



5 December 2019

Quarter 4 shaping up to be the worst year end in four years for truck sales

In what is a far cry from the heady days of just 12 months ago, new Australian truck sales, vehicles above 3,500kg GVM, continue to wane as 2019 draws to a close. Total heavy vehicle sales for the month of November finished at 3,080 new deliveries. This was down a significant 647 units over November last year and continues the downward trend seen in recent months. Should the current slump in truck sales continue through December, quarter four sales will be the lowest since 2015. Despite the receding sales in the second half of 2019, a solid second quarter and strong first quarter will ensure that overall sales this year are good, with the market likely to finish around the 37,000 mark, which would be the third best result on record, after 2018 and 2007. However, of greater concern is the long-term trend that is currently emerging, poor quarter three sales coupled with a further slowing in the final three months of 2019 could well see new Australian truck and heavy van sales struggle to break the 30,000 mark in 2020, if current sales levels were to continue. Such poor numbers have not been seen since the post Global Financial Crisis of over a decade ago.

The Heavy Duty Truck segment continues to experience the greatest slowdown of all of the heavy vehicle segments. In November just 1,031 trucks were delivered, down a substantial 26.3 percent, or 368 units, on November 2018. The trend is slightly better year-to-date with Heavy sales tracking down 11.7 percent over this time in 2018. In vehicle numbers that is 1,541 less Heavies than this time last year.

The Medium Duty segment also continued its downward trend of recent months in November, posting just 584 sales for the month, a decline of 126 trucks, or 17.8 percent over November 2018. Year-to-date Medium segment sales are behind those of the same period last year by 8.9 percent, a haunting 666 fewer Medium truck sales delivered so far this year.

Continuing the unfortunate trend of their big Heavy and Medium brothers, Light Duty truck sales have also been slowing considerably since the halfway point in 2019. 946 new Light trucks were sold in November, down 18.0 percent over November 2018. Year-to-date Light trucks sales are not fairing much better, down 12.6 percent over the same eleven month period last year. In vehicle numbers, that is 1,498 fewer Light truck sales in 2019.

Very much bucking the trend seen in all the truck segments, the Light Duty Van segment saw positive growth in November and is also in positive territory year-to-date. LD Vans posted another very solid month of sales in November with a total of 519 units delivered, up 11.6 percent, or 131 vans, compared with November 2018, this being the second best November result for vans, bettered only by November 2015 (530 van sales). The year-to-date tally stands at 5801 vans, this is up 4.4 percent (244 vans) compared with the same period in 2018. This is

the strongest eleven month year-to-date van result ever posted, eclipsing the previous best mark set last year.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers in Australia, noted that all truck segments were struggling at a time of the year where sales are typically strong.

“The months of October and November are generally strong for new trucks sales, particularly in the Heavy Duty segment, as fleets gear up for the festive season demands. Sales have slowed to the point that we are now potentially facing the worst final quarter result for heavy vehicle sales in four years. Even more concerning is the market drop witnessed since June this year, a trend that shows no sign of improvement. If this movement continues into next year, truck sales in 2020 could fall to levels not seen for more than ten years and of course this would lead to a further aging of our already old truck fleet, slowing the take-up of advanced safety and environmental technologies. The Truck Industry Council has been calling on government for some time now to introduce incentives, such as those outlined in the TIC National Truck Plan, to aid the purchase of new safer and more environmentally advanced trucks, which in turn will provide ongoing benefits for all Australians.”

“On a positive note, I am encouraging to see Light Duty Van sales continue to grow over the results posted in 2018.” Mr. McMullan concluded.

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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