 400kW and 700Nm.

High performance is becoming the must-have for high-end electric cars, so Lexus has blended in plenty of new-age technology.

Systems include "by wire" all-electric steering, self-learning artificial intelligence, an electro-chromatic panoramic roof with integrated touch panel and augmented-reality head-up display.

The steering wheel housing the bulk of the controls, while the head-up display covers most driving and trip functions as well as readings.

Unlike some concepts, the LF-Z Electrified isn't slated to go into production although many of its design elements and technologies, including the performance, are set to be realised by 2025.

That deadline coincides with Lexus' accelerated electrification strategy, which will see "more than" 10 new electrified vehicles launched over the next four years.

If all goes to plan, the marque expects electrified vehicles – battery electric vehicles (BEVs), plug-in hybrids (PHEVs), petrol hybrids and fuel-cell vehicles (FCEVs) – to outsell models with internal combustion engines (ICEs).

Add another 25 years to the timeline and it hopes to be carbon neutral through the lifecycle of its line-up from the manufacturing process to end of life.

In March 2024, Lexus is scheduled to open a business and technical centre in Shimoyama, Japan, where many of the next-generation vehicles will be designed, developed and produced.

EYEING UP SUCCESS

Hyundai has opted to avoid batteries limiting the dynamic potential of EVs in its futuristic concept performance car.

The Vision FK will provide emissions-free speed and low mass courtesy of a hydrogen fuel cell with input from electric supercar specialist Rimac Automobil.

It boasts power output of 500kW, has 600km range and can make the 0-100kph dash in "less than four seconds".

Partnering with Rimac, which Hyundai purchased 14 per cent of in 2019 for about NZ$133.34 million, the former was responsible for the electric-drive components and the onboard battery, while the South Korean marque engineered the fuel cell and hydrogen tanks.

The Vision FK differs from most FCEVs to date by coupling its hydrogen powertrain with a larger battery and a plug-in charging capability, which means it's more of a plug-in hybrid than a pure hydrogen car.

TECHNOLOGY THAT'S DIY

The wagon-like Concept Recharge signals Volvo previewing the styling of its all-electric, next-generation line-up as it joins a growing number of marques bringing software development in-house.

It is developing a technological spine called VolvoCars.OS, which will run on a consolidated hardware "core" rather than multiple interconnected control units used on most current vehicles.

The company will also aggregate and process traffic data in real time, including that shared by consumers, to analyse inputs from active safety, driver assist and autonomous systems sensors to boost such technologies' development.

Freed from the requirement to house an ICE, the Recharge has been designed to maximise interior space and aerodynamics while maintaining Volvo's styling hallmarks.

This concept features a modern take on pop-up headlights and it may reference the 480 coupe from the 1980s with which it shares ▶


Volvo's Concept Recharge


The Genesis X Concept


Hyundai's Vision FK

much of its bodyline silhouette.

A slim pod above the windscreen houses the lidar sensor, which Volvo and many other brands consider an essential supplement to existing radar, and ultrasonic and camera-based sensors to get the required field of view and quick reaction times – in all lighting conditions – for driverless capabilities.

The cabin has a flat floor due to the new electric-only platform and is furnished in Swedish minimalist style with a 15-inch portrait-oriented touchscreen dominating the wing-shaped dashboard.

Volvo's infotainment software for this screen will be developed in partnership with Google, while processing power for onboard systems will be provided by Nvidia.

Due to a pillarless structure, the second-row seats are accessed via rear-hinged doors, similar to a Rolls-Royce, and all four open to a 90-degree angle.

Henri Green, Volvo's chief technology officer, says the company has "a deliberate strategy of partnering with true technology leaders where it makes sense".

He adds: "This approach of selected strategic partnerships is much more effective than trying to do everything on our own."

GOING GREEN IN BUILD

The X Concept is Genesis' take on an electric two-door GT manufactured from sustainability sourced and eco-friendly materials.

Described by designers as maximising the "two lines" theme and "ultimate vision of athletic elegance", it has horizontal quad headlights and tail-lights and the now-signature "crest grille" in a sleeker package.

When lined up next to the G80 sedan, the Concept X features a lower front end, more aerodynamic wheels, a more rearward cab and, obviously, no rear doors.

For a futuristic vibe, quad headlights extend beyond the front wheel arches, which Genesis describes as a symbol of the marque's "unparalleled technology and design".


A teaser of VW's Trinity

The Concept X also boasts some classic styling touches, such as the integrated clamshell bonnet over its electric powertrain.

Genesis' design boss, SangYup Lee, says the Concept X hints at things to come from the marque from a design and sustainability point of view.

"The signature two lines theme and sustainable luxury will be blueprints for the futuristic designs and technologies we seek to adopt in future models."

The interior follows the "beauty of white space" philosophy in being minimalist with elegance thanks to flowing contours and contrasting colours.

A flat-bottom steering wheel, bucket seats and four-point seatbelts emphasise the Concept X's sporting character while the classic-looking leather upholstery – made from leftover trim from previous manufacturing – underlines its premium pitch.

Whether it goes into production remains to be seen. But, if approved, a production coupe could emerge in the next few years.

TIME TO ACCELERATE

Volkswagen has teased what it describes as a "revolutionary" electric sedan earmarked for a global launch sometime in 2026.

While still a fair way off, the brand is promising "new standards in range, charging speed and digitalisation" in conjunction with the level-four autonomous motoring features of its Trinity.

Set to be a focal point of the "accelerate" strategy, it will ride on a newly developed electronics platform and will reportedly herald the start of a new production era for the marque.

"We will completely rethink the way we build cars and introduce revolutionary approaches," says Ralf Brandstatter, chief executive officer. "Digitalisation, automation and lightweight construction will all play a very important role.

"In the future, individual configuration of the vehicle will no longer be determined by hardware at the time of purchase. Instead, customers will be able to add functions on demand at any time via the digital ecosystem in the car.

"We are using economies of scale to make autonomous driving available to many people and to build a learning neural network."

No concrete details have been released, but a single darkened teaser image reveals a long, low silhouette and a narrow set of head and tail-lights.

Described by designers as a "flat, sporty sedan", it's almost inevitable comparisons will be made between the Trinity and established electric sedans, such as Tesla's Model S.

First F2 win tempered by crashes

Marcus Armstrong is overjoyed to have scored his maiden FIA Formula 2 victory on the new-for-2021 Jeddah Corniche Circuit in Saudi Arabia, but says he knew there was going to be a big accident at some point.

"When we did the track walk on the Wednesday, we all sort of looked at each other and went, 'woah, this corner here – turn 22 – if there's going to be a crash, it's 100 per cent going to be here'. I almost crashed there about 20 times since the Friday."

Describing the 6.7km grand-prix street circuit as "pretty mental" after race weekend, Armstrong says a collision seemed inevitable.

"It's just a super-high-speed track and when the walls are that close, accidents are always going to happen."

None of what occurred took the shine off his victory, but it did underline the importance of qualifying well and being away from the midfield "danger zone" where so much mayhem can occur as ambitious drivers look for overtaking opportunities.

The win at Jeddah was a long time coming for Armstrong. When he made the jump to F2 at the end of 2019, he came into the F1 feeder category off the back of second overall in New Zealand's Castrol Toyota Racing Series and a hard-won second overall in the 2019's FIA F3 championship.

Before Saudi Arabia, the young Kiwi had claimed three podiums in F2, two of which came in his first four races while driving with the ART Grand Prix team.

Marcus Armstrong defends his lead in Saudi Arabia ahead of fellow Kiwi Liam Lawson

Like the rest of the field in 2020, he was adapting to new 17-inch wheels and Pirelli tyres that had narrow "performance windows". Once past their best, they couldn't be rested to bring temperatures down and restore "mechanical" grip.

The team also lost a key engineer during that season, which meant the set-up data couldn't be fully analysed and interpreted to fine-tune the vehicle's performance.

Armstrong's switch to DAMS for 2021 promised much. However, this coincided with a slump in the team's form and he has had to work hard to achieve a set-up to suit his style.

He has consistently outqualified team-mate Roy Nissany, but less often has managed to grid up in the first three rows. As a result, Armstrong has had to wait for a debut win.

"I was always capable of doing it," he says. "It was just a matter of putting it all on the table and doing what we can do."

> "Two Kiwis going wheel to wheel at turn one was dicey, but it was cool"

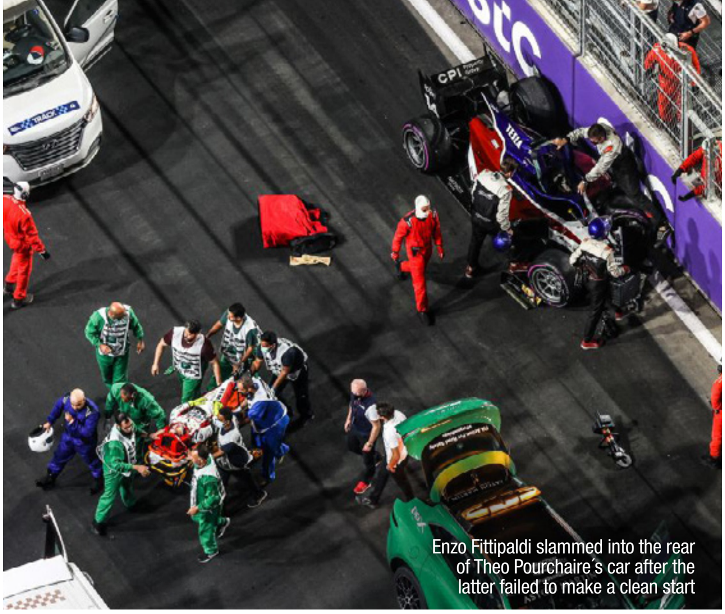
Qualifying in the top 10 put him on the front row for the opening sprint race of the F2 weekend last month due to the category's established partial-reverse grid for every opening race.

When the start lights went out, he judged the grip on the "dirty" side of the track better and had a faster start than countryman Liam Lawson, who was on pole.

"Two Kiwis going wheel to wheel at turn one was dicey, but it was cool," says Armstrong.

The Christchurch-born 21-year-old then showed a remarkable return to his pre-F2 form by managing the December 4 race from in front and staying in the lead after a safety-car period. The result was the DAMS team's first win since Silverstone 2020.

