NFDA TRUCK AND VAN UPDATE
September 2022

New DAF XD aimed at being a market leader in local distribution

Dear Colleague,

The latest heavy good vehicle (HGV) registrations for July this year displays healthy growth of 23% compared to July last year. For the first 7 months of this year, figures are showing a 1.8% increase in registrations at 22,497 units year to date (YTD), against 22,087 units for the same 7 months of 2021. The latest unconfirmed information, received from our dealer contacts, indicates a similar level of HGV registrations for August equating to around 3000 units.

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

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Stronger Tuck Registrations in July 2022

NFDA Truck Registration figures	Jan-21	Jan-22	Feb-21	Feb-22	Mar-21	Mar-22	Apr-21	Apr-22	May-21	May-22	Jun-21	Jun-22	Jul-21	Jul-22	YTD (21)	YTD (22)	YTD COMPARISON VS 21	2022 YTD Market
DAF	897	884	908	774	1337	1261	1066	979	1065	1078	945	1097	692	1071	6910	7144	+234	31.8
Dennis	51	53	64	28	132	121	95	62	80	76	93	66	63	52	578	458	-120	2.0
FUSO	26	17	37	18	49	20	47	5	22	10	40	7	29	16	250	93	-157	0.4
Isuzu	65	76	39	76	88	107	74	88	85	76	96	78	78	83	525	584	+59	2.6
IVECO	199	232	263	227	330	365	306	288	254	296	270	238	228	240	1850	1886	+36	8.4
MAN	241	272	158	157	683	446	294	216	272	169	258	209	159	199	2065	1668	-397	7.4
Mercedes	252	323	189	222	580	396	404	351	385	349	408	330	321	406	2539	2377	-162	10.6
Renault	78	114	106	143	310	280	205	201	193	184	145	284	188	165	1225	1371	+146	6.1
SCANIA	465	565	227	326	890	725	480	448	444	410	401	397	349	428	3256	3299	+43	14.7
VOLVO	438	570	297	372	665	667	343	509	347	556	376	476	423	467	2889	3617	+728	16.1
Total	**2712**	**3106**	**2288**	**2343**	**5064**	**4388**	**3314**	**3147**	**3147**	**3204**	**3032**	**3182**	**2530**	**3127**	**22087**	**22497**	**+410**	**100.0**

The latest SMMT heavy good vehicle (HGV) registrations for July this year show healthy growth of 23% compared to July last year. The first 7 months of this year shows a 1.8% increase in registrations with 22,497 units year to date (YTD), against 22,087 units for the same 7 months of 2021. The latest unconfirmed information, received from our dealer contacts, indicates a similar level of HGV registrations for August equating to around 3000 units.

Order banks are still reasonably strong, with new order deliveries going into mid-2023, due to constraints on component supplies. However, there is longer term concern around the stresses on the economy which will affect future demand and consumer confidence.

With the industry and operators reviewing their future usage of fuel, coupled with government's 2035 and 2040 ban on sales of diesel HGVs, low-mid wight electric trucks are showing early signs of demand. Some manufactures are now requesting their dealers to invest in charging and EV repair equipment, before the EV market fully matures, as there are financial concerns due to limited plans for public HGV charging infrastructures.

DAF are the current market leaders (YTD), with a market share of 31.8%, experiencing a modest increase in units registered. Although Scania have delivered more trucks this year, giving it a market share of 14.7%, Volvo trucks surprised the market most with a 728 unit increase in trucks registered. As a result of this, Volvo move up to second place in the market with a 16.1% market share. In an analysis across the top ten truck brands, most brands are selling similar or more trucks than last year apart from Mercedes (-162 units) and MAN (-397 units).

Going forward, most truck dealers should be optimistic in the short-term but cautiously concerned for the future, acknowledging that demand will be influenced by the economy, interest rates, and consumer confidence issues.

LCV Registrations Fall in August due to Supply

“Semi-conductor shortages and other vital components have resulted in Light Commercials recording another month of reduced registrations,” said Sue Robinson, NFDA Chief Executive commenting on the latest SMMT light commercial vehicle registration figures.

