TPI

Truck Production Index

Power Systems Research
Data · Forecasting · Solutions

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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 CV Link™, the proprietary database maintained by Power Systems Research.

First Quarter 2018

Q1 2018 Power Systems Research Truck Production Index (PSR-TPI) falls 6.1%

ST. PAUL, MN —The Power Systems Research Truck Production Index (PSR-TPI) decreased from 114 to 107, or 6.1%, for the three-month period ended March 31, 2018, from Q4 2017. The year-over-year (Q1 2017 to Q1 2018) loss for the PSR-TPI was one point (108 to 107), or .93%.

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GLOBAL INDEX. Commercial vehicle demand in 2018, is expected to be particularly strong in North America, Brazil, Russia and India while demand is expected to decline sharply in China after very strong sales in 2017. With the exception of China and Japan/Korea, medium and heavy commercial vehicle demand in the other regions is trending higher this year.

NORTH AMERICA: In 2018, medium and heavy commercial truck production is expected to increase by 13.8% over last year, driven by extremely strong class 8 demand combined with continued strength in the medium duty (class 4-7) segment. Production levels for class 8 trucks are expected to exceed 300,000 trucks this year as a result of a very strong economy and high freight demand. Demand in the medium duty segment will be driven in part by continued strength in the vocational segment.

EUROPE: Medium and heavy truck production is expected to increase by 3.2% in Greater Europe this year over 2017. Production in Western Europe should increase by 1.9%, while production in Eastern Europe could increase by 8.6% as the fleets continue to replace their aging trucks. Truck demand in Russia improved significantly last year and is expected to see further improvement in 2018.

TPI authors

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SOUTH ASIA: In South Asia, commercial truck demand is expected to improve this year over 2017. Production for medium and heavy trucks should increase by 7.7%, led by stronger demand in India. Production in India is expected to increase by 9.4% this year after a soft 2017, primarily due to the implementation of the BS-IV emission regulations which increased the cost of the trucks.

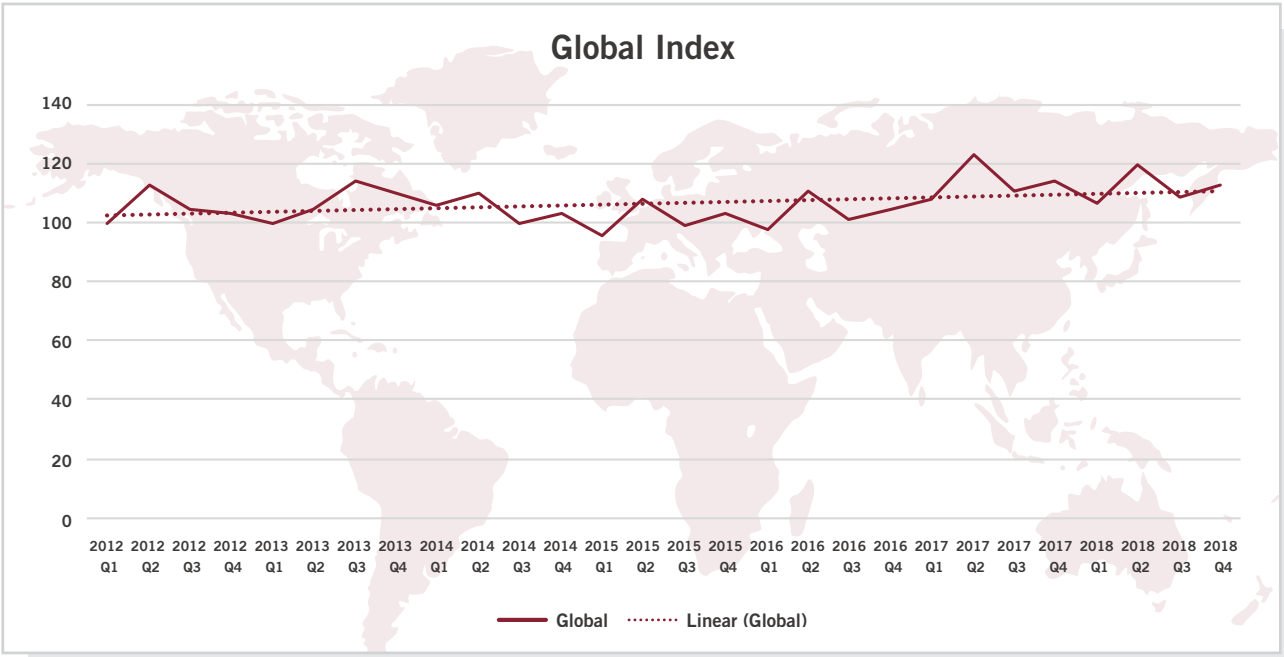
Additional infrastructure spending is expected to boost demand in India during the next few years. The Indian government is working on a policy to scrap vehicles older than 15 years which will bode well for commercial truck demand in India. However, if this policy is implemented, it probably won't take affect until at least 2020. Demand for the rest of South Asia is also expected to improve with production increasing by 3.3% this year.