"To see the smiles on a lot of my engineers' faces, and on my



Enzo Fittipaldi slammed into the rear of Theo Pourchaire's car after the latter failed to make a clean start

The high-speed turn 22 at Jeddah Corniche Circuit was a cause of concern for the F2 drivers before the race start

mechanics' as well, was a great reward for a lot of work that hadn't really been rewarded so far this season," says Armstrong.

For some drivers, breakthrough wins can be a turning point for their self-confidence, although the rest of his race weekend underlined how fickle the sport can be at this level.

Armstrong was taken out on lap one of the second sprint race and then finished eighth in a crash-shortened feature race, which was reduced to five laps.

He had climbed one place from his feature race's starting position, but the event was stopped after a collision that took out Enzo Fittipaldi and Theo Pourchaire.

The welfare of the two rivals was foremost in the thoughts of the rest of the drivers as they gathered for the restart.

Amstrong was relieved to see both were able to walk away from the accident, but he was concerned to hear they had been taken to hospital for post-crash checks. Fittipaldi had broken his heel bone in the impact with Pourchaire's car.

Because the race was drastically shortened as a result of the collision, a shorter distance was announced for the restart.

Olli Caldwell and Guilherme Samaia then tangled and crashed only a few laps after the restart, which forced the race to be declared under a red flag with the results taken from the running order after five laps.

Armstrong almost downplays the significance of his victory.

"I don't think it is going to change a lot in terms of my confidence," he says. "A trophy is only a representation of what we've been working towards. It's not going to give me a massive boost of confidence in other words. It's going to be nice to put next to the television though."

The year ended on a personal high note too because Armstrong was fortunate enough to secure a prized MIQ voucher to get home to family for the holiday break.

Debut for tarmac series

New Zealand's first Tarmac Rally Championship is set to be staged this year.

Peter Martin, director of Targa NZ, has announced it will be sponsored by the Australian Auto-Sport Alliance (AASA).

The series will consist of nine single-day rounds, two each at the Targa Bambina in Hamilton from March 12-13 and the all-new Targa South Island, which will be based in the new host city of Nelson from October 22-23.

The former will feature a mixture of well-known roads from previous Targa Rotorua events and some yet to be used in this configuration. The South Island round will use an all-new mix of roads.

All five events for the rescheduled 2021 Targa NZ on the North Island will run over a slightly modified course from May 25-29.

After getting under way in New Plymouth, it moves to Whanganui where the "embedded" two-day regional event will start before finishing in Havelock North.

Martin was forced to postpone last year's five-day Targa NZ from its traditional slot over the last weekend of October due to Covid-19.

He has also confirmed the biennial NZ Silver Fern gravel rally will go ahead later in 2022.

The AASA is an independent permitting organisation that has a growing stable of motorsport events to its name in New Zealand.

Disagreement over approval for sedan's engine repairs ruled in favour of trader

The case: The buyer rejected his 2009 Audi three weeks after purchase due to serious engine damage. The trader said the buyer agreed it to allow the car to be repaired, which was done in a reasonable timeframe.

The decision: The tribunal stated it had no doubt that, despite rejecting the A4, the purchaser had also reluctantly allowed the dealer to fix the vehicle. As a result, the application under the Consumer Guarantees Act (CGA) to reject the car was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Sandeep Singh wanted to reject the 2009 Audi A4 he purchased for $16,585 from Auto Spot North Shore in January 2021 due to major engine damage.

The trader repaired it, but Singh said he had rejected the car before the remedial work was performed and he hadn't authorised it.

Auto Spot disagreed. It insisted Singh had agreed for it to be fixed and, therefore, he had lost any right to reject it.

The case

About three weeks after purchase, Singh noticed the Audi was consuming excess oil.

Katikati's Cross Autos looked at it on February 16, 2021. It found the car's oil levels were low and the engine was noisy. It told Singh not to drive it and charged $46 for the assessment.

Singh emailed Auto Spot on February 22 to reject the vehicle.

The next day, he had Adams Automotive assess it. It also discovered low oil levels, which it topped up, and the engine noise stopped. Singh was charged $150 for this.

The Audi continued to consume excess oil and Singh again emailed Auto Spot on February 26 rejecting it and asked, "when are you going to pay me back".

Auto Spot declined to accept that rejection and asked to assess the engine faults. Singh agreed, but he told the tribunal he never agreed to any repair work and maintained his rejection.

On March 8, Auto Spot transported the car to Cook European Ltd where it was inspected by an Autosure insurance assessor.

Autosure declined to cover repairs because it considered the engine had internal damage caused by a manufacturing defect that allowed oil to bypass the piston rings.

Auto Spot spokesman Reade Stratford told Singh the cause of the damage had been identified and was repairable. Stratford said Singh agreed to allow Auto Spot to fix the vehicle so it authorised Cook European to do so at a cost of $6,037.

Singh denied agreeing to the work. He maintained he rejected the car throughout, and supplied emails and text messages sent to Auto Spot as evidence.

On March 12, Singh texted: "I need my money back soon as possible. Let me know when I come to sign paperwork and get my money back".

On March 29, he texted Auto Spot that it hadn't replied to his message or calls for two weeks and he needed a car to take his wife to hospital. The next day, Singh texted: "I want my money back, just tell me when to come."

Stratford and Auto Spot director Adam Brown said staff spoke with Singh and his associates by phone on many occasions. They often expressed displeasure and wanted to reject the vehicle, but then agreed to allow Auto Spot to continue with repairs.

After the hearing, call logs between both parties were supplied to the tribunal, but these didn't assist in determining the issues in this case because there was no record of what was said.

The finding

Both parties agreed the Audi wasn't of acceptable quality under section six of the CGA due to its damage.

Singh was entitled to reject the vehicle under section 18 if Auto Spot failed to fix the engine within a reasonable time.

The car was collected by Auto Spot on March 8 and repaired by April 12. Given the need to transport it from Katikati to Auckland, and then diagnose and perform repairs, the tribunal was satisfied it was fixed within a reasonable time.

Singh was, therefore, not entitled to reject the Audi under section six.

However, under section 18 of the CGA Singh could reject it if its defects were failure of a substantial character. The engine damage was apparent within three weeks of purchase. It rendered the car unusable and was costly to repair.

Therefore, Singh was entitled to reject it, and the adjudicator was satisfied text messages and emails provided by him showed he communicated his decision to Auto Spot.

However, the tribunal was satisfied that after the damage was diagnosed, Singh allowed Auto Spot to repair the car. To reach that conclusion, it accepted the trader's evidence that Singh did initially reject the Audi, but Auto Spot then persuaded him to withdraw that and let it fix the engine.

The tribunal stated it had no doubt Singh's agreement to fix the vehicle was reluctant. It also didn't doubt he was unaware of his rights under the CGA and might have made a different decision he had been aware of them.

Consequently, Singh wasn't entitled to reject the Audi because he had agreed to allow Auto Spot to repair it, but he was entitled to recover the cost of the assessments performed by Cross Autos and Adams Automotive.

Orders

The application to reject the car was dismissed. The dealer was ordered to pay the cost of engine assessments of $196 to the buyer.

Dealer breaches legislation but ruling states buyer suffers no financial loss

The case: The purchaser claimed the trader engaged in misleading conduct by failing to disclose the extent of structural issues to his used Audi TT, which was a damaged import, and replaced the tyres and wheels after he test-drove it. The dealer contested it had been up-front with the buyer about the damage and repairs, and provided him with a detailed engineer's report.

The decision: The trader was ordered to install four new Hankook tyres on the car.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Andrew Palmer purchased a 2017 Audi TT two-litre TFSI Coupe for $43,300 from EVI Ltd in April 2021, which the trader told him it was an insurance write-off from Australia.

However, the buyer alleged he was misled about the extent of the problems and subsequent remedial work. Palmer also claimed the rims and Hankook tyres on the car's Trade Me listing, and on it during his test drive, were swapped for damaged rims and inferior tyres post-purchase.

EVI denied it misled Palmer over the damage, repairs, tyres and wheel rims.

The case

EVI imported the Audi in September 2019. It was flagged as "imported as damaged", meaning it needed to be repaired and signed off by a certifier before it could be registered.

The car was assessed by VINZ in December 2020. It found its damaged rear panel and bumper beam required fixing and certifying.

A light-vehicle repair record completed by Wayne Sowry, an accredited certifier, stated the Audi had damage to the rear bumper, bumper beam, rear panel, boot floor and tailgate. It had no chassis-rail issues, and there were no signs of "other structural repairs or damage".

The rear panel was cut, repaired, glued and riveted "as per the factory manual", the boot floor and tailgate were remedied, and the bumper cover and bumper beam were replaced. Sowry certified the repair work on December 23.

The listing on Trade Me stated the Audi was "imported from Australia as a repairable write-off [not statutory], had a minor impact to the rear, chassis unaffected, more detail available on request". Its photos showed Hankook tyres.

After the test drive, Palmer said EVI director Abdul Hudda advised him the rear panels had been replaced due to a "minor fender bender", and work had been done to Audi factory standards and "signed off by stringent NZTA compliance tests".

Hudda added an engineer's report on the work was available and Palmer requested a copy. He denied saying "minor fender bender", and recalled telling Palmer the bumper cover, reinforcement bar and slam panel had been replaced. Hudda accepted he might not have told him the boot floor had been fixed. Palmer checked the rims and noticed "no evidence of any curb damage", and checked the tread on the Hankooks.

After purchase, Palmer became concerned about excessive road noise while driving the car. He then read the engineer's report and considered it showed the Audi had more damage than he was told by EVI, so he rejected it.

As further evidence of damage, Palmer obtained reports from Carjam.co.nz and Australia's personal property securities register. Both stated the vehicle had "impact – passenger front/driver, front – heavy panel", and some light structural impact to both the chassis rails and rear.

Giltrap Audi assessed the car. It noted the suspension had "major repairs". The front bumper had been repainted, some panels were "not lining up very well", the rims were fixed and repainted to a poor standard, work had been done on the chassis, and the tyres had "badly wearing tread" indicating "something isn't right with how the vehicle is tracking".

EVI disagreed and provided photos showing the damage was at the Audi's rear. It denied replacing the rims, but said it did replace the Hankook tyres before Palmer's test drive.

The finding

The tribunal was satisfied EVI engaged in misleading conduct breaching section nine of the Fair Trading Act (FTA) by describing the damage as minor when it wasn't. Also, the dealer failed to disclose the extent of the Audi's previous structural problems and repairs until after purchase when the engineer's certificate was emailed to Palmer.