Year on year, Light Commercial Vehicle (LCV) registrations were down -24.6% compared to August this time last year. In total, 15,252 new LCVs were registered to the road, compared to 20,582 the year before.

Year-to-date figures for 2022 records a -24.2% reduction in registrations, from 235,701 units to 178,626.

All sectors of the sub 3.5 tonne light commercial market have been affected by global supply issues. Even the large 2.5-3.5t van market, which is largely considered to be the backbone of the industry experienced a decline of -17.8%. This sector represents a large proportion of LCV sales with a market share of over 73%.

On a positive note, BEV light commercials are improving their market share with a 50.6% increase over the previous year, albeit at the expense of the diesel market which is showing a decline of -27%. Although, still representing a small market share of 5.5% registered in 2022 so far.

As with previous months, Ford continues to dominate the LCV market. The Transit Custom takes first position, and the larger Transit derivative takes second position. The Vauxhall Vivaro is in third position but is very closely followed by the Mercedes Sprinter.

Sue Robinson added: “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. It is therefore encouraging to see that BEV sales are continuing to grow, which is testament to consumers' appetite for a more sustainable and environmentally friendly alternative to commercials.”

Image source SMMT

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

	Aug-22	Aug-21	% change
Pickups	1,175	2,459	-52.2%
4x4s	97	193	-49.7%
Vans <= 2.0t	493	882	-44.1%
Vans > 2.0 - 2.5t	1,579	2,889	-45.3%
Vans > 2.5 - 3.5t	12,176	14,159	-14.0%
All Vans to 3.5t	**15,520**	**20,582**	**-24.6%**
Rigids > 3.5 - 6.0t	292	392	-25.5%

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

	YTD-22	YTD-21	% change
Pickups	17,798	29,788	-40.3%
4x4s	1,623	2,960	-45.2%
Vans <= 2.0t	5,542	11,418	-51.5%
Vans > 2.0 - 2.5t	22,729	32,228	-29.5%
Vans > 2.5 - 3.5t	130,934	159,307	-17.8%
All Vans to 3.5t	**178,626**	**235,701**	**-24.2%**
Rigids > 3.5 - 6.0t	3,251	3,923	-17.1%

August

	2022	2021	% change	Mkt share -22	Mkt share -21
BEV	944	823	14.7%	6.1%	4.0%
Diesel	14,185	19,389	-26.8%	91.4%	94.2%
Others	391	370	5.7%	2.5%	1.8%
TOTAL	**15,520**	**20,582**	**-24.6%**		

Year to date

	YTD 2022	YTD 2021	% change	Mkt share -22	Mkt share -21
BEV	9,809	6,515	50.6%	5.5%	2.8%
Diesel	164,659	225,602	-27.0%	92.2%	95.7%
Others	4,158	3,584	16.0%	2.3%	1.5%
TOTAL	**178,626**	**235,701**	**-24.2%**		

NFDA Comments on Government Growth Plan

The National Franchised Dealers Association (NFDA), which represents franchised car and commercial vehicle dealers in the UK, reacts to the Autumn Budget and Spending Review 2022.

Sue Robinson, NFDA Chief Executive, comments on the announcements made today by the Chancellor.

Reverse rise in National Insurance contributions

The Chancellor, Kwasi Kwarteng, has stated his intent to reverse the National Insurance increase. National Insurance contributions increased by 1.25% in April 2022, this will now be scrapped.

“The reversal of the National Insurance contribution is welcomed by NFDA and its members. By reducing this additional cost to employers and employees, it helps improve automotive retail business’s ability to attract talent and best tackle the staff shortages our industry is currently facing.”

Reverse rise in Corporation tax

The Chancellor also unveiled today that the proposed corporation tax hike from 19% to 25%, announced early this year by the then Chancellor Rishi Sunak, would be reversed.
“Scrapping the proposed corporation tax hike is an encouraging move for businesses across the automotive retail sector, helping reduce the tax liabilities of firms during a period of time

where finances are stretched. This is a positive move and one which NFDA has urged government to consider in the past.“

Energy Bill Relief Scheme

Government’s Energy Bill Relief Scheme and the support given to homeowners and businesses alike is encouraging. Earlier in the month, Prime Minister Liz Truss announced a cap to energy costs to businesses for a six-month period, from 1 October 2022 to 31 March 2023. This is estimated to cost £60bn, funded in part by additional government borrowing. It also includes the removal of green levies paid by non-domestic customers who receive support under the scheme.

