2024: A YEAR OF BALANCING SUPPLY AND DEMAND

2024 is a year where motorists and the green agenda are sure to be hot political topics and we will see the introduction of the Zero Emission Vehicle (ZEV) mandate, a major policy area for government in their drive towards net zero.

Alan Bastey, Decarbonisation and Sustainability Consultant at Zenith, lists his top asks from the Government and the sector in the next 12 months to ensure the supply and demand factors are balanced and fleet continues to lead the transition to ZEVs.

Continued support and foresight on taxation policies
To date, Benefit-in-Kind has been a driving factor in the growth of electric vehicles (EVs), so having post-2028 clarity on this, as well confirmation on the future support for the electric van and truck grant and a commitment to review the Vehicle Excise Duty (VED) threshold for expensive vehicles, is vital to maintain EV adoption.

Rules of Origin
Due to come in on 1 January 2024, this will add a 10% tariff on vehicles where less than 40% of the value of the vehicle has been manufactured in the EU. Battery electric vehicles (BEVs) are most likely to be impacted due to the limited battery manufacturing in the region. Any tariff will push downward pressure on demand and could result in cost increases for EV consumers.

Driving forward new legislation
We must build on this year’s welcomed introduction of the public charging regulations and act on the outcome of the Future of Transport regulatory review, which will mandate local transport authorities to produce local EV charging strategies.

Legislating on the enablement of autonomous vehicles
As mentioned in the King’s speech, this will allow the industry to capitalise on the benefits autonomous vehicles can bring.

Supporting the used EV market
Consideration of a stimulus package for the emerging second-hand BEVs market to elevate its maturity to a level comparable to the new market.

Embracing new brands
As both new start-ups and Chinese-manufactured EVs go from strength to strength, offering more affordable access to EVs and delivering innovative solutions for the more complex truck market, now is the time to welcome new arrivals.

Future infrastructure needs
Fleet operators have an important role to play, partnering with bodies such as the Freight Energy Forum so government can ensure processes are improved to deliver energy connections that enable infrastructure deployment. With 42% of electricity generated from renewables in Q2 2023, government must match the industry’s continued commitment to develop access and reap the rewards of a decarbonised energy network.

Increasing the debate on the future of motoring taxation
With an estimated £3bn a year to 2030 lost on fuel duty, it’s important to have a clearly defined pathway, which will give road users a clear sight of future costs.

While none of us have a crystal ball, these would be our priorities for the coming year and we will continue to monitor their progress in our monthly Industry Insights blog, www.zenith.co.uk/IndustryInsights.

Connect with our experts on team@zenith.co.uk

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