By posting photos of the Audi on Trade Me with Hankooks and replacing them with Hifly tyres, EVI again engaged in misleading conduct.

However, the tribunal ruled Palmer hadn't suffered loss under section nine of the FTA because he provided no evidence that he paid more for the car than what it was worth.

Both parties supplied independent valuations. The buyer submitted one from Indie Valuations, which stated an undamaged imported Audi TT would retail at $45,000, while Palmer's had a current market value of $31,875. He also provided a Trade Me listing for a 1.8-litre 2017 Audi TT for sale at $42,990.

EVI's valuation from Auckland Auto Valuations considered Palmer paid at least $10,000 less for his Audi than he would have for a similar car that wasn't a damaged import.

A Red Book valuation stated a 2015 model had a market value of $37,150 and a 2016 model was $49,800. The trader submitted a 2017 model would retail at about $60,000.

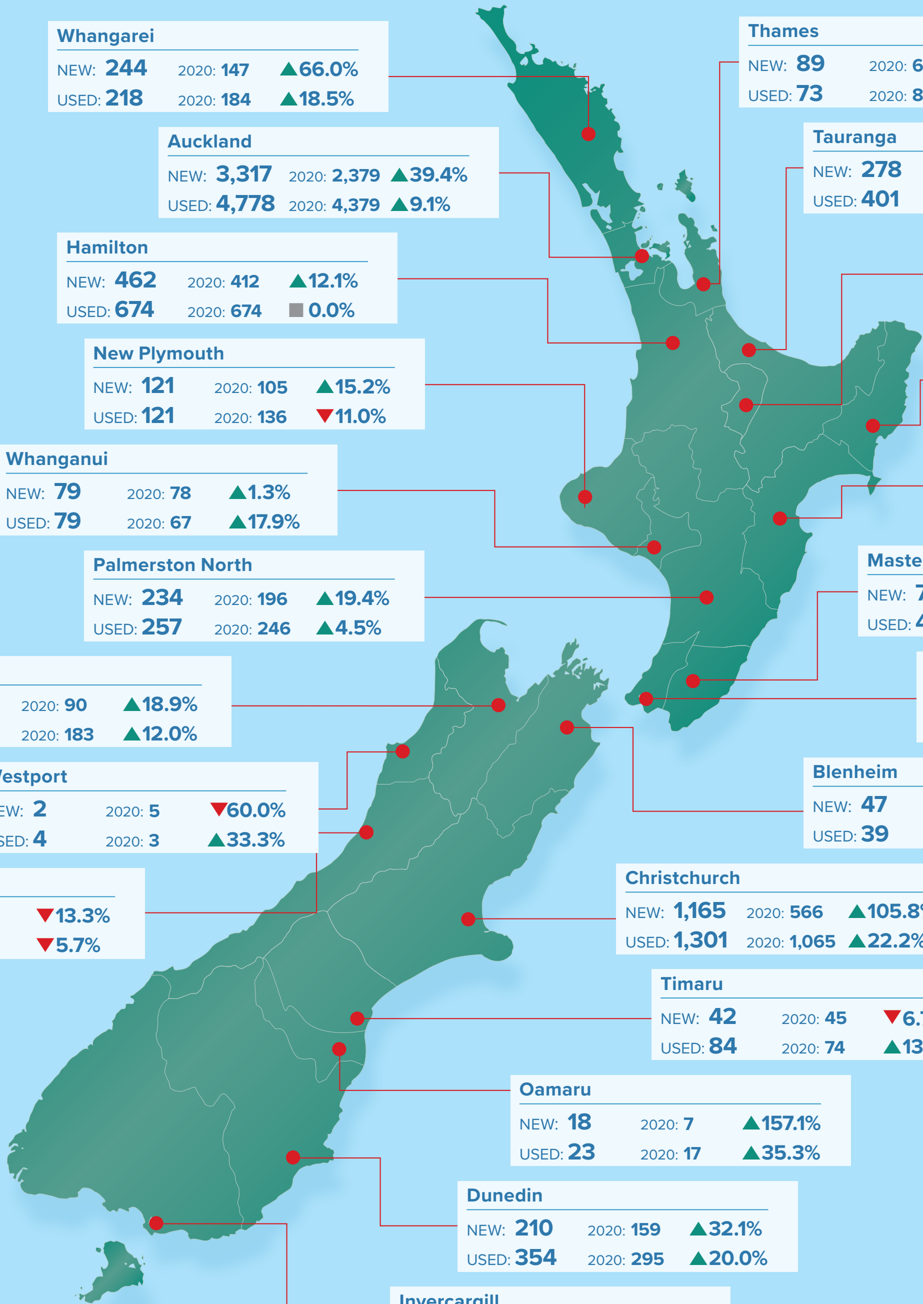
The evidence led the tribunal to conclude Palmer's car was valued at between $37,000 and $45,000, so it was satisfied he hadn't paid more than a reasonable market price. However, it found Palmer suffered loss because tyres were removed.

Order

EVI had to install new Hankook tyres on the Audi.

Around the Country – December 2021

Total new cars	Total imported used cars
7,561	10,113
2020: 5,572 ▲35.7%	2020: 9,334 ▲8.3%



Region	NEW	2020	Change	USED	2020	Change
Whangarei	244	147	▲66.0%	218	184	▲18.5%
Auckland	3,317	2,379	▲39.4%	4,778	4,379	▲9.1%
Hamilton	462	412	▲12.1%	674	674	■0.0%
New Plymouth	121	105	▲15.2%	121	136	▼11.0%
Whanganui	79	78	▲1.3%	79	67	▲17.9%
Palmerston North	234	196	▲19.4%	257	246	▲4.5%
Nelson	107	90	▲18.9%	205	183	▲12.0%
Westport	2	5	▼60.0%	4	3	▲33.3%
Greymouth	13	15	▼13.3%	33	35	▼5.7%
Thames	89	61	▲45.9%	73	87	▼16.1%
Tauranga	278	250	▲11.2%	401	379	▲5.8%
Rotorua	112	110	▲1.8%	144	132	▲9.1%
Gisborne	40	20	▲100.0%	50	51	▼2.0%
Napier	211	201	▲5.0%	265	295	▼10.2%
Masterton	74	60	▲23.3%	48	54	▼11.1%
Wellington	586	532	▲10.2%	809	762	▲6.2%
Blenheim	47	53	▼11.3%	39	54	▼27.8%
Christchurch	1,165	566	▲105.8%	1,301	1,065	▲22.2%
Timaru	42	45	▼6.7%	84	74	▲13.5%
Oamaru	18	7	▲157.1%	23	17	▲35.3%
Dunedin	210	159	▲32.1%	354	295	▲20.0%
Invercargill	110	81	▲35.8%	153	162	▼5.6%

Imported Passenger Vehicle Sales by Make - December 2021

MAKE	DEC '21	DEC '20	+/- %	DEC '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,942	2,613	12.6	29.1%	34,313	28.1%
Nissan	1,347	1,309	2.9	13.3%	16,542	13.6%
Mazda	1,270	1,365	-7.0	12.6%	16,597	13.6%
Subaru	807	660	22.3	8.0%	9,488	7.8%
Honda	731	836	-12.6	7.2%	9,978	8.2%
BMW	535	432	23.8	5.3%	6,368	5.2%
Volkswagen	450	395	13.9	4.4%	5,718	4.7%
Mitsubishi	428	419	2.1	4.2%	5,387	4.4%
Audi	353	259	36.3	3.5%	3,808	3.1%
Mercedes-Benz	239	143	67.1	2.4%	2,356	1.9%
Lexus	218	156	39.7	2.2%	2,511	2.1%
Suzuki	153	214	-28.5	1.5%	2,865	2.3%
Ford	97	89	9.0	1.0%	743	0.6%
Volvo	91	55	65.5	0.9%	810	0.7%
Land Rover	76	34	123.5	0.8%	634	0.5%
Jaguar	46	25	84.0	0.5%	439	0.4%
Chevrolet	40	33	21.2	0.4%	356	0.3%
Dodge	32	22	45.5	0.3%	293	0.2%
Jeep	31	38	-18.4	0.3%	355	0.3%
Porsche	31	15	106.7	0.3%	325	0.3%
Chrysler	30	21	42.9	0.3%	264	0.2%
Mini	25	31	-19.4	0.2%	265	0.2%
Holden	15	30	-50.0	0.1%	218	0.2%
Hyundai	15	31	-51.6	0.1%	214	0.2%
Peugeot	13	14	-7.1	0.1%	137	0.1%
Renault	9	7	28.6	0.1%	64	0.1%
Alfa Romeo	7	0	700.0	0.1%	43	0.0%
Citroen	7	8	-12.5	0.1%	69	0.1%
Tesla	7	1	600.0	0.1%	55	0.0%
Bentley	6	7	-14.3	0.1%	46	0.0%
Kia	6	14	-57.1	0.1%	108	0.1%
Daihatsu	5	3	66.7	0.0%	37	0.0%
Cadillac	4	5	-20.0	0.0%	43	0.0%
Datsun	4	1	300.0	0.0%	11	0.0%
Plymouth	4	0	400.0	0.0%	23	0.0%
Others	39	49	-20.4	0.4%	459	0.4%
Total	**10,113**	**9,334**	**8.3**	**100.0%**	**121,942**	**100.0%**