“NFDA welcomes Government’s Energy Bill Relief Scheme, supporting franchised dealers at a critical time with their rising energy bills. Last month, NFDA reported that members have experienced unprecedented hikes in energy costs of up to 250%, over the past six months. An energy price cap will help mitigate a substantial amount of further energy price rises and will relieve franchised dealers of considerable amounts of financial pressure. Reducing the chances of job losses and business closures.

“Whilst six months of Government support to combat the energy crisis is invaluable to our members, NFDA is concerned that energy prices will remain at this unsustainable level beyond this six-month support period, therefore we urge government to consider extending their support to a year, offering the energy market time to stabilise.”

Infrastructure funding

In a further move to grow the economy, the Chancellor announced plans to accelerate new roads, rail and energy infrastructure. The new legislation will cut barriers and restrictions, making it quicker to plan and build new roads. This includes a **Local EV Infrastructure Fund** and **Rapid Charging Fund.**

“The removal of excessive red tape for investment in infrastructure around UK is largely encouraging and NFDA is pleased that Government has acknowledged the need to support charging infrastructure. Motorists across the UK will benefit from an upgraded road system and will be essential towards speeding up improved infrastructure for the electric revolution.”

Business rates

“The NFDA is disappointed there was no mention of an update to the business rates relief which is due to expire in April 2023. This discount has been critical to the recovery of automotive retail businesses. However, with the ongoing conflict in Ukraine and unprecedented cost of living pressures, we urge Government to reassure businesses that they will not face big tax rises come early next year.”

“Going forward, NFDA will continue to liaise with the relevant departments to ensure that members are kept up to date and informed of any changes with the current business rates system, helping mitigate any large tax shocks to our members. We also look forward to receiving a response to government's critical Online Sales Tax consultation, released earlier this year.

Find the full NFDA Policy Summary Mini-Budget / Growth Plan 2022 here:
https://www.nfda-uk.co.uk/downloads/NFDA-Mini-Budget-2022-Policy-Update.pdf

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Why you need to present laden vehicles and trailers at annual test

It's crucial to test the brake test performance of heavy vehicles and trailers during the annual test.

Most vehicles and trailers presented for their annual test must be loaded to at least 65% of their design axle weights with cargo (though this doesn't have to be the cargo you usually carry).

This is to enable the brake test to be carried out efficiently and obtain a meaningful assessment of the overall brake efficiency.

In our latest blog post, Vehicle Testing and Roadworthiness Policy Specialist Richard Clements, explains what is involved and why vehicles and trailers should be presented for test laden.

Read: https://movingon.blog.gov.uk/2022/09/22/bring-your-heavy-goods-vehicle-to-annual-test-mot-appropriately-laden/

NFDA CV Policy: Department for Transport consultation on opportunities for changes to the driver licensing regime

The government announced on 5 August 2022 a consultation seeking evidence on the economic benefits of widening the recruitment pool for medium-sized goods vehicles and minibus drivers. This hope is to attract more people to the industry and support economic growth by strengthening the supply chain.

The consultation has come about due to the greater legislative freedom arising from the UK leaving the European Union. Up until 1997, drivers who passed their car test also gained entitlement to drive a light lorry or van (C1 entitlement) without the need for a separate test.

Since then, (due to the EU Second Driving Licence Directive), a separate test has been required to obtain C1 entitlement. The consultation offers to return to the pre-1997 situation, by allowing most car operators to operative vehicles up to 8.25 tonnes (where the vehicle is between 3.5 and 7.5 tonnes plus a trailer with a MAM of up to 750kg).

The NFDA welcomes these proposals, as we have been pushing for the HGV/PSV license dispensation for service/maintenance technicians for some years, and the movement back to car drivers being allowed to drive 7.5 tonne vehicles will stimulate the market.

