

TPI

Truck Production Index



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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.

Second Quarter 2020

Q2 2020 Power Systems Research Truck Production Index (PSR-TPI) Drops 74%

ST. PAUL, MN (JULY 22, 2020)— Global truck production was battered by the COVID-19 in Q2 2020, and this decline is reflected in the Q2 2020 Power Systems Research Truck Production Index (PSR-TPI). The TPI plummeted from 80 to 34, or 57.5%, for the three-month period ended June 30, 2020, compared to Q1 2020. The year-over-year (Q2 2019 to Q2 2020) loss for the PSR-TPI was, 131 to 34, or 74%.

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

All Regions: Apart from China, all regions experienced a significant decline in medium and heavy truck production during the first half of the year. Most of the decline was caused by the Coronavirus.

Global Index: Globally, production will decline this year as a result of the pandemic. However, the worst appears to be over and a gradual improvement in commercial vehicle demand is expected.

North America: Commercial truck demand has declined significantly during the first half of the year, primarily due to the impact of the Coronavirus and concerns about future truck demand. This along with overcapacity in the market and heavy vehicle inventories at the end of last year will continue to place negative pressure on production moving forward. However, the worst appears to be behind us, but production is expected to be somewhat variable during the remainder of the year.

Europe: For the first five months of the year, European medium and heavy truck demand was 40% lower than the same period last year. Numerous truck plants were idled during March through May which led to a sharp decline in production. However, the market appears

TPI authors



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to have stabilized and demand is expected to improve later this year. Prior to the outbreak of the Coronavirus, European truck demand was expected to be down around 15% due to a slowing economy.

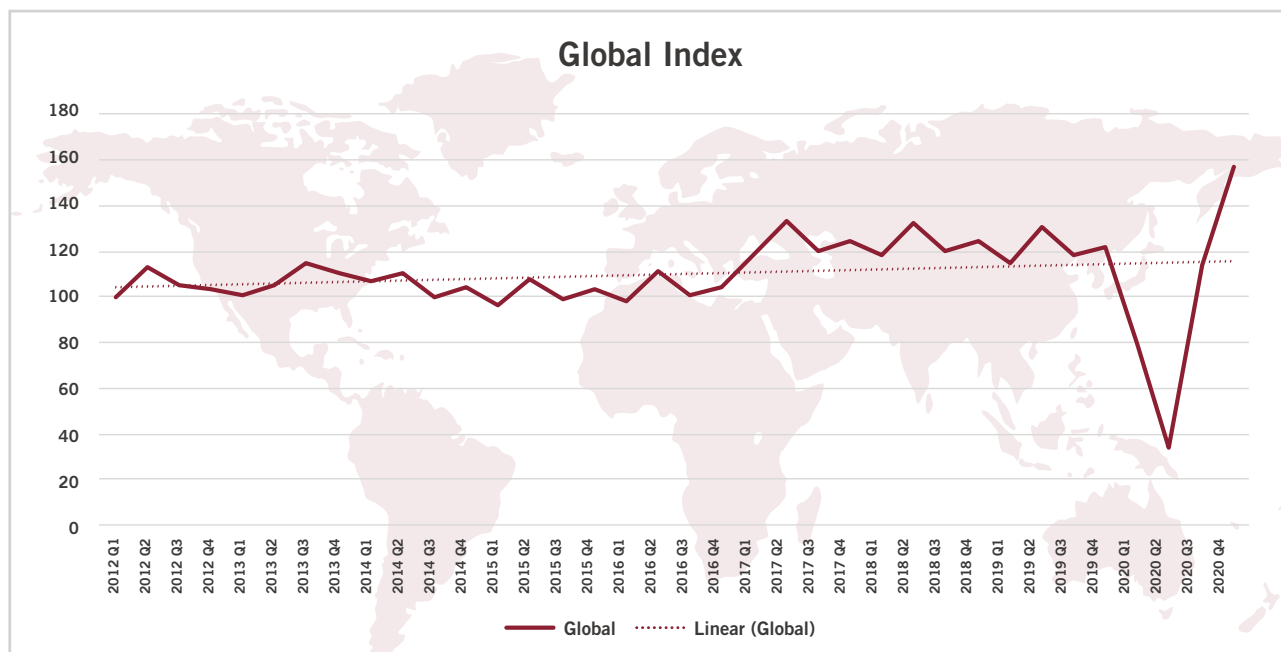
South Asia: With extended lockdowns driven by COVID-19 in most parts of India, the production of all non-essentials was at miniscule production levels in April and May, until the economy recently was opened. As the economy recovers from lockdown and operations resume, our forecast assumes that there won't be another shutdown. The other South Asian countries also are experiencing lower production levels primarily due to the impact of the Coronavirus outbreak.