Imported Passenger Vehicle Sales by Model - December 2021

MAKE	MODEL	DEC '21	DEC '20	+/- %	DEC '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	877	585	49.9	8.7%	8,853	7.3%
Toyota	Prius	384	367	4.6	3.8%	4,721	3.9%
Mazda	Axela	377	444	-15.1	3.7%	5,586	4.6%
Nissan	X-Trail	334	275	21.5	3.3%	4,176	3.4%
Mazda	CX-5	302	137	120.4	3.0%	2,901	2.4%
Volkswagen	Golf	276	248	11.3	2.7%	3,545	2.9%
Mitsubishi	Outlander	267	250	6.8	2.6%	3,373	2.8%
Honda	Fit	243	287	-15.3	2.4%	3,778	3.1%
Subaru	Impreza	236	189	24.9	2.3%	2,806	2.3%
Subaru	Legacy	236	208	13.5	2.3%	2,690	2.2%
Toyota	Vanguard	207	179	15.6	2.0%	2,509	2.1%
Nissan	Leaf	191	164	16.5	1.9%	2,491	2.0%
Mazda	Atenza	172	155	11.0	1.7%	2,096	1.7%
Toyota	Corolla	145	218	-33.5	1.4%	2,327	1.9%
Mazda	Demio	142	292	-51.4	1.4%	2,620	2.1%
Nissan	Serena	135	86	57.0	1.3%	1,225	1.0%
Toyota	Mark X	132	137	-3.6	1.3%	1,966	1.6%
Nissan	Note	123	112	9.8	1.2%	1,243	1.0%
Toyota	Wish	117	220	-46.8	1.2%	1,859	1.5%
Suzuki	Swift	114	169	-32.5	1.1%	2,224	1.8%
Mazda	Premacy	113	134	-15.7	1.1%	1,312	1.1%
Honda	Odyssey	112	129	-13.2	1.1%	1,332	1.1%
Nissan	Skyline	107	86	24.4	1.1%	1,409	1.2%
Honda	CR-V	105	134	-21.6	1.0%	1,479	1.2%
Subaru	Forester	93	87	6.9	0.9%	1,365	1.1%
Toyota	Vellfire	91	48	89.6	0.9%	761	0.6%
BMW	320i	90	82	9.8	0.9%	1,218	1.0%
Audi	A4	84	61	37.7	0.8%	865	0.7%
BMW	116i	82	80	2.5	0.8%	1,048	0.9%
Toyota	Blade	78	117	-33.3	0.8%	1,342	1.1%
Volkswagen	Polo	78	0	7,800.0	0.8%	1,003	0.8%
Nissan	Fuga	72	69	4.3	0.7%	992	0.8%
Subaru	XV	70	50	40.0	0.7%	783	0.6%
Audi	A3	69	54	27.8	0.7%	763	0.6%
Ford	Crown	68	52	30.8	0.7%	782	0.6%
Others		3,791	3,429	10.6	37.5%	42,499	34.9%
Total		**10,113**	**9,334**	**8.3**	**100.0%**	**121,942**	**100.0%**

Profits increase despite lockdowns

Geneva Finance's subsidiaries have performed well despite the impacts of Covid-19 shutdowns.

Quest Insurance Group reported a pre-tax profit of $2.4 million for the six months to the end of September for an increase of 48.6 per cent on the previous corresponding period.

Despite August and September's lockdowns, premium sales of $14.6m climbed by 67.8 per cent and by $5.9m, with Quest's direct channel having the largest increase – up by 124 per cent.

The underwriting result of $3m was up by 102.7 per cent, partly assisted by lower claim volumes during lockdown as Quest maintained its positive solvency surpluses during the period.

Geneva Financial Services' pre-tax profit result of $2.7m represented a climb of 28.6 per cent compared to last year.

Lending grew in the first four months – up 28 per cent on the prior year – but by September 30 the lockdown's impact on its Auckland motor-vehicle introducer network resulted in loans issued reducing to five per cent above last year.

"Despite difficult times, it's pleasing asset quality was maintained through this period and ledger performance continues to improve," says David O'Connell, group managing director. "As a consequence, provisioning for the period has been lower than forecast."

Geneva Capital reported a loss of $300,000 compared to a $13,000 loss in the prior period. It recovered well in the first four months, but an impairment provision of $300,000 accrued for recovery of outstanding debt was taken up.

Stellar Collections' consolidated profit of $151,000 was down $24,000 on the previous year, which was a "good effort by the team in difficult circumstances".

Services provided by Stellar on Geneva Finance's ledger made a significant contribution to the performance of that operation.

"Unfortunately, the debt-litigation operation felt the brunt of lockdowns with restrictions on document serving and court closures effectively cutting off revenue," says O'Connell.

"The group is confident once these restrictions ease, this business will normalise and contribute to profit growth."

Federal Pacific Tonga, which is 60 per cent owned by the group, reported a pre-tax profit of $800,000, up 5.9 per cent.

Commenting on the half-year, O'Connell says: "During lockdowns, the team reacted well and diligently worked remotely, mostly in less-than-ideal circumstances."

"However, all operating business were impacted. The financial impact is to a degree reflected in the half-year result, and to a certain extent reflected in lower future profit growth as the receivables ledger and insurance book are lower than they would be otherwise.

"Despite this, provided the business can resume normal operations over coming months, the group is expected to get back on the profit growth path achieved over the past 18 months."

As reported in the December issue of Autofile, parent company Geneva Finance reported a pre-tax profit of $4m for the six months to September 30 – up by 22 per cent.

Profit after tax of $3m was level with 2020 as that year's result didn't incur a tax charge due to available tax losses. Revenue of $20.5m increased by 24 per cent, up by $4m. Operating costs rose by 22 per cent to $9.4m.

"The group built on last year's success and continued its growth path in the first four months of the period without Covid restrictions," says O'Connell.

"The lockdown starting in August stalled this momentum and limited core operations to reduced levels of trading.

"In terms of strategic direction, the key focus for the group remains on core lending, insurance and debt-collection functions.

"The commitment to enhance IT systems continues and changes to lending onboarding systems allowed the group to trade through lockdown as new originations were completed electronically.

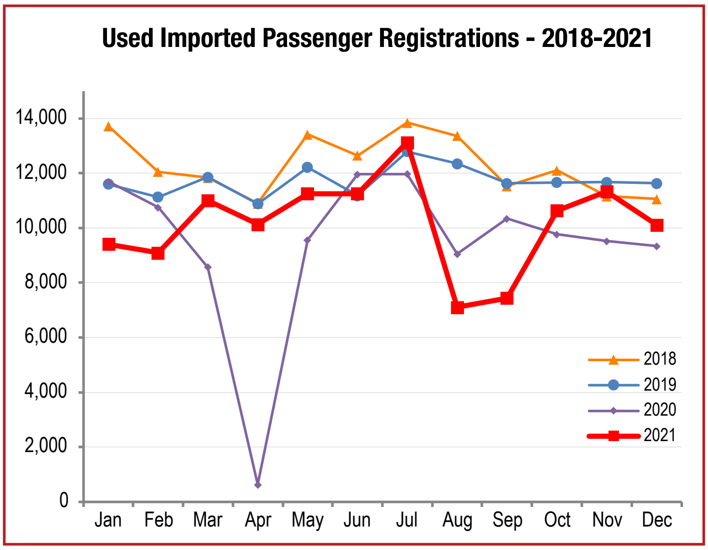
"Following the growth in the insurance business over the past few years, the board has decided to replace existing insurance software with a purpose-built platform and due diligence is under way."

Imports on the up

Sales of used-imported cars climbed by 7.8 per cent to 121,942 in 2021 from 113,142 in 2020.

The best-selling model was Toyota's Aqua with 8,853 first-time registrations. Next up were Mazda's Axela with 5,586 units and the Toyota Prius on 4,721. The top brand was Toyota with 34,313, Mazda was second with 16,597 and Nissan third on 16,542.

There were 10,113 used-imported passengers sold last month – up by 8.3 per cent from 9,334 in December 2020.



Dealers feel pinch on margins

Importing used vehicles from Japan "isn't working for dealers right now" because of their prices.

Martie Browne, owner of Betta Value Vehicles in Pakuranga, Auckland, says issues are being compounded because traders are looking at a "narrow range of products the public wants to buy".

He told Autofile: "Lately, I've noticed a lot of dealers have been buying 2008-10 cars, so at the end of 2021 they would be at least 12 years old. That's the only stock they can make a small margin on out of the sale.

"I haven't brought over any stock from Japan for about three months due to Covid-19 and being unable to get what I want.

"I could import some cheap cars and advertise them along with 40 similar vehicles.

"Then the sale comes down to price, condition and mileage, but there's no margin in it so I'm not going into that market. In the new year, if the exchange rate works, I will be back in the Japanese market."

Browne adds that shipping should soon be back to some level of normality "and we'll go from there", with him anticipating such issues being resolved "or at the very least workable" after March.

"I think a lot of used dealers are struggling. They are only selling to get by and aren't making a profit. New franchises are making a profit because they've got the advantage.

"I don't think the market will bounce back as strongly as it did after the first lockdown. This time people will be carrying more debt, interest rates will go up and there are supply shortages. That will all slow things down.

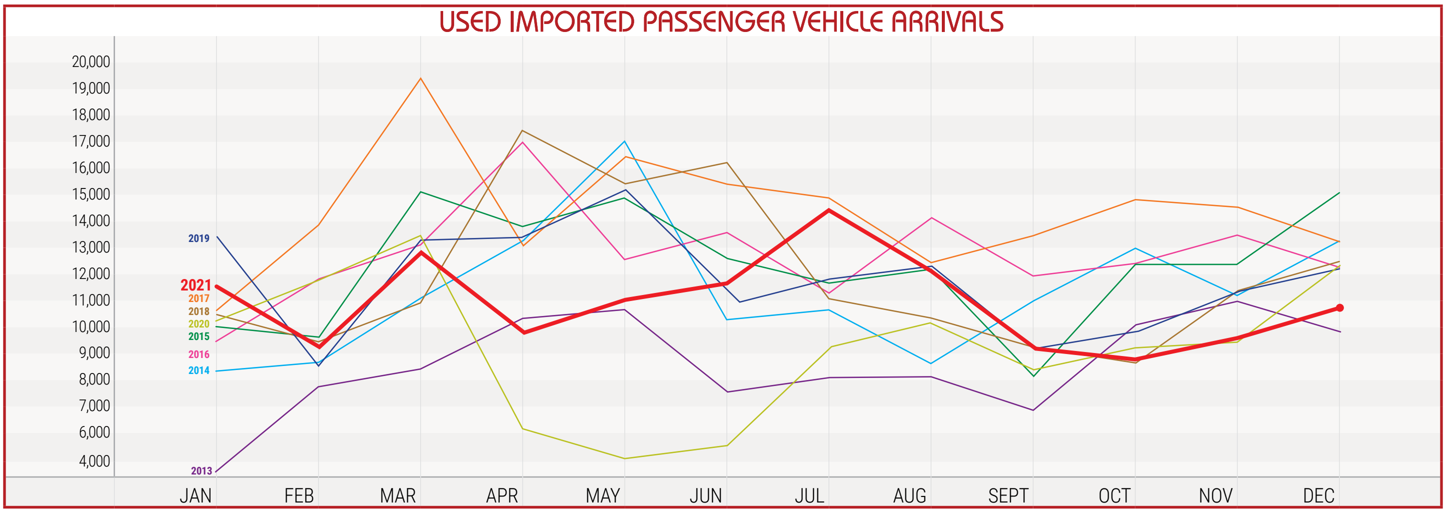
"During the lockdowns, buyers couldn't come and look at vehicles and getting them delivered during Auckland's lockdown was difficult because of getting them across the border."

