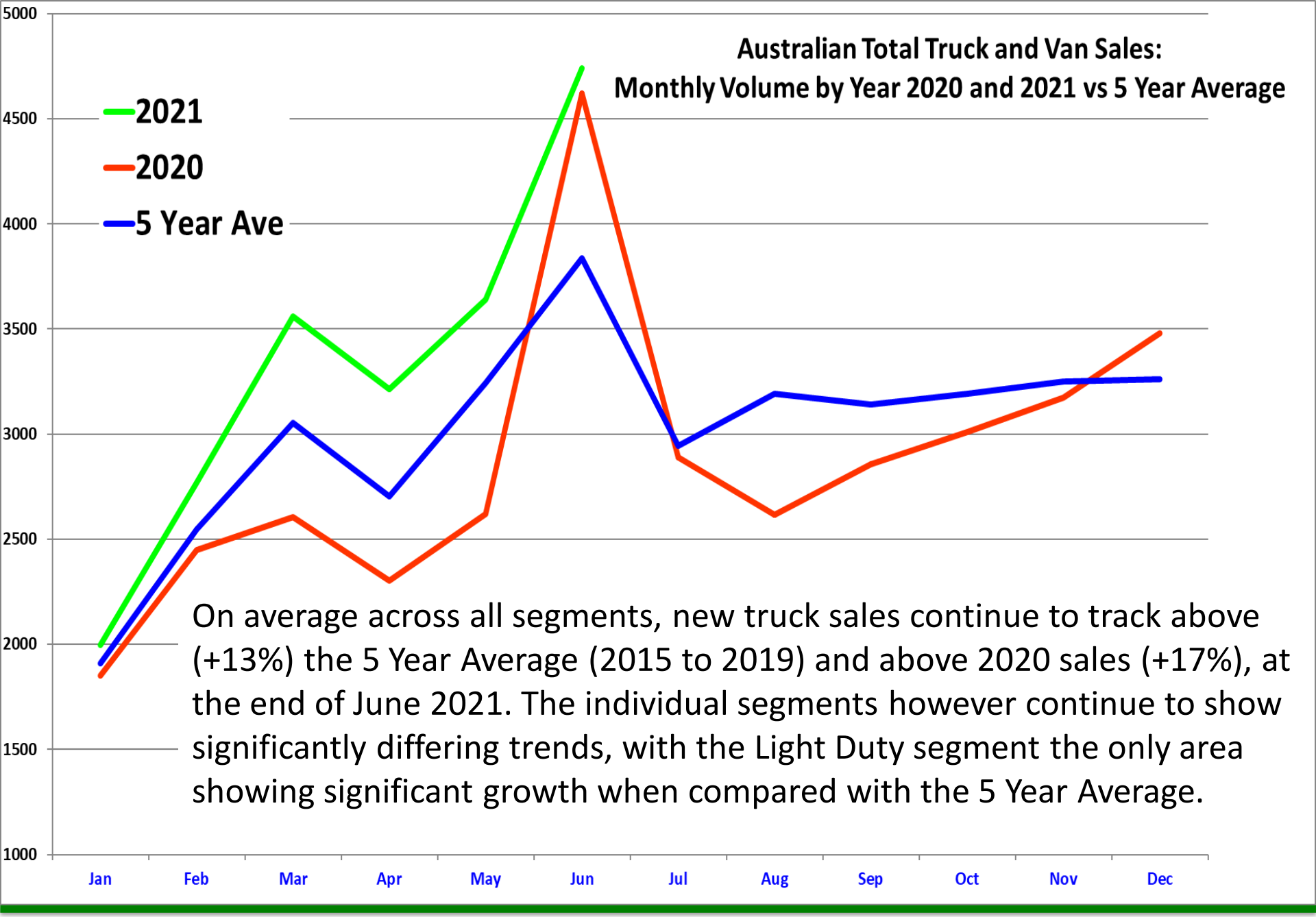
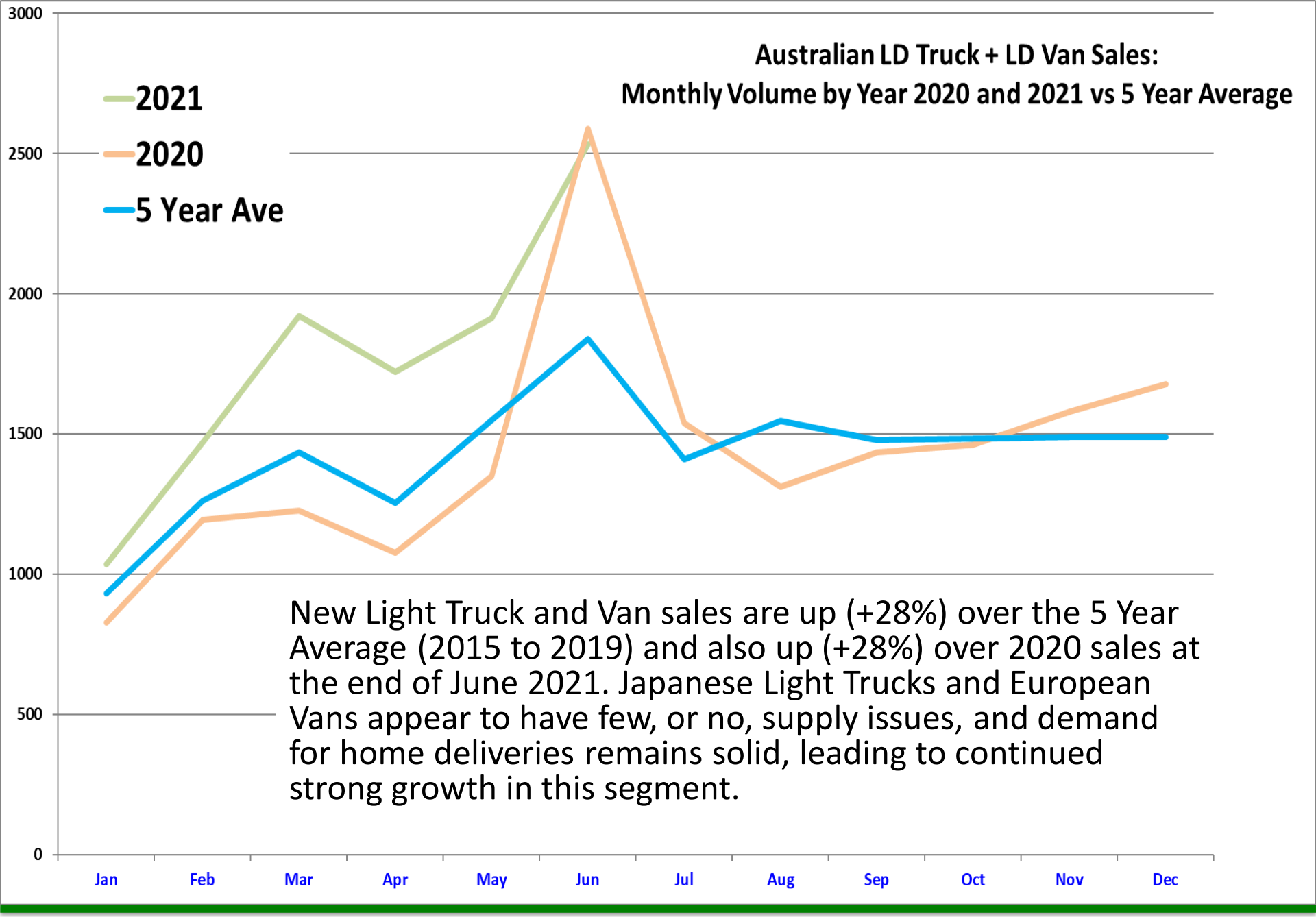
