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Slow start continues for new truck sales in 2020

Just 2,448 new trucks were sold for the month of February 2020, representing a decrease of 13.4 percent (-378 units) when compared with the same month last year. This February is however, about average with 7 better results and 8 worst, since 2003. The continuation of slow sales in February follows on from average January sales and confirms that the industry is set for, at best, an average start to the year in 2020.

Reviewing the segments, Heavy Duty sales took the biggest hit again and this continues the worrying trend observed in the latter half of 2019 and January 2020. Only 777 heavy trucks were sold for the month of February, down a significant 19.2 percent (-185 trucks) on February 2019. Year-to-date HD sales lag those of last year by 21.1 percent (-365 trucks).

Oddly, Medium Duty sales remain the healthiest of all segment, though still losing ground on 2019 sales. February saw a total of 913 Medium trucks delivered, down 12.4 percent over February 2019. Year-to-date the MD market is holding up better, trailing sales of last year by just over seven percent, down 74 trucks at the end of February.

Light Duty Truck sales again took a hit in February down 14.7 percent (-128 trucks) for the month. Total February Light truck sales were 746. This result mirrors poor January sales, with year-to-date Light Duty sales down by a similar amount, 14.3 percent (-209 trucks).

Light Duty Van was the only segment with a positive result in comparison to February 2019, but only just! February 2020 saw total Light Duty Van sales of 447 units, up 0.7 percent (3 vans) for the month over February 2019. Year-to-date the story is not so positive after a shocker for the segment in January, Light Duty Van sales are down 8.8 percent, that equates to 74 less van sales than to the end of February last year.

CEO of Truck Industry Council (TIC), the peak industry body for truck manufacturers and importers into Australia, Tony McMullan said “The February result is in-line with industry’s expectations, unfortunately. Truck sales are very much mirroring the current Australian economic climate, being average at best. Of looming concern is the impact that Covid-19 is likely to have on Australian freight transport and supply chains. For example, container movements have slowed noticeably according to the Container Transport Alliance Australia. This will have many and far reaching consequences for road freight companies in Australia. With a further slowing of our economy, these freight organisations may delay existing fleet replacement plans, further reducing the take-up of new trucks. This would lead to an increased aging of our nation’s already old truck fleet, with flow on negative effects for road safety, public health and road freight

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productivity. TIC calls upon the Federal Government to acknowledge these potential issues and make appropriate financial incentives available to the road transport sector to stimulate growth.” 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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