**NFDA TRUCK AND VAN UPDATE**
**JUNE 2020**

NFDA
COMMERCIAL VEHICLE DIVISION

*Ford Transit Custom, the best-seller in May*

Dear Colleague,

**Still no fixed date for DVSA truck testing**
Despite the industry and trade association weekly conference calls with DVSA, no firm date has been agreed for the resumption of testing. The industry has made several suggestions from assisting DVSA testers in measuring tasks to training IRTEC technicians to test and becoming delegated testers. However, the DVSA along with the DfT are keen to restart testing with their own testers. They say around 70% are ready to return to work and they have put in place measures to carry out testing under Union approved COVID-19 protection procedures.

First, we were advised testing could restart in early June, then pushed back to mid-June and now we are hopeful it could be in early July, but the more it continues, the bigger the backlog of trucks to get tested will be. Following further pressing, the DVSA advises us that it needs to be a government discussion to re-instate testing at a time that coincides with other Government announcements about an orderly return to work.

**LCV Registrations**
The new light commercial vehicle market declined by -74.1% in May as 7,541 units were registered according to SMMT. This was a slight improvement from April when sales declined by -86.2%. The two months of lockdown have brought year-to-date figures to an overall -49.6% decline. As dealerships reopen and demand improves, supply could become an issue.

NFDA is your trade body and here to help and advise you on regulatory and operational issues that affect your business. However, if there are issues that we have not covered or you have concerns about, please do contact us on the NFDA helpline 01788 538303.

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## VAN SALES DECLINE IN MAY AS DEMAND AND AVAILABILITY ARE HIT

Light commercial vehicle registrations fell by -74.1% in May as the pandemic continued to affect demand and availability.

The new light commercial vehicle market declined by -74.1% in May as 7,541 units were registered according to the latest SMMT figures. This was a slight improvement from April when sales declined by -86.2%. The two months of lockdown have brought year-to-date figures to an overall -49.6% decline from last year.

Each segment of the light commercial vehicle sector performed below expectations. Smaller vans under 2.0 tonnes, 4x4s and pickups, which are often bought by semi-retail and self-employed professionals had the steepest declines, -84.0%, -83.8% and -80.3% respectively.

Vans weighing 2.5-3.5 tonnes, which represent the largest segment in volume terms, fared slightly better with a decline of -70.4%. These vehicles are usually purchased by big fleets and many of these operators are waiting for the market to improve post-pandemic before placing volume orders.

As dealerships reopen and demand improves, supply could become an issue as many of these vehicles are built in the EU and the return to production varies across countries.

The market will gradually recover as many fleets and operators are aware of the need for environmentally friendly light commercials as 'clean air zones' are reintroduced, and many consumers have become more comfortable with online purchases during the lockdown.

## EU COMMERCIAL VEHICLE REGISTRATIONS: -34.5% FOUR MONTHS INTO 2020; -67.0% IN APRIL

In April 2020, commercial vehicle registrations in the European Union declined by 67.0% according to the latest ACEA figures, as most of Europe was under lockdown for the entire month. The fallout of the COVID-19 pandemic affected all 27 EU markets and every vehicle segment.

**Total new commercial vehicles**

In April 2020, commercial vehicle registrations in the European Union declined by 67.0%, as most of Europe was under lockdown for the entire month. The fallout of the COVID-19 pandemic affected all 27 EU markets and every vehicle segment. Spain (-87.8%), Italy (-85.5%) and France (-82.4%) saw the biggest losses in April, as they were also among the countries with the most restrictive containment measures in place.

Four months into the year, EU demand for new commercial vehicles contracted by 34.5%, largely due to the impact of the coronavirus on March and April results. The region's four major markets posted double-digit percentage drops so far this year: Spain (-46.6%), France (-41.6%), Italy (-41.4%) and Germany (-22.5%).

**New light commercial vehicles (LCV) up to 3.5t**

April results showed a sharp decline in registrations of light commercial vehicles across the EU. Demand for new vans fell by 69.6% to 46,264 units, or less than a third of the number of vans sold in April 2019. Double-digit declines were recorded in all EU markets last month, including the four major ones. Spain (-91.0%) and Italy (-89.9%) posted the biggest drops in van registrations.