SOUTH AMERICA: After a number of years with very low medium and heavy truck demand, domestic and export sales started to improve last year, and production in South America is expected to increase by 20% in 2018 driven by Brazil. While truck exports are a main reason for this increase, domestic demand has also significantly improved during the past year.

JAPAN/KOREA: Medium and heavy truck demand is expected to continue its decline by falling 3.5% this year as softness in domestic demand continues to impede the manufacturers. Production continues to be transferred from Japan and Korea closer to their traditional export markets.

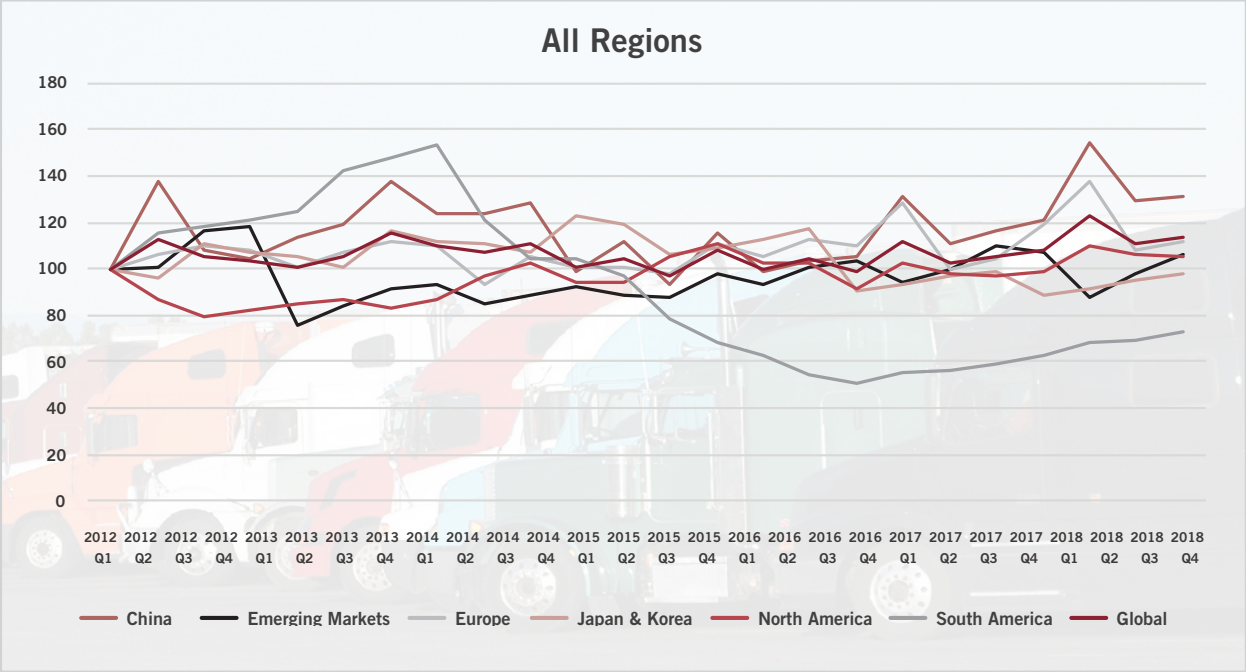
GREATER CHINA: After a very strong year of medium and heavy truck demand in China, production is expected to decline by 22.5% in 2018, getting back to a more normal level of demand. A significant reason for such strong demand last year was the enforcement of the GB1589 regulations to control overloading of trucks. This change reduces freight hauling capacities by 20%. While the economy is expected to slow down slightly compared to last year, it is still relatively healthy.

