



7 February 2019

Solid start for new truck sales in 2019

Total Australian new truck sales for January 2019 were 2,196 units, down just 31 vehicles, -1.4 percent, on the first month of 2018 and just 51 vehicles shy of the all-time January sales record of 2008. Back in 2008 truck sales continued at record levels until just after the mid-year point when the Australia economy succumbed to the effects of the Global Financial Crisis (GFC) and new truck sales slowed considerably thereafter.

The January 2019 result for the Heavy Duty truck segment was surprisingly good. Coming off slowing sales in the final quarter of 2018, it was expected that Heavy truck sales would continue to slow in 2019, however 769 Heavy Duty trucks were sold, beating the January result of last year by 13 trucks, up 1.7 percent. When compared with the record pre-GFC January of 2008 where 841 trucks were sold, this 2019 result is down by about 9 percent, showing just how strong the market was back then. That said, January 2019 Heavy sales were the second best on record.

The Medium Duty segment was also up over the 2018 January result, with 440 Medium truck deliveries for the month of January 2019, versus 437 units in January 2018, a slight gain of 0.7 percent. This result is well short, 111 trucks, or just over 20 percent, of the best ever January deliveries of 551 Medium trucks achieved in 2008. However, as TIC has reported previously, the MD segment is a shrinking market, so it is unlikely that we will ever see new Medium truck sales rewriting the record books.

Light Duty trucks set new a sales record in 2017 and then bettered that mark in 2018, hence further year-on-year improvements in “little truck” sales in 2019 would seem to be unlikely due to the cyclic nature of the market. January 2019 sales support these projections, down on January 2018 results by 54 vehicles. A total of 591 LD trucks were sold in January 2019, this represented an 8.4 percent decrease over the same month last year.

2018 saw Light Duty Van sales fall from the record breaking mark set in 2017 and while Van sales in January 2019 were up on those of the first month in 2018, the increase was slight, just 7 more Vans were sold. The total for the month of January being 396, representing a 1.8 percent increase over January 2018. Despite this relatively modest increase, it was enough to take Van sales in January this year to the second best result on record, only bettered by January 2017 when a hefty 478 Van sales were logged.

CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers into Australia, Tony McMullan said “January was a strong start to the year, almost as good as January 2018, a year that of course went on to set a new all-time record for new truck sales in Australia. It was very pleasing to see such a strong start to the year for the Heavy and Medium Duty truck segments, both up on January 2018 results and a reversal of the slowing seen in these segments in the last quarter of 2018. However, as I generally

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remark at this time of year, January and even February sales, are subject to fluctuations and some inconsistencies due to the transition of supplying trucks from one year to the next and the summer holiday season. One should not read too much into the January result. We will have a much better indication of how the market is tracking for the year at the end of the first quarter, once January, February and March numbers are in and the market has had a chance to normalise.” Mr McMullan concluded.

Truck Industry Council is the peak body representing all suppliers of on-road heavy vehicles in Australia. TIC members represent 16 truck brands currently on sale in Australia, plus four truck engine and major component brands.

**T-Mark is a database that compiles all trucks (that is, non-passenger carrying vehicles with Gross Vehicle Mass above 3,500 kg) sold into the Australian market that comply with Australian Design Rules. All road registered vehicles are captured, plus most of the off-road vehicles. Monthly data reports are made available to TIC members and the media.*

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