

NFDA TRUCK AND VAN UPDATE
April/May 2022



Volvo and Scania increase sales in first two months of 2022

Dear Colleague,

The latest HGV registrations for February indicate further, significant pressure on truck manufacturers to build and supply new chassis to meet demand. The statistics showed only a marginal increase from February last year when the country was in lockdown.

Whilst demand from businesses for light commercial vehicles remains high, registration figures for April were down year-on-year by 29% due to component shortages restricting supply. Demand for light vans continues to be strong and dealers are optimistic. However, there remains to be caution with supply constraints continuing to impact sales.

NFDA is your trade body: we are here to help and advise you on regulatory and operational issues that affect your business. If you require any assistance, please do contact the helpline on 01788 538303.

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Franchised Truck Dealers opt for privatised HGV testing

For many years since the introduction of ATF around ten years ago, the NFDA CV Division has been pushing for privatized testing of HGVs and ever more so since during the lockdown testing had to stop for many months.

Recently, the Government has announced it is looking at the viability of outsourcing or privatising many of its services such as the DVLA. This could mean operational tasks carried out by the DVSA therefore NFDA CV has submitted to the Department for Transport a 'working paper' outlining how HGV testing could be safely performed by the private sector, this would be called 'delegated testing'.

For more details of our privatised testing working paper sent to Government this May, please view: <https://www.nfda-uk.co.uk/downloads/HGV-Delegated-Testing-Position-Paper-2022.pdf>

Unprecedented pressure on new heavy truck supply

The latest HGV registrations for February indicate further pressure on truck manufacturers to build and supply new chassis to meet demand.

The constraints are due to the continual shortages of semiconductors and other vital components as global demand is accelerating with many countries' economies opening after the pandemic. Additionally, the war in Ukraine is restricting the supply of goods as their ports are all occupied by the Russians, making it difficult to move goods except overland via Poland.

All vehicle producers worldwide are suffering and February's HGV registration figures indicate that the market is weakening with only 2,343 registrations, with just 55 units more than last February when the UK was in lockdown and 2,288 registrations were recorded. With greater demand from the logistics industry to move products and consumables, as the UK economy recovers, many older trucks are being brought back into service to meet consumer demand for goods. This is positive for truck dealers as their income from service work can offset declining new truck sales, however, many dealers are finding it harder to employ qualified truck technicians to meet this increase demand for maintenance and repair.

Over the first two months of the year, Swedish brands Volvo and Scania increased their market standing with an uplift in registrations giving them greater market share of 17.3% for Volvo and 16.4% for Scania.

While most commercial dealers seem optimistic about the health of their businesses, there needs to be a cautious approach to future business levels in the event of more constraints on new product supply

NFDA Truck Registration figures	Jan-21	Jan-22	Feb-21	Feb-22	YTD (21)	YTD (22)	YTD COMPARASION VS 21	2022 YTD Market Share (%)
DAF	897	884	908	774	1805	1658	-147	30.4
Dennis	51	53	64	28	115	81	-34	1.5
FUSO	26	17	37	18	63	35	-28	0.6
Isuzu	65	76	39	76	104	152	+48	2.8
IVECO	199	232	263	227	462	459	-3	8.4
MAN	241	272	158	157	399	429	+30	7.9
Mercedes	252	323	189	222	441	545	+104	10.0
Renault	78	114	106	143	184	257	+73	4.7
SCANIA	465	565	227	326	692	891	+199	16.4
VOLVO	438	570	297	372	735	942	+207	17.3
Total	2712	3106	2288	2343	5000	5449	+449	100

April's new van sales crushed by product shortages

Whilst demand from businesses for light commercial vehicles is still high, registration figures for April were down year-on-year due to component shortages restricting supply.

New light commercial vehicle (LCV) registrations decreased by -29.1% in April to 21,597 units, according to the latest SMMT figures. Year to date figures revealed a -24.9% fall, from 127,796 units to 95,941.

