

VRA Annual Seminar Car and LCV registration

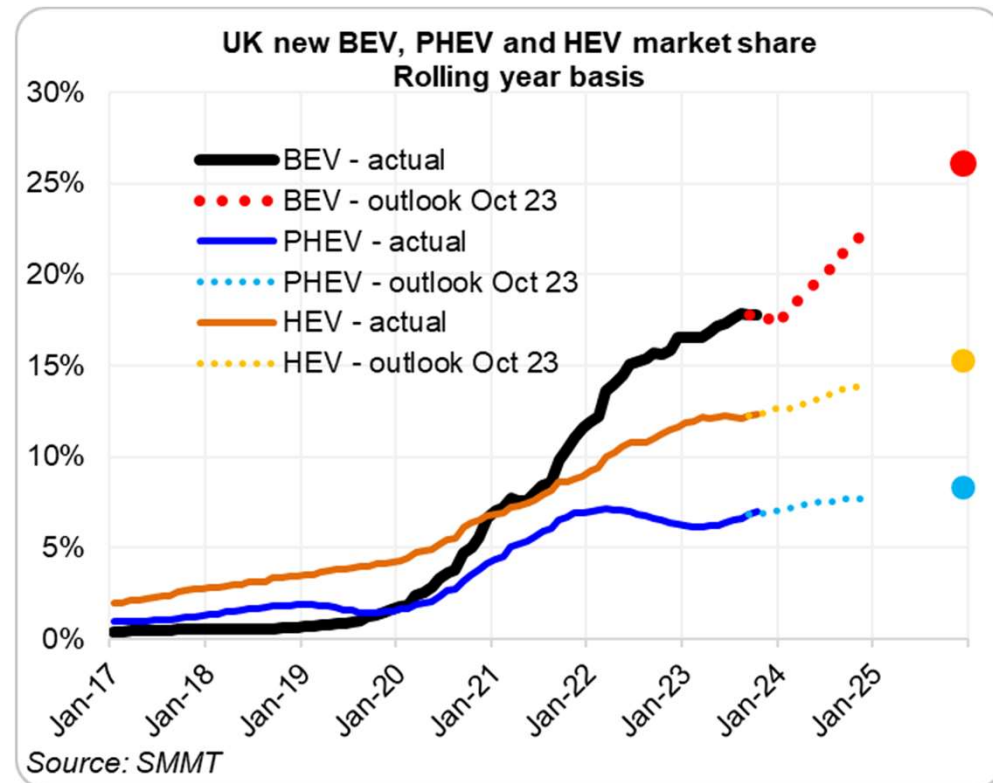
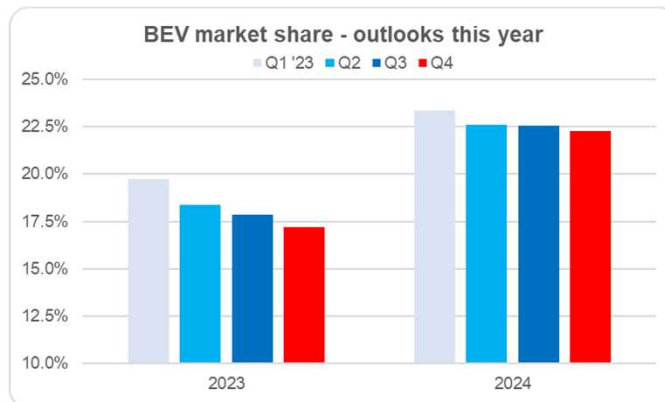
Peter Lawton
November 2023

