



8 March 2018

Strong new truck sales continue in February

The total Australian truck market for February 2018 reached 3,001 units, up a massive 31.9 percent on the February 2017 and just 16 vehicles shy of the all-time February sales record set in 2008. As detailed last month, in 2008 truck sales were at record levels until just after the mid-year point when Australia succumbed to the economic effects of the Global Financial Crisis (GFC) and new truck sales slowed considerably. The preceding year, 2007, still holds the record for Australian new truck sales. Tellingly though, heavy vehicle sales to the end of February this year are up 841 units over the first two months of 2007, something that has market analysts very excited.

For the second month in succession, the result for the Heavy Duty truck segment was spectacular, with 973 HD units sold, up 47.9 percent, or 315 units, on February 2017. When compared with the record pre-GFC January of 2008 where 1,060 trucks were sold, this 2018 result is down by 8 percent, but still the second best February result on record.

The Medium Duty segment also performed well again in February with 589 truck deliveries for the month versus 465 units in February 2017, a gain of 26.7 percent. As TIC has detailed in the past, the MD segment is a shrinking market, so it is unlikely that we will ever see new Medium truck sales rewriting the record books. This was evident in February with sales exactly 100 trucks down on the best ever February deliveries of 689 trucks achieved back in 2008.

The Light Duty truck segment set new sales records in 2017, so further growth in 2018 was expected to be incremental. However, sales in February and year-to-date are higher than expected. Up 15.8 percent for the month of February (128 trucks) and 12.1 percent (170 trucks) for the year thus far. Historically this February was the best ever recorded with 936 Light Duty trucks finding a new home, beating the previous sales recorded of February 2006 when 910 little trucks were delivered.

Light Duty Van sales in January were down on those recorded in 2017, however they bounced back in spectacular style in February with 503 sales, up a whopping 45.8 percent (158 vans) over the February 2017 result. Year-to-date van sales are up over 2017 numbers by 8.4 percent. It should be remembered that 2017 was a record year for the van segment, so for sales to be ahead this year bears well for a challenge to that record.

President of TIC, the peak industry body for truck manufacturers and importers into Australia, Phil Taylor, said "It just seems to keep getting better at the moment. It is pleasing to see solid sales in February that back up the January result. Again we saw very strong sales at the top end of the market with the Heavy Duty segment up almost 25 percent for the year. The first two months of 2018 have set the market up for a very strong first quarter result." Mr Taylor concluded.

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Tony McMullan, CEO of Truck Industry Council also saw that the strong sales start to 2018 was positive for road transport but warned that the industry has a long way to go before making any significant difference in the nation's truck fleet age "January and February sales have been very solid and if this trend keeps up we could see record sales in 2018. The market peak was set back in 2007 in the pre-Global Financial Crisis era. However, over the past 10 years, when new truck sales have not been as strong, the average age of the Australian truck fleet above 4.5t GVM has grown from 14.4 years in 2007 to 14.9 last year. It is sobering to think that it would take a decade of year-on-year record new truck sales to get back to the 2007 truck park age of 14.4 years. Our aging truck fleet is not as safe, environmentally friendly, nor as productive as it could, or should be. That is why TIC continues to lobby Government to do more in this area." Mr McMullan finished.

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.

**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.*

Please contact Mark Hammond on 0408 225 212 or m.hammond@truck-industry-council.org regarding T-Mark Truck Market Data