Demand for battery electric vehicles (BEV) remains strong, with registrations increasing by 52.7% in April and by 65.8% for the first four months of this year. In total, 5,216 electric vans have been registered this year, representing only 5.4% of the LCV market. Similarly, petrol and hybrid have increased registrations by 15.5% year on year, but still only represents 2% of the total market.

All sectors of light commercial vehicles up to 3.5 tonnes showed declines in registrations, from 30,440 units to 21,597, a -29.1 decrease. The 2.5 – 3.5t sector now accounts for 70.5% of all LCVs registered, with 67,664 units going on the road this year.

Ford was the market leader in April with a 38.54% share. It was followed by Vauxhall at 10.89% and then Citroen at 9.76%.

One of the main reasons for the slower uptake of EVs is the initial financial commitment for the consumer and the delay in introducing new electric vehicle models for LCVs.

LCV buyers are driven by costs and viability, particularly business owners, with current Government grants not yet compensating the price variation between fossil fuel and EVs to support the transition.

Demand for light commercials continues to be strong, and dealers are optimistic. However, there remains to be caution with supply constraints impacting the customer's journey.

REGISTRATIONS OF VANS plus HCVs 3.5T-6T by MONTH

	Apr-22	Apr-21	% change
Pickups	2,315	4,134	-44.0%
4x4s	122	549	-77.8%
Vans <= 2.0t	826	1,595	-48.2%
Vans > 2.0 - 2.5t	2,122	4,125	-48.6%
Vans > 2.5 - 3.5t	16,212	20,037	-19.1%
All Vans to 3.5t	21,597	30,440	-29.1%
Rigids > 3.5 - 6.0t	437	548	-20.3%

REGISTRATIONS OF VANS plus HCVs 3.5T-6T by YEAR-TO-DATE

	YTD-22	YTD-21	% change
Pickups	9,976	17,033	-41.4%
4x4s	920	1,362	-32.5%
Vans <= 2.0t	2,625	6,604	-60.3%
Vans > 2.0 - 2.5t	14,756	18,423	-19.9%
Vans > 2.5 - 3.5t	67,664	84,374	-19.8%
All Vans to 3.5t	95,941	127,796	-24.9%
Rigids > 3.5 - 6.0t	1,591	1,832	-13.2%

Motor trade urges Government to reconsider biennial MOT proposal

The NFDA has encouraged the Government to 'reconsider' Transport Secretary Grant Shapps' rumoured proposal to move to biennial MOT testing.

Currently, all vehicles over three years old must get an MOT every year. The suggestion was put forward alongside other options aimed at easing the cost of living for British households.

The proposal to reduce the frequency of MOT testing is ill-thought-out and unsafe. The NFDA is also deeply concerned that this proposal has been raised without prior consultation with the industry. The suggested move fails to take into account the investments dealers have made in their equipment, workforce and facilities to provide drivers with an efficient and good value service.

Additionally, the change would affect business confidence at a time when dealers and repairers alike are already facing a number of challenges as they recover from the pandemic and adapt to meet the Government's ambitious Net-Zero targets.

An MOT is the best way to identify minor issues before they become serious problems, which are often more expensive to fix. The change would significantly increase the risk of defects in vehicles and have a detrimental impact on road safety as well as on motorists' finances in the long term.

Instead of reducing the frequency of MOT testing, we encourage the Government to review current road tax rates. This will bring immediate benefits to millions of motorists without hindering road safety.

Do you run light goods vehicles in Europe? ACT NOW to get ahead of new EU rules from 21 May 2022

New EU rules mean you need to apply for an International Operators' Licence now if you want to use light goods vehicles such as vans, vans or cars towing trailers to transport goods for hire or reward into or through the EU, Switzerland, Norway, Iceland or Liechtenstein on or after 21 May 2022.



Operators can apply now [for your interim licence on GOV.UK to be ready in time.](#)

- You will need to have a qualified transport manager. If you do not have the qualification, you might be able to be temporarily recognised as a transport manager if you have enough experience. [You can make the process easier by using the service on GOV.UK.](#)
- You will need to show documents to prove that you have access to a set amount of finance to run your business, such as bank statements. [See which documents you can use.](#)

Already hold an international operators' licence?