Car and LCV registrations and forecasts

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November 2023

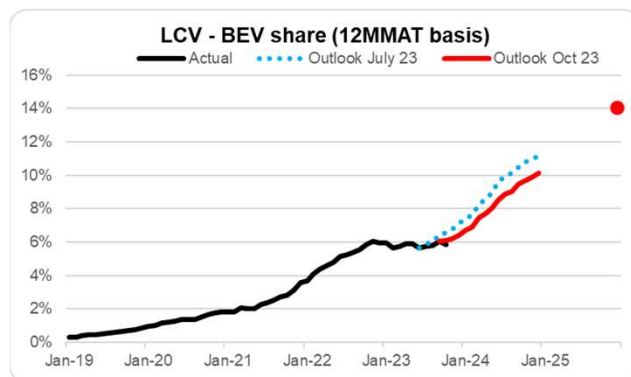
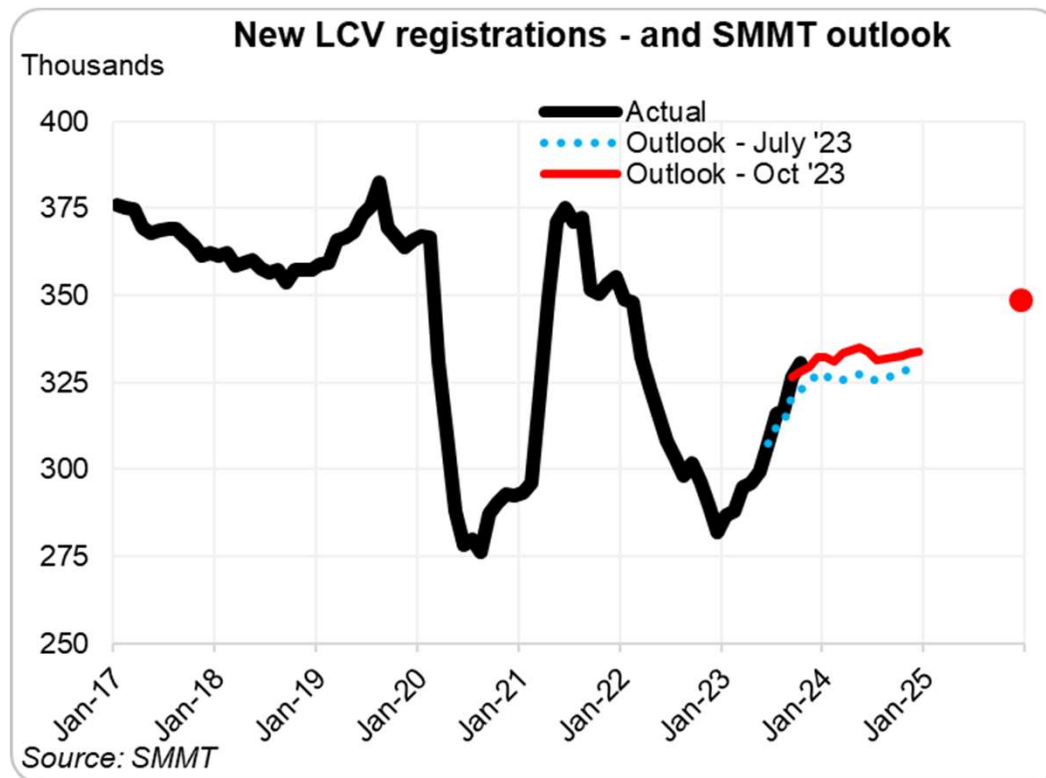
New car registrations forecasts – new outlook

Share %	BEV	PHEV	HEV	Diesel	Petrol
2019	1.6	1.5	4.2	26.6	66.0
2022	16.6	6.3	11.6	9.6	55.9
2023	17.2	7.0	12.6	7.5	55.7
2024	22.3	7.7	14.0	5.9	50.1
2025	26.1	8.3	15.3	4.5	45.8



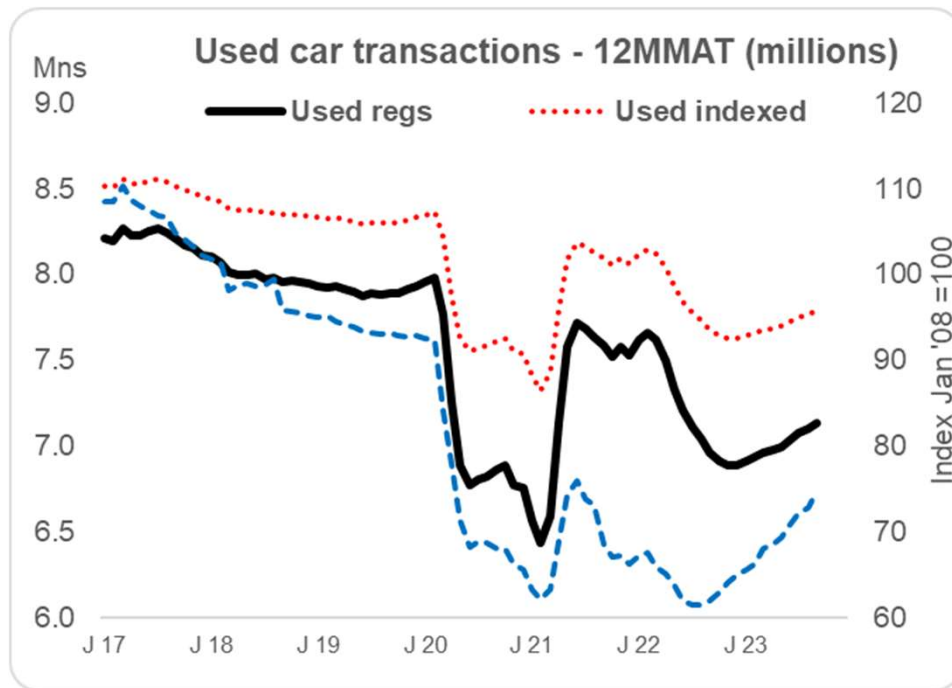
New LCV registration forecasts – new outlook