Browne says it was one hit after the other for the industry last year. "A lot of dealers are struggling to get by and some have closed. If it wasn't for wage subsidies from the government, they would have shut their doors a long time ago."

USED IMPORTS SURGE

There were 10,766 used cars imported during December with 10,255 coming from Japan and 257 from Australia.

The total for last year was 130,317, which was up by 19.9 per cent from 108,663 in 2020.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2021														2020		2019	
	JAN '21	FEB '21	MAR '21	APR '21	MAY '21	JUN '21	JUL '21	AUG '21	SEP '21	OCT '21	NOV '21	DEC '21	DEC SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	285	307	268	271	282	194	172	189	257	**2.4%**	**3,072**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	120	147	157	93	83	95	54	63	80	**0.7%**	**1,259**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,243	10,314	11,116	13,161	11,403	8,596	8,471	9,176	10,255	**95.3%**	**123,508**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	85	126	83	142	61	96	74	**0.7%**	**1,378**	1,846	1.7%	1,678	1.2%
USA	30	33	24	97	78	60	53	54	83	35	81	69	**0.6%**	**697**	480	0.4%	664	0.5%
Other countries	30	36	25	40	29	63	24	27	45	30	23	31	**0.3%**	**403**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,922**	**11,016**	**11,749**	**13,728**	**11,932**	**9,155**	**8,823**	**9,628**	**10,766**	**100.0%**	**130,317**	**108,663**	**100.0%**	**141,218**	**100.0%**

Company building 'competitive moat'

The disruption caused by lockdowns has put "significant pressure on fringe and sub-scale operators in all markets we operate in".

That's the view of Todd Hunter, chief executive officer of Turners Automotive Group.

The company has, however, continued to develop and widen what he describes as its "competitive moat", even during shutdown periods, to "position us for an even stronger acceleration of performance over coming years".

"In finance, our focus on quality lending and a quality experience for our loan introducers is our recipe for further growth," he says.

"In insurance, we continue taking a disciplined approach to the claims management process and associated costs, and ensuring policy pricing is regularly reviewed."

In his report for the half-year to September 31, Hunter notes trading results improved as anticipated in the following months in-line with the easing of restrictions.

"Pleasingly", October showed signs of early recovery with a similar trend continuing into November.

"October tracked ahead of October 2020, a period when Auckland was in level two for only seven days before joining the rest of New Zealand at level one," he says.

The number of vehicles Turners sold in October was ahead of the same month of 2020, while new lending was materially ahead with arrears at historic lows. New insurance policy sales during that month also progressed.

The company's guidance for net profit before tax (NPBT) is between $40 million and $42m for the 2021/22 financial year. This is based on the "particularly strong" first quarter, higher trading following the level-four lockdown and assuming restrictions ease over coming months.

"On that basis, and with our dividend pay-out policy of 60-70 per cent of NPAT, we anticipate full-year fully imputed dividends of a minimum of 22 cents per share.

"Our conviction levels for exceeding our medium-term target for financial year 2024 of $45m NPBT target are very high."

REGISTRATIONS SLIDE

Traders sold 16,267 second-hand cars to the public last month. That was down from 18,898 units, or by 13.9 per cent, when compared to December 2020.

There were 12,176 public-to-dealer transactions for a 8.2 per cent decline from 13,267.

SECONDHAND CAR SALES - December 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	DEC'21	DEC'20	+/- %	MARKET SHARE	DEC'21	DEC'20	+/- %	DEC'21	DEC'20	+/- %
Whangarei	468	553	-15.4	2.88	1,911	1,911	0.0	209	252	-17.1
Auckland	6,361	6,529	-2.6	39.10	14,112	13,425	5.1	4,960	5,447	-8.9
Hamilton	1,196	1,431	-16.4	7.35	3,345	3,389	-1.3	896	1,043	-14.1
Thames	226	262	-13.7	1.39	602	602	0.0	171	223	-23.3
Tauranga	697	837	-16.7	4.28	2,001	2,100	-4.7	527	498	5.8
Rotorua	341	396	-13.9	2.10	951	972	-2.2	122	138	-11.6
Gisborne	148	160	-7.5	0.91	390	351	11.1	39	47	-17.0
Napier	578	855	-32.4	3.55	1,457	1,582	-7.9	462	402	14.9
New Plymouth	303	419	-27.7	1.86	976	960	1.7	162	187	-13.4
Whanganui	212	229	-7.4	1.30	567	620	-8.5	123	110	11.8
Palmerston North	648	792	-18.2	3.98	1,670	1,654	1.0	573	602	-4.8
Masterton	163	208	-21.6	1.00	440	455	-3.3	79	87	-9.2
Wellington	1,446	1,780	-18.8	8.89	3,198	3,247	-1.5	1,058	1,081	-2.1
Nelson	257	341	-24.6	1.58	929	977	-4.9	154	211	-27.0
Blenheim	120	187	-35.8	0.74	361	420	-14.0	69	113	-38.9
Greymouth	51	69	-26.1	0.31	178	175	1.7	36	31	16.1
Westport	11	10	10.0	0.07	45	45	0.0	1	0	0.0
Christchurch	1,946	2,371	-17.9	11.96	4,704	4,973	-5.4	1,811	2,008	-9.8
Timaru	149	208	-28.4	0.92	499	518	-3.7	68	96	-29.2
Oamaru	33	52	-36.5	0.20	125	120	4.2	9	4	125.0
Dunedin	583	775	-24.8	3.58	1,827	1,939	-5.8	404	422	-4.3
Invercargill	330	434	-24.0	2.03	1,017	1,070	-5.0	243	265	-8.3
NZ Total	**16,267**	**18,898**	**-13.9**	**100.00**	**41,305**	**41,505**	**-0.5**	**12,176**	**13,267**	**-8.2**

New Passenger Vehicle Sales by Make - December 2021

MAKE	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,474	996	48.0	19.5%	17,919	16.0%
Mitsubishi	907	694	30.7	12.0%	14,608	13.0%
Hyundai	649	336	93.2	8.6%	6,816	6.1%
Tesla	619	88	603.4	8.2%	3,291	2.9%
Nissan	564	338	66.9	7.5%	4,954	4.4%
Suzuki	436	379	15.0	5.8%	7,834	7.0%
Mazda	435	616	-29.4	5.8%	7,238	6.4%
MG	327	199	64.3	4.3%	3,832	3.4%
Kia	307	252	21.8	4.1%	10,195	9.1%
Honda	265	152	74.3	3.5%	3,999	3.6%
Ford	252	192	31.3	3.3%	3,544	3.2%
Haval	165	84	96.4	2.2%	2,308	2.1%
Subaru	154	149	3.4	2.0%	2,842	2.5%
Volkswagen	151	91	65.9	2.0%	4,293	3.8%
Peugeot	81	44	84.1	1.1%	1,356	1.2%
Mercedes-Benz	79	111	-28.8	1.0%	2,190	2.0%
BMW	76	119	-36.1	1.0%	1,832	1.6%
Lexus	71	61	16.4	0.9%	1,006	0.9%
Audi	67	85	-21.2	0.9%	1,755	1.6%
Skoda	64	58	10.3	0.8%	1,789	1.6%
Jeep	54	66	-18.2	0.7%	1,304	1.2%
Mini	49	18	172.2	0.6%	850	0.8%
SsangYong	49	86	-43.0	0.6%	917	0.8%
Volvo	42	27	55.6	0.6%	738	0.7%
Polestar	34	0	3,400.0	0.4%	46	0.0%
Renault	32	8	300.0	0.4%	306	0.3%
Land Rover	26	113	-77.0	0.3%	1,197	1.1%
LDV	25	10	150.0	0.3%	292	0.3%
Mahindra	15	22	-31.8	0.2%	131	0.1%
Alfa Romeo	13	9	44.4	0.2%	132	0.1%
Porsche	13	6	116.7	0.2%	518	0.5%
Seat	12	4	200.0	0.2%	178	0.2%
Citroen	11	23	-52.2	0.1%	280	0.2%
Fiat	11	1	1,000.0	0.1%	123	0.1%
Can-Am	8	9	-11.1	0.1%	72	0.1%
Isuzu	8	19	-57.9	0.1%	526	0.5%
Yamaha	4	2	100.0	0.1%	53	0.0%
Cupra	2	0	200.0	0.0%	147	0.1%
Jaguar	2	13	-84.6	0.0%	357	0.3%
Lotus	2	0	200.0	0.0%	7	0.0%
Maserati	2	2	0.0	0.0%	46	0.0%
Ferrari	1	1	0.0	0.0%	39	0.0%
Lamborghini	1	0	100.0	0.0%	21	0.0%
Piaggio	1	0	100.0	0.0%	4	0.0%
Rolls-Royce	1	0	100.0	0.0%	13	0.0%
Others	0	89	-8,900.0	0.0%	328	0.3%
Total	**7,561**	**5,572**	**35.7**	**100.0%**	**112,226**	**100.0%**