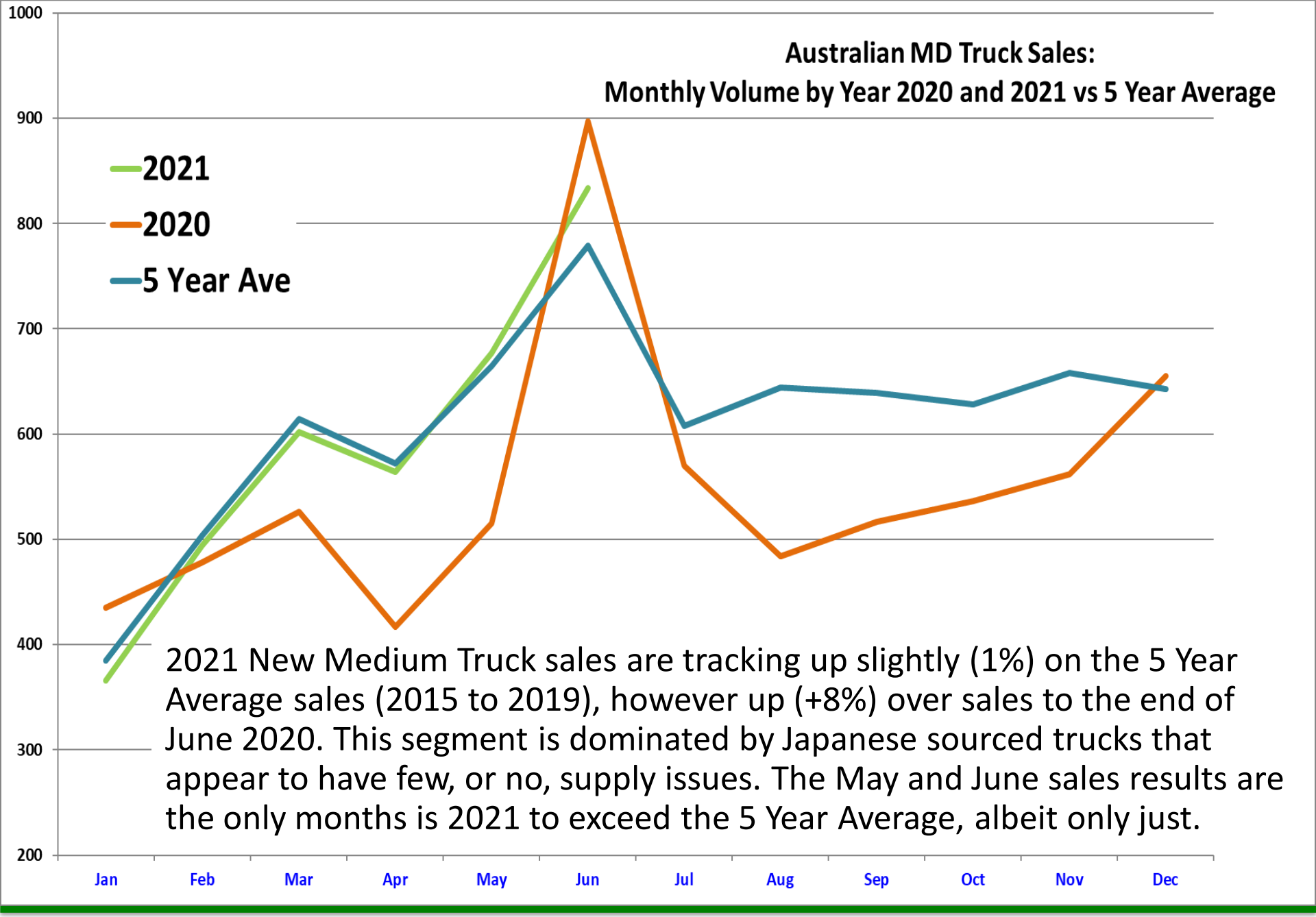