	Total mkt ('000s)	% ch	BEV sh
2019	366	2.4%	0.9%
2022	282	-20.6%	5.9%
2023	332	17.8%	6.4%
2024	334	0.4%	10.1%
2025	349	4.5%	14.1%

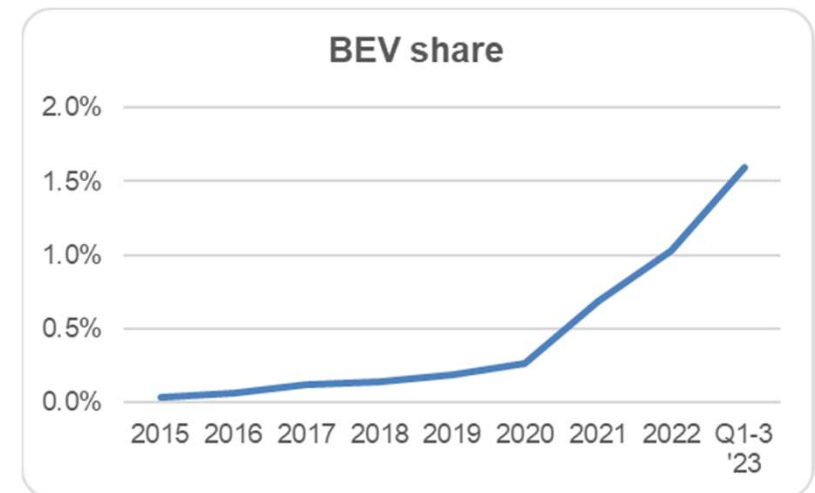


Used car market

Transactions up 4.6% in Q1-3, with rolling year at 7.1 million

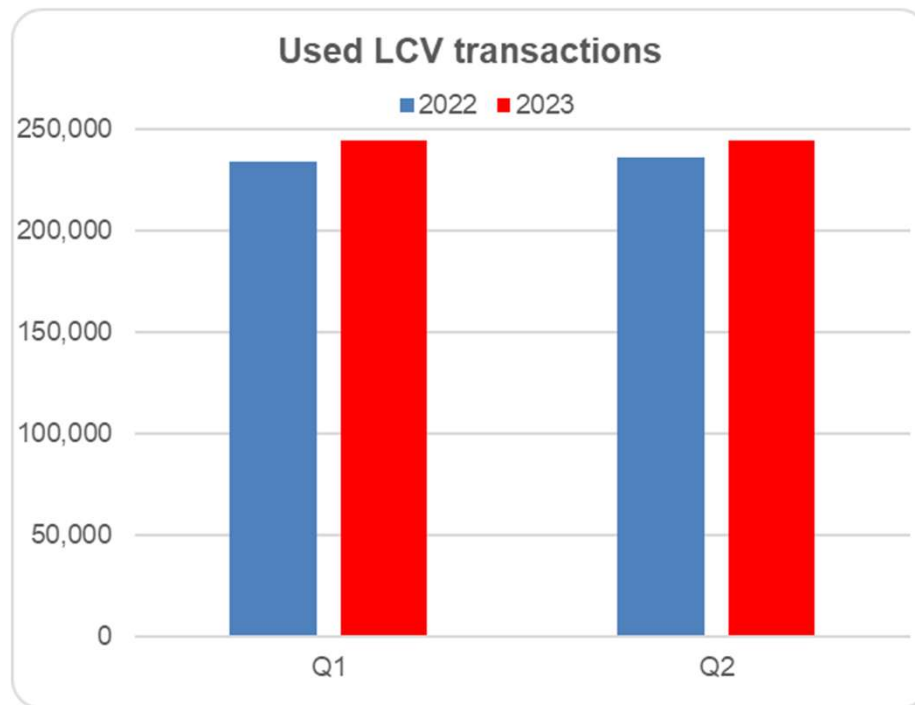


- Q3 up 5.5% - best since Q2 2020
- BEV volumes doubled in Q3, share at 1.8% - YTD at 1.6%

