

# A year of uncertainty. Opens the door for opportunity.

It's hard to put into words just how much upheaval the UK car manufacturing industry has faced over the past year. But if we had to sum up 2023's two key themes, it would be 'growth' and 'resilience'.

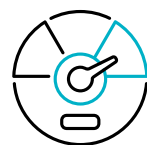
Despite a challenging economic backdrop, UK car manufacturing and exporting figures bounced back. In fact, we saw a year-on-year increase of 11.7% in UK car production in July, with the first 6 months of 2023 being the best since 2021. But the biggest surprise of the year was the government's decision to delay the ban on sale of new internal combustion engine (ICE) cars from 2030 to 2035.



## Delayed ICE ban

Three years after announcing that the sale of new ICE cars would be banned in the UK from 2030, the government has decided to delay the ban by five years.

It's a decision that will have frustrated many who've made significant investments in EV technology for both their workforce and customers. As a dealer, the knock-on effect it will have on inventory management, profit margins and regulatory compliance is a big concern. But there's still plenty to feel optimistic about. As we look ahead, there are signs of growth across the industry.



## UK electrification charges forward

The UK's charging infrastructure is often blamed as the reason many motorists haven't made the switch to EV vehicles yet. But over the past year, we've seen

significant growth in charging points across the UK and electrification continues to go from strength to strength. The rise in EVs is even starting to ripple down into the ever-growing used-car market.

ChargeUK was launched in April by uniting the UK's largest companies installing EV charging points, including bp pulse, Gridserve and Osprey. ChargeUK's mission is simple, to work together with the government and break down barriers in EV charging infrastructure. Ultimately, making range anxiety a thing of the past. Ian Johnston, Chair of ChargeUK, says: "You've now got this incredibly competitive industry, where the bar is being raised every day on reliability, accessibility and roaming, and you have professional nationwide networks delivering what consumers want, backed up by the new consumer regulations, which are imperative to give the consumer confidence."

According to data in Zapmap, in October 2023 the UK's 50,000<sup>th</sup> charging device was deployed. This marks a 150% increase in just three years – a far cry from the 20,000 chargers available in 2020.

Off the back of this, the Government announced in October that it will provide new regulations to make public charging easier and more reliable, including price transparency, contactless payment options and easily findable charging points via online maps and apps.



## Used car market bounces back

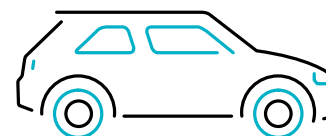
September 2023 saw a 21% year-on-year increase in new car registrations, with EVs steadily gaining a greater share in sales too. In Q3, used EVs

made up a record-breaking 1.8% of the market share. And at Black Horse, our used EV motor business share for the year to date rose to 2.9%. The cost of second-hand cars remains virtually unchanged since 2022, which spells good news for motorists looking to buy or sell.

## How does this impact dealers?

The many initiatives and government commitments indicate that EVs will continue to be heavily invested in, which will only strengthen the appeal of an electric car purchase. That's why we're supporting dealers with finance packages, including a preferential APR rate and deposit contributions for used EVs.

With demand steadily growing within the used car market, it's important for dealers to know when to target their customers. We're launching a new EV Hub, providing education and dispelling myths relating to used EVs. It will act as an aid for dealers in their discussions with customers, to help them make informed decisions.



At Black Horse, we've been by the side of dealers for over 100 years and we're always on hand when you need us.

To find out more, contact your Black Horse Account Manager or visit: [www.blackhorse.co.uk/dealer](http://www.blackhorse.co.uk/dealer).

Following recently announced investments in the automotive sector in Somerset, Oxford, Swindon and Ellesmere Port – and with continued interest from overseas investors in UK car dealers – the UK car industry looks set for long-term, sustainable growth. So, there's plenty to feel optimistic about as we head into 2024.



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