TPI

October 14, 2024

www.powersys.com | +1-651-905-8400 | info@powersys.com

Truck Production Index

Power Systems Research
Data · Forecasting · Solutions™

The PSR-TPI measures truck production globally and across six regions: North America, China, Europe, South America, Japan & Korea and emerging markets. Data comes from OE Link™, the proprietary database maintained by Power Systems Research. PSR-TPI covers Class 3-8 Trucks (3.5 tons and greater) & Bus Chassis.

Third Quarter 2024

Q3 2024 Power Systems Research Truck Production Index (PSR-TPI) Falls 8.9%

ST. PAUL, MN — The Power Systems Research Truck Production Index (PSR-TPI) decreased from 123 to 112, or -8.9%, for the three-month period ending Sept. 30, 2024, from the Q2 2024. The year-over-year (Q3 2023 to Q3 2024) decrease for the PSR-TPI was, 114 to 112, or -1.8%.

The PSR-TPI measures truck production globally and across six regions: North America, China, Europe, South America, Japan & Korea and Emerging Markets.

This data comes from OE Link™, the proprietary database maintained by Power Systems Research.

Global: Globally, medium, and heavy commercial vehicle production is expected to decline by 1.4% this year over 2023. Moving into 2025, much of the focus on demand will be centered around slowing global economic conditions that will impact overall freight demand.

All Regions: In 2024, Medium and heavy commercial vehicle production in Europe, South Asia, Japan/Korea, and North America is excted to decline modestly while production in China and South America, is expected to improve over last year.

North America: Medium and heavy commercial vehicle production is expected to decline slightly this year over 2023. While sales in the class 8 segment have declined by around 15% this year, the OEMs continue relatively high levels of production ahead of the anticipated pre-buy leading up to the GHG emission regulations starting in 2027. The OEMs are expected to slow production later this year and into the first part 2025 as truck inventories are currently at high levels. The freight market remains weak, and the fleets have concerns about purchasing new trucks in this economic cycle. Production is expected to ramp up again in mid-2025. Demand in the medium truck segment has remained fairly strong this year but is expected to slow going into next year.

Europe: After strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 12.1% this year compared with 2023. The pent-up demand for heavy trucks has ended and the market is indicative of replacement demand rather than expansion. PSR expects truck production to slow throughout the remainder of the year primarily due to re-balanced truck

TPI authors

Chris Fisher is the senior commercial vehicle analyst at Power Systems Research

Jim Downey is vice president - global data products at Power Systems Research

capacity and a slower economy, in part due to on-going inflation and higher interest rates. The OEMs believe that truck demand will improve toward the end of the first quarter 2025. Production levels are expected to rebound modestly starting in the second quarter of next year.

South Asia: After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to decline by 6% this year compared with 2023. This will be primarily due to a re-balanced truck capacity along with a forecasted slowdown in freight demand in India. Commercial vehicle production in India is expected to decline by 7.9% this year and increase by 5% in 2025. High inflation and interest rates continue to pressure demand for vehicles throughout the ASEAN region.