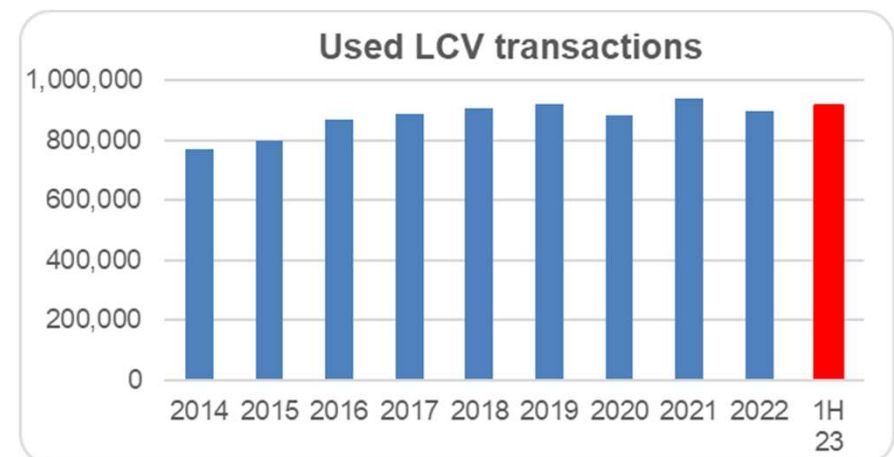


Used LCV market

Transactions up 3.8% in 1H to 488k

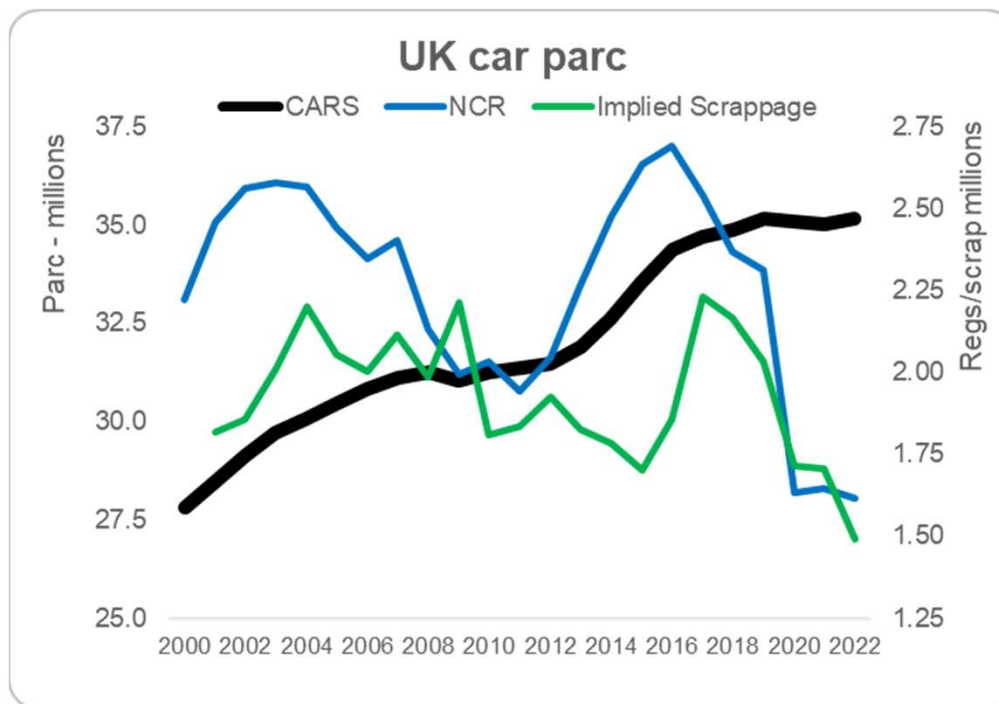


- Q2 up 3.3%, close to Q1's 4.2%
- Annual mkt moving back over 900k
- BEVs up 56.4% Q2. Share to 0.5%