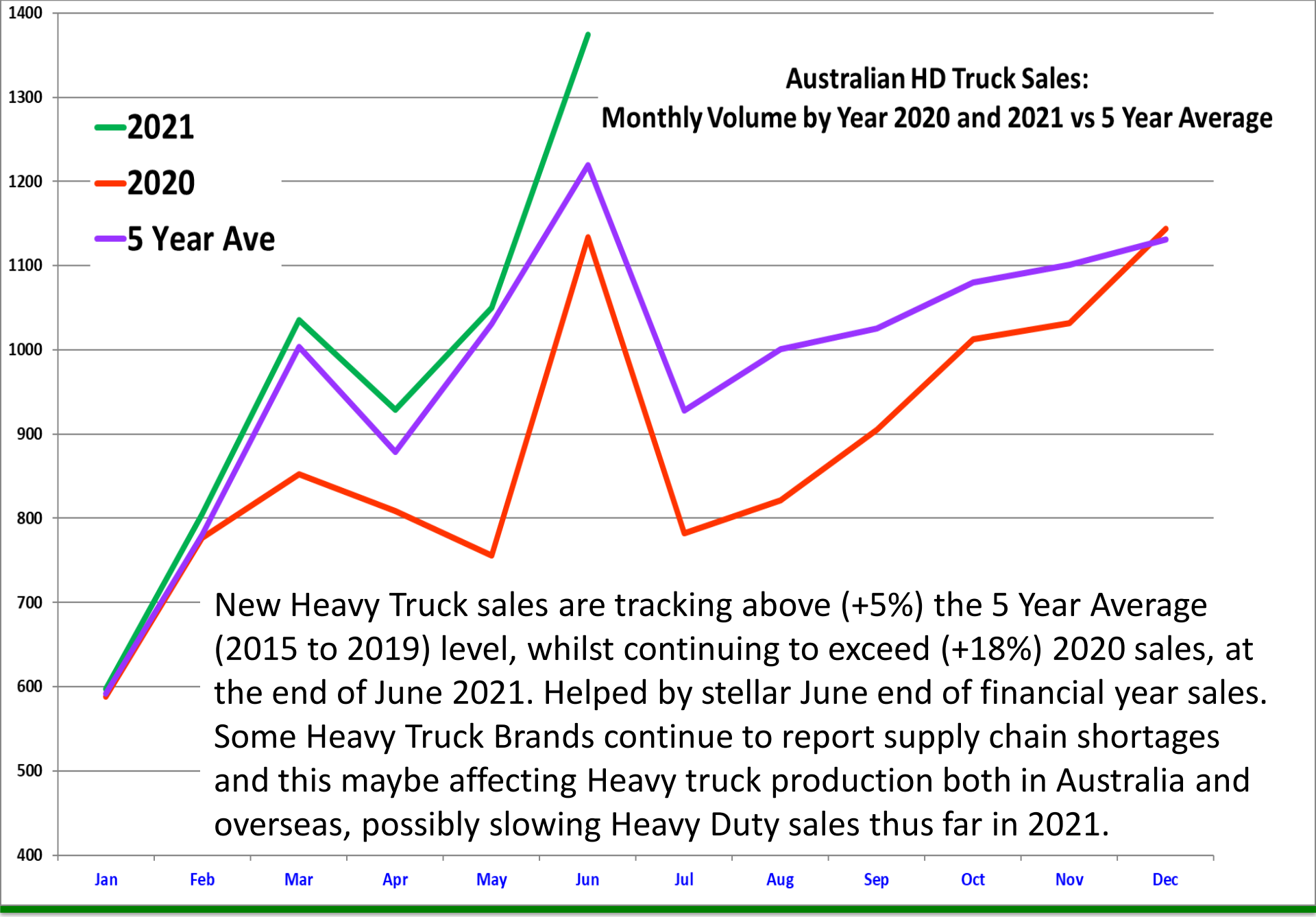
On average across all segments, new truck sales continue to track above (+13%) the 5 Year Average (2015 to 2019) and above 2020 sales (+17%), at the end of June 2021. The individual segments however continue to show significantly differing trends, with the Light Duty segment the only area showing significant growth when compared with the 5 Year Average.



