



5<sup>th</sup> September 2020

### **Truck sales slow further in August**

The Australian new truck and heavy van market, vehicles with a Gross Vehicle Mass (GVM) above 3,500kg, continues to slow with sales in the month of August 2020 down as very significant 20.7 percent over the same month last year. Noting that August 2019 sales were down 14.3 percent over August 2018, that is a market reduction for the month of August of 35.0 percent over the past two years. Sales in all truck and heavy van categories were down on August 2019 results and the heavy vehicle market is now showing clear signs of significant and continued slowing in 2020, no doubt due to the ongoing effects of the COVID-19 pandemic. Year-to-date heavy vehicle sales are tracking 13.5 percent lower than last year, whilst comparing to this time in 2018, two years ago, sales are down 20.0 percent to the end of August. In terms of actual vehicles, 3,425 less trucks have been sold thus far in 2020 compared to year-to-date August 2019.

The result was not good news across all truck segments, however, unlike previous months this year, the Heavy Duty sector fared the best of the heavy vehicle segments in August. There were 821 Heavy Duty trucks delivered in August, down 16.7 percent (-165 trucks) over August 2019. The year-to-date trend is not as positive for the segment, with Heavy sales tracking 22.8 percent lower than over the same period in 2019. In unit numbers that is a substantial 1,921 less Heavies sold than for the same period last year. Total sales thus far in 2020 for the Heavy Duty segment stand at 6,522 trucks.

The Medium Duty Truck segment has struggled since the start of 2020 with the segment posting the second largest percentage loss in August. Only 484 MD trucks were sold in the month of August 2020, that represents 24.8 percent (-160 units) fewer sales than in August 2019. The poor August result drags the year-to-date Medium segment sales lower, now tracking 14.5 percent below the same period last year. This represents 732 fewer Medium trucks sold to the end of August. A total of 4,319 Medium Duty trucks have been sold year-to-date.

2020 Light Duty truck sales have been consistent, but down, when compared to 2019 results, however the segment has performed better than all others so far this year. The August result was therefore somewhat alarming with a single month drop of 17.5 percent (-180 trucks), that being almost three times as great as the yearly percentage trend to the end of August. That year-to-date deficit is running at -6.4 percent, amounting to 488 less Light Duty truck sales in 2020 compared to 2019. A total of 849 trucks were sold in the month of August, while the total Light Duty truck tally for the year thus far is 7,093.

Van sales in August took an even bigger hit than their Light Duty trucks cousins, down 27.6 percent for the month. That equates to 176 less Van sales in August 2020 compared to the

same month last year, a total of 462 Vans were sold for the month. The August Van sales result was more than four times worse than the year-to-date percentage trend of -6.6 percent. Year-to-date 4,021 new Van sales have been recorded to the end of August, that is down 284 sales over the same period in 2019.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers in Australia, noted that with these latest month-on-month falls, the new truck market had slowed even further this year.

“The August result continues the trend that has been building over the past few months, though the declining sales in the Medium truck and Light truck and van sectors appear to be accelerating. Economic conditions in Australia continue to worsen with our economy now in a technical recession for the first time in 29 years, due entirely to the COVID-19 pandemic. There is also no doubt that August heavy vehicle sales have been directly impacted by the worsening COVID situation in Victoria in July and August. With signs that conditions in Victoria are improving, we hope to see truck and van sales recover a little in September and October, over the August result lows. I am pleased to see that for the first time in a number of months that the Heavy truck segment, though still noticeably down, outperformed the other heavy vehicle sectors. Australia faces a long road ahead, however I have no doubt that the truck industry will continue to provide the essential road freight services required during these difficult times. The Truck Industry Council and our members will continue to play our part in keeping those wheels turning.” Mr. McMullan concluded.

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*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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