The next update of the Power Systems Research TPI will be in July 2018 and will reflect changes in the TPI during Q2 2018. **PSR**

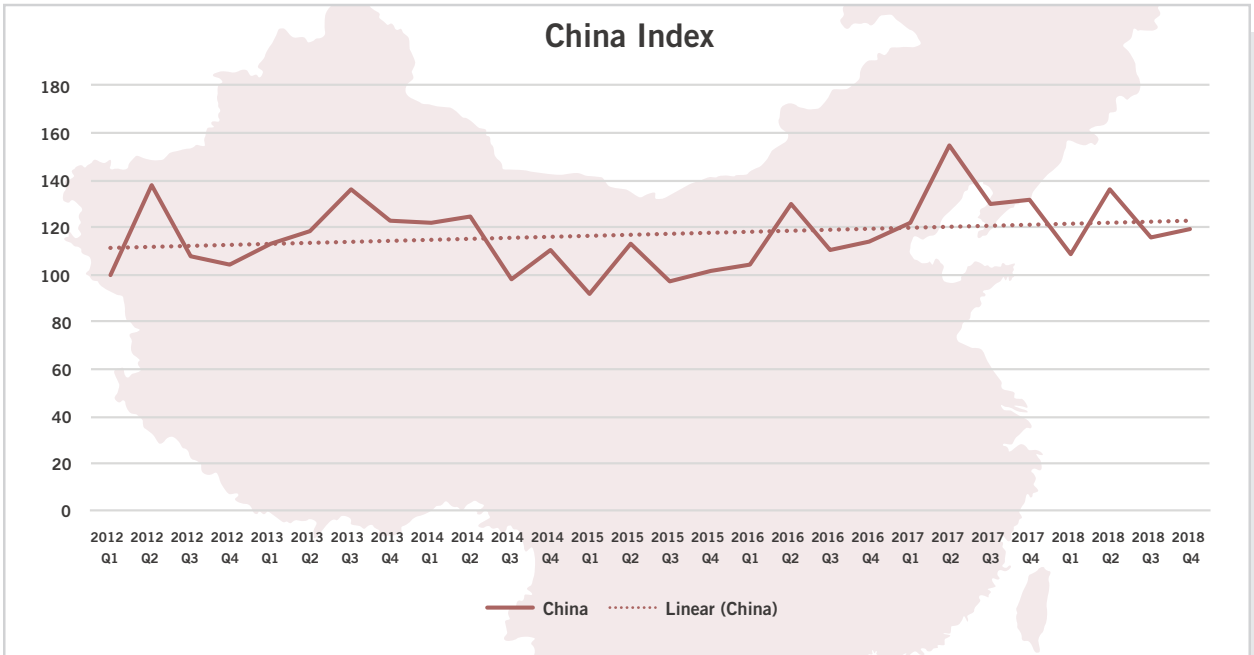


Commercial vehicle demand in 2018, is expected to be particularly strong in North America, Brazil, Russia and India while demand is expected to decline sharply in China after very strong sales in 2017.

Power Systems Research Global Truck Production Index (PSR-TPI) (Class 4-8 Trucks & Bus Chassis)



With the exception of China and Japan/Korea, medium and heavy commercial vehicle demand in the other regions is trending higher this year.



After a very strong year of medium and heavy truck demand in China, production is expected to decline by 22.5% in 2018, returning to a more normal level of demand.