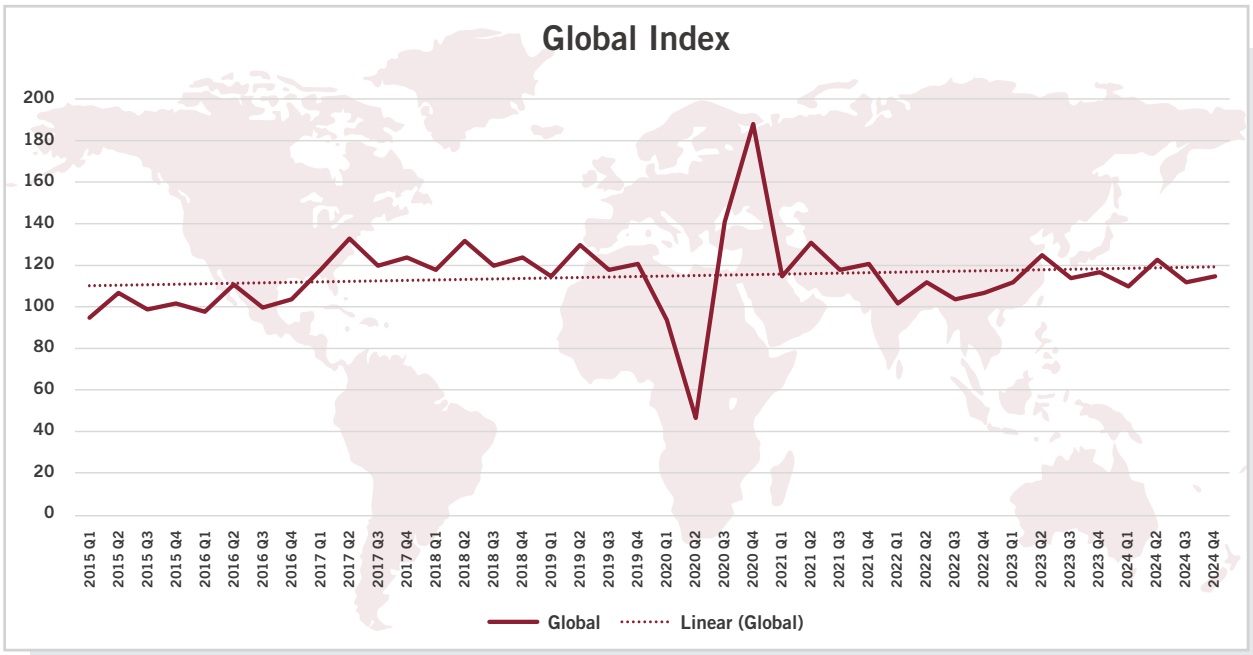
South America: In 2024 the forecast is to grow 8% over 2023 due exports to Brazil. The local market is in recession in Argentina. After a downturn of -35% in 2023, a new downturn of - 43% is forecasted for 2024 because of the economy and GM phase out for Columbia. The volumes in Argentina and Colombia have small impact in TPI South America, since the largest volume is produced in Brazil. Outstanding recovery in 2024 for Brazil, which is now forecasted to 159,000 units, which means 32.5% over 2023. This is also impacting positively Industrial GDP. Accumulated results in August are aligned with reviewed forecast as well to reach volume of 198,000 units by 2029.

Japan/Korea: Medium and heavy commercial vehicle production in Japan and South Korea is expected to decline by 9.5% this year over 2023. Commercial vehicle production is expected to decline by 10.4% in Japan and 2.3% in South Korea this year. The supply chain has shown good improvement which led to stronger than expected production levels last year especially in South Korea. Demand for commercial vehicles in Japan has slowed this year and Japan's traditional export markets are being pressured by high inflation and interest rates.

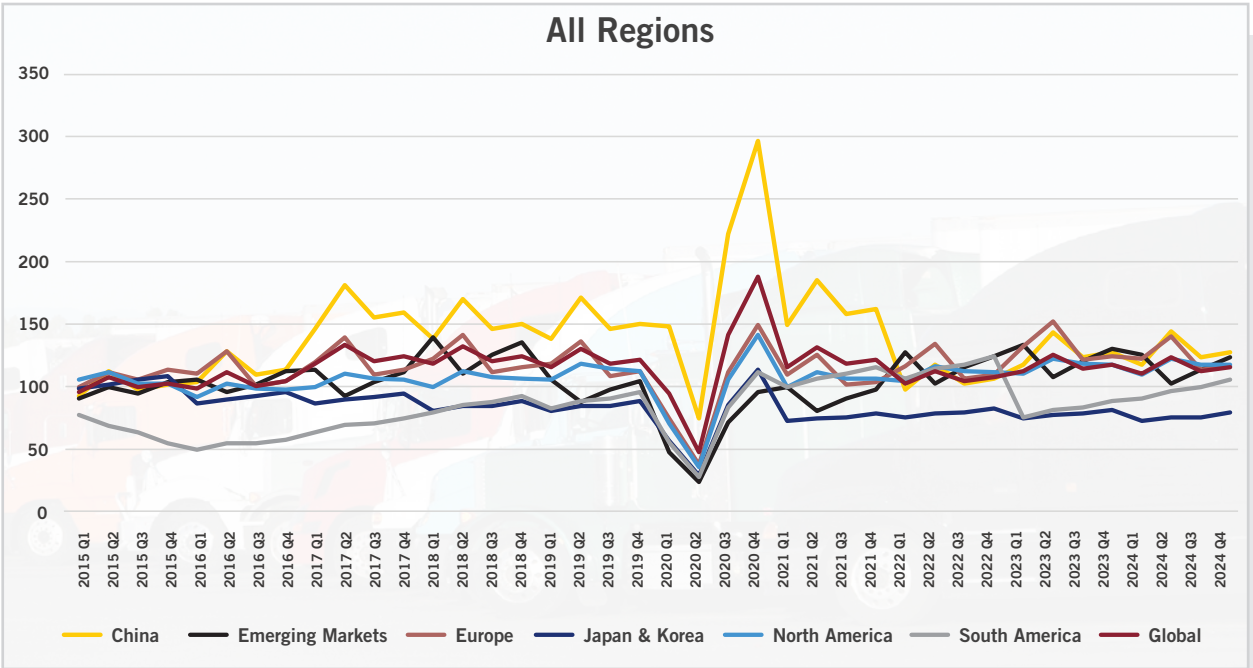
Greater China: Medium and heavy commercial vehicle production is expected to increase by 5.4% this year over 2023. Vehicle demand was up sharply last year as the market recovered from a dismal 2022. While truck demand is expected to increase this year, the Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt. In Taiwan, medium and heavy vehicle production is expected to be flat this year over 2023.