South America: Commercial vehicle production was relatively strong during Q1 2020 before declining sharply in April and May as many truck plants were idled. While the negative effects of the virus are

expected to continue, production should gradually improve through the last half of the year.

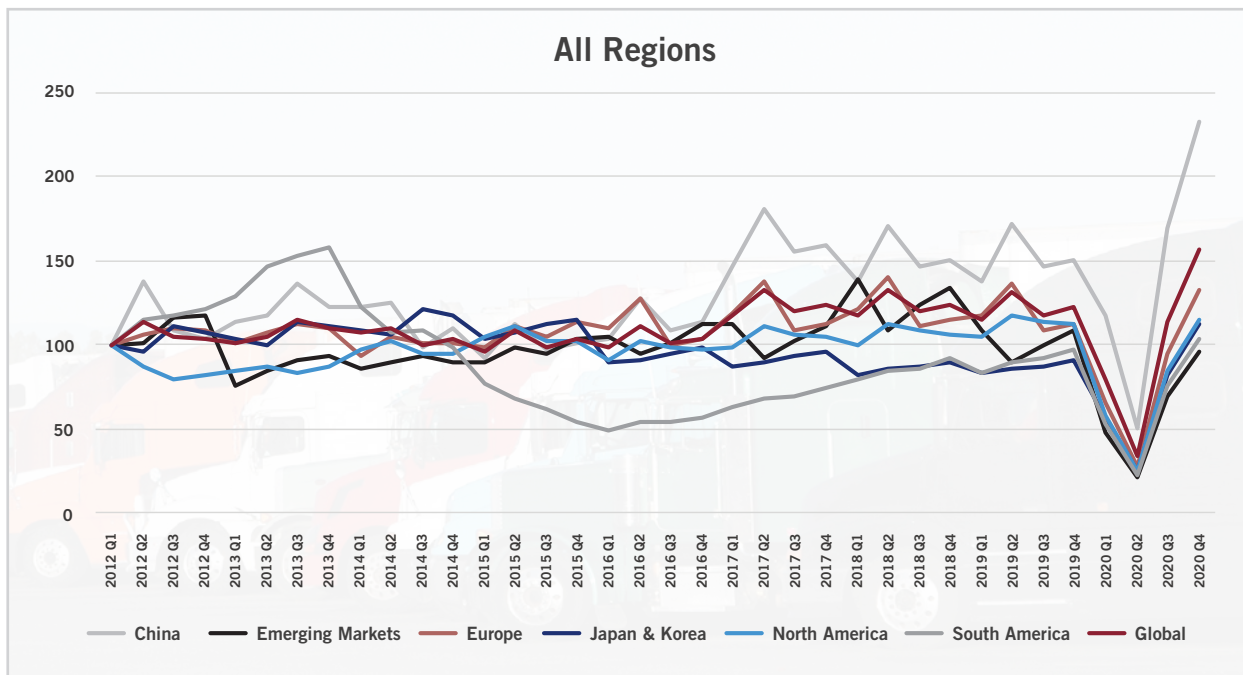
Japan/Korea: Global demand for medium and heavy commercial vehicles declined sharply during Q2 2020 which resulted in plants being idled in both Japan and Korea. Overall, production appears to be back on-line. However, global demand is expected to remain soft for the remainder of the year. It should be noted that a significant amount of commercial truck production in this region is exported throughout the global market.

Greater China: Except for February, medium and heavy truck production remained strong during the first half of the year. Truck production in April and May was particularly strong. However, bus production declined sharply but is expected to improve throughout the remainder of the year. **PSR**