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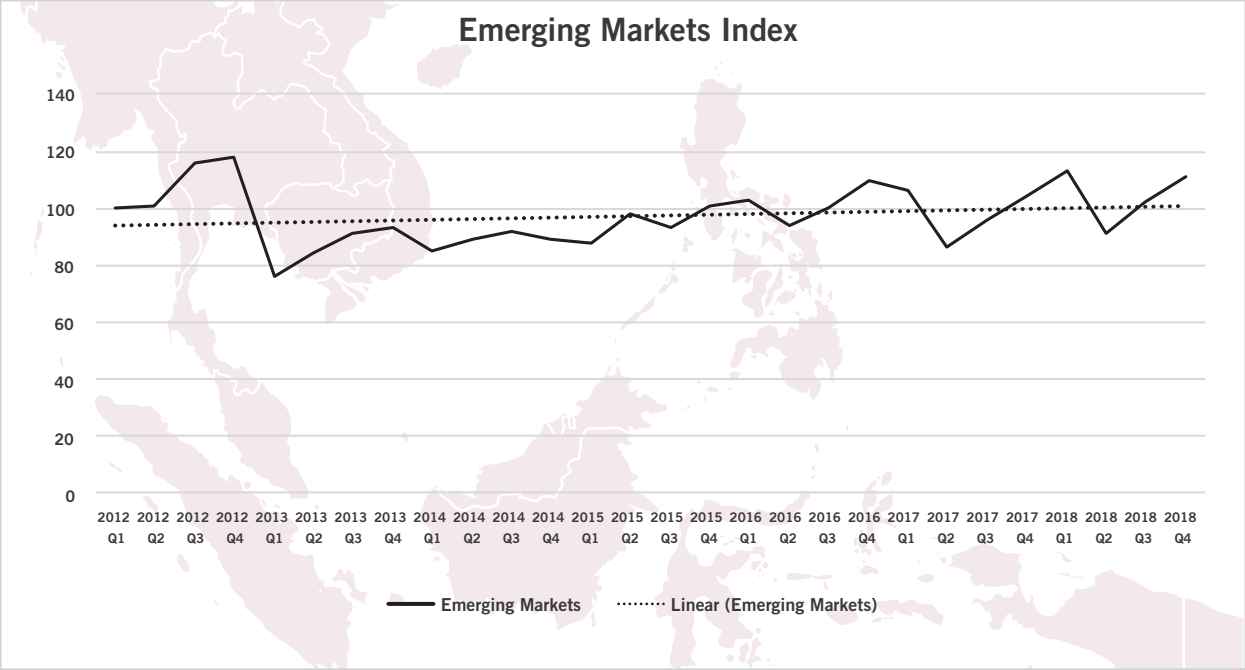
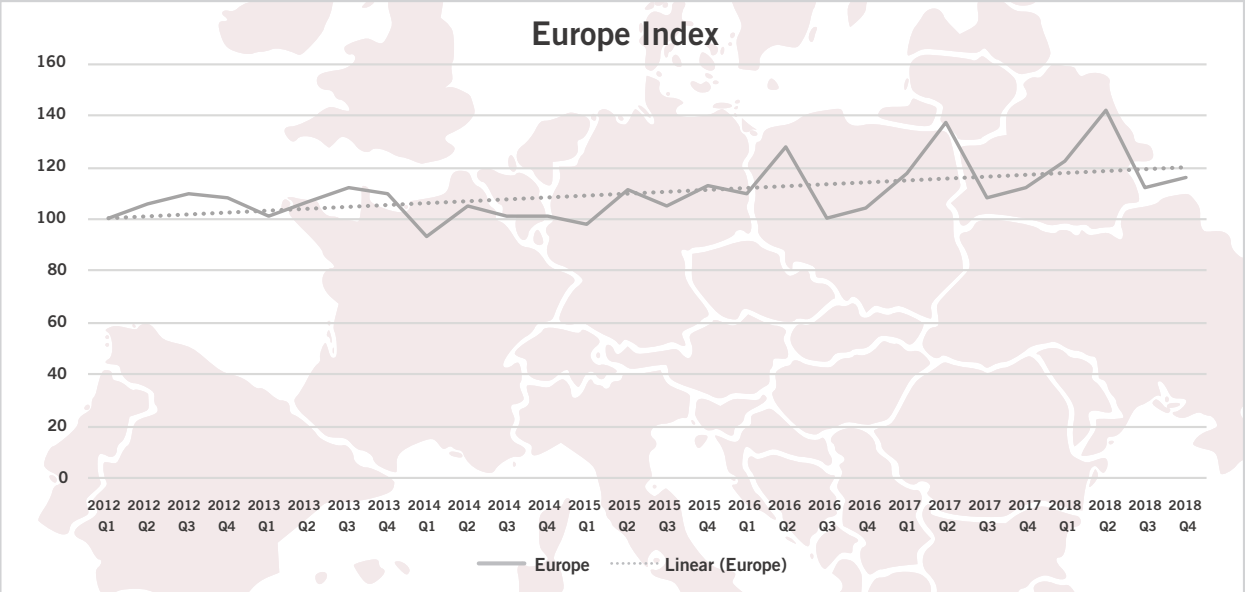


In South Asia. commercial truck demand is expected to improve this year over 2017. Production for medium and heavy trucks should increase by 7.7%, led by stronger demand in India. Production in India is expected to increase by 9.4% this year after a soft 2017.



Medium and heavy truck production is expected to increase by 3.2% in Greater Europe this year over 2017. Production in Western Europe should increase by 1.9% while production in Eastern Europe could increase by 8.6% as the fleets continue to replace their aging trucks. Truck demand in Russia improved significantly last year and is expected to see further improvement in 2018.