New Light Truck and Van sales are up (+28%) over the 5 Year Average (2015 to 2019) and also up (+28%) over 2020 sales at the end of June 2021. Japanese Light Trucks and European Vans appear to have few, or no, supply issues, and demand for home deliveries remains solid, leading to continued strong growth in this segment.



2021 New Medium Truck sales are tracking up slightly (1%) on the 5 Year Average sales (2015 to 2019), however up (+8%) over sales to the end of June 2020. This segment is dominated by Japanese sourced trucks that appear to have few, or no, supply issues. The May and June sales results are the only months is 2021 to exceed the 5 Year Average, albeit only just.



New Heavy Truck sales are tracking above (+5%) the 5 Year Average (2015 to 2019) level, whilst continuing to exceed (+18%) 2020 sales, at the end of June 2021. Helped by stellar June end of financial year sales. Some Heavy Truck Brands continue to report supply chain shortages and this maybe affecting Heavy truck production both in Australia and overseas, possibly slowing Heavy Duty sales thus far in 2021.

TIC analysis and comments

- Whilst the Australian total heavy truck and van market is showing significant sales growth over the 5 year average, in reality, almost all growth continues to be in the Light Truck and Light Van segments, with the Medium Truck segment sales tracking at about the 5 year average mark and Heavy Truck segment sales just above the 5 year average.
- TIC continues to receive feedback from some truck manufacturers and importers that international part and vehicle supply shortages, due to the global COVID 19 pandemic, are impacting on their ability to build Heavy Duty trucks in Australia and import Heavy Duty trucks from parent organisations in Europe and the USA, though this appears to be easing as we move through the halfway point of the year. Japanese truck imports appear to be less effected by these supply chain issues.

TIC analysis and comments

- Stellar Heavy Duty sales were recorded in June 2021, this marking the end of the Australian financial year and no doubt truck customers were keen to complete their HD truck purchases so that they could claim the Federal government's 100% instant asset write-off. It is likely that July sales will be weak and that the June peak will be "normalised" once the July numbers are counted, with the segment expected to stabilise at about 3% growth above the 5 year average.
- Medium Duty truck sales (dominated by the Japanese brands) appear to be improving, though weaker than other segments. This weakness cannot be attributed to supply issues, as truck imports from Japan remain solid. Weak sales in this segment indicate other market forces are at play and that Government COVID 19 financial incentives are not proving to be particularly effective in incentivising operators in this segment to purchase new Medium Duty trucks.

TIC analysis and comments

- Supply of light trucks out of Japan (and Europe) appears to be solid and Australian importers do not appear to be experiencing any significant shortages. This strong supply has supported very good Light Duty Truck sales in the first 6 months of 2021. European Van supply also appears to be solid, supporting strong Light Duty Van sales thus far in 2021. The Light Truck and Van segment sales continued to be fuelled by strong demand, by consumers, for home deliveries.