



T-MARK

Truck Market Data

Truck Market Comment: Second Quarter, 2019

9 July, 2019

Truck sales slow in 2019, Van sales set new records.

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.

New Heavy Truck sales in Australia continue to slow from the record levels seen in 2018, with the month of June just past typical of the trend seen year-to-date. June 2019 saw sales slump in all truck segments, compared to June last year. However despite the slowing market, sales remain healthy, with the total number of heavy vehicles, Light Duty Trucks and Vans, Medium Duty Trucks and Heavy Duty Trucks sold in June totaling 4,072 units, down on June 2018 sales of 4,231, but still the second best June result on record. The plus four thousand June sales result is significant because it represents only the second time ever that the heavy truck and van market in Australia has broken through the 4,000 vehicle mark for a single month. An indication that while the market has slowed, it has certainly not crashed. At the half year point of calendar year, 2019 sales sit at 18,889, down on last year's record of 19,970 by almost 1,100 vehicles, but again, the second best first half year on record after 2018.

Taking a look at each of the four segments individually, the Heavy Duty truck segment continued to retract in June with 1,288 HD deliveries, down 10.1 percent (145 trucks) over the same month in 2018. Looking at quarter two 2019 in isolation, we again see the HD sector down when compared to last year's record second quarter sales. 3,506 sales for April to June, down on the second quarter 2018 result by 411 trucks (10.5 percent). Reviewing the first half year result, Heavy Duty trucks sales are in a better place, though still down, due to a strong first quarter result in 2019, 6,422 sales versus 6,820 sales to the end of June 2018, a reduction of 5.8 percent (398 fewer Heavy truck registrations in 2019).

The Medium Duty segment has contracted at a similar level to the Heavy segment in 2019. 796 MD trucks were delivered last month, down 11.1 percent (-99 trucks) over June 2018. The overall April to June period is down less, with 2,125 Mediums delivered in quarter two 2019, compared to 2,316 for the same period in 2018, an 8.2 percent reduction on last year's levels. Year-to-date Medium Duty truck sales have slowed by 7.6 percent, with 3,775 deliveries to the end of June 2019, 309 fewer MD truck sales compared to the 2018 half year result.

The Light Duty truck segment (trucks with a GVM between 3,500 kg and 8,000 kg) has taken the biggest hit in 2019, though the month of June was a little better than most this year with 1,274 LD trucks delivered, down only 2.3 percent (30 vehicles) over June 2018. The 2019 quarter two

result was poor for LD trucks with 3,112 vehicles sold, down 9.6 percent over the second quarter of 2018, a total of 334 fewer little trucks sold. For the first half year 5,518 Light Duty trucks have been delivered, down on the same period in 2018 by 8.4 percent (-503 trucks).

Amongst the not so good news there is a shining star, with June Light Duty Van sales (vans with a GVM between 3,500 kg and 8,000 kg) well up over June 2018 results and overall sales up year-to-date. 714 LD Vans were delivered for the month, up a significant 19.2 percent (115 vans) over June 2018. LD Vans posted a total of 1,828 sales for the months of April to June, up 13.1 percent (212 vans) over the same quarter in 2018 and a new quarter two record for LD Van sales. At the half way point of the year, the Van tally stands in positive territory at 3,174 units, up on 2018 sales by 4.2 percent (129 vans), that too is a new record for first half year LD Van sales in Australia.

TIC Chief Executive Officer, Tony McMullan, noted the declining truck market year-to-date, however was enthused by LD Van sales.

“The down-turn in truck sales this year was not unexpected after a record year in 2018. It has to be remembered that 2019 has been a federal election year and that always tempers the economy and new heavy vehicle sales. It is encouraging to see such strong sales in the LD Van segment, against the industry trend.”

Mr McMullan continued, “Despite the slowing market this year, sales to the end of June 2019 are the second best on record and if sales continue at this rate for the remainder of the year, we are shaping up for a solid 2019”. Mr McMullan concluded.

ⁱ *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.*

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.

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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