

LIGHT COMMERCIAL VEHICLES DELIVERING FOR THE UK ECONOMY



MIKE HAWES, SMMT CHIEF EXECUTIVE

“The UK’s light commercial vehicle sector has never been more important, driving the economy and supporting millions of jobs across the country. Whether making up part of the fleets of big business, or supporting the thriving SME and sole-trader sector, these vehicles are the backbone of British society. But the van is not merely a vehicle, it is an essential tool. Without the van, one in 10 British workers would not be able to carry out their work. This 3.4 million strong workforce has a combined annual wage bill of £56 billion – amounting to some 11% of GDP.”

In recent years, the LCV sector has been the fastest growing vehicle category in the UK. The broad range of LCV sizes and configurations has seen the sector capitalise upon changes in consumer dynamics and supply chain concepts to become the ‘workhorse’ of choice for UK business.



The LCV’s contribution
to the UK economy

3.4m

people use or depend
on vans for their work



Vans support **10%** of the UK’s workforce, delivering a combined wage bill of **£56 billion**, or **11%** of UK GDP



The LCV’s role
in industry

60%
of LCV parc is
driven by:

construction; wholesale,
retail and repair of motor
vehicles; manufacturing;
and transport and storage



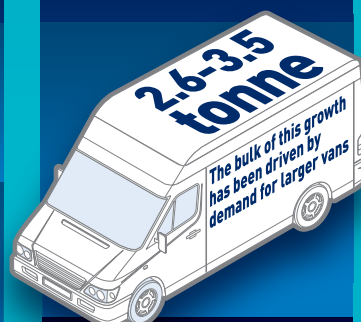
Construction
is the biggest
single user
of LCVs



LCV sector growth

59%

growth in the the LCV
sector since 2000



What is fuelling this growth?

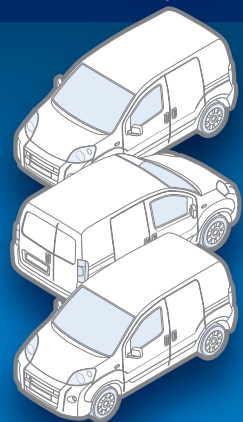
- 1**
Downsizing from HGVs
to LCVs as businesses
seek to develop more agile
supply chains
- 2**
A rise in self-employment
- 3**
Surge in online sales
– the UK is the online
shopping capital of Europe
with **83%** of people buying
goods and services online



The second (and third)
life of the LCV

900,000

used vans change
hands each year



**SECOND AND
THIRD LIFE VANS**

play a key role in the
UK economy where
they are typically
operated by SMEs and
sole traders



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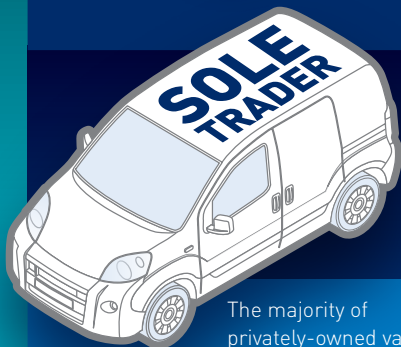
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The SME sector

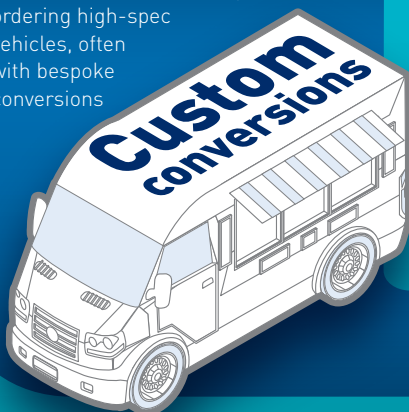


The majority of privately-owned vans are operated by a booming SME and sole trader sector



Self-employment has risen from
3.3 million
in 2001 to
4.8 million
in 2017

When acquiring new vans, SMEs and sole traders are increasingly ordering high-spec vehicles, often with bespoke conversions



The environmental impact of the LCV

0.3% of new vans
registered in 2018 were
ELECTRIFIED

20.8%
increase

on the previous year

Alternative fuels will play an increasingly important role in reducing CO₂ emissions. Further infrastructure development and funding programmes are required to support fleet renewal

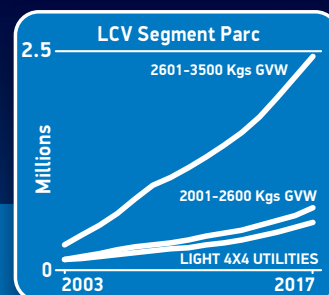


There has been a progressive improvement in the environmental performance of the UK LCV parc. Euro 6 standards
reduce NO_x by 84% and PM by 95% compared with Euro 3.

While UK new van CO₂ emissions have fallen **-10.4%** since 2013



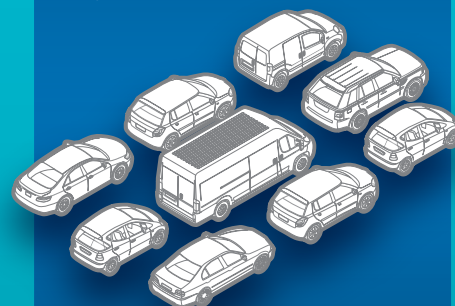
The LCV parc



Large LCVs were the dominant type of van to be registered from 2003-2017,

tripling in number

Although **LCVs** only represent **15.4% of total UK traffic** they are most affected by congestion at **a cost of £6.5 billion** a significant drain on national productivity



“LCVs are the fastest growing form of road transport but they are the least well understood. The growth of the service sector as the UK continues to move from a manufacturing economy to a service-based economy is likely to further increase the demand for LCV activity.”

Julian Allen, Senior Research Fellow,
University of Westminster

“Policy makers see vehicles as a homogeneous entity. There needs to be a better understanding. An efficient freight and logistics sector helps congestion and air quality. It is essential that commercial vehicle activity is separated from private usage.”

Denise Beedell, Policy Manager
– Vans and Urban, FTA

“Clean air zones are very hit and miss in terms of where and when they’re implemented. We want it to be more joined up in terms of what is going to happen – this is crucial when you’re operating a large fleet of vans.”

Steve Winter
Head of Fleet, British Gas