The next update of the Power Systems Research TPI will be in January 2025 and will reflect changes in the TPI during Q4 2024. **PSR**

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)

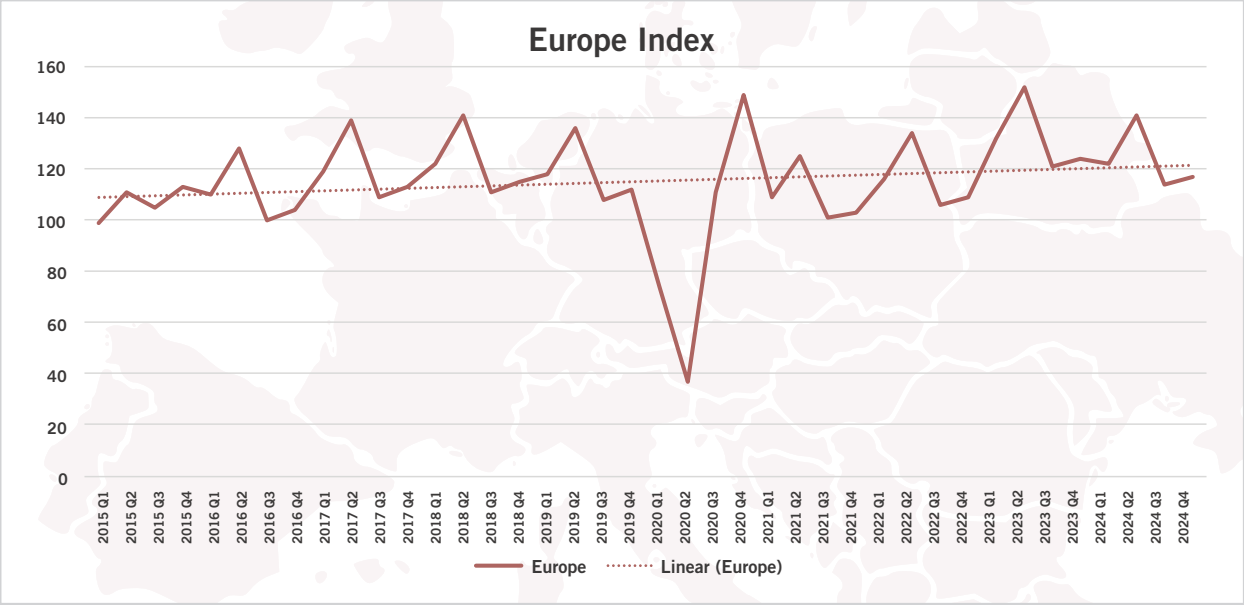


Globally, medium, and heavy commercial vehicle production is expected to decline by 1.4% this year over 2023. Moving into 2025, much of the focus on demand will be centered around slowing global economic conditions that will impact overall freight demand.