While Steve Latham and the NFDA Policy will be positively responding to the recommendations to give HGV licenced technicians the right to drive PSV's for maintenance purposes and the re-introduction of 7.5 tonne trucks on car licences, we welcome any NFDA-CV members comments to include in our consultation submission.

The consultation will run until 28 October 2022 and can be found here: https://www.gov.uk/government/consultations/driving-licensing-review-call-for-evidence-on-opportunities-for-changes-to-the-driver-licensing-regime/driving-licensing-call-for-evidence

The questions can be found here: https://www.smartsurvey.co.uk/s/OF07U7/

Department for Transport consultation on changes to driving license flexibility for alternatively-fuelled vehicles

In 2018, the UK secured a derogation from the European Commission which allowed category B licence holders to drive alternatively-fuelled goods vans with a maximum authorised mass (MAM) of 4,250 kilograms (kg), over the standard 3,500kg entitlement.

3,500kg is the threshold where a large van is technically classed as a heavy goods vehicle (HGV), requiring a higher class of licence.

Alternately-Fuelled Vehicles (AFVs) typically have an increased mass compared to their petrol and diesel counterparts, primarily due to the additional weight of their powertrain.

The derogation was granted to avoid constraining payload for operators using cleaner, alternatively-fuelled options, predominantly battery electric vehicles. Despite this extra weight, these vehicles are equivalent in function and appearance to large vans.

The Government is aiming to reduce the training burden required to drive some AFVs weighting 3,500 kg to 4,250kg

They are seeking views on:

- The training requirement for eligible vehicles to be driven on category B licence
- Types of vehicles eligible for the derogation
- Towering for derogation-eligible vehicles
- Types of fuel eligible for the derogation

The consultation can be found here: https://www.gov.uk/government/consultations/driving-licence-flexibility-for-alternatively-fuelled-vehicles/changes-to-driving-licence-flexibility-for-alternatively-fuelled-vehicles

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Revised guidance on categorisation of defects from DVSA

The DVSA has published a revised guidance on how we categorise vehicle defects in roadside checks. This guide outlines the actions they take when they find roadworthiness defects during vehicle inspections.

The new rules will be enforced from 1 September 2022.

Some changes revolve around load security individual defects being added to be clearer for operators, drivers, and examiners, to help identify and rectify issues.

For light vehicles, there are new load security defects for items being carried directly on the roof panel and insecure loads on a roof rack.

The new guidance can be found here:
https://www.gov.uk/government/publications/categorisation-of-defects

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MILS Case Study: Stolen Vehicles

"I took a car in part exchange, now the police have contacted me and told me the car was stolen and have seized the vehicle what can I do."
You first need to know more about the allegations, particularly, was the vehicle taken without the permission of the owner or did the owner intend to sell the vehicle but were mistaken or mislead as to who the purchaser was.
Is the vehicle stolen?

Where a vehicle is taken without the permission of the owner then the thief will have no legal title to the vehicle despite having possession of it. With a few exceptions you cannot receive a better title than the person selling you the vehicle. Therefore you have no title to the vehicle and will lose it. If you have already sold the vehicle you will have to reimburse the buyer any funds paid and you will be liable to compensation for any losses.

Did the previous owner intend to sell the vehicle?

Fraud is something different. Where the owner of a car intends to sell a vehicle and pass legal title but the payment details used are fraudulent then title to the vehicle will pass to the 'fraudster' unless and until the true owner takes steps to cancel the contract, e.g. by reporting it to the police etc… If you buy the vehicle during this period for a fair price and without knowledge of any fraud, then you will gain legal title to the vehicle even after the fraud is discovered. You will not have to return the car. You will also pass title to any subsequent owner should you have sold it.

The best option remains to avoid the situation where possible. If the vehicle has recently changed owners you should satisfy yourself why it is now being sold. Sufficient identification details should be kept so that you can satisfy yourself of the identity of the person selling the car, their address and that this corresponds to the banking details and the registered owner's details.