UK parc 2022

1st growth in car parc since 2019. BEVs up (on low base), parc ageing



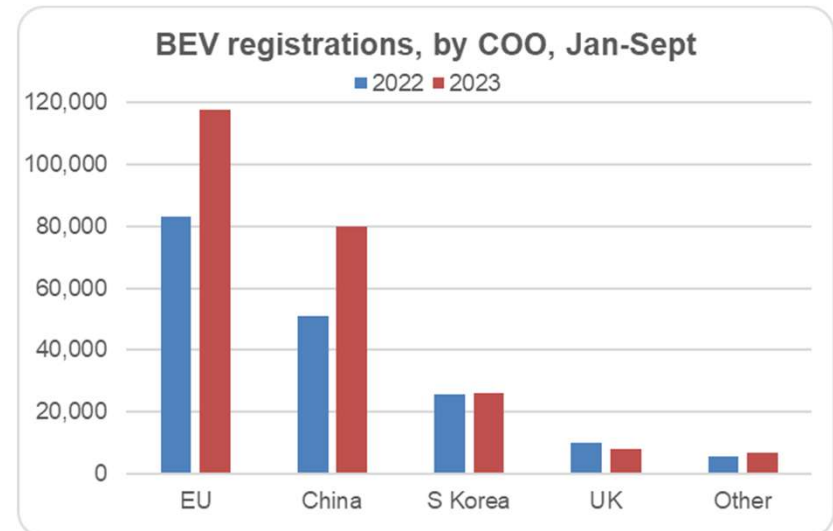
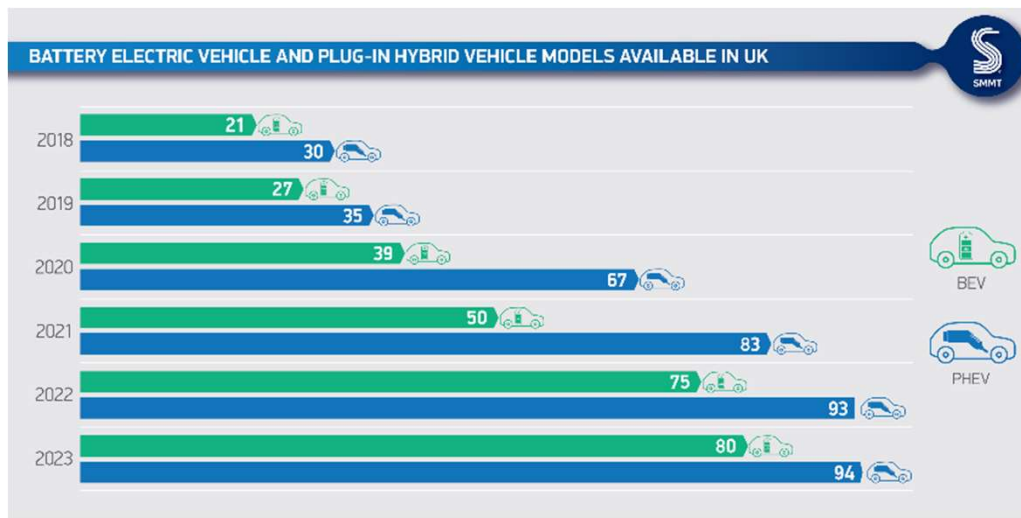
- Car parc up 0.4% to 35.15mn
- BEV share rose to 1.9% in 2022, after 68% volume rise to over 650,000
- LCV parc at record levels – 4.9mn

'000s	2019	2021	2022	% ch
Car	35,168	35,024	35,148	0.4%
% BEV	0.3%	1.1%	1.9%	
Ave age (yr)	8.0	8.7	9.0	
LCV	4,507	4,805	4,888	1.7%
HCV	608	604	615	1.9%
B&C	82	74	73	-2.3%

2024 - the good, the bad and the ugly?

Peter Lawton
November 2023

Increasing Electric Vehicle Supply



~100 BEV models across all categories

EU + 41.4%, China +56.8% (weak Sept)
1/3 BEV mkt is from China
2/3 Chinese cars are BEVs

Recent investment into UK auto

Global brands committing billions to Britain's EV revolution

2023

- JLR - £15 billion
- Tata - £4 billion
- BMW MINI - £600 million



2022

- Bentley – £2.5 billion



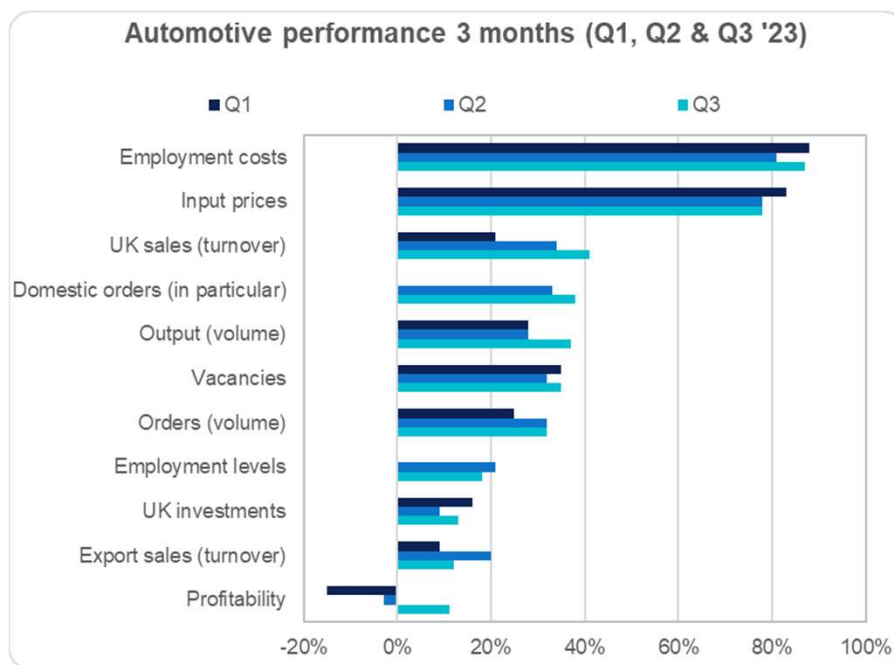
2021

- Nissan / Envision - £1 billion
- Ford - £230 million
- Stellantis - £100 million