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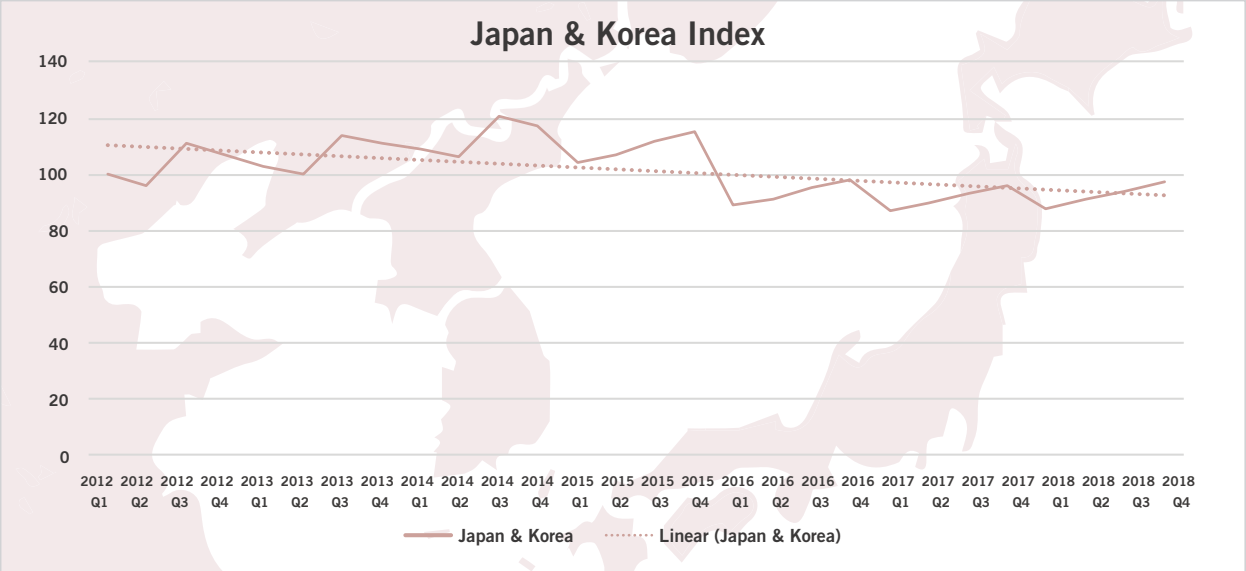
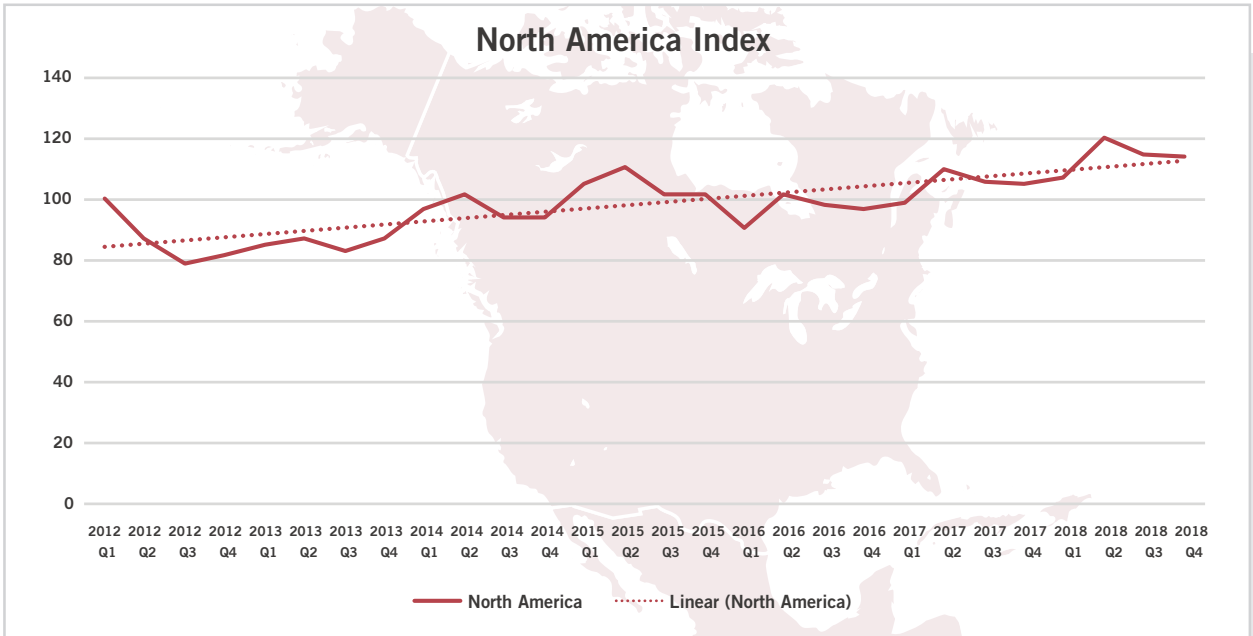