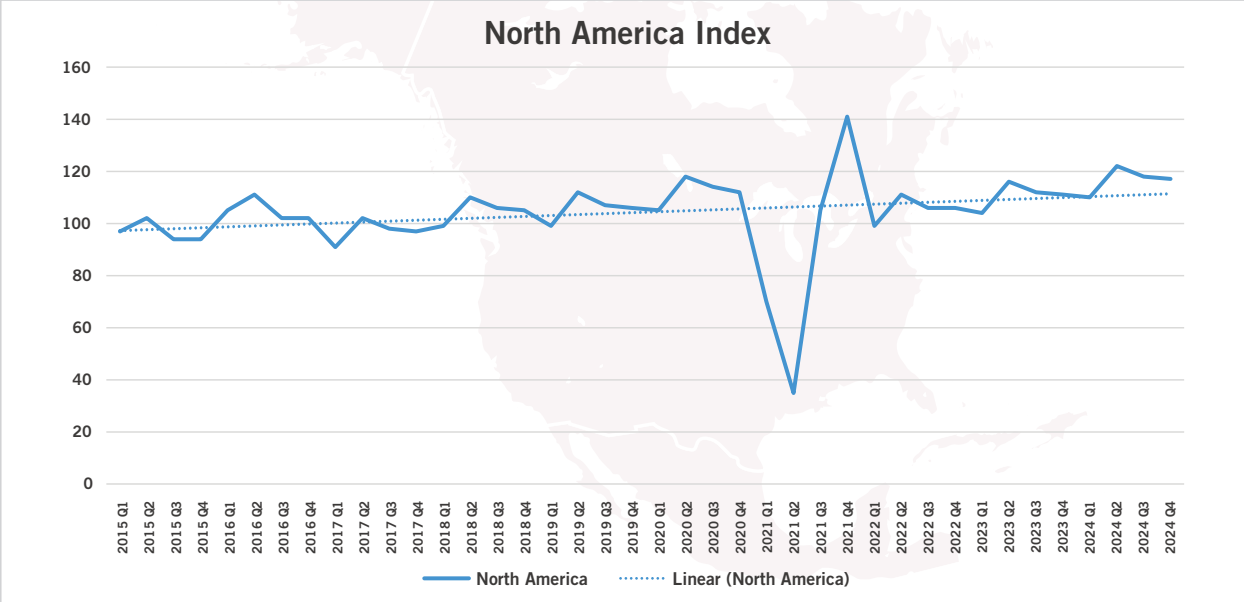


In 2024, Medium and heavy commercial vehicle production in Europe, South Asia, Japan/Korea, and North America is expected to decline modestly while production in China and South America, is expected to improve over last year.

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)