New Passenger Vehicle Sales by Model - December 2021

MAKE	MODEL	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Tesla	Model 3	619	81	664.2	8.2%	3,284	2.9%
Toyota	RAV4	533	387	37.7	7.0%	6,225	5.5%
Mitsubishi	Outlander	509	211	141.2	6.7%	6,512	5.8%
Nissan	X-Trail	485	153	217.0	6.4%	2,495	2.2%
Toyota	Corolla	398	140	184.3	5.3%	4,772	4.3%
Mitsubishi	ASX	269	327	-17.7	3.6%	5,043	4.5%
Hyundai	Kona	237	102	132.4	3.1%	2,374	2.1%
MG	ZS	214	55	289.1	2.8%	2,290	2.0%
Mazda	CX-5	210	326	-35.6	2.8%	3,137	2.8%
Honda	Jazz	144	69	108.7	1.9%	1,547	1.4%
Suzuki	Swift	144	162	-11.1	1.9%	2,835	2.5%
Haval	Jolion	135	0	13,500.0	1.8%	1,061	0.9%
Ford	Everest	126	32	293.8	1.7%	1,222	1.1%
Suzuki	Jimny	114	34	235.3	1.5%	1,292	1.2%
Hyundai	Santa Fe	113	114	-0.9	1.5%	1,645	1.5%
Hyundai	Ioniq	106	10	960.0	1.4%	637	0.6%
Toyota	Yaris Cross	105	72	45.8	1.4%	1,097	1.0%
Kia	Stonic	91	0	9,100.0	1.2%	2,522	2.2%
Toyota	Yaris	90	134	-32.8	1.2%	1,160	1.0%
Ford	Escape	85	70	21.4	1.1%	804	0.7%
Toyota	Camry	82	12	583.3	1.1%	738	0.7%
Kia	Seltos	76	51	49.0	1.0%	2,185	1.9%
Suzuki	Ignis	75	35	114.3	1.0%	732	0.7%
Honda	CR-V	74	22	236.4	1.0%	1,078	1.0%
Mitsubishi	Eclipse Cross	74	75	-1.3	1.0%	1,996	1.8%
Hyundai	Tucson	74	55	34.5	1.0%	682	0.6%
Hyundai	Ioniq 5	70	0	7,000.0	0.9%	235	0.2%
Toyota	Land Cruiser Prado	69	5	1,280.0	0.9%	515	0.5%
Toyota	Highlander	64	106	-39.6	0.8%	1,362	1.2%
Subaru	Outback	62	20	210.0	0.8%	1,180	1.1%
Toyota	C-HR	60	72	-16.7	0.8%	1,093	1.0%
MG	3	59	26	126.9	0.8%	553	0.5%
Nissan	Qashqai	56	161	-65.2	0.7%	2,014	1.8%
Suzuki	Baleno	54	50	8.0	0.7%	1,035	0.9%
MG	HS	53	45	17.8	0.7%	682	0.6%
Mazda	CX-30	49	58	-15.5	0.6%	769	0.7%
Subaru	Forester	45	30	50.0	0.6%	657	0.6%
Subaru	XV	45	96	-53.1	0.6%	838	0.7%
Mini	Hatch	43	8	437.5	0.6%	436	0.4%
Volkswagen	Polo	43	22	95.5	0.6%	452	0.4%
Kia	Niro	40	7	471.4	0.5%	671	0.6%
Peugeot	2008	37	24	54.2	0.5%	436	0.4%
Mazda	Mazda3	37	39	-5.1	0.5%	612	0.5%
Skoda	Superb	37	6	516.7	0.5%	503	0.4%
Honda	HR-V	35	28	25.0	0.5%	1,014	0.9%
Others		1,421	2,040	-30.3	18.8%	37,804	33.7%
Total		**7,561**	**5,572**	**35.7**	**100.0%**	**112,226**	**100.0%**

Records set for electric year

New vehicles with some form of electrification notched up huge sales increases last year.

The Motor Industry Association (MIA) reports there were 6,899 battery electric vehicles (BEVs) registered in 2021 for a 344 per cent jump from 1,554 in 2020.

That total consisted of 6,714 cars, 82 light commercials and 103 heavy BEVs.

As for plug-in hybrids (PHEVs), there were 2,452 sold compared to 756 for a year-on-year increase of 224 per cent. And 13,794 traditional hybrids were registered for a 61 per cent rise from 8,557.

For the first time, a BEV made it into the top five for cars with Tesla's Model 3 in fifth spot on 3,284 registrations – up from 511, or by 542 per cent, from 2020. MG's ZS was the second most popular pure-electric model with 872 units.

The top two PHEVs were Mitsubishis – the Eclipse Cross on 743 and Outlander on 614.

David Crawford, chief executive of the MIA, says the strongest December on record solidified 2021's market results as the biggest-ever year for passenger vehicle and SUV sales. He adds: "For 2022, the order book remains strong with long wait lists for popular models."

Mitsubishi's Outlander was New Zealand's top car of 2021

OUTLANDER IN TOP SPOT

Mitsubishi Motors New Zealand (MMNZ) has ended Toyota's long-running dominance with its Outlander being the country's top-selling new passenger model of 2021. It claimed 6,512 sales with 2020's winner, the RAV4, second on 6,225.

The Outlander's total was up by 168.5 per cent from the previous year when it sold 2,425 units to finish sixth. About 10 per cent of its 2021 sales were PHEVs.

MMNZ had further reason to celebrate with its ASX claiming third place with 5,043 sales, while Mitsubishi was second on the marques' ladder. It had 14,608 registrations in 2021 with Toyota topping this table with 17,919.

Reece Congdon, MMNZ's head of marketing and corporate affairs, says the Outlander has a "well-known reputation for reliability", which is "why a large chunk of our customers have upgraded and are onto their second or third Outlander, and why we saw hundreds of pre-orders for the next generation that landed late last year".

Increase in sales

There were 7,561 new passenger vehicles sold in December. Compared to 5,572 in the same month of 2020, that was up by 35.7 per cent.

This boosted the total for 2021 to 112,226 – up from 80,849 during 2020 or by 38.8 per cent – to beat the previous record set in 2017.

Mitsubishi's Outlander topped the models' ladder on 6,512 sales. Toyota claimed second with its RAV4 selling 6,225 units. The Mitsubishi ASX was third with 5,043.

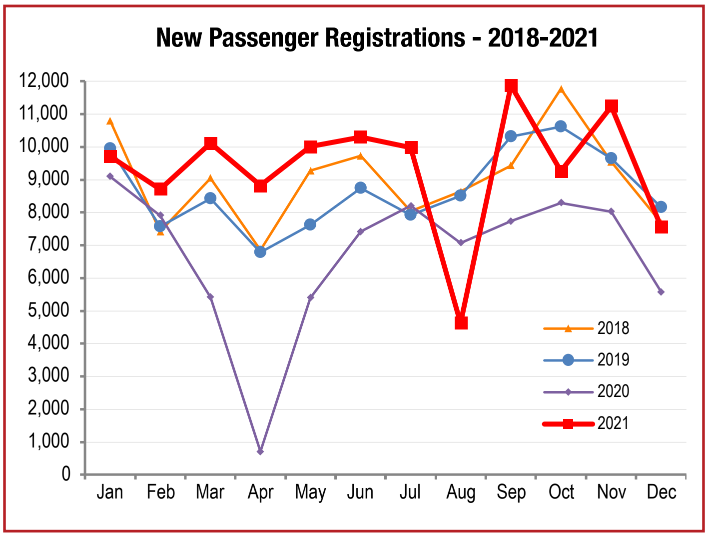
Congdon told Autofile: "The Outlander nameplate has been a Kiwi family favourite for almost a decade now and hitting the number-one passenger spot is a testament to its quality.

"We've been humbled by the support Kiwis have shown our brand over the past seven to eight years, but our result in 2021 was remarkable."

He describes being crowned the second best-selling marque as the culmination of almost a decade of hard work and dedication from the "Mitsubishi family".

"The number-two position was a headline goal for us in 2021, so we're thrilled to have achieved that."

Congdon predicts the number-one challenge going into 2022 will be supply-chain issues, and "as we're now witnessing in Australia, omicron has the potential to cripple supply chains across all industries".



He adds: "There will also be some apprehension, and perhaps a little confusion, around the clean car discount and standard. Once people digest what that means for their next purchases, it will be interesting to see what the impact on the industry is."

REDUCING EMISSIONS

Toyota NZ reports it set a record in 2021 for new hybrids sold by a single brand – more than 11,400, which was up from 8,135 in 2020.

Steve Prangnell, general manager of new vehicles and product planning, expects demand for such models to further expand this year.

"With the increase of hybrid sales, we've also seen our carbon dioxide [CO2] emissions decrease by three per cent from 162g/km in 2020 to 158g/km last year."

The company has notched up a 14 per cent emissions reduction from its fleet over the past five years, which it says is one of the highest in the industry, and this year's arrival of the pure-electric bZ4X SUV is expected to further reduce them.

Prangnell says the hybrid-electric variant of the RAV4 was Toyota's second highest-selling car of 2021 with 4,598 registrations out of a total of 6,225 RAV4s. He adds the Corolla sold 1,988 hybrid electric and 2,780 petrol-only models last year.

Meanwhile, more than two-out-of-three new Lexuses were hybrids in 2021 for a 26 per cent increase in electrified sales.

"An amazing 72 per cent of our sales in 2021 were electrified and total CO2 was just 142g/km," says Andrew Davis, general manager of Lexus NZ. As a result, the marque is "well-positioned" to meet the government's proposed emissions requirements.

He adds the just-released battery electric UX300e and plug-in hybrid NX450h+, which is due to arrive early this year, "will further contribute to the emissions reduction programme".

Blue oval shows dominance

Describing 2021 as a massive year for Ford in the commercial market would be an understatement with it claiming top spot in the ladders for manufacturers and models.

Once again, the Ranger was the country's best-selling model. Its market share jumped by three per cent last year compared to 2020 as it sold 4,602 more units, while the Transit performed well in the van segment.

Simon Rutherford, Ford NZ's managing director, is delighted with how last year panned out. However, 2021 was not without major issues – accessing stock being a major factor, although the Ranger's dominance of the ute market has partially been down to getting plenty of product.

"It was a challenging year with Covid-19 and semi-conductors," he told Autofile. "We are just fortunate our supply-chain team pulled out all of the stops and protected supply for us.

"The issues will likely be with us for a while and we're unlikely to see any improvement until the second half of this year.

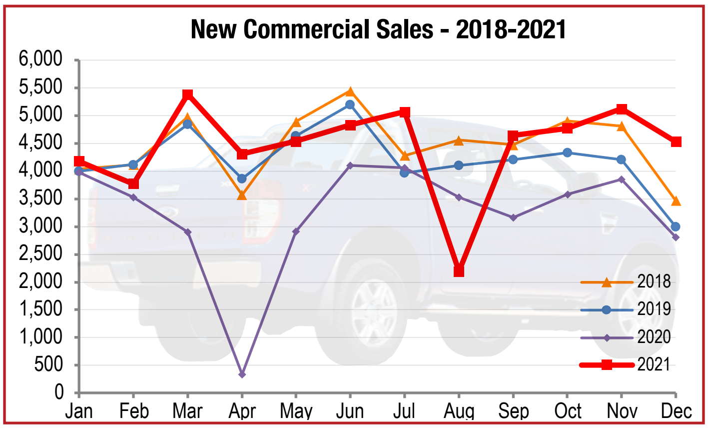
"When it comes to the Escape, Puma and Transit, we're sitting on pretty big order banks and it's taking longer than we would like to get them to customers.

