

In the absence of SMMT year-end data for 2016, Iveco's 'state of the nation' press event provided useful insights - and into more than the numbers. Brian Tinham reports

Change is afoot around operators' vehicle preferences, and not only where mid-weight trucks are concerned. Yes, fleet managers are continuing to desert the middle ground in favour of heavier and/or lighter trucks (and vans), in line with the trend towards improved productivity established in recent years. But, additionally, the stage finally appears to be set for a move to alternative fuels. And not just for niche applications but also for mainstream.

So last month's annual Iveco press event - where the CNH Industrial-owned commercial vehicles group opens up - came at an opportune time. The more



# Climate of change

so, given developments with the SMMT (Society of Motor Manufacturers and Traders), which now mean that detailed truck registration figures for the 12 months past are less easy to obtain.

Starting on vans, Iveco's insights remind us that 2015 recorded the biggest sales volumes ever, with more than 100,000 vehicles registered between 3.5 and 6.0 tonnes, notching up 18% growth in both the 3.5 and 3.5-6 tonne sectors. Against this backdrop, the market for 2016 looked strong and, by June last year, expectations were 110,000 units, with

3.5-tonne vans alone pushing 100,000.

Initially, trucks looked promising, too. Iveco managing director Stuart Webster stated that, after two years of demand skewed by Euro 6, 2015 had returned to "normal levels", finishing on around 45,000 units. Dig deeper though and, because of massive pre-Euro 6 buying in 2013 (driven by operators convinced that Euro 6 would hurt fuel economy), the world was "awash with young, good looking tractors and a used market struggling to absorb them".

The result: early in 2016 demand for tractors was already ebbing, according

to Iveco, with growth switching to their formerly poor relations, two- and three-axle rigidids. Webster said the company had already seen demand starting to rise for heavier weight 6x2s, but that was now coupled to growth in lighter weight rigidids, particularly 7.5-tonners, which had been flat or heading south. Indeed, entering 2016, light to medium weight rigidids were all on the increase - up 25% in the 6-16 tonnes bracket, while 18-tonners were up 17%.

Why? Webster believes operators were (and still are) refocusing on distribution rigidids for their flexibility



## ALTERNATIVE FUEL VEHICLES

I took a Stralis NP (natural power) LNG tractor, and, at the other end of the spectrum, an electric Daily van, out for a spin, *writes Ian Norwell.*

First the Stralis NP 400bhp long-haul tractor, which currently comes as a 4x2 – ideal for the supermarkets. If Iveco alternative fuels director Martin Flach is to be believed, payback on the £20–£30,000 hike for the CNG/LNG versions will be under two years, assuming 100,000 miles pa.

“On average, gas costs 25% less than diesel, while consumption is 15% lower, giving up to 40% cost saving,” he explained. And he emphasised that torque is now on a par with diesel, with the Cursor 9 NP delivering 1,700Nm, while noise is 3dB down. And the fuel tanks are safe.

How did Stralis NP drive? It was fine. Making progress as a regular diesel version would, the only difference was a lack of braking from the spark-ignition engine. But that was more than compensated for by the standard interarder.

This kind of truck will definitely be in the frame. Naysayers may point to a lack of CNG/LNG refuelling points, but there are now more than 40 in the UK and many more in Europe. And Stralis NP can offer a full 1,500km range.

What about the electric Daily 3.5-tonne van? Electric vehicles traditionally struggle with payload and range, but all that is changing – particularly in view of fast-moving battery technology.

Iveco's Daily 35S60E comes as a van or dropside in four wheelbases, and with one-, two- or three-battery options. The firm's 60kW electric motor delivers 200Nm of torque and this vehicle's range is 70–200km, depending on batteries.

As for the drive, such is the power of its three-mode regenerative braking that I drove for nearly half an hour without recourse to the service brakes. Silent running helps reduce driver fatigue, and aids night-time delivery, but there's an acoustic alert at low speeds for pedestrian safety. I liked it.



minibuses and motor homes boomed and Iveco also profited from what it sees as a migration of the goods-carrying, large van market to the Daily at 7- and 7.2-tonnes – currently alone in its class. “We registered 1,133 last year, up over 25%,” remarked Webster, making the point that this number all but equals sales of its Eurocargo truck at 7.5 tonnes.

Turning to trucks, as we go to press figures are only available to September 2016. However, Webster toes the industry line in expecting the close-of-play figure for trucks above 6.0 tonnes to come in at circa 46,000 units – around 2,000–3,000 down on expectations, but 1,000–2,000 up on 2015. “Again, rigids will have been the big winners last year: we expect them to end 20–22% up overall... We believe tractors will finish 10–12% down, albeit with a return to the first green shoots as we move towards the second half of 2017.”

### FUTURE GAZING

So what changes might we expect for this year? Well, Webster said the significance of heavyweight Daily van sales now nibbling at the heels of Eurocargo 7.5-tonners has not been lost on the firm. As a result, not only will Iveco be refocusing on mainstream 10m<sup>3</sup> and 12m<sup>3</sup> 3.5-tonne Daily vans, but in a move aimed squarely at stimulating growth, it will also be adding the 7-tonne Daily to its Driveaway ready-built programme.

But that's not all. NP (Natural Power – methane gas) and Electric Daily vans will both be getting a boost, as Iveco anticipates the potential for a sea change in buyers' thinking driven not only by

and productivity, supported by strong residuals. Either way, by last June the overall truck market above 6.0 tonnes was up 11.3%, yielding an expectation of 48,000–49,000 units for the year.