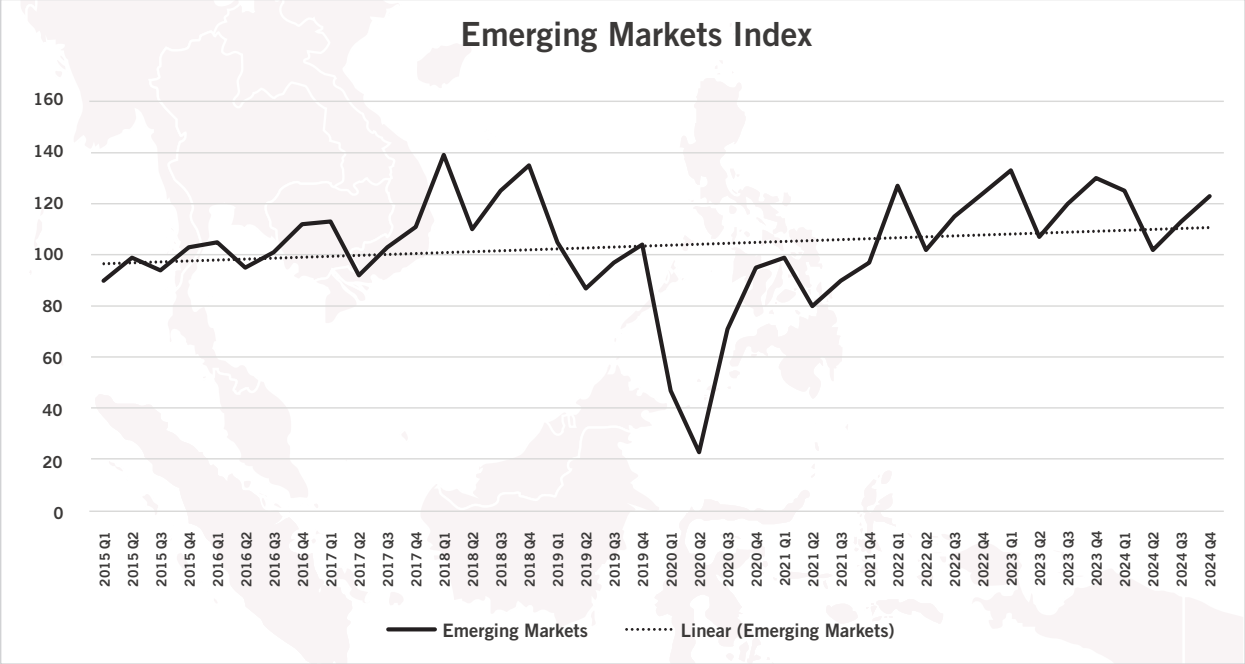


After strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 12.1% this year compared with 2023. The pent-up demand for heavy trucks has ended and the market is indicative of replacement demand rather than expansion. PSR expects truck production to slow throughout the remainder of the year primarily due to re-balanced truck capacity and a slower economy, in part due to on-going inflation and higher interest rates. The OEMs believe that truck demand will improve toward the end of the first quarter 2025. Production levels are expected to rebound modestly starting in the second quarter of next year.



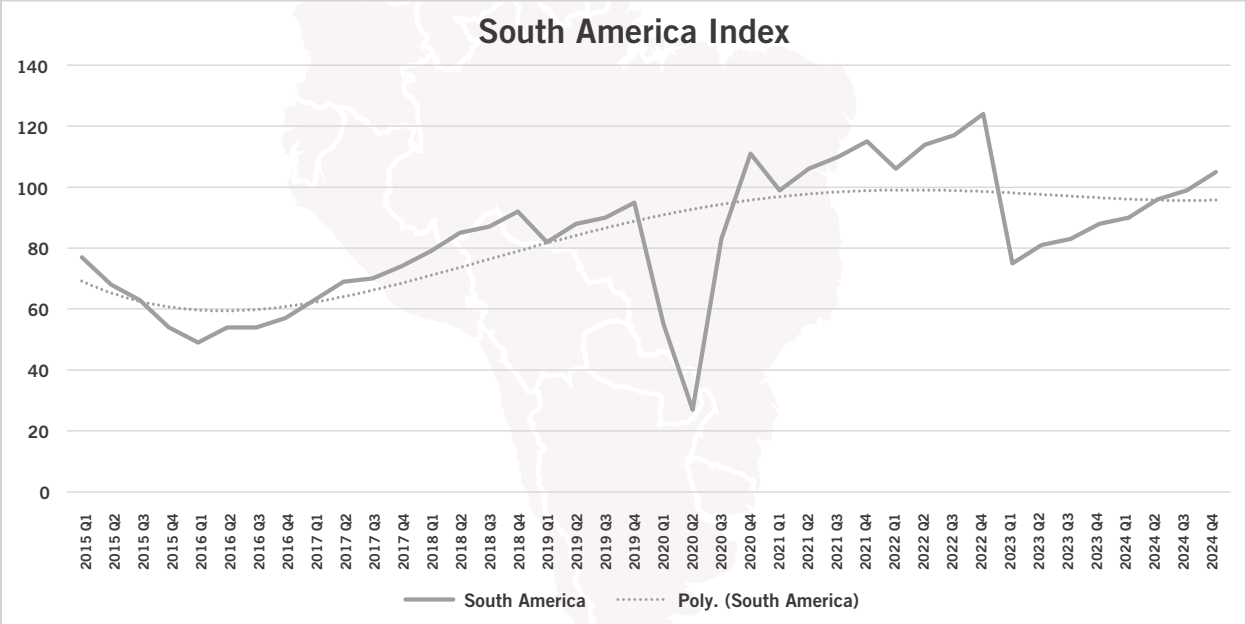
Medium and heavy commercial vehicle production is expected to decline slightly this year over 2023. While sales in the class 8 segment have declined by around 15% this year, the OEMs continue relatively high levels of production ahead of the anticipated pre-buy leading up to the GHG emission regulations starting in 2027. The OEMs are expected to slow production later this year and into the first part 2025 as truck inventories are currently at high levels. The freight market remains weak, and the fleets have concerns about purchasing new trucks in this economic cycle. Production is expected to ramp up again in mid-2025. Demand in the medium truck segment has remained fairly strong this year but is expected to slow going into next year.

