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Great start for new truck sales in 2022

Total Australian new truck sales for January 2022 were 2,148 units, up 150 vehicles, +7.5 percent, on the first month of 2021 and just 99 vehicles shy of the all-time January sales record of 2008. Back in 2008 truck sales continued at record levels until just after the mid-year point when the Australia economy succumbed to the effects of the Global Financial Crisis (GFC) and new truck sales slowed considerably thereafter.

The January 2022 result for the Heavy Duty truck segment was very strong, the fourth best on record in fact, after 2008, 2019 and the record sales year of 2018. Coming off strong final quarter 2021 sales, it was expected that Heavy truck sales would slow coming into in 2022 due to ongoing supply chain issues, however 738 Heavy Duty trucks were sold, beating the January result of last year by an impressive 141 trucks, up 23.6 percent. When compared with the record pre-GFC January of 2008 where 841 trucks were sold, this 2022 result is down by about 12 percent, showing just how strong the market was back then.

The Medium Duty segment was also up over the 2021 January result, with 421 Medium truck deliveries for the month of January 2022, verses 366 units in January 2021, a solid gain of 15 percent. This result is well short, 130 trucks, or just over 23 percent, of the best ever January deliveries of 551 Medium trucks achieved in 2008. However, as TIC has reported previously, the MD segment is a shrinking market, so it is unlikely that we will ever see new Medium truck sales rewriting the record books.

Light Duty trucks set a new sales record in 2017 and then bettered that mark in 2018, fell a little in 2019 and 2020, before bouncing back in 2021 when the Light truck segment set a new all-time sales record. Hence further year-on-year improvements in “little truck” sales in 2022 would seem unlikely due to the cyclic nature of the market. However, January 2022 sales in this segment were strong, very strong, up 5.5 percent over 2021 January sales, giving the Light truck segment a great start to the year. A total of 768 LD trucks were sold in January 2022, that is 39 trucks more that the same month last year and that is a new sales record for the segment, eclipsing the previous best January sales figures, set way back in 2006, when 717 Light trucks were delivered.

The end of 2021 saw Light Duty Van sales fall well below seasonal trends and in fact it was the segment’s poor showing in the final quarter of last year that scuttled any hopes of the market breaking the 2018 sales record. That sales slide has continued into the start of 2022 with just 221 Van sales recorded for the month of January. Some 85 fewer Van sales than in January 2021, amounting to a significant drop of 27.8 percent for the segment heading into 2022. The slowing of Light Duty Van sales could be an indication that the market growth in online sales and deliveries in normalizing, this boom during COVID significantly increased the demand for home deliveries and a rise in Van sales. Or perhaps supply chain and/or shipping issues out

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of Europe may be limiting the availability of vehicles in this segment, noting that all the recorded sales are for European Van brands.

CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers into Australia, Tony McMullan said “January was a strong start to the year, almost as good as January 2018, a year that of course went on to set a new all-time record for new truck sales in Australia. It was very pleasing to see such a strong start to the year for the Heavy, Medium and Light Duty truck segments, all three up on January 2021. However, as I generally remark at this time of year, January and even February sales, are subject to fluctuations and some inconsistencies due to the transition of supplying trucks from one year to the next and the summer holiday season. One should not read too much into the January result. We will have a much better indication of how the market is tracking for the year at the end of the first quarter, once January, February and March numbers are in and the market has had a chance to normalise. We are also heading into a federal election year in 2022 and historically that has the effect of disrupting sales, as some organisations await the election result before committing to significant capital expenditure. However, with strong government COVID financial incentives still on the table for 2022 and into 2023, times are good for purchasing a new truck.” Mr McMullan concluded.

Truck Industry Council is the peak body representing all suppliers of on-road heavy vehicles in Australia. TIC members represent 17 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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