Conclusion
It is always difficult when cars are stolen. Who ends up with the vehicle is heavily dependent on the facts of each case. The legal situation can be complex and any advice will need to be tailored to any one particular situation. In the event you do get caught out, as an RMI member you have access to the RMI Legal advice line, as well as a number of industry experts for your assistance that can help to simplify the problem.
Solicitor

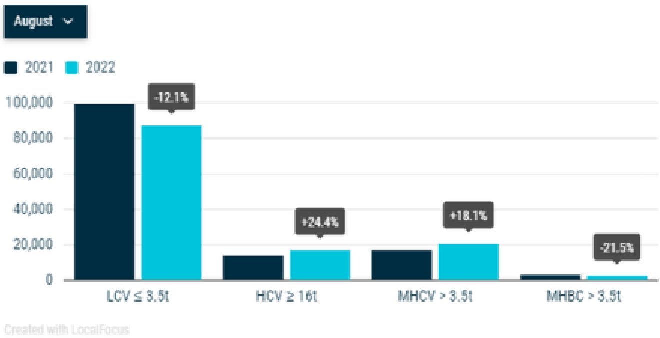
Motor Industry Legal Services

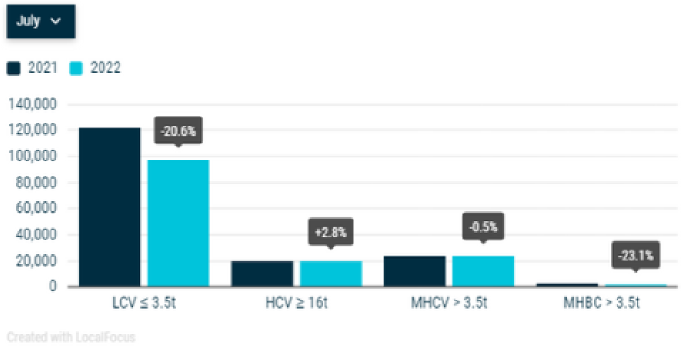
Motor Industry Legal Services (MILS Solicitors) provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advises over 1,000 individual businesses within the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

European Commercial Vehicle Registrations: -18.8% eight months into 2022; -17.4% in July and -8.0% in August

With a 14th consecutive month of decline, Commercial Vehicle registrations feel down to 17.4% and 8.0% in July and August 2022. The main contributor to the overall contraction of the market came from a sharp drop in van registrations. All key EU markets faces losses during the summer months, with the exception of Spain, which managed to post growth in August (+11.5%).

Eight months into 2022**,** commercial vehicle sales volumes retreated by 18.8% to 1 million units registered across the EU. The region's four largest markets followed this negative trend, with Spain (-25.2%), France (-21.5%), Germany (-17.1%) and Italy (-11.1%) all seeing double-digit drops so far this year.





The ongoing supply chain issues for the EU new van market caused significant losses in July (-20.6%) and August (12.1%). 838,608 new light commercial vehicles (LCV) were registered across the European Union from January to August, 22.3% less than the same period a year ago. Key markets in the region who experienced LCV losses included France (-23.6%), Spain (-29.9%), Germany (-20.2%) and Italy (-12.4%).

Source: https://www.acea.auto/cv-registrations/commercial-vehicle-registrations-18-8-eight-months-into-2022-17-4-in-july-and-8-0-in-august/

General news

Calling all NFDA-CV Truck Members

Quarterly the NFDA-CV section run a Truck dealer Council meeting headed by chairman Brian Currie. The meetings are held in the morning at The NFDA head office boardroom in Great Portland Street in London.

The meeting discusses many of the up-to-the-minute issues effecting truck dealers including the DVSA, ATF's Department for Transport plans and other policy issues, dealers from all franchises are represented.

All CV member dealers are most welcome to attend and contribute to the debate, the next meeting will be on Monday 5th December. If you would like to attend, just email stephen.latham@rmif.co.uk to confirm your attendance.

Loop Energy announces UK expansion with Commercial Mobility

Loop Energy, designer, and manufacturer of hydrogen fuel cells for commercial mobility, has announced it will expand into the UK. With the plan of moving to Grays (Essex), the new facility will be located next to a group of manufacturers who are helping to decarbonised road transport.

