



4 December 2020

### **Truck sales remain resilient as the year draws near to a conclusion**

With just the month of December remaining and in what has been a year like no other in modern times, new Australian heavy vehicle sales, trucks and vans with a GVM above 3,500kg, remain resilient as 2020 draws to a close. Total heavy vehicle sales for the month of November finished at 3,174 new deliveries. This was up slightly, 3.0 percent (94 vehicles), over November last year and was in fact the fourth best November sales on record. Following the boom years of 2007 and 2017 and the all-time record year of 2018. While 2020 is just two years on from that high, it seems like ever and a day has passed, almost entirely due to the global events that have unfolded this year. While the heavy vehicle market is tracking over ten percent down (-10.7 percent) over last year and 18.8 percent down on those record sales of 2018, 2020 truck sales have been better than anticipated given how COVID-19 lock-downs, border closures and the second wave impacts in Victoria have ravaged our Australian economy. In fact, the Light Duty Truck and Van segments are tracking right on the five-year sales average. While the Medium Duty Truck sector is down approximately fourteen percent on the five-year mean and Heavy truck sales are lagging the five-year average mark by eight percent, with sales in all segments no doubt buoyed by the Federal Governments financial incentives.

The Heavy Duty Truck segment continues to experience the greatest year-on-year slowdown of all of the heavy vehicle sectors, having been hit the hardest by slowing sales in quarters one and two, when business confidence “fell off a cliff” due to COVID-19. However, the segment has clawed back some of those lost sales in the second half of 2020 and that continued, ever so slightly, in November. 1,032 trucks were delivered, up one (1) truck over the 1,031 trucks sold in November 2019. Overall the segment trails last year’s results by 18.5 percent. In vehicle numbers that is 2,145 less Heavies sold than this time in 2019.

The Medium Duty segment has been the second hardest hit sector in 2020 and this trend continued in November, albeit at a slowing pace. 562 Medium trucks were delivered for the month, a decline of 3.8 percent (-22 trucks) over November 2019 sales. Year-to-date Medium Duty Truck sales lag behind those of the same period last year by 13.4 percent (-917 trucks) and as with Heavy Truck segment, this is primarily due to poor first half year sales.

The Light Duty Truck sales were again in positive territory in November, when compared with November 2019 sales. 1,015 Light Duty Trucks were sold for the month, 69 more little trucks than for the same month last year. That was a 7.3 percent improvement over the 2019 November result. Year-to-date the Light Truck segment is down 4.7 percent at the end of November. In terms of sales numbers, that was 10,443 LD truck sales in 2019 to the end of November, compared with 9,949 Light Duty Truck sales thus far in 2020, a deficit of 494 trucks.

The Light Duty Van segment remains the least effected of all the heavy vehicle segments in 2020, with solid van sales posted again in November, up 8.9 percent for the month. 565 vans were sold in November 2020, that was an increase of 46 vans over the 519 sold in November 2019. Year-to-date the Light Duty Van segment trails 2019 sales by 158 units (-2.7 percent). A total of 5,643 vans have been delivered thus far in 2020, compared with 5,801 van sales to the end of November 2019.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers in Australia, noted that truck sales were stronger than expected for a year that has seen Australia's economy reeling from the effects of COVID-19.

"The positive upward trend in new truck sales witnessed in October across the Light Truck and Van segments has continued into November. Whilst the Heavy Duty Truck sector results were lineball with November 2019 sales. Importantly for the Heavy segment, November marked the fourth consecutive period of month-on-month sales growth, with sales since July showing a positive, constant, upward trend. The Medium Truck segment continues to struggle in 2020, however October and now November sales, have improved significantly and were well up on the Medium Duty sectors 2020 year-to-date average."

Mr McMullan continued, "With the positive news earlier this week that Australia's recession is officially over, with our economy growing 3.3 per cent in the third quarter, I am hopeful that, what has been a very tough year for most Australians, will conclude in a positive economic, health and social climate. Again, the Truck Industry Council would like to acknowledge and thank the Federal Government for the economic stimulus that they have provided throughout the COVID-19 pandemic. In particular, the original instant asset write-off and accelerated depreciation schemes, enacted in March 2020, greatly assisted the heavy vehicle sector and no doubt many other industries too. The recently announced, October 2020, extension of the instant asset write-off scheme and the removal of the \$150,000 cap, will further stimulate our economy and no doubt heavy vehicle sales, throughout 2021 and well into 2022." 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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