



T-MARK

Truck Market Data

Truck Market Comment: Fourth Quarter & Full Year, 2019

6th January, 2020

A solid year for truck sales with a new Van sales record

Australian truck market comment pieces are issued quarterly by the Truck Industry Council (TIC)¹, owner and compiler of the official T-Mark² truck market sales database.

Australian truck and heavy van sales for the 2019 calendar year totalled 37,960 units, as detailed in the Truck Industry Council T-Mark data released Friday 3rd January 2019, down a weighty 3,668 units, or - 8.8 percent, over 2018 sales. That said, 2018 was a record year for truck sales in Australia and eclipsing that tally was always going to be difficult. Although the 2019 result was down, it did represent the third best sales result for the Australian heavy vehicle sector, after 2018 (41,628 sales) and 2007 (38,131 sales) and was comfortably ahead of the next best year, 2017 (36,808 sales). While the overall result for the year was solid, the outcome was very much set up by great sales in the first half of 2019. Worrying signs were the significant slowing of the market from July onward, with the back half of the year being only the seventh best on record, a significant contrast to the first two quarters. All truck segments were down compared to last year's results, however Heavy Van sales bucked the overall market trend, setting a new sales record in 2019.

Taking a closer look at the results for the fourth quarter 2019, T-Mark results show sales of 9,410 vehicles. This was some 1,553 vehicles, or -14.2 percent, fewer than for the last quarter of 2018 and 1,103 vehicle (-10.5 percent) less than quarter four 2017. Looking at the overall numbers for the month of December 2019 in isolation, the total heavy vehicle market of 3,248 units was down 207 vehicles (-6.0 percent) on December 2018 sales, the result not as bad as expected due to spectacular December Van sales, that were up 36.1 percent for the month.

The **Heavy Duty Truck Segment³** managed to amass sales of 1,116 units for the month, down 70 units, or -5.9 percent, over the December 2018 result. In the fourth quarter of 2019 HD Truck sales reached a total of 3,226, down 757 trucks, or -19.0 percent, over October to December 2018, a sign of how far the heavy end of the market has dropped in just twelve months. Overall the result for 2019 saw a fall of -11.2 in HD Truck sales compared to 2018 sales, 12,733 Heavy trucks were delivered in 2019 verses 14,344 in 2018. HD Trucks continue to

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maintain the largest slice of the Australian heavy truck and van market, accounting for 33.5 percent of all heavy vehicles sold in 2019, ahead of the LD Truck segment at 30.3 percent share.

The **Medium Duty Truck Segment**⁴ has also seen a decline in sales over the year and the month of December took quite a hit. The December 2019 total was just 560 trucks, representing a 19.2 percent decrease (-133 trucks) over December 2018. The fourth quarter MD segment result of 1,738 was down from the final quarter 2018 result of 2,124 units, a fall of -18.2 percent. Comparing the total Medium Duty tally for 2019, which ended with 7,411 sales, to the 2018 result of 8,210 MD Truck sales, the result was down 9.73 percent, that represented 799 fewer sales in 2019 compared with the 2018 result. The 2019 result was well below (-25.3 percent) the segment peak of 2007 when 9,923 Medium Duty trucks were delivered. Medium Duty truck sales have now slipped to make up just 19.5 percent of heavy vehicle sales in Australia.

Light Duty Truck Segment⁵ sales softened in 2019 after recording record sales in 2018. In total 11,487 Light Duty Trucks were delivered in 2019, down 12.5 percent (1,642 sales) over 2018. December saw the yearlong sales trend in the Light Truck segment continue with 1,044 vehicles delivered, down on December 2018 sales by 12.1 percent (-144). The 2019 fourth quarter result of 2,920 LD Trucks was well down on the 3,575 trucks sold in the final quarter of 2018 (-18.3 percent) again highlighting just how much truck sales have slowed in the latter part of 2019. Light Truck market share is being slowly eroded by increasing Van sales, in 2019 LD Trucks accounted for 30.3 percent of new Australian heavy vehicle sales, as detailed earlier, down from 31.5 percent in 2018.

As detailed above, the **Light Duty Van Segment**⁶ for the month of December saw record sales with 528 deliveries for the month, up an amazing 36.1 percent (140 vans), over December 2018 and bettering the previous best December result, that of 2017, by 29 LD Van deliveries. The fourth quarter total of 1,526 unit sales was up on quarter four 2018 by 19.1 percent (245 units), however fell just short of breaking the fourth quarter Van sales record set in 2017 by just 9 vans. The yearlong sales trend in the Light Duty Van segment was very strong and as was mentioned above, these solid sales set the scene for record LD Van sales in 2019. A total of 6,329 Vans were sold last year, up on the 2018 result of 5,945 by 6.5 percent. Van sales now account for 16.7 percent of the Australian heavy vehicle market.

Chief Executive Officer of TIC, the peak industry body for truck manufacturers and importers into Australia, Tony McMullan, said: "It was pleasing to see that the final heavy vehicle sales numbers for 2019 were the third best on record and that van sales set a new Australian record. However the news was not all good, with significant softening of the market in the second half of 2019 a concern as we head into a new year and a new decade in 2020. In particular, all truck segments saw fewer sales in 2019 compared with 2018. I was pleased to see that the December result was better than forecast, noting that this better than expected result was largely due to some spectacular heavy van and not truck sales. Hopefully we will see a resurgence of truck sales in 2020 and the potential for a strong result as we enter a new decade." Mr McMullan concluded.

¹ *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 three truck engine and major component brands.*

² 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.

³ **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.

⁴ **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.

⁵ **Light Duty Truck Segment** is defined as cab-chassis type vehicles with Gross Vehicle Mass of 3,501 kg to 8,000 kg inclusive.

⁶ **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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