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



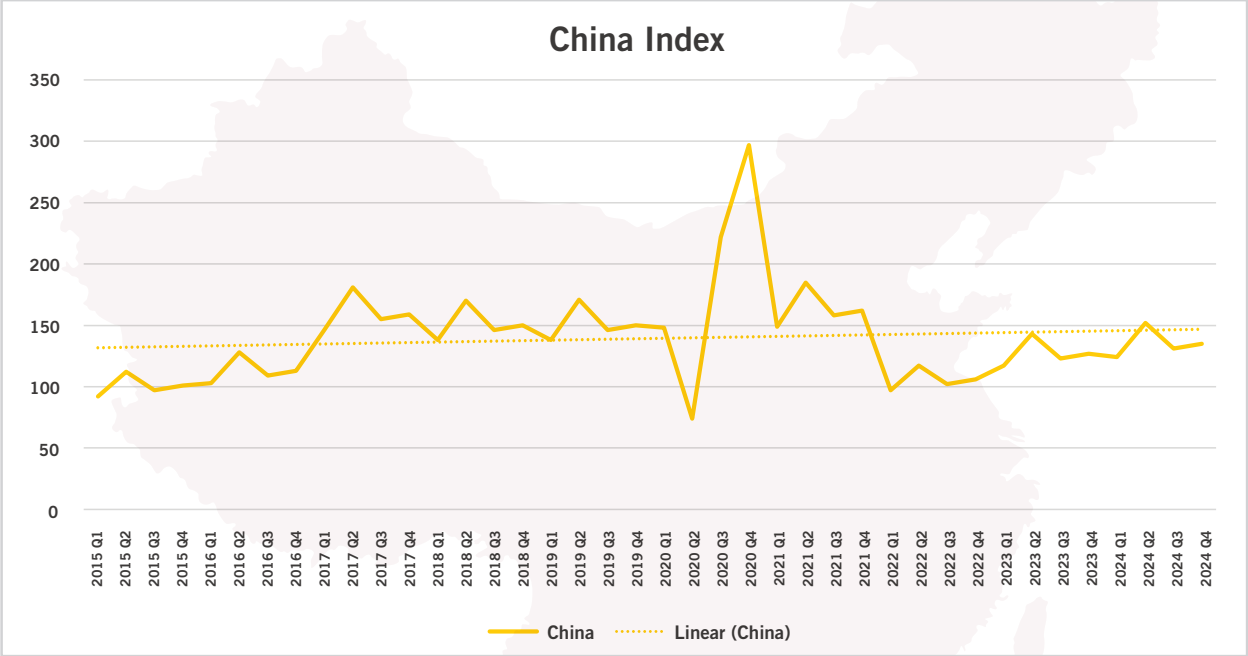
After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to decline by 6% this year compared with 2023. This will be primarily due to a re-balanced truck capacity along will a forecasted slowdown in freight demand in India. Commercial vehicle production in India is expected to decline by 7.9% this year and increase by 5% in 2025. High inflation and interest rates continue to pressure demand for vehicles throughout the ASEAN region.

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)

