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New truck sales off to a cracking start in 2018

The total Australian truck market for January 2018 reached 2,227 units, up a significant 16.0 percent on the first month of 2017 and just 20 vehicles shy of the all-time January sales record of 2008. Back 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 toward the end of that year. Hopefully there will be no external factors that will halt the new sales growth that has been carried into 2018 from a strong year-end 2017 result.

The result for the Heavy Duty truck segment was spectacular, with 756 HD units sold, up 57.8 percent, or 277 units, on the first month in 2017. When compared with the record pre-GFC January of 2008 where 841 trucks were sold, this 2018 result is down by 10 percent, showing just how strong the market was back then. That said, January 2018 Heavy sales were the second best on record.

The Medium Duty segment also performed well in January with 437 truck deliveries for the month verses 360 units in January 2017, a gain of 21.4 percent. This result is well short, 114 trucks, or -20.7 percent, of the best ever January deliveries of 551 trucks achieved in 2008, however the MD segment is a shrinking market, so it is unlikely that we will ever see new Medium truck sales rewriting the record books.

Light Duty trucks set new records in 2017, so further improvements in 2018 are likely to be incremental, rather than substantial. January sales being a case in point, slightly up on 2017 results, 42 more LD trucks were sold in January for a total of 645. Representing a 7.0 percent increase over the same month last year. Historically this 2018 January result fell short of the best ever January, that of 2006 by 72 units. However, while down on 2005 and 2006 January sales, the 2018 result is the third best start to a year since T-Mark data was recorded.

Full year Light Duty Van sales in 2017 also saw record breaking sales, so backing that up in 2018 might be difficult. January 2018 van sales were down on those of the corresponding month last year by 18.6 percent, -89 vans. Total van sales for the month were 389. It should be remembered that January 2017 sales in the van segment were an all-time record and this January's result, while down, is the second best on recorded.

President of TIC, the peak industry body for truck manufacturers and importers into Australia, Phil Taylor, said "Yet another strong start to a year, even better than 2017 that went on to become the second best on record for new truck sales. It was particularly pleasing to see such a strong start to the year for the Heavy Duty truck segment, that led the way in January. Strong sales have transitioned to the new year and if January is to be representative of the year to come we will see some new records set in 2018." Mr Taylor concluded.

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Tony McMullan, CEO of Truck Industry Council also saw that the positive sales in January were good news for the industry “It is a healthy start to a new year for heavy vehicle sales and the momentum of 2017 has certainly carried through to 2018. With Australian Bureau of Statistics numbers indicating that our truck park is getting older, we need very healthy new truck sales to arrest this concerning year-on-year trend. An old truck fleet is less safe, not as environmentally efficient and has lower productivity. All factors that need to be addressed by Government if Australia is to achieve its road transport objectives in these areas. Strong sales growth will help, however Government needs to do more in this area. Let us hope that 2018 is the turning point for these issues”. 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.*

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