Medium and heavy truck demand is expected to continue its decline, and is expected to fall 3.5% this year, as softness in domestic demand continues to impede the manufacturers. Production continues to be transferred from Japan and Korea closer to their traditional export markets.



In 2018, medium and heavy commercial truck production is expected to increase by 13.8% over last year, driven by extremely strong class 8 demand along with continued strength in the medium duty (class 4-7) segment. Production levels for class 8 trucks are expected to exceed 300,000 trucks this year as a result of a very strong economy and high freight demand.

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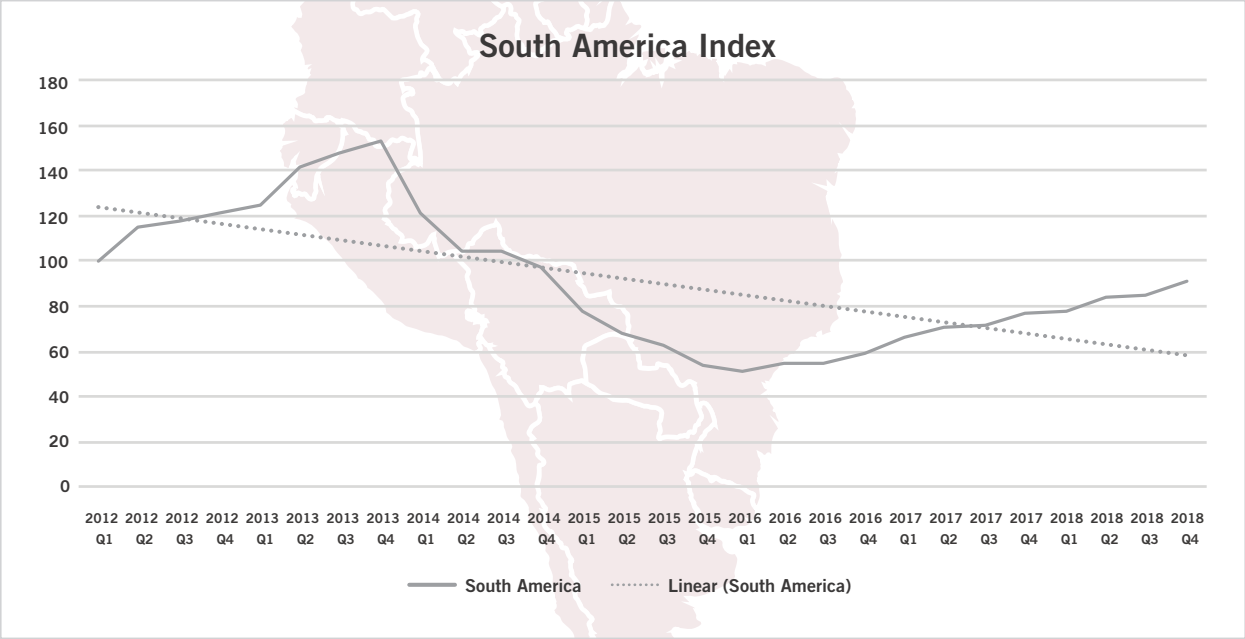

After a number of years with very low medium and heavy truck demand, domestic and export sales started to improve last year and production in South America is expected to increase by 20% in 2018, led by Brazil. While truck exports are a main reason for this increase, domestic demand has also significantly improved during the past year.

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Power Systems Research has been tracking the production of engines and their use around the world for more than 40 years. We're the leading company in the world doing this research and building these databases.

We have many of the largest companies in the world as our customers, including John Deere and Caterpillar. They subscribe to our unique databases, and their facilities around the world access our data and forecasts through the internet 24/7.

We're based in St. Paul, Minnesota, and we have offices and analysts located around the world, from Brussels to Beijing and Tokyo to Brazil, to help us collect and analyze this data.

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