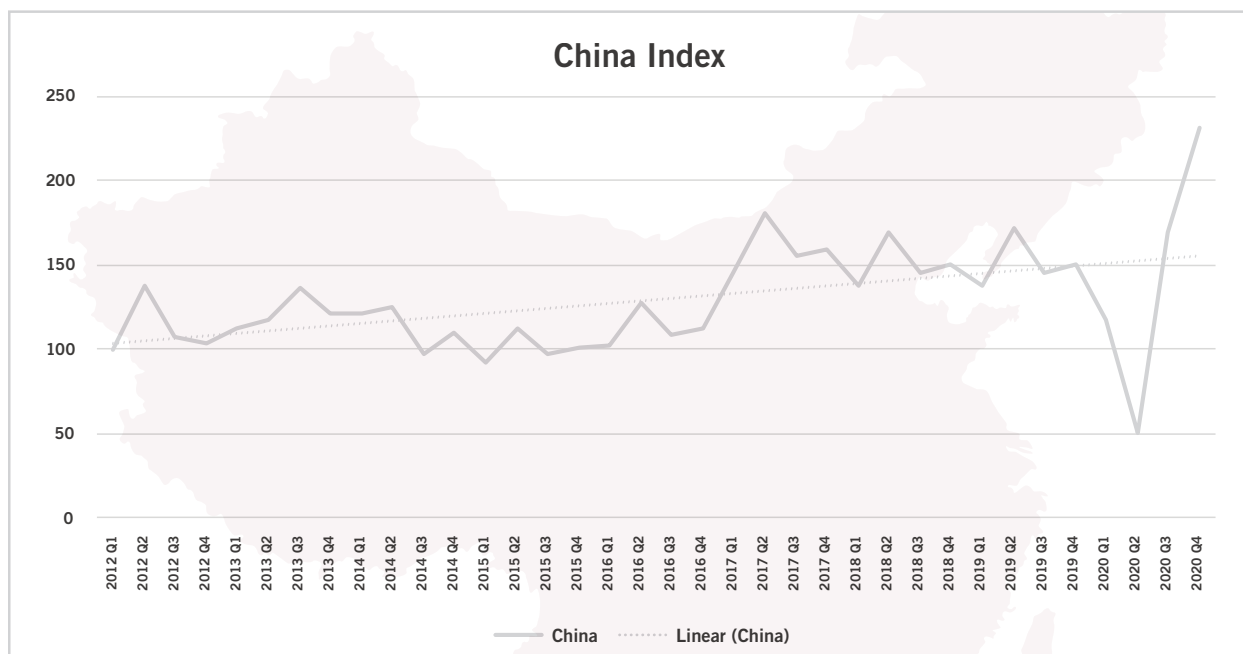


Globally, production will decline this year as a result of the pandemic. However, the worst appears to be over and a gradual improvement in commercial vehicle demand is expected.