Automotive Insight survey – Q3 results

Some confidence in the sector



Business sentiment:

- Improving over time (even profits)
- Costs though continue to rise
- Outlook next 12 months improving

Topical questions

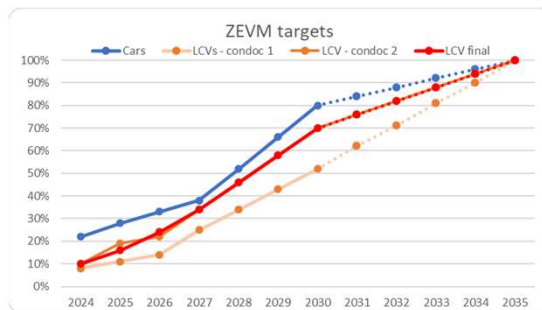
- Trade with the EU fallen post Brexit
- RoO would adversely impact business
- 60% would fully pass tariffs costs on
- How growth private BEVs - enhanced public charging, VAT cut on BEVs

Q4 – survey out 27 Nov

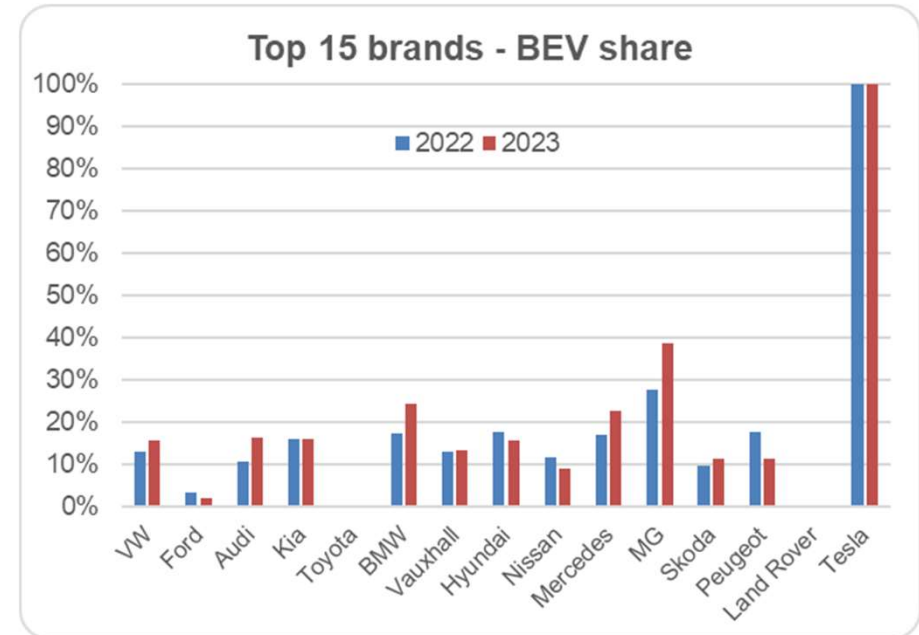
ZEV Mandate

Vehicle Emissions Trading Scheme (VETS) in regulatory terms

- Non-ZEV in overall fleet
- Ave CO₂ for non-ZEVs ('21 base yr)
- 2024-2030 only
- GB only
- Flexibilities



	2024:	2025:	2026:	2027:	2028:	2029:	2030:	2031:	2032:	2033:	2034:	2035:
CARS	22%	28%	33%	38%	52%	66%	80%	84%	88%	92%	96%	100%
							Non-ZEV TBC					
VANS	10%	16%	24%	34%	46%	58%	70%	76%	82%	88%	94%	100%




