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Truck sales cool in February

After a solid and better than expected start to the year in January, 2019 new truck and van sales cooled significantly in February. A total of 2,827 heavy trucks and vans were sold across Australia in the second month of the year, down almost six percent on February 2018 sales. All segments recorded negative growth for the month when compared to February 2018 sales. The poor February result has pulled back the sales average for 2019, after January's good start. Year-to-date sales at the end of February are now trailing the 2018 market by 3.9 percent (-205 trucks). By contrast, at the end of January, sales were down by just 31 vehicles, while the Heavy Duty segment was tracking 1.7 percent above 2018 levels. While sales did slow noticeably in February, the result was the third best for month two of the year, only beaten by February sales in 2008 and 2018.

Fairing the best of all the segments in February, the Heavy Duty truck segment was down by 1.0 percent (-10 trucks) for the month with total sales of 963. However due to solid sales in January, year-to-date the Heavy Duty segment is still tracking in positive territory, just, 0.2 percent up on this time last year. A total of 1,732 Heavies have been sold year-to-date, that is 3 trucks more than to the end of February last year.

Medium Duty segment sales were down again in February, with a total of 546 truck deliveries for the month, this compares to 589 units in February 2018, a loss of 7.3 percent (-43 trucks) for the month. This poor February result has seen the Medium Duty segment slip further behind in the year-to-date tally of 2019, with a total of 982 deliveries in 2019 compared to 1,026 sales to the end of February 2018, down 3.9 percent (-40 trucks).

The "little" truck (and van) market has been off to a particularly slow start to the year. Light Duty truck sales were down in January, falling even further behind 2018 sales in February. 874 Light Duty trucks were sold in the month of February, this compares to 936 sales for the same month in 2018. That represented a fall of 6.6 percent for the month, 62 fewer trucks sold. Year-to-date the Light Duty truck segment is performing even worse, down 7.3 percent, with total sales for the first two months of 2019 of 1,465 trucks. That is 116 fewer deliveries than for the same period last year.

February saw Light Duty Van sales continue to shrink when compared to 2018 results. Total van sales in February were 444, down 11.7 percent (-59 vans) for the month. The poor February sales, on the back of a slow start in January, have impacted the year-to-date numbers in the Van segment, which is now 5.8 percent (-52 vans) behind the sales to the end of February 2018. A total of 840 Light Duty Vans have been delivered in 2019, this compares to 892 delivers to the end of February 2018.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers into Australia, said "The market is starting to normalise after better than expected sales in January. The good January result was likely due to the fulfilling of December 2018 orders that were delayed

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due to vehicle supply issues, body builder backlogs and the short working month due to the festive season. After January's sales were known, I cautioned about reading too much into those numbers. The combination of January and February sales shows the market tracking down on the record sales of last year, however the result is the third best start to a year on record. I believe that due to the volatility seen in the first two months of this year we will have to wait another month, or two, before we can truly gain a sense of where the Australian heavy commercial vehicle market may track in 2019". 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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