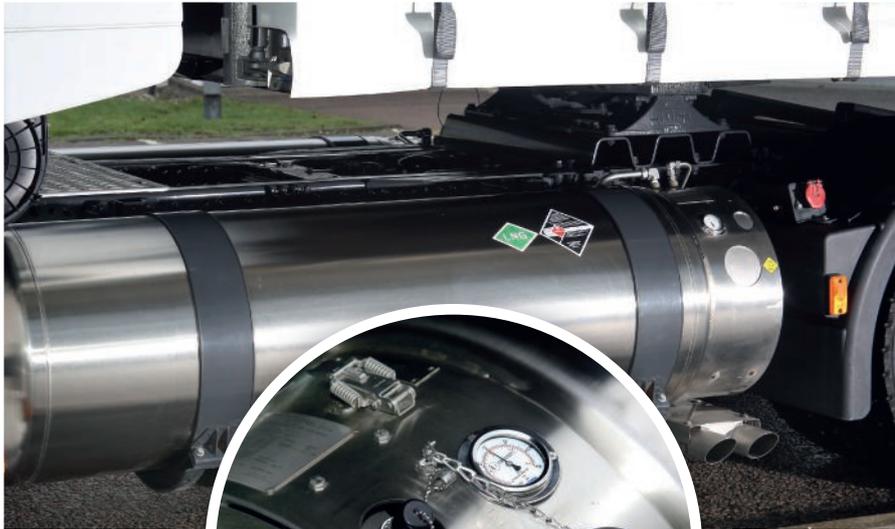
Then came Brexit and, with it, uncertainty. Webster was at pains not to overplay the significance, but that vote undeniably dented business confidence and hence buying, certainly of trucks, but also to a lesser extent, vans.

So, vans from 3.5–6.0 tonnes, for which SMMT figures are available, ended last year at 105,000 – 4% lower than expected but an increase of 3% year on year. 3.5-tonners accounted for 97,000, driven by growth in internet shopping, and nudging the total UK van parc to an impressive 4 million.

From 3.51–6.0 tonnes, however, the market dipped, down from 2015's high of 8,000 to 7,685 units. That said,

***"We'll be preparing Iveco Stralis XP 6x2 tractors in a special livery. They will be offered for demonstration to all Freight Transport Association members for £250 per week, with the objective of raising funds for Transaid"***

Nick Pemberton



public concerns (merited or not) over diesels, but also improving economics and changing regulations.

NP Daily - which runs on CNG (compressed natural gas) - takes the 3.0-litre, 140bhp gas engine, and is now available all the way from 3.5 to 7.2 tonnes gw, in van, chassis cab and minibus formats. Given the news that DfT looks closer than ever to signing off on a derogation for alternative fuelled vehicles - extending the car driving licence limit from 3.5 up to 4.25 tonnes to compensate for the additional weight (engine and fuel tanks) - these could yet take off.

But for Iveco alternative fuels director Martin Flach, Daily Electric now offers another compelling opportunity - despite the purchase price of £60,000-£100,000, depending on battery complement. "New Daily Electric makes sense over a six-year payback period, where we believe it can be cost-neutral, certainly in London, compared to a diesel," he asserted.

How so? First there is the Plug-in van grant, at 20% of purchase price (capped at £8,000-£20,000, depending on gw).

Then there are the fuel savings against diesel (circa £4,000 pa) and the annual congestion charge exemptions, worth an estimated £3,000. Put them together and six years delivers a £50,000-£62,000 concession. Of course, there remain question marks over residuals and battery life (although longevity with the latter is part of the Plug-in van grant criteria), but the business logic looks credible.

**TRUCK PICTURE**

What about trucks? According to truck business director Nick Pemberton, apart from today's givens of quality and back-up, what matters now is availability - particularly in construction and temperature-controlled transport, which have seen bodybuilders becoming the bottleneck. So, for 2017, Iveco is adding more larger rigids to its Driveaway ready-to-roll programme. Pemberton cited 18-tonne Eurocargos (curtainside and box), Stralis 26-tonne 6x2 curtainsiders and Eurocargo 12-tonne rigids.

Furthermore, for construction, he said Trakker 8x4 tippers, tipper grabs and

hookloaders would get the Driveaway treatment. "We'll also be looking at opportunities for a Stralis 6x2 gas RCV [refuse collection vehicle] later in the year... And we'll be focusing on bulk haulage, where Stralis AT with mini mid-lift is ideal for weight-critical operations."

Turning to alternative fuels, and LNG (liquefied natural gas), Pemberton suggested that Stralis NP - the first full 400bhp, 1,700Nm torque gas-engined haulage truck, and the first to come with an AMT (automated manual transmission) instead of a fluid-coupled auto - would open doors for Iveco "in a way that no other product ever has".

It's a big claim, but he's not wrong, given the obvious opportunity for Iveco to get into large, wealthy fleets, offering a realistic proposition for green haulage. "We're taking the long-term view with NP," said Pemberton. "We only expect to sell about 40 in 2017, to give operators the chance to experience the technology, become familiar with it and understand the opportunities."

And, with Flach predicting an easy two-year payback (see panel p13) plus 3% improved TCO (total cost of ownership) against an equivalent Stralis diesel, Iveco could well be on to a winner. Expect to see some pizzazz around NP when Iveco puts a fully-freighted Stralis NP artic through its paces on a run against an XP from John O'Groats to Land's End. Flach is confident that, with a range of 1,500km, the NP won't need to stop for gas refuelling.

Incidentally, don't imagine Iveco is stopping here. Flach expects a 6x2 RHD Stralis NP to be available either as a prototype or first production model within 12 months. And, reminding his audience that the Z Truck concept truck at last year's IAA show, in Hanover, boasted a Cursor 13 gas engine, he said: "If you watch this space, you might see some more about that as the year progresses... And also about its exhaust gas heat recovery system." **TE**