



7 May 2019

### **Truck sales stumble in April**

The Australian new truck and heavy van market, vehicles above 3,500kg GVM, stumbled in April. Sales in all truck categories were down on April 2018 results and despite a slight surge in van sales, the heavy vehicle market is showing clear signs of slowing in 2019. The month of April finished with a total of 2,943 sales. This was down 208 vehicles, -6.6 percent, over April last year. Despite the fall in sales for the month, sales were still the third best result for the month of April on record, after April 2018 (3,151) and April 2008 (3,076), just before Australia was hit by the effects of the Global Financial Crisis (GFC). Year-to-date sales have now slipped to trail 2018 results by 565 units, or -4.8 percent.

The April result was not good the news across all truck segments, but in particular the heavy end of the market. The Heavy Duty truck segment was down in April with a total of 1,006 units delivered, down 13.0 percent, or -150 trucks, on April 2018. The trend is better year-to-date, with Heavy sales tracking down 3.4 percent over this time in 2018. In unit numbers that is 137 less Heavies sold than this time last year. Total sales thus far in 2019 for the Heavy Duty segment stand at 3,922 trucks.

The Medium Duty Truck segment has struggled since the start of 2019 and April saw that trend continue. In April 595 Medium truck sales were recorded, that represents an 11.7 percent (-79 units) loss over April 2018. The April result drags the year-to-date Medium segment sales lower, now 8.1 percent behind the same period last year, that is 197 fewer Medium trucks.

2019 Light Duty truck sales have been consistent, but slow, when compared to 2018 results and April saw more of the same. With a total of 839 sales for the month of April, the Light Duty truck segment was down 9.5 percent, -88 vehicles over the corresponding month last year. Year-to-date Light Duty truck sales trail those of 2018 by 7.3 percent, that amounts to 257 less Light trucks sold thus far in 2019.

Van sales at the end of the first quarter (to the end of March 2019) were down almost six percent, however after stellar sales in the month of April, the Light Duty van segment is the only sector that is in positive territory in comparison to 2018. In April 503 vans were sold, up a massive 27.7 percent (109 vans) over April 2018. The April result was good enough to put the van segment "in the black" year-to-date with total sales of 1,849, up 26 vehicles (1.4 percent) over this time last year and of course last year saw a new record set for van sales above 3.5t GVM.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers

and importers in Australia, noted that what has been a strong new truck market for two years now, had to eventually slow.

“The April result is not really a surprise. We have noted a cooling of truck sales in the Medium and Light segments so far this year and we expected that eventually this hesitation would affect the Heavy truck sector too. What is unclear at this stage, is if this is merely a market stumble and something that can be attributed to the usual economic uncertainty that always occurs in the leadup to a federal election. Or whether this is a longer-term market slow down caused by broader economic realities. I believe that we will have a clearer picture of how strong and how resilient the market is by the end of September. However, there is no doubt that this is a slower than ideal start to quarter two.” Mr. McMullan concluded.

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*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 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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