"Our Transits have been taking a long time to get built and we have a lot of orders for Rangers ahead of the new model arriving in mid-2022."

Rutherford is pleased with how the Transit sold in 2021 with it coming in only 1,267 sales behind Toyota's Hiace.

This segment is becoming increasingly competitive. For example, LDV made some in-roads last year.

"The challenge here is the success of the product," says



New Commercial Sales by Make - December 2021

MAKE	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,052	606	73.6	23.2%	11,396	21.4%
Ford	824	719	14.6	18.2%	13,753	25.8%
Mitsubishi	792	251	215.5	17.5%	5,560	10.4%
Nissan	391	242	61.6	8.6%	3,583	6.7%
Isuzu	257	183	40.4	5.7%	3,428	6.4%
Fuso	256	69	271.0	5.6%	1,097	2.1%
LDV	165	92	79.3	3.6%	2,533	4.7%
Mazda	99	99	0.0	2.2%	2,035	3.8%
Great Wall	86	42	104.8	1.9%	1,450	2.7%
Fiat	83	91	-8.8	1.8%	853	1.6%
Hino	77	43	79.1	1.7%	795	1.5%
Mercedes-Benz	72	59	22.0	1.6%	693	1.3%
Hyundai	57	60	-5.0	1.3%	1,227	2.3%
Volkswagen	54	38	42.1	1.2%	1,153	2.2%
Iveco	34	33	3.0	0.7%	374	0.7%
Chevrolet	32	0	3,200.0	0.7%	233	0.4%
Scania	29	20	45.0	0.6%	453	0.8%
Foton	23	6	283.3	0.5%	174	0.3%
SsangYong	22	44	-50.0	0.5%	463	0.9%
Ram	19	5	280.0	0.4%	308	0.6%
Others	112	109	2.8	2.5%	1,795	3.4%
Total	**4,536**	**2,811**	**61.4**	**100.0%**	**53,356**	**100.0%**

New Commercial Sales by Model - December 2021

MAKE	MODEL	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	778	662	17.5	17.2%	12,588	23.6%
Mitsubishi	Triton	757	217	248.8	16.7%	4,966	9.3%
Toyota	Hilux	644	443	45.4	14.2%	8,439	15.8%
Nissan	Navara	391	242	61.6	8.6%	3,583	6.7%
Toyota	Hiace	368	131	180.9	8.1%	2,427	4.5%
Isuzu	D-Max	125	95	31.6	2.8%	2,427	4.5%
Mazda	BT-50	99	99	0.0	2.2%	2,035	3.8%
Great Wall	GWM Cannon	86	26	230.8	1.9%	1,278	2.4%
Fiat	Ducato	83	89	-6.7	1.8%	852	1.6%
Mercedes-Benz	Sprinter	60	47	27.7	1.3%	549	1.0%
Isuzu	N Series	58	37	56.8	1.3%	500	0.9%
Isuzu	F Series	54	37	45.9	1.2%	392	0.7%
LDV	T60	51	40	27.5	1.1%	784	1.5%
Hyundai	Staria Load	47	0	4,700.0	1.0%	140	0.3%
Ford	Transit	46	57	-19.3	1.0%	1,160	2.2%
LDV	G10	41	21	95.2	0.9%	795	1.5%
Toyota	Land Cruiser	40	32	25.0	0.9%	530	1.0%
Mitsubishi	Express	34	34	0.0	0.7%	589	1.1%
LDV	Deliver 9	33	6	450.0	0.7%	450	0.8%
Hino	300	32	19	68.4	0.7%	327	0.6%
Others		709	477	48.6	15.6%	8,545	16.0%
Total		**4,536**	**2,811**	**61.4**	**100.0%**	**53,356**	**100.0%**

Rutherford. "LDV is a different player with a different value proposition.

"But for overall quality and capability, the Transit can go a long way – it's the best-selling new vehicle in the UK for a reason."

Vans are increasingly being seen as lifestyle as well as working vehicles, as has been the case with utes. That said, utilities live up to their name by providing more utility when it comes to the likes of towing and off-road use.

It will be interesting to see what impact the full clean car discount will have from April 1 when models with higher emissions of carbon dioxide (CO2) attract penalties at point of first registration.

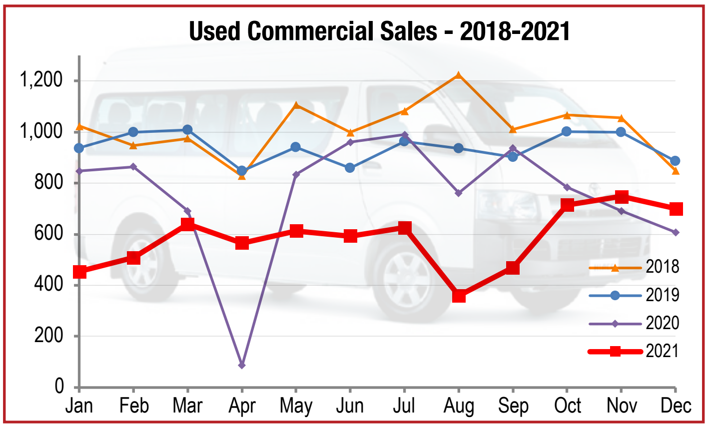
Rutherford believes this government policy will shift demand to a degree, but the reasons why people need and purchase utes, for instance, will remain unchanged.

The company has seen an uplift in demand for the Ranger's bi-turbo variant, which is "pretty competitive when it comes to CO2" and makes up some 70 per cent of the model's mix.

This year, Ford NZ will be offering more electrified models, such as the e-Transit, mild hybrid Puma and full hybrid Escape.

"We've also been scrambling to get the Mustang Mach-E, but there are capacity constraints. Otherwise, it would be a wonderful addition to our range and it would be great to get it at some stage."

Rutherford points out that shifting consumer needs and preferences will continue to be moderated by the capability of vehicles, what they are needed for, and the overall costs of ownership and doing business, although "government policy will make people look wider than they have done historically."



NEW MARKET BOOMS

Total sales of new commercials jumped by 37.7 per cent from 38,760 in 2020 to 53,356 in 2021.

The previous best year for commercials was 2018 when 53,557 were sold.

The Ford Ranger was New Zealand's best-selling model of 2021 with 12,588 registrations. Toyota's Hilux came second on 8,439 and Mitsubishi's Triton was third with 4,966.

As for used-imported commercials, they slumped – from 9,051 in 2020 to 7,001 last year, or by 22.6 per cent. The top model was Toyota's Hiace on 1,838 units.

Used Commercial Sales by Make - December 2021

MAKE	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	238	220	8.2	34.0%	2,687	38.4%
Nissan	144	98	46.9	20.6%	1,237	17.7%
Hino	69	29	137.9	9.9%	580	8.3%
Isuzu	56	47	19.1	8.0%	595	8.5%
Ford	46	39	17.9	6.6%	348	5.0%
Mitsubishi	33	36	-8.3	4.7%	377	5.4%
Chevrolet	19	9	111.1	2.7%	125	1.8%
Mazda	14	25	-44.0	2.0%	158	2.3%
Holden	9	16	-43.8	1.3%	157	2.2%
Volkswagen	9	9	0.0	1.3%	86	1.2%
Daihatsu	8	6	33.3	1.1%	79	1.1%
Fiat	6	8	-25.0	0.9%	56	0.8%
Mercedes-Benz	6	7	-14.3	0.9%	49	0.7%
Dodge	5	4	25.0	0.7%	43	0.6%
GMC	5	4	25.0	0.7%	28	0.4%
UD Trucks	5	2	150.0	0.7%	40	0.6%
Suzuki	3	11	-72.7	0.4%	65	0.9%
Fuso	2	2	0.0	0.3%	25	0.4%
Honda	2	1	100.0	0.3%	11	0.2%
Iveco	2	3	-33.3	0.3%	16	0.2%
Others	19	31	-38.7	2.7%	239	3.4%
Total	**700**	**607**	**15.3**	**100.0%**	**7,001**	**100.0%**

Used Commercial Sales by Model - December 2021

MAKE	MODEL	DEC'21	DEC'20	+/- %	DEC'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	166	152	9.2	23.7%	1,838	26.3%
Nissan	NV350	84	34	147.1	12.0%	611	8.7%
Hino	Dutro	46	23	100.0	6.6%	406	5.8%
Toyota	Dyna	32	31	3.2	4.6%	377	5.4%
Ford	Ranger	28	17	64.7	4.0%	163	2.3%
Isuzu	Elf	25	30	-16.7	3.6%	365	5.2%
Isuzu	Forward	21	12	75.0	3.0%	146	2.1%
Hino	Ranger	21	4	425.0	3.0%	138	2.0%
Nissan	Caravan	20	18	11.1	2.9%	235	3.4%
Fuso	Canter	18	19	-5.3	2.6%	238	3.4%
Toyota	Toyoace	18	20	-10.0	2.6%	222	3.2%
Toyota	Regius	11	6	83.3	1.6%	93	1.3%
Chevrolet	C10	9	3	200.0	1.3%	40	0.6%
Nissan	Atlas	8	12	-33.3	1.1%	150	2.1%
Daihatsu	Hijet	8	6	33.3	1.1%	79	1.1%
Toyota	Hilux	8	3	166.7	1.1%	84	1.2%
Nissan	Navara	8	11	-27.3	1.1%	55	0.8%
Volkswagen	Amarok	7	3	133.3	1.0%	56	0.8%
Nissan	Civilian	7	1	600.0	1.0%	42	0.6%
Nissan	NV200	7	8	-12.5	1.0%	40	0.6%
Others		148	194	-23.7	21.1%	1,623	23.2%
Total		**700**	**607**	**15.3**	**100.0%**	**7,001**	**100.0%**

Marque reveals power strategy

Toyota is set to invest about NZ$54.14 billion in electric vehicles (EVs) between this year and 2030 to challenge rivals such as Tesla, General Motors and Volkswagen.