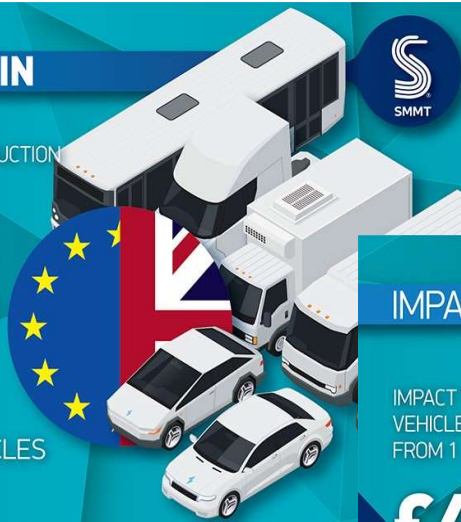
Rules of Origin

IMPACT OF EV RULES OF ORIGIN

AUTO SECTOR CALLS ON EU AND UK TO DELAY INTRODUCTION OF NEW RULES OF ORIGIN REQUIREMENTS TO 2027

£3,400 AVERAGE PRICE HIKE
ON EU-MADE BATTERY ELECTRIC VEHICLES

£3,600 ADDED TO COST
OF BRITISH-BUILT BATTERY ELECTRIC VEHICLES
SOLD IN EUROPE





IMPACT OF EV RULES OF ORIGIN

IMPACT THE NEW RULES WOULD HAVE ON VEHICLE AFFORDABILITY AND COMPETITIVENESS FROM 1 JANUARY 2024

£4.3 BILLION

COMBINED COST IF EVs THAT DO NOT MEET THE NEW THRESHOLDS ARE SUBJECT TO A **10% TARIFF** WHEN TRADED ACROSS THE CHANNEL



EV backlash



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As Mail poll finds just 1 in 4 back Government's timetable for moving to electric vehicles, MPs and industry leaders urge ministers to...

PUT BRAKES ON 'DAMAGING' 2030 PETROL CAR BAN

EXCLUSIVE by Jack Hardy

MINISTERS were last night under pressure to ease off the pedal on their drive towards banning petrol and diesel cars by 2035.

As a leading petition for the ban, Mail found that just one in four of the public...

DAILY MAIL CAMPAIGN: RETHINK THE 2030 PETROL CAR BAN

As the Government's deadline for ending petrol and diesel cars is set for 2035, more than half of the public want to see the ban delayed or scrapped.

More than 100,000 people have signed the petition, which says the ban is "damaging" to the economy and the environment.

MPs and industry leaders are urging ministers to ease the timetable for the ban.

Ashes uproar as Lord's members confront the 'cheating' Aussies

Independent Australian cricketer David Warner has urged Sun's readers, there were later suspended...



THE Sun

PLACE YOUR BETS ON ANY RACE AT GLORIOUS GOODWOOD

FREE £2 BET IN SHOP WITH CORAL

SUN MOTORIST MANIFESTO

- Rush to net zero is too soon
- Hard-up drivers clobbered
- UK isn't ready. We say...

GIVE US A BRAKE

'Owzat for a send-off'

WIN UP TO £25K FOR FREE

EVERY DAY OF GLORIOUS GOODWOOD WITH RACING SOAP FOR SERVICES

CORAL

TAKE TIME TO THINK



THE Sun UK Edition

Home Sport Football TV Awards Money Travel

UK News World News Health News Politics Opinion Science

GIVE US A BRAKE

COMMENT

JACOB REES-MOGG The Sun's campaign to help motorists with 5 clear promises is a way for the Conservatives to win the next election



BORIS THE GOVERNMENT'S TARGET FOR 2035

Daily Mail 100 YEARS

Our clever, cheeky girl... family's agony over tea party crash victim

FULL STORY: PAGE FIVE

As Mail reveals Westminster has more chargers than Birmingham, Manchester, Liverpool, Leeds, Sheffield and Newcastle **COMBINED**

PROOF POLITICIANS ARE OUT OF TOUCH ON ELECTRIC CARS

As Mail reveals Westminster has more chargers than Birmingham, Manchester, Liverpool, Leeds, Sheffield and Newcastle **COMBINED**

Being Mean CHARGES: GETTING THE 2030 PETROL CAR BAN

Ageing car parks 'could collapse' under electric car weight

Electric car push puts front gardens in peril, warns Alan Titchmarsh

NADINE DORRIES: Why I handed my electric car back

China 'will use electric cars to spy on Britain'



Electric cars 'cause TWICE as much road damage as petrol equivalents': Why Britain's pothole crisis could be worsened by the rise of EVs

Badenoch pushes ministers to ease net zero rules on carmakers

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Election campaign under way. Net Zero as a wedge issue?

Major government policy shift to 'pragmatic approach' to climate change



“...I expect that by 2030, the vast majority of cars sold will be electric. Why? Because the costs are reducing; the range is improving; the charging infrastructure is growing...