The motive to move spurred from laws banning diesel and petrol vehicles from 2030, increasing demand for Loop Energy's fuel cells in continental Europe and the UK.
Ben Nyland, president and chief executive officer (CEO) at Loop Energy, said; "We are excited to open a new facility in the UK, where both the private and public sector is quickly growing around decarbonising commercial vehicles."

He continued from this by identifying the investments the UK's government have committed to the hydrogen sector, plus stated how Loop Energy plan to service a truck and bus market size upwards of US $15b over the next two to three years.

Lord Callanan, UK business minister, praised the company's move to the UK saying, "Loop Energy's expansion in Essex is fantastic news for the region, bringing green jobs and growth, while adding to the UK's reputation as a leader in hydrogen and fuel cell research."

Source: https://www.fleetpoint.org/hydrogen-vehicles/fuel-cell/loop-energy-announces-uk-expansion/

Geotab Study Shows Nearly 6 in 10 Analysed European Light-Duty Fleet Vehicles Could Save Nearly £218 Million by Going Electric Today

Geotab Inc's new research study, conducted on 46,000 connected internal combustion engine (ICE) vehicles in over 17 countries, found 60% of analysed light-duty fleet vehicles could be switched to fully electric vehicles (EVs) today at a lower total cost of ownership. As a result of this, nearly £218 million over a seven-year service life could be saved.

In this study, the operational cost and environmental impact of traditional petrol and diesel LCV was compared to their battery electric counterparts. This provided compelling evidence around the return on investment (ROI) and the positive sustainability impact of switching to EVs.

Other than the increase in sustainability, fleet managers can expect to see average savings of £7,960 per vehicle over a seven-year period even without factoring in savings from government incentives. In order to encourage a significant change, however, these government incentives are crucial, such as the plug-in car grant that the UK scrapped earlier this year.

David Savage, Vice President of Geotab, was questioned on the study and said, "The launch of this research illustrates the clear potential and ROI for transitioning to electric vehicles, helping fleets to achieve their sustainability objectives. However, it also demonstrates—particularly in the case of the UK—the importance of adequate government incentives to accelerate EV adoption at scale."

Source: https://www.prnewswire.co.uk/news-releases/geotab-study-shows-nearly-6-in-10-analysed-european-light-duty-fleet-vehicles-could-save-nearly-218-million-by-going-electric-today-301629786.html

Ford Rolls Out New Commercial Vehicle to Challenge Tesla

Ford is looking to branch out further into the alternative energy by joining the EV truck market.

Elon Musk, CEO and Co-Founder of Tesla, has already unveiled the new Tesla Semi Truck, an electric vehicle with a 500-mile range. With Nikola Motors, another competitor, also releasing a new EV truck, Ford have been forced to join the market so that they don't lose business to their competition. As a result of this, Ford revealed a new partnership with Ferguson Enterprises (FERG) to launch a pilot program for Ford's F550 Fuel Cell Prototype Chassis Work Truck, utilising hydrogen to power its fuel cells.

In relation to this programme, Executive Director of Ford Research and Advanced Engineering, Jim Buczkowski, said "This collaboration with Ferguson is a strong example of where our Ford Pro business and the potential of fuel cell propulsion systems might address the application gaps that battery electric vehicles just can't fulfil. The potential of hydrogen, the most plentiful element on the planet, coupled with fuel cell technology has tremendous potential to power larger, heavier commercial vehicles while still delivering zero tailpipe emissions."

The pilot program will evaluate how fuel cell technology will operate within the Ferguson fleet, providing data that can be fed back to Ford. This data will then help Ford to define the engineering requirements for commercial vehicle duty cycles.

Ferguson CEO Kevin Murphy said, "We are pleased to announce this innovative collaboration with Ford to help improve alternative fuel options in their medium-duty fleet, in line with our overall corporate sustainability strategy to reduce our Scope 1 and 2 emissions."

Source: https://www.graphic.com.gh/news/general-news/speed-limiters-to-be-fixed-on-long-distance-commercial-vehicles-next-year.html