From January to April, van demand in the European Union contracted by 35.1%. Light commercial vehicle registrations nearly halved in Spain (-49.1%), Italy (-44.5%) and France (-42.2%). Among the largest markets, Germany saw the least severe drop (-21.2%) so far this year.

**New heavy commercial vehicles (HCV) of 16t and over**
During the fourth month of 2020, new heavy truck registrations fell by 58.5%, marking the tenth consecutive month of decline in the EU. The Central European countries were severely hit (-71.2%) by lockdown measures last month – including Poland (-71.7%), which traditionally is one of the leading markets for this vehicle type in the region. Looking at the major Western European markets, France recorded the biggest contraction (-72.3%) in April.
So far in 2020, 64,456 heavy trucks were registered across the European Union, or 35.4% less than the year before. Demand declined by 39.8% in France, followed by Germany (-30.8%), Italy (-25.7%) and Spain (-23.6%).

**New medium and heavy commercial vehicles (MHCV) over 3.5t**
In April 2020, EU registrations of medium and heavy commercial vehicles showed a trend similar to that of the heavy-truck segment. Demand for trucks shrank by 54.8% compared to April 2019, counting 14,112 units in total. With the exception of Greece, each of the 27 EU markets posted significant losses last month: France (-72.5%), Italy (-61.7%), Spain (-49.9%) and Germany (-39.3%).
Four months into 2020, the European Union counted 79,954 registrations of new trucks, or 33.0% less than last year. France (-39.2%) saw the biggest percentage drop, followed by Germany (-27.3%), Italy (-26.0%) and Spain (-22.7%).

Read more here

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## JOB RETENTION SCHEME AND FURLOUGH UPDATE

As the Government announced a number of changes to the furlough scheme, HR and in-house legal must get to grips with the scheme's new flexibilities and gradual phase-out. TLT Solicitors have looked at key questions and answers on the 'new' Coronavirus Job Retention Scheme (CJRS)

**What are the latest developments?**
On 12 May 2020 it was announced that the CJRS would be extended until the end of October 2020 but the scheme will look very different from July.

Headline changes are as follows.

- No change until the end of June 2020.
- From 1 July 2020 furloughed employees will be able to work on a part-time basis (one month sooner than previously envisaged).
- Employers will pay employees in full for days worked, as normal under employees' contracts of employment. Employers can claim under the CJRS for days not worked, subject to the relevant caps.

- From 1 August 2020, employers will be required to pay employer national insurance contributions (NICs) and employer pension contributions for furloughed employees.
- From 1 September 2020, employers will be required to pay 10% of employees' 80% furlough pay. Recoverable furlough pay will be capped at £2,187.50.
- From 1 October 2020, employers will be required to pay 20% of employees' 80% furlough pay. Recoverable furlough pay will be capped at £1,875.

Please read more and find additional information about 'Flexible Furlough' here

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## HGV REGISTRATIONS DOWN 22.5% IN Q1 2020 – Commercial Fleet

The UK's new heavy goods vehicle (HGV) market fell 22.5% in the first quarter of 2020, with 9,193 units registered, according to figures from the Society of Motor Manufacturers and Traders (SMMT).

Fluctuations in the sector's naturally long fleet renewal cycle, together with lockdown measures introduced partway through March are being blamed for the drop of more than 2,500 units.

Registrations of rigid trucks fell 12%, driven by a double-digit percentage decline in the >16T truck segment, while trucks weighing >6-16T saw a lesser 5.8% fall in registrations. Meanwhile, demand for articulated heavy trucks declined by more than a third, down 34.5% as 3,613 vehicles joined UK roads

While tractors continue to make up the majority of HGV registrations with more than 3,500 vehicles registered, nearly all segments saw double-digit declines in the first quarter of the year. Elsewhere, refuse disposal and curtain sided vehicles experienced increased demand, up 24.4% and 1.2% respectively. The SMMT says this is likely due to ramped up essential services such as rubbish collection and supermarket and warehouse deliveries amid a nationwide pandemic.