“...But I also think that at least for now, it should be you the consumer that makes that choice, not government forcing you to do it.” **Rishi Sunak, 20 September**

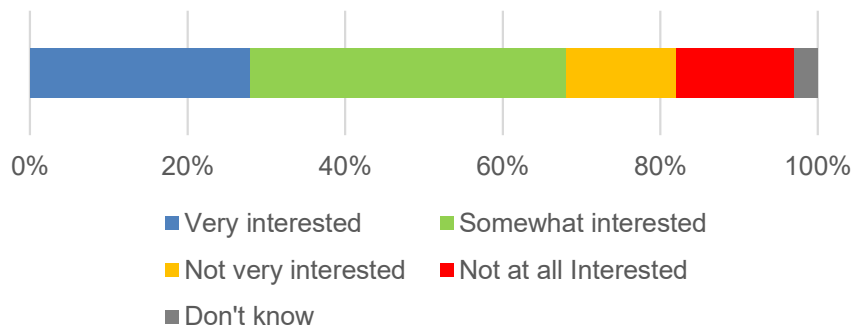
- Change of end of sale for conventional ICE from 2030 to 2035
- Onus on industry to deliver – ZEV Mandate will go ahead on 1 January 2024
- Mixed messaging for consumer confidence



How will people respond?

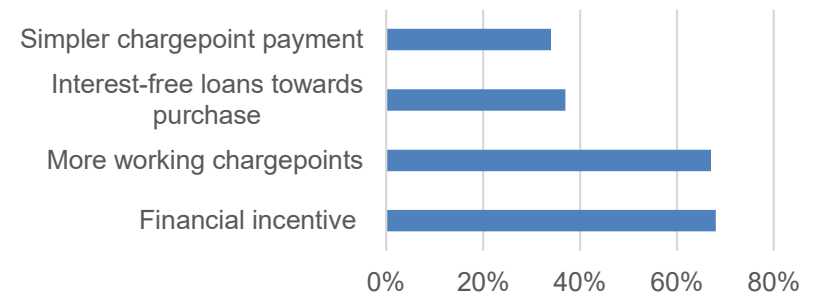
- Majority (66%) interested 'in theory'

Interest in switching



- More would move sooner with a financial incentive

Key enablers



- Concerns over chargepoint availability remains crucial

FIVE AUTOMOTIVE PLEDGES FOR THE NEXT GOVERNMENT

PLEDGE 1

A GREEN AUTOMOTIVE TRANSFORMATION STRATEGY FOR A STRONGER ECONOMY

POLICY ACTION

Publish a Green Automotive Transformation Strategy that supercharges UK Automotive to achieve Net Zero. A strategy which enables innovation, attracts investment and secures manufacturing of clean technologies in the UK to deliver economic growth and zero emission mobility.

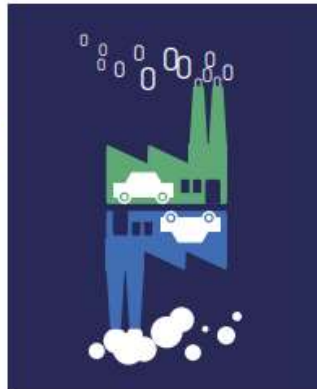


PLEDGE 2

NET ZERO MOBILITY FOR EVERYONE

POLICY ACTION

Foster a reliable and affordable UK-wide recharging and refuelling network through binding targets complemented by a motor tax and regulatory system that ensures no one is left behind in the transition to Net Zero.



PLEDGE 3

GREEN SKILLS FOR A GREENER FUTURE

POLICY ACTION

Offer the skills workers want by creating a one-stop-shop national upskilling platform, and develop the future talent business needs, combined with greater STEM education in schools and a dynamic immigration system that attracts global talent.



PLEDGE 4

MADE IN BRITAIN – MADE FOR THE WORLD

POLICY ACTION

Position automotive and advanced manufacturing supply chains at the core of UK trade policy and market access. Secure access to global markets for tariff-free export of British-made vehicles, batteries and green technologies, and deliver export support services that allow businesses of all sizes to succeed.

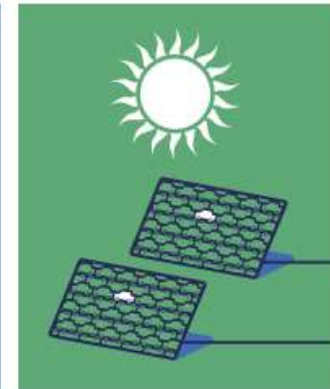


PLEDGE 5

POWERING THE UK CLEAN TECH REVOLUTION

POLICY ACTION

Ensure Net Zero-critical industries such as automotive are able to access affordable and internationally cost-competitive zero emission energy to power the clean tech revolution. Dedicated energy and investment measures should be available to make zero emission vehicle production and use a reality.



Thank You

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