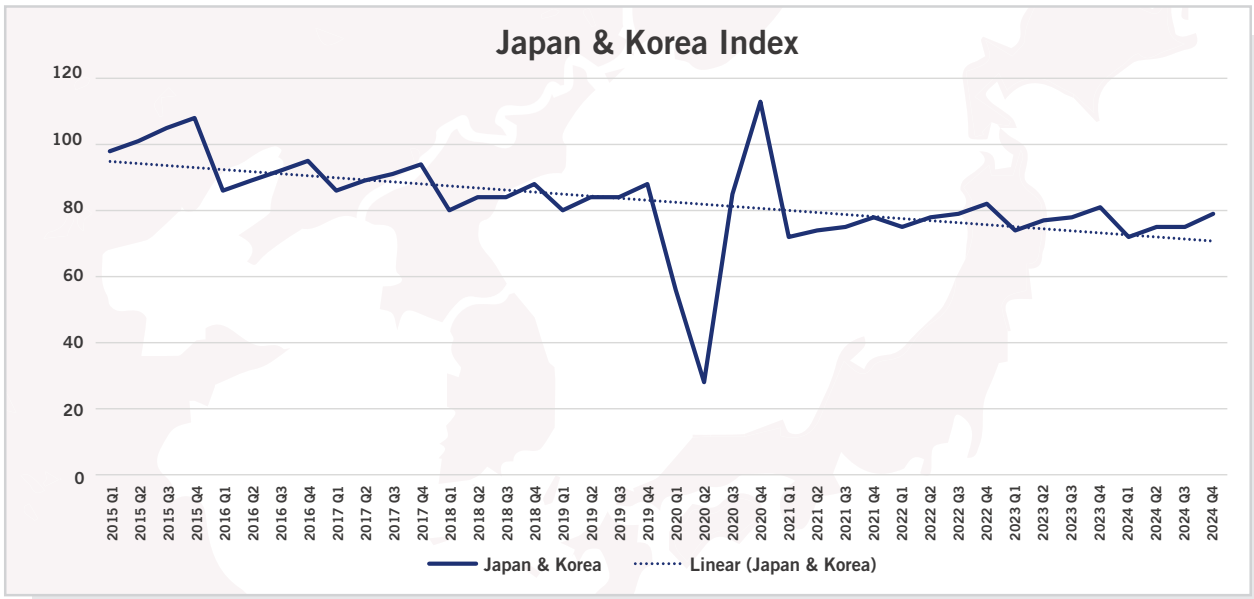


In 2024 the forecast is to grow 8% over 2023 due exports to Brazil. The local market is in recession in Argentina. After a downturn of -35% in 2023, a new downturn of - 43% is forecasted for 2024 because of the economy and GM phase out for Columbia. The volumes in Argentina and Colombia have small impact in TPI South America, since the largest volume is produced in Brazil. Outstanding recovery in 2024 for Brazil, which is now forecasted to 159,000 units, which means 32.5% over 2023. This is also impacting positively Industrial GDP. Accumulated results in August are aligned with reviewed forecast as well in the way to reach volume of 198,000 units by 2029.

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



Medium and heavy commercial vehicle production is expected to increase by 5.4% this year over 2023. Vehicle demand was up sharply last year as the market recovered from a dismal 2022. While truck demand is expected to increase this year, the Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt. In Taiwan, medium and heavy vehicle production is expected to be flat this year over 2023.



Medium and heavy commercial vehicle production in Japan and South Korea is expected to decline by 9.5% this year over 2023. Commercial vehicle production is expected to decline by 10.4% in Japan and 2.3% in South Korea this year. The supply chain has shown good improvement which led to stronger than expected production levels last year especially in South Korea. Demand for commercial vehicles in Japan has slowed this year and their traditional export markets are being pressured by high inflation and interest rates.

CONTACT US

Purchasing and Inquiries

Headquarters
St. Paul, USA
+1 651 905 8400
info@powersys.com

Detroit, USA
+1 734 545 0474
infode@powersys.com

Beijing, China
+86 10 5737 9201
infocn@powersys.com

Campinas, Brazil
+55 19 3305 5657
infosa@powersys.com

European Headquarters
Brussels, Belgium
+32 2 643 2828
infobr@powersys.com

Frankfurt, Germany
+49 160 1807 044
infoge@powersys.com

Pune, India
infoin@powersys.com

Tokyo, Japan
+81 90 9139 0934
infojp@powersys.com

About Power Systems Research

Power Systems Research (PSR), established in 1976, is the leading source of data, analysis and forecasting on the global production of engines and engine-powered equipment, including class 8 vehicles. One of its databases, EnginLink,™ includes production figures down to the model level for OEMs in key market segments, such as commercial vehicles. PSR's global research network includes eight offices and stretches across 200 countries and four continents.

Power Systems Research
Data · Forecasting · Solutions™