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

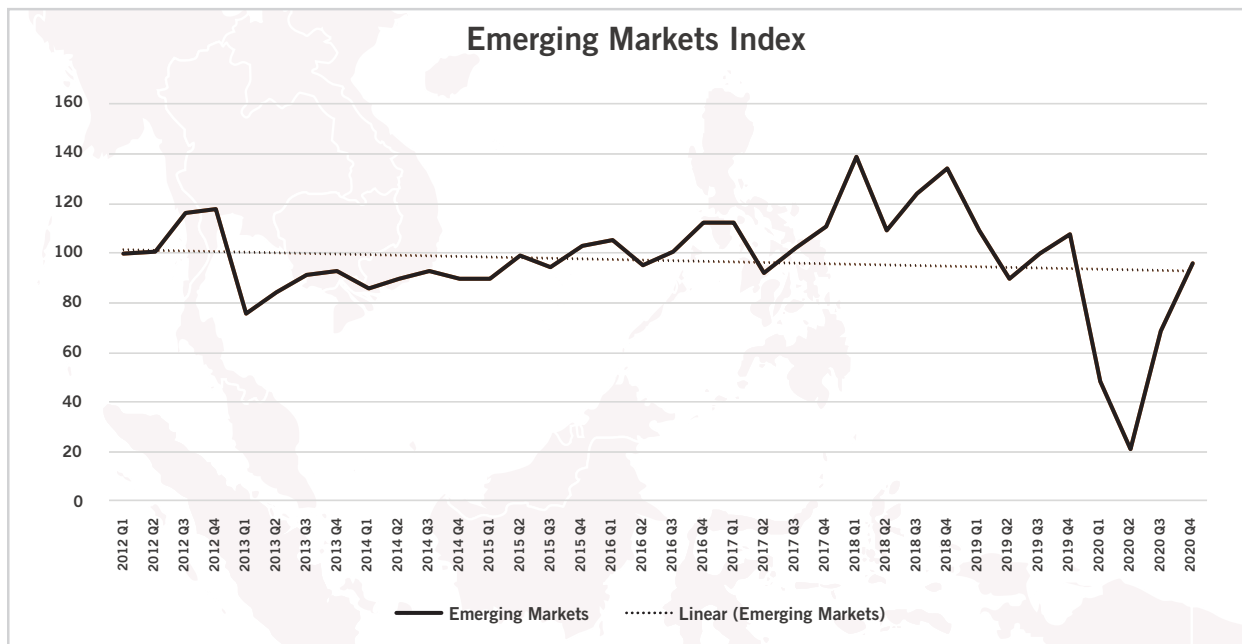


Apart from China, all regions experienced a significant decline in medium and heavy truck production during the first half of the year. Most of the decline is attributed to the negative impact of the Coronavirus.

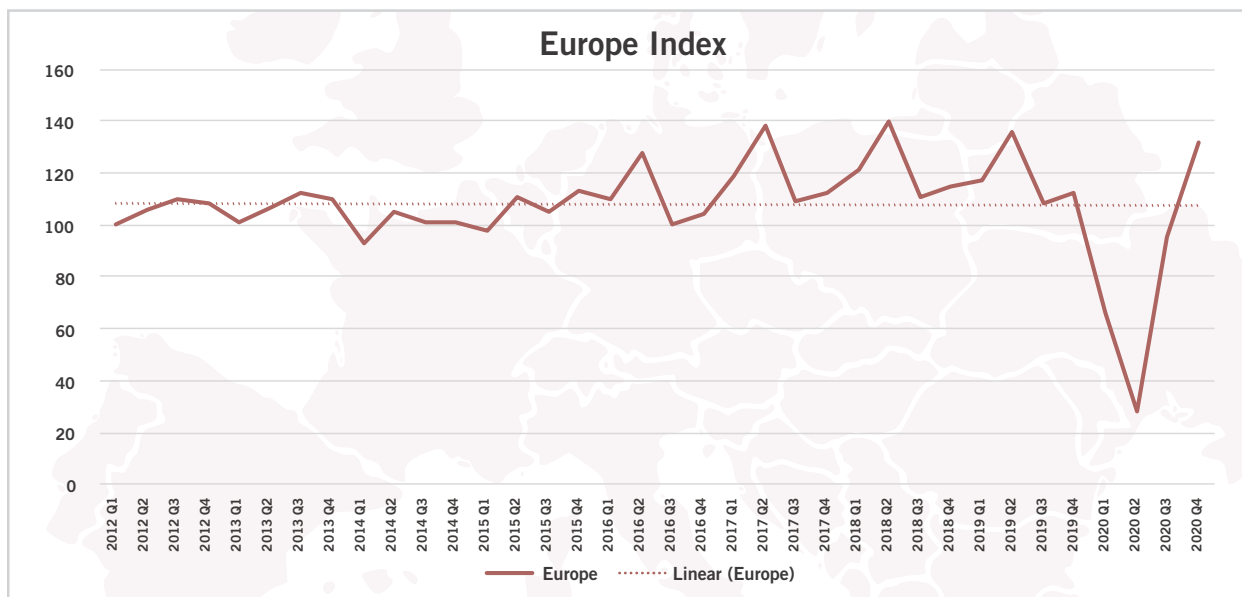


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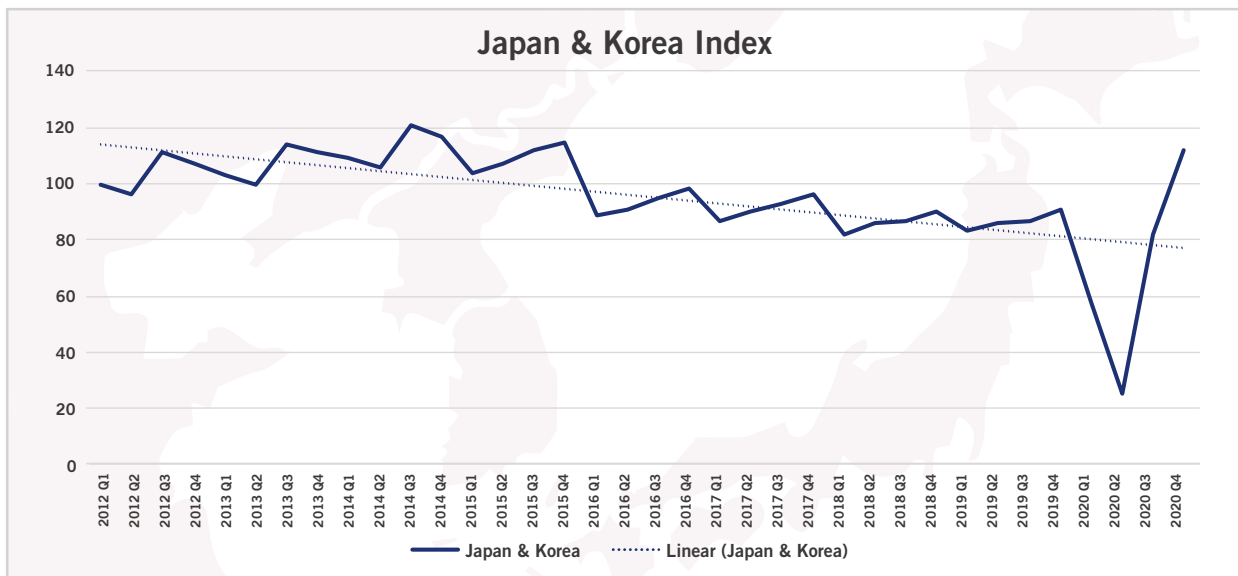