If you already hold an International Operators' Licence for Heavy Goods Vehicles (HGVs) [you can add any extra LGVs to your existing licence.](#)

Do you also need to make posting declarations for journeys to the EU?

Don't forget that if you are transporting goods between two points in the EU, Iceland, Liechtenstein, and Norway for commercial purposes, (known as cabotage or cross trade), you must now make a "posting declaration", which means registering the operator, driver, driver employment details, dates of travel, and the vehicle used.

This could be using HGVs, vans or other light goods vehicles of any size, or cars, whether or not you're towing a trailer. It'll apply if you're moving the goods for hire or reward, or for your own business' use.

[The information you need to sign up and start declaring is available on GOV.UK.](#)

MILS Legal Update: Employing Apprentices



Apprenticeships are common within the motor industry and can be very beneficial for both apprentice and master. However as with all staffing decisions you do need to understand them in order to ensure they are right for you and your business.

This update covers:

- **What is an apprenticeship**
- **Forms of apprenticeship**
- **Contract of Apprenticeship**
- **Approved English Apprenticeship Agreement**

(please note: members of the NFDA have access to template agreements on the website members' area, so we would strongly suggest that you use one of the approved formats in addition to any training agreements when taking on an apprentice).

- **Training agreements**
- **Wages**
- **Conclusion**

For the full update, please visit: <https://www.nfda-uk.co.uk/press-room/newsletter/2022/15/mils-case-study-employing-apprentices>

Motor Industry Legal Services

Motor Industry Legal Services (MILS Legal Ltd) provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advises over 1,000 individual businesses within the sector as well as the Retail Motor Industry Federation (RMI) and its members.

General news

[Scania UK launches used truck scheme Scania Go](#)

Source: Commercial Motors

Scania UK has launched Scania Go, a new proposition for retailing its premium used trucks. The scheme is open to all Scania trucks under five years of age and 550,000km, and will be adopted throughout its wholly-owned and independent dealers.

Launching the Scania Go concept to its dealers, head of used sales Steve Legg explained that there are various elements to the scheme. These include a Replace Before Failure Guarantee, which sees Scania technicians replacing selected components approaching the end of their life while carrying out a 300-point mechanical and cosmetic inspection. This covers items such as turbochargers, diesel particulate filters and clutch release bearings. He explained that there is also a 30-day no-quibble replacement guarantee.

New LCV market's faltering start continued in March - Glass's

Source: Commercial Fleet

March in detail

Glass's auction data shows that the overall number of vehicles sold in March increased by 8.5% versus February but was 11% lower than the same point twelve months ago. The average sales price for the month decreased by 4.0% but increased nearly 7.5% on March 2021.

The average age of vehicles sold during March increased by 1.7 months to 71.9 months, whilst the average mileage reduced slightly from 79,966 miles to 78,743 miles over the same period. The latest average mileage is 5.1% higher than twelve months ago. First time conversion rates for March fell for the fourth month running, down from 72.4% in February to 70.5%.

Used vehicles observed for sale in the wholesale market over the last month increased by just under three quarters of 1% to nearly 39,700. Just over 45.5% were on sale for in excess of £20,000, 36.8% on sale for between £20,000 and £10,000, 12.8% on sale between £10,000 and £5,000 and just over 4.7% for £5,000 or less.

Mercedes-Benz Trucks launches Certified used truck brand

Source: Commercial Fleet

Mercedes-Benz Trucks has launched a new certified brand to help provide buyers with “peace of mind” when purchasing used products and support packages. Every truck offered with a certified stamp will have undergone a multi-point inspection by technicians at the Wentworth Park complex near Bramley, where the manufacturer's commercial vehicle remarketing operation is run.

Trucks offered for sale under the certified banner will be more than five and a half years old, or have covered more than 550,000 km. The first service will not be due for at least 20,000 km and tyres will have a tread depth of no less than 6mm, said Mercedes-Benz Trucks.

