



T-MARK

Truck Market Data

Truck Market Comment: Third Quarter, 2018

5 October, 2018

Truck sales soften as we pass through the three-quarter mark of 2018

Australian truck market comment pieces are issued quarterly by the Truck Industry Council (TIC)ⁱ, owner and compiler of the official T-Markⁱⁱ truck market sales database.

Quarter three of 2018 has seen truck and van sales soften when compared to quarters one and two of the year. However the market is still on track to break the all-time sales record set back in 2007. Sales remain solid in the Heavy and Light truck segments, while Medium truck and Light Van sales have weakened. Overall the third quarter result for 2018, with 10,695 truck and van sales, was the strongest third quarter result seen, breaking the 2007 quarter three mark by 675 vehicle sales. This saw the quarter up 11.1 percent over quarter three 2017. Year-to date the market is tracking up 16.5 percent (up 4,353 vehicles) over the same period last year with a total of 30,665 heavy vehicles sold. But at the half year mark, sales were up 19.0 percent over 2017, so it can be seen that the slowing of sales that occurred in the third quarter is dragging the year to date average back by almost 3 percent.

As already detailed, the Heavy Duty truck segment continued to performed well in quarter three and is now ahead of 2017 results by 25.4 percent (2,099 trucks) with a very healthy 10,361 Heavy Duty trucks sold in Australia to the end of September. Looking at the third quarter sales in isolation, the segment was up by 411 trucks over quarter three 2017. For the month of September, the news was not quite as good, with sales up over September 2017 by just 5.0 percent (57 trucks). 1,196 Heavy truck were delivered for the month, short of the best ever September result set in 2007 when 1,213 Heavies found new owners.

The Medium Duty segment has surprise in 2018, however growth has slowed a little in quarter three. At the end of September, Medium truck sales were up by 16.0 percent (837 trucks) over the same period in 2017, but it has to be said that most of that growth came from quarter one and two 2018 sales. Year-to-date Medium Duty truck sales stand at 6,086. The month of September saw a drop in deliveries over the same month last year, down by 1.7 percent (-11 trucks). A total of 655 Medium trucks were sold in September.

Light Duty Truck (those vehicles between 3,500 kg and 8,000 kg GVM) sales have been solid in 2018 and quarter three saw more of the same. 3,533 "little trucks" were sold for the quarter, up 549 units over the third quarter of 2017 and a new quarter three record for the Light Duty truck segment. For the year-to-date, Light Duty sales are ahead of the same period in 2017 by 13.0 percent, 1,101 trucks. Specifically looking at September 2018 results, a healthy 1,184 Light trucks were delivered, up 17.0 percent (172 trucks) over September 2017.

The month of September saw Light Duty vans (GVM between 3,500 kg and 8,000 kg) again struggle with only 471 vans delivered for the month, down 3.3 percent (-16 vans) over September 2017. Light Duty vans posted a total of 1,619 sales for the months of July to September, up 159 vans over the same period in 2017, this was aided by bumper sales in the month of August this year. The year-to-date van tally at the end of quarter three stands at 4,664 units, this is up over 2017 sales for the same period by 7.3 percent (316 vans).

The Chief Executive Officer of TIC, the peak industry body for truck manufacturers and importers into Australia, Tony McMullan, commented, "Another solid quarter for the Heavy and Light truck segments, while sales in the Medium Duty truck segment remain strong year-to-date despite slowing a little in quarter three. At the three quarter mark of the year van sales are up over the same point in 2017, but not to the same degree as we see in the truck segments. With just three months to go until year end, the industry is still on track hit a new market peak, though with signs that the market is slowing, that may not be the 40,000 plus mark that many were predicting at the halfway point of the year." Mr McMullan concluded.

ⁱ *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 three truck engine and major component brands.*

ⁱⁱ *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.*

¹ **Heavy Duty Truck Segment** is defined as cab-chassis type vehicles (both rigid and prime mover application) with
a) Three or more axles; or
b) Two axles, a Gross Vehicle Mass greater than 8,000 kg, AND a Gross Combined Mass of more than 39,000 kg.

¹ **Medium Duty Truck Segment** is defined as cab-chassis type vehicles with Gross Vehicle Mass of greater than 8,000 kg, but with a Gross Combined Mass up to and including 39,000 kg.

¹ **Light Duty Truck Segment** is defined as cab-chassis type vehicles with Gross Vehicle Mass of 3,501 kg to 8,000 kg inclusive.

¹ **Light Duty Van Segment** is defined as enclosed van (non passenger carrying) vehicles with Gross Vehicle Mass of 3,501 kg to 8,000 kg inclusive.

Please contact Mark Hammond, Chief Technical Officer & T-Mark Manager on 0408 225 212 or m.hammond@truck-industry-council.org for any questions about T-Mark Truck Market Data.

Truck Industry Council Limited

ABN 37 097 387 954

GPO Box 5350, Kingston ACT 2603

T: (02) 6273 3222 E: admin@truck-industry-council.org W: www.truck-industry-council.org