A large chunk of that money will go towards the batteries themselves, with the Japanese marque committing another $6.5b to the technology on top of $19.5b previously announced.

The company currently sells just a few thousand battery electric vehicles (BEVs) annually.

But it is now looking to roll out as many as 30 new models globally by 2030 with the aim of hitting 3.5 million BEVs per year by then, president Akio Toyoda told reporters in Tokyo last month. That would be the equivalent of more than one-third of worldwide Toyota sales in its last financial year, which came in at around nine million.

The Lexus luxury brand will be a big part of the plan with one million BEV sales being projected by 2030. The target is for all Lexuses in Europe, North America and China to be battery-powered by the end of this decade, and then globally by 2035.

While Toyota has been a pioneer in hybrid and hydrogen fuel cell-powered vehicles, it has been slower than some major carmakers to expand into the BEV market.

Electric vehicles, including hybrid and fuel-cell models, made up nearly 28 per cent of its sales in the six months ending September. However, BEVs came in at just 0.1 per cent of total registrations.

Standing in front of more than a dozen EVs on December 14, Toyoda described the new line-up as "our showroom of the future".

He says the company is pursuing a multi-pronged, carbon-reduction approach that includes hybrids and hydrogen.

"Toyota wants to meet the situations and needs of different countries and regions by offering various choices in terms of carbon neutrality.

"We want to leave all people with a choice. Rather than where or what we will focus on, we will wait a little longer until we understand where the market is going."

In the meantime, competition faced by Toyota is mounting.

Volkswagen last month announced it would raise its EV budget to $147.7b.

The German marque, which has long been virtually neck and neck with Toyota in global registrations, is aiming for 25 per cent of its sales to be BEVs by the end of 2026. ⊕

Daily sales soar

Imports of new cars in December came in at 10,322. This was 9.2 per cent more than in the same month of 2020 and 27.1 per cent more than November's 8,121 units.

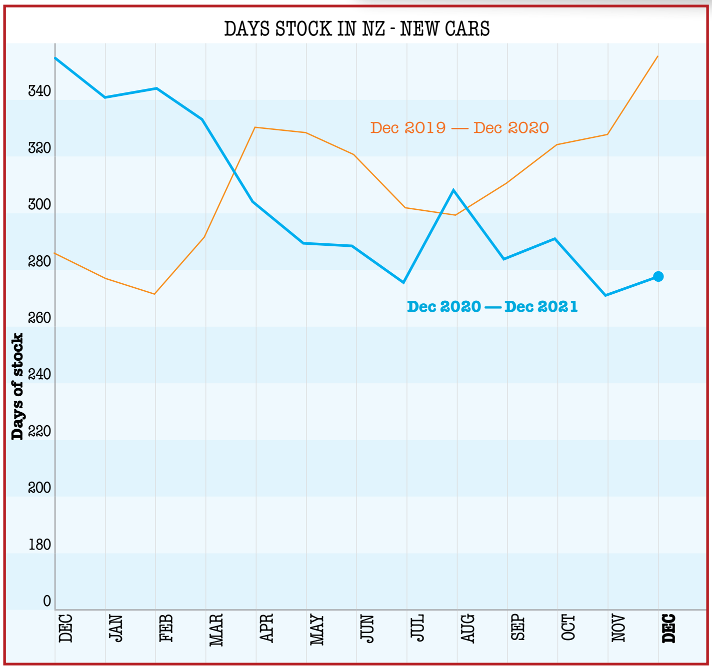
Registrations of new passenger vehicles totalled 7,561 last month for a rise of 35.7 per cent from December 2020's figures. However, it represented a fall of 32.7 per cent from 11,242 units in November.

The numbers have resulted in the stock of new cars still to be registered increasing by 2,761 to 85,085. Daily sales, as averaged over the previous 12 months, stand at 307 units per day – up from 222 a year earlier.

December's results mean stock at-hand has increased to 277 days, or 9.1 months, if sales continue at the current rate. In the same month of 2020, the figures were 356 days, or 11.7 months, respectively.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Dec '20	9,452	5,572	3,880	78,817	222	356
Jan '20	7,031	9,712	-2,681	76,136	223	341
Feb '21	10,547	8,710	1,837	77,973	225	346
Mar '21	11,091	10,112	979	78,952	238	331
Apr '21	8,032	8,825	-793	78,159	260	300
May '21	9,988	10,012	-24	78,135	273	286
Jun '21	11,871	10,305	1,566	79,701	281	284
Jul '21	9,264	9,984	-720	78,981	286	276
Aug '21	10,921	4,627	6,294	85,275	279	305
Sep '21	8,725	11,875	-3,150	82,125	291	283
Oct '21	12,581	9,261	3,320	85,445	293	291
Nov '21	8,121	11,242	-3,121	82,324	302	273
Dec '21	**10,322**	**7,561**	**2,761**	**85,085**	**307**	**277**
Year to date	**118,494**	**112,226**	**6,268**			
Change on last month	**27.1%**	**-32.7%**		**3.4%**		
Change on Dec 2020	**9.2%** MORE IMPORTED	**35.7%** MORE SOLD		**8.0%** MORE STOCK		



Business up despite shutdowns

Net profit after tax (NPAT) reported by NZ Automotive Investments Ltd (NZAI) for the half-year ending September 30 has come within guidance.

It follows the NZX-listed company saying it performed well in the first four-and-a-half months in the lead-up to alert levels for coronavirus being raised across New Zealand in the middle of August.

Revenue and income came in at $31.2m during the half-year. This was up by 1.9 per cent compared to the same period of 2020 despite an estimated $7.5m of lost opportunity in revenue due to virus-related restrictions.

"The effects of trading and operating restrictions brought about by raised alert levels, and additional corporate costs associated with becoming a listed company, contributed to the $800,000 reduction," says David Page, chief executive officer.

NPAT fell by $500,000 from $1.9m in the first half of 2021/22 compared to $1.4m in the same period of 2020/21.

2 Cheap Cars averaged 800 sales per month over the period, which was up by 27 per cent on the corresponding pandemic-affected period in 2020.

"Like other retail businesses, NZAI's operations and the broader automotive industry were impacted by lockdowns during the latter part of half-year 2022," says Page.

"Our subsidiaries, 2 Cheap Cars and NZ Motor Finance, could not fully trade for at least 45 days – or 24 per cent of the period.

"The company was, therefore, impacted by reduced car sales and the closure of the vehicle-processing hub in Mount Wellington under alert level four. Throughout the period, we've had to be agile in responding to disruptions and uncertainty."

The lockdown was challenging. However, the company took the opportunity to invest time enhancing key business processes.

"We're confident this will lead to efficiencies and improvement in the future as the used automotive industry bounces back from Covid-19."

NZAI's board declared an interim gross dividend of 2.2 cents per share. This represented a gross annualised dividend yield of 5.2 per cent based on a share price of 86c at close of trading on November 26, which was paid on December 23. Earnings per share for the six months came in 3.1c compared to 4.15c last year.

Stock levels rise

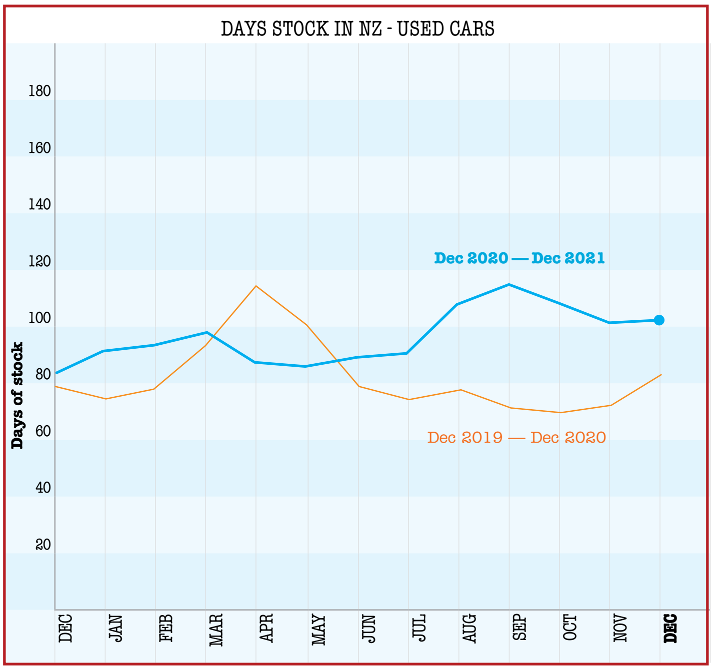
There were 10,766 used cars imported in December for a decrease of 11.3 per cent from 12,138 units in the same month of 2020.

The monthly figure was an increase of 11.8 per cent from 9,628 vehicles in November.

A total of 10,113 units were sold during December. This was up 8.3 per cent from 9,334 registrations during the same month of 2020, but was a drop of 10.8 per cent from the 11,339 units sold in November last year.

With 653 more used cars imported than registered last month, it brought stock sitting on dealers' yards or in compliance shops to 34,194 units. This was 32.4 per cent, or 8,375 cars, more than at the end of December 2020.

With current average daily sales rising to 334 per day, there are 102 days' stock remaining.



Dealer stock of used cars in New Zealand

	Car sales: Imported	Car sales: Registered	Variance	Stock	Daily sales - 12-month average	Days stock at hand
Dec '20	12,138	9,334	2,804	25,819	310	83
Jan '20	11471	9404	2067	27886	304	92
Feb '21	9,359	9,096	263	28,149	299	94
Mar '21	12,768	11,012	1,756	29,905	306	98
Apr '21	9,922	10,136	-214	29,691	332	89
May '21	11,016	11,257	-241	29,450	337	87
Jun '21	11,749	11,264	485	29,935	335	89
Jul '21	13,728	13,132	596	30,531	338	90
Aug '21	11,932	7,103	4,829	35,360	333	106
Sep '21	9,155	7,444	1,711	37,071	325	114
Oct '21	8,823	10,642	-1,819	35,252	327	108
Nov '21	9,628	11,339	-1,711	33,541	332	101
Dec '21	**10,766**	**10,113**	**653**	**34,194**	**334**	**102**
Year to date	**130,317**	**121,942**	**8,375**			
Change on last month	**11.8%**	**-10.8%**		**1.9%**		
Change on Dec 2020	**-11.3%** LESS IMPORTED	**8.3%** MORE SOLD		**32.4%** MORE STOCK		