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Truck Sales continue to track at record levels, however some evidence of cooling post June

The months of July and August saw new truck sales continue to track at levels above the all-time truck sales record year of 2007, however new truck sales since the end of the June financial year have shown evidence of what could be a slight cooling of the market. Historically sales in the month of June peak as both customers desire and dealers strive, to deliver trucks before the financial year closes. Then in July we see a fall in sales, as it seems everyone in the industry takes a breath and prepares for the run to calendar year end. However, the fall in July this year was greater than has been seen for a few years, albeit starting from a record peak in June. August sales have also not recovered to quite the levels expected with all truck segments, Light, Medium and Heavy, tracking below annual growth rates, only the Light Duty Van segment sales for the month of August were above the year-to-date growth experienced in the Van segment. In total 3,845 heavy vehicles were delivered in August, a gain of 17.8 percent over the same month in 2017, marginally down on the year-to-date growth rate of just over eighteen percent.

As detailed above, Heavy Duty Truck segment sales were up again in August, but slowing slightly. A total of 1,257 heavies were delivered, up 16.1 percent, or 174 trucks, on August 2017. This percentage increase is however down on the year-to-date sales result for the Heavy Duty segment which is tracking almost twice as high at 28.7 percent when compared to this time last year. The healthy year-to-date trend, as opposed to the slowing July and August sales, shows 2018 sales sitting well above those of 2017 by 2,042 Heavy trucks for the year to the end of August. If we look back to the record sales year of 2007, we see that the Heavy Duty segment is still tracking above that record, with 9,165 sales year-to-date 2018 compared to this point in 2007 where the Heavy tally stood at 8,088 trucks. A lead of 1,077 Heavy sales (an increase of 11.8 percent) over the period to the end of August 2007.

Medium Duty Truck sales rebounded well in August after a weak result in July. A total of 721 new Medium Trucks were delivered, an 18.4 percent increase (112 units) over August 2017. This was only just short of the year-to-date result of 18.5 percent for the Medium truck segment, which is now tracking 848 trucks ahead of this time last year.

Light Duty Truck sales have been performing well over the past couple of years and that trend is holding strong in 2018, although August was a weaker month for light truck numbers. A total of 1,154 Light Duty trucks were delivered in August, up just 9.8 percent (103 trucks) over August 2017, but short of the segments yearly average growth thus far of 12.5 percent. The year-to-date sales tally to the end of August 2018 stands at 8,370 vehicles, 929 more Light Duty trucks than to the end of August last year.

The Light Duty Van segment has been on a bit of a roller coaster ride for the past couple of years, with the months of July and August continuing that trend. July sales were down just over three percent compared with July 2017 results, while August 2018 van sales saw a massive increase, up 36.3 percent for the month compared to August 2017. Total Van sales for August were 713, 190 vans higher than for the same month last year. Year-to-date the total is a more grounded 8.6 percent increase for the segment. That represent 332 more Van sales to the end of August this year compared to the end of August 2017.

Tony McMullan, the TIC's Chief Executive Officer, stated "It was pleasing to see double digit sales growth continue in the Heavy and Medium Duty truck segments and while the rate of growth has slowed slightly in July and August, much of this can be attributed to seasonal sales trends for those months. We also hear that many body builders are running near, or at capacity, this may be slowing the final build of some trucks and impacting new truck deliveries slightly. All in all, I believe that the industry remains on track for a record sales year, potentially reaching 14,000 trucks in the Heavy Duty segment and close to 40,000 vehicles for the total heavy vehicle truck and van industry." 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 five 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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