

THE GOODS VEHICLE INDUSTRY IN GB

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BACKGROUND

This paper provides a breakdown of the goods vehicle industry in GB, covering: operators and fleet issues; freight issues; operator costs; infrastructure issues; and environment and safety issues. This paper draws on information from 3 sources:

- Department for Transport 'Road Freight Statistics 2006' (RFS 2006)¹
- Department for Transport 'Transport Statistics GB 2007' (TSGB 2007)²
- National Statistics 'Annual Business Inquiry – Transport, Storage and Communication' (ABI)³

OPERATORS AND FLEETS

Operator Licences. RFS 2006, Table 4.11. The number of goods vehicle operator licences issued in GB fell steadily between 1995-1996 (118k issued) and 2005-2006 (100k issued).

Road Haulage Operators. RFS 2006, Table 4.13. The number of road haulage enterprises in operation in the UK fell between 39k in 1995 and 35k in 2005.

Fleet Size. RFS 2006, Tables 4.11 and 4.12. The average fleet size in GB rose steadily from 3.4 vehicles in 1995-1996, peaking at 4.0 vehicles in 2003-2004, before falling to 3.7 vehicles in 2005-2006. In 2005-2006, the majority of GB operators (73%) had fleets of 2 vehicles or less, while a small section (6%) had fleets of 10 or more vehicles.

Employment in Transport Related Occupations. TSGB 2007, Tables 1.16, 1.17 and 1.18. The transport sector is a significant employer in GB, with more than 1.5m workers employed in transport related occupations in the spring quarter of 2006⁴, including: transport and distribution managers (78k); transport and distribution clerks (64k); HGV drivers (306k); van drivers (209k). In addition, the transport sector employs more than 570k workers in non-transport related occupations in transport industries. In the road freight sector in GB, the number of jobs rose steadily, from 399k in 1996 to 478k in 2007 (478k), and the number of women employed rose faster

¹ <http://www.dft.gov.uk/pgr/statistics/datatablespublications/freight/goodsbyroad/roadfreightstatistics2006>

² <http://www.dft.gov.uk/pgr/statistics/datatablespublications/tsgb/2007edition/>

³ http://www.statistics.gov.uk/abi/section_i.asp

⁴ Details of transport-related employment by occupation are available from the Labour Force Survey (LFS). The LFS is a survey of households living at private addresses in GB.

than the number of men, from 389k men and 27k women in 1990 to 394k men and 84k women in 2007.

Gross Value Added (GVA)⁵. ABI. The Transport, Storage and Communication sector (which includes road freight) saw GVA rise from £77bn in 2004 to £82bn in 2005 (a rise of 7%), and turnover rise from £200bn in 2004 to £231bn in 2005 (a rise of 6.5%). Within that turnover total, the road freight component rose from £30bn in 2004 to £34bn in 2005 (a rise of 11.5%).

Vehicles Licenced. TSGB 2007, Table 9.1. The number of goods vehicles licenced in GB generally increased from 439k vehicles in 1950 to 507k vehicles in 1980, before reverting roughly to 1950 levels at 446k vehicles in 2006. The highest number registered was 593k vehicles in 1967, and the lowest was 412k in 1998.

HGV Tax Classes. TSGB 2007, Table 9.7. The number of goods vehicles over 3.5 tonnes licenced in GB rose slightly from 311k rigid vehicles and 110k articulated vehicles in 1996 to 325k rigid vehicles and 122k articulated vehicles in 2006.

FREIGHT

Freight Modes. TSGB 2007, Table 4.1. The amount of goods moved⁶ as road freight in GB rose steadily from 32bn tonne km in 1953 to 167bn tonne km in 2006, and the amount of goods lifted as road freight in GB also rose from 889m tonnes in 1953 to 1936m tonnes in 2006.

Freight by Commodity. TSGB 2007, Table 4.2. The breakdown of freight moved by commodity in GB in 2006 is: 40% as machinery, transport, equipment and manufactured articles; 22% as food stuffs; 16% as minerals and building materials; 8% as agricultural products and live animals; 5% as chemicals; 3% as petroleum products; 1% as solid mineral fuels; and 1% as fertilisers.

Goods Moved/Lifted. TSGB 2007, Tables 4.3 and 4.5. The percentage of domestic freight traffic moved by road remained stable from 1996 to 2005. The percentage of goods moved by road was 65% in 1996 and 64% in 2005, and the percentage of goods lifted was 81% in 1996 and 82% in 2005. The amount of goods moved by vehicles over 3.5 tonnes increased from 147bn tonne km (of which 109bn was by mainly public haulage) in 1996, to 156bn tonne km (of which 112bn was by mainly public haulage) in 2006. Similarly, the amount of goods lifted by vehicles over 3.5 tonnes increased from 1628m tonnes (of which 1011m was by mainly public haulage) in 1996 to 1810m tonnes (of which 1123m was by mainly public haulage) in 2006.

⁵ GVA measures the contribution to the economy of each individual producer, industry or sector. GVA is used in the estimation of Gross Domestic Product (GDP), a key indicator of the state of the whole economy.

