



T-MARK

Truck Market Data

Truck Market Comment: First Quarter, 2018

5 April, 2018

A record first quarter

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.

The first three months of calendar year 2018 saw record, or near record, new truck sales that have come together to produce a new first quarter heavy vehicle mark in Australia. Year-to-date a total of 8,675 trucks and vans have been delivered in Australia, this is a massive increase of 1,517 units over this time last year, up 21.2 percent. It also eclipses the all-time sales record set in quarter one 2008 where 8,267 trucks were sold in January through to March, by 408 vehicles, a 4.9 percent increase. Looking just at the month of March 2018 in isolation, 3,447 heavy vehicles were delivered to customers, an increase of 485 trucks (16.4 per cent) over March 2017.

As we saw last year, the leader of this growth has been at the Heavy end of the market, with both Heavy and Medium Duty sectors showing strong growth, up 37.1 percent and 28.3 percent respectively, at the end of the first quarter.

As detailed above, the Heavy Duty Truck segment was up again in March with a total of 1,174 units delivered, up a very healthy 19.8 percent, or 194 trucks, on March 2017. The first quarter result was even better, with 2,903 Heavy sales year-to-date, representing the 37.1 percent figure mentioned above. That was a 786 Heavy truck increase over quarter one 2017.

The Medium Duty segment posted solid sales again in March with a total of 742 trucks delivered, up 34.2 percent, or 189 units, over March 2017. To the end of the first quarter a total of 1,768 Medium Duty trucks have been delivered, up by 28.3 percent (390 trucks) over 2017 first quarter sales.

Light Duty truck sales (those trucks with a GVM between 3,500 kg and 8,000 kg) have been performing well for the past couple of years and sales in 2018 at the “little end” of the market remain solid. March saw sales in the Light Duty segment total 994 units, up 7.7 percent (71 trucks) over March 2017. At the end of the first quarter of 2018, Light Duty sales are ahead of the same period last year by 10.3 percent, up 241 truck sales.

Light Duty Van sales (vans with a GVM between 3,500 kg and 8,000 kg) have been very strong for the past few years, this being a growth segment in the heavy vehicle sector. Van sales in 2018 are continuing this trend. The segment posted good sales in March with a total of 537 units, up 6.1 percent, or 31 vans, when compared with March 2017. The first quarter tally stands slightly ahead of this with growth over quarter one 2017 of 7.5 percent. This represents 1,429 van sales so far in 2018, up exactly 100 vans when compared to the end of March 2017.

President of TIC, the peak industry body for truck manufacturers and importers in Australia, Phil Taylor, said “It is pleasing that after more than a decade we are seeing some old benchmarks reached, or surpassed. March and first quarter 2018 truck sales were all time records and in line with industry trends that we have seen building for the past twelve months. It has taken the heavy vehicle market in Australia a long time to recover from the GFC, more than ten years and over that time we have seen our nation’s truck fleet age considerably. It will take many more years of record growth for our average truck age to get back to where it was in 2007 and that is considered very old by global standards. However, for now the market is strong and let’s hope that this trend continues for the rest of the year and beyond!” Mr Taylor concluded.

Tony McMullan, CEO of Truck Industry Council reflected “The first three months of 2018 have brought record new truck sales in Australia. Sales in each segment are ahead of those at this time last year and this is pleasing to witness. I am particularly pleased to see that the Heavy Duty segment continues to lead this market sales growth at the end of March. It has been a few years since we have seen Heavy Truck sales lead the way. This level of sales growth across all segments will likely stem the aging of our truck fleet, however more needs to be done to ensure that the significant level of safety, environmental and productivity features available in newer trucks permeates through our nation’s fleet. In this regard more action is required by our country’s regulators to incentivise the take-up of these technologies.” Mr McMullan added.

ⁱ *Truck Industry Council is the peak body representing all suppliers of on-road heavy vehicles in Australia. TIC members represent 17 truck brands currently on sale in Australia, plus four 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.

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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.

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