The only nation to see an increase in demand during the quarter was Wales, where registrations of heavy goods vehicles were up by over a fifth, growing 20.8% to 354 units. Across the rest of the country, fewer HGVs joined

**Source: Commercial Fleet**

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## WHEN WILL ALL UK CAR & VAN DEALERSHIPS BE ALLOWED TO OPEN?

### Scotland and Wales update

In England, dealerships were allowed to reopen on 1 June, in Northern Ireland it was 8 June, but in the other countries of the UK the situation is different.

**Scotland**

Dealerships in Scotland are currently closed. The Cabinet Secretary for Economy Fiona Hyslop MSP confirmed in a letter to NFDA that click & collect services are currently permitted, provided collection does not require entering the showroom.

In the letter, the Government also confirmed that in Phase 2, retailers may open up to 800m$^2$ of their sales area, which would permit some larger retail outlets such as car showrooms to re-open. Retail units larger than 800m$^2$ will be permitted to open in Phase 3.

The next lockdown review in Scotland is 18 June, which could see the Scottish Government confirm a move to 'Phase 2' of its lockdown plan, provided the rate of infection is sufficiently low.

**Wales**

Currently dealerships in Wales must remain closed. Click and collect *is* permitted, provided businesses follow 'reasonable measures' to maintain social distance (SMMT/NFDA guidance would presumably cover this).

The next lockdown review in Wales is 19 June.

**Northern Ireland**

Vehicle showrooms in Northern Ireland opened on Monday 8 June, along with other large non-food retailers, with social distancing measures. All non-essential retailers may open from Friday 12 June.

**England**

Vehicle showrooms in England opened on Monday 1 June, with social distancing measures.

*NFDA will continue to liaise with relevant Government bodies and keep dealers updated.*

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## COVID-19: DVSA EXTENDS VEHICLE TESTING SUSPENSION

*28 May, Commercial Motor*

The Driver and Vehicle Standards Agency has confirmed that the suspension of annual testing of heavy vehicles has been extended to include vehicles due for test shortly.

Vehicles due for their regular annual test in June, together with those which were due in March and subsequently extended to June, will receive a further three-month extension. The extensions will be applied automatically, and operators are reminded that they can use the online MOT history service to check the test status of their vehicles.

The agency also says that it is talking to stakeholders, including staff, vehicle operators, ATF providers and repair workshops, with a view to devising a safe testing service that will enable the recommencement of normal regular testing during June, and will provide more information in due course.

**Source: Commercial Motor**

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## FIAT UNVEILS ELECTRIC DUCATO VAN

*11 June 2020, SMMT*

Fiat has revealed its all-electric-Ducato van due to go on sale in autumn. The e-Ducato is the Italian brand's first zero-emissions commercial vehicle and has entered the final stages of its development programme.

The e-Ducato's electric motor offers similar performance to the van's.0-litre four-cylinder diesel engine, with peak power output of 121bhp and 280Nm of torque. The motor allows the panel van to haul a payload of up to 1,950kg although Fiat has limited its top speed to 62mph to maximise the vehicle's range.

Buyer can choose either a 47kWh or 79kWh battery pack, which provide claimed ranges of 124 or 205 miles respectively. When plugged into a 7kW wallbox charger, the smaller unit will recover a full charge in eight hours, while with a 50kW DC fast-charger, the same battery will reach 80% capacity in just 50 minutes.

The e-Ducato's battery pack is mounted under the van's floor and its electric motor occupies the same space as the standard Ducato's combustion engine, which means it retains the same carrying capacity. Load volume is identical, with between 10 and 17 cubic metres of space on offer, depending on the selected body style.

From launch, the e-Ducato will be available as either a panel van or a chassis cab. The former option will be available in three lengths and three heights, while the latter will offer a choice of four lengths. A minibus variant will also be available, offering seating for up to nine passengers.

Fiat has also updated the e-Ducato's interior. In place of the standard van's rev-counter there's a new charge indicator. There's also a new control unit mounted to the driver's A-pillar, which can be used to set the van's daily charging schedule.

Fiat says the e-Ducato has been designed for shorter applications such as a last-mile delivery vehicle or a short-distance shuttle in city centres.

**Source: SMMT**

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