Source: <http://www.statistics.gov.uk/CCI/nugget.asp?ID=254&Pos=5&ColRank=1&Rank=176>

⁶ Freight activity is measured in terms of the weight of goods (tonnes) handled, taking no account of the distance carried; this is termed 'goods lifted'. 'Goods moved' (tonne km), which takes account of distance, is the weight of the load multiplied by the distance it is carried. 'Goods moved' is therefore a better measure of the work done by HGV.

Source: <http://www.dft.gov.uk/pgr/statistics/datatablespublications/tsgb/2007edition/>

Length of Haul. TSGB 2007, Table 4.6. The average length of haul for goods vehicles over 3.5 tonnes fell from 90km for all vehicles (133km for articulated and 47km for rigid vehicles) in 1996 to 86km for all vehicles (124km for articulated and 43km for rigid vehicles) in 2006

OPERATOR COSTS

Road Tax Revenue. TSGB 2007, Table 7.15. Revenue from Vehicle Excise Duty in GB in 2005-2006 for all vehicles was just over £5bn from almost 33m vehicles, of which 433k goods vehicles paid £290m.

Diesel Price. TSGB 2007, Table 3.3. While all the costs of diesel rose from 1997 (price 60p, duty 37p and VAT 9p) to 2007 (price 95p, duty 48p and VAT 14p), tax as a percentage of the price of diesel fell from 1997 (76%) to 2007 (66%).

Retail Price Index (RPI)⁷. TSGB 2007, Table 1.19. The transport components of the Retail Price Index rose less by 2006 in motor vehicles (119) than in rail fares (136), bus fares (147), or other travel costs (140), against a baseline of 100 in 1996.

INFRASTRUCTURE

Investment in Transport. TSGB 2007, Table 1.14. Investment in transport in GB fell from £4.3bn in 1995-1996 to £3.1bn in 1999-2000, before gradually rising again to \$4.4bn in 2005-2006.

Transport Expenditure. TSGB 2007, Table 1.15. Government (central and local) expenditure on transport in GB rose from £15.5bn in 2002-2003 to £23bn in 2006-2007 (central government expenditure rose from £8.7bn to £12.7bn, while local government expenditure rose from £6.8bn to £10.2bn). Central government spending on strategic roads rose from £2.6bn in 2005-2006 to £3.1bn in 2006-2007, while spending on other roads rose significantly from £200m to £525m.

Road Construction Pricing. TSGB 2007, Table 7.13. Road construction pricing rose steeply from 122 in 1996 to 187 in 2006, against a baseline of 100 in 1990.

Road Building. TSGB 2007, Table 7.16. New road building (started) fell from 159km in 1996-1997 to 65km in 2006-2007. New road building (completed) also fell from 74km in 1996-1997 to 50km in 2006-2007.

Infrastructure Density. TSGB 2007, Table 10.2. Road network density⁸ in GB rose marginally from 1.676million km per 1k sq km in 1994 to 1.786million km per 1k sq km in 2004.

Road Traffic. TSGB 2007, Tables 7.2 and 7.4. Distance covered by goods vehicles over 3.5 tonnes in GB rose from 26bn vehicle km in 1996 to 29bn vehicle km in 2006

⁷ RPI is the most familiar general purpose domestic measure of inflation in the UK, available continuously from June 1947. Government uses it for uprating pensions, benefits and index-linked gilts; it is commonly used in private contracts for uprating maintenance payments and housing rents; it is also used for wage bargaining.

Source: <http://www.statistics.gov.uk/CCI/nugget.asp?ID=21&Pos=6&ColRank=1&Rank=160>

⁸ The distance of roads in a given geographical area; in this case, the number of km in an area of 1sq km.

(of which 12bn vehicle km was on motorways, 10bn vehicle km on rural 'A' roads, 3bn vehicle km on urban 'A' roads, and almost 4bn vehicle km on minor roads). When looking at all goods vehicles, including light vans, the figures rose significantly from 78bn vehicle km in 1994 to 90bn vehicle km in 2004.

Vehicle Speeds. TSGB 2007, Tables 7.10 and 7.11. On non-built-up roads in GB in 2006, heavy goods vehicles averaged 55mph on motorways, 54mph on dual carriageways, and 44mph on single carriageways. On built-up roads in GB in 2006, heavy goods vehicles averaged 29mph on roads with 30mph limits, and 36mph on roads limited to 40mph.

ENVIRONMENT AND SAFETY

Fuel Consumption. TSGB 2007, Table 3.4. Fuel economy fell for rigid HGVs from 8.2mpg in 1996 to 7.8mpg in 2003, while fuel economy rose for articulated HGVs from 7.3mpg to 7.5mpg in the same period.

CO2 Emissions. TSGB 2007, Table 3.7. Projections (to 2020) show that CO2 emissions from road transport are expected to rise, while those from the rest of the economy fall.

Road Deaths and Casualties. TSGB 2007, Table 8.2. Road deaths in GB fell from 3.6k in 1995 to 3.2k in 2005.

Vehicle Tests. TSGB 2007, Table 9.12. The percentage of goods vehicles over 3.5 tonnes which failed tests fell slightly from 21% in 1996-1997 to 20% in 2006-2007.

APRIL 2008