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Poor start for new truck sales in 2020

Total Australian new truck sales for January 2020 were just 1,852 units, down just 344 vehicles, -15.7 percent, on the first month of 2019 and the worst January sales result since 2016. Historically, the opening month of 2020 is the tenth worst January result recorded in the 16 years that TIC has been reporting T-Mark data.

The January 2020 result for the Heavy Duty truck segment was quite poor. Coming off slowing sales in the final two quarters of 2019 it was expected that Heavy truck sales would continue to slow in 2020, however the extent of the slowdown in January was greater than expected. Only 588 Heavy Duty trucks were sold, down on January last year by 181 trucks, in percentage terms, a significant -23.4 percent drop.

Medium Duty segment sales in January were surprisingly good, relative to the other segments. While the January 2020 Medium Duty result was down over the same month in 2019, the fall of 1.4 percent, just 6 fewer Medium trucks, was the smallest drop seen across all of the heavy truck and van segments in January. In fact, this segment was the only one to record a single digit percentage fall January on January, all other segments recorded double digit percentage reductions. In total 435 Medium truck deliveries for the month of January 2020, verses 441 units in January 2019.

Light Duty trucks set new a sales record in 2018 with sales slowing somewhat in the sector last year. That trend has continued into 2020 with the Light Duty Truck segment cooling even further as we enter the new year. A total of 510 LD trucks were sold in January 2020, this represented a 13.7 percent decrease over the same month last year. In vehicle numbers, 81 less “little trucks” were sold in January 2020 compared to the opening month of 2019.

2019 saw a new Van sales record set, hence further year-on-year improvements in heavy van sales in 2020 would seem to be unlikely due to the cyclic nature of the market and the general slowing of sales in other heavy vehicle segments. January 2020 sales support these projections, with Van sales down on January 2019 results by a significant 19.4 percent, 77 fewer vehicle sales. A total of only 319 LD Vans were sold in January 2020.

CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers into Australia, Tony McMullan said “The January result has not come as a surprise to the heavy vehicle industry, though of course it is disappointing. Sales in the final half of 2019, particularly the final quarter, were noticeably trending down and with other economic indicators showing no sign that this downward trend was likely to abate, the start of this new decade was destined to be “soft” for new truck sales. This is the worst sales start to a year, for five years and as I indicated above is disappointing. Not from a personal point of view, though TIC members always welcome a strong order bank, it is disappointing because it shows that our

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nation's economy is slowing. Truck sales are a good indicator of our country's economic strength, slowing new truck sales means a slowing economy. It is also a disappointing outcome for road safety, as reduced truck sales directly result in uptake of fewer new trucks with the latest safety features such as Electronic Stability Control, Autonomous Emergency Braking Systems, Lane Departure Warning, Lane Keep Assists, etc. These month on month and now year on year results, along with other economic indicators should be sending a clear message to government that economic stimulus should be a priority, sooner, rather than later." 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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