With extended lockdowns driven by COVID- 19 in most parts of India, the production of all non-essentials was at miniscule production levels in April and May, until the economy recently was opened. As the economy recovers from lockdown and operations resume, our forecast assumes that there won't be another shutdown. The other South Asian countries also are experiencing lower production levels primarily due to the impact of the Coronavirus outbreak.

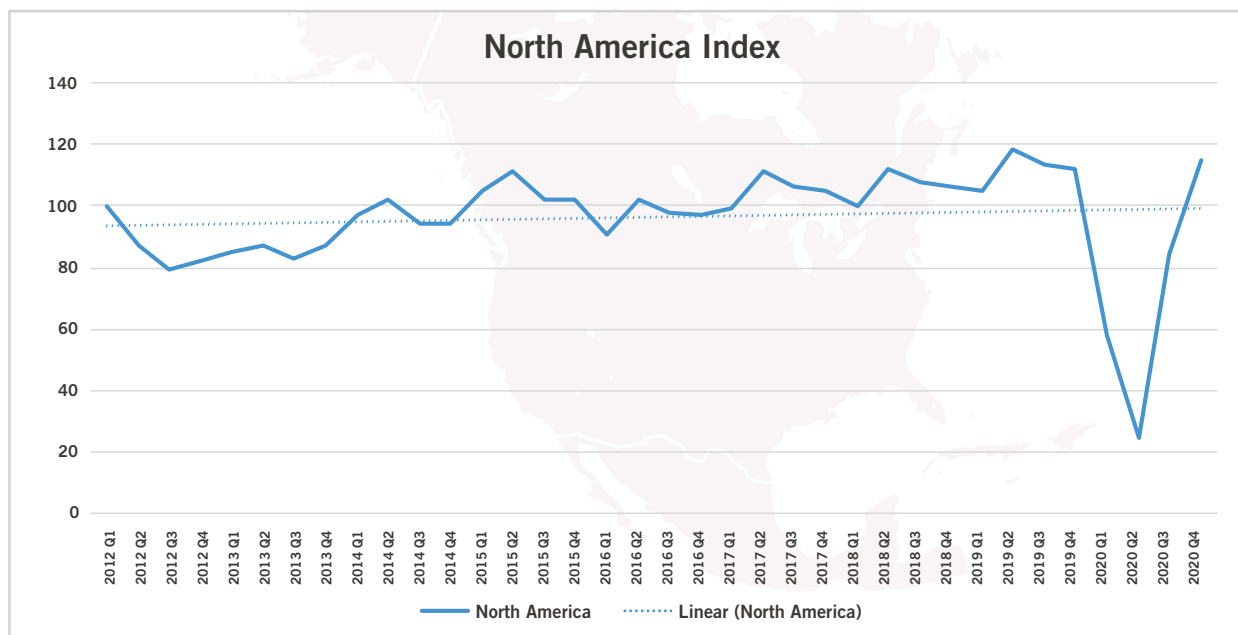


For the first five months of the year, European medium and heavy truck demand was 40% lower than the same period last year. Numerous truck plants were idled during March through May which led to a sharp decline in production. However, the market appears to have stabilized and demand is expected to improve later this year. Prior to the outbreak of the Coronavirus, European truck demand was expected to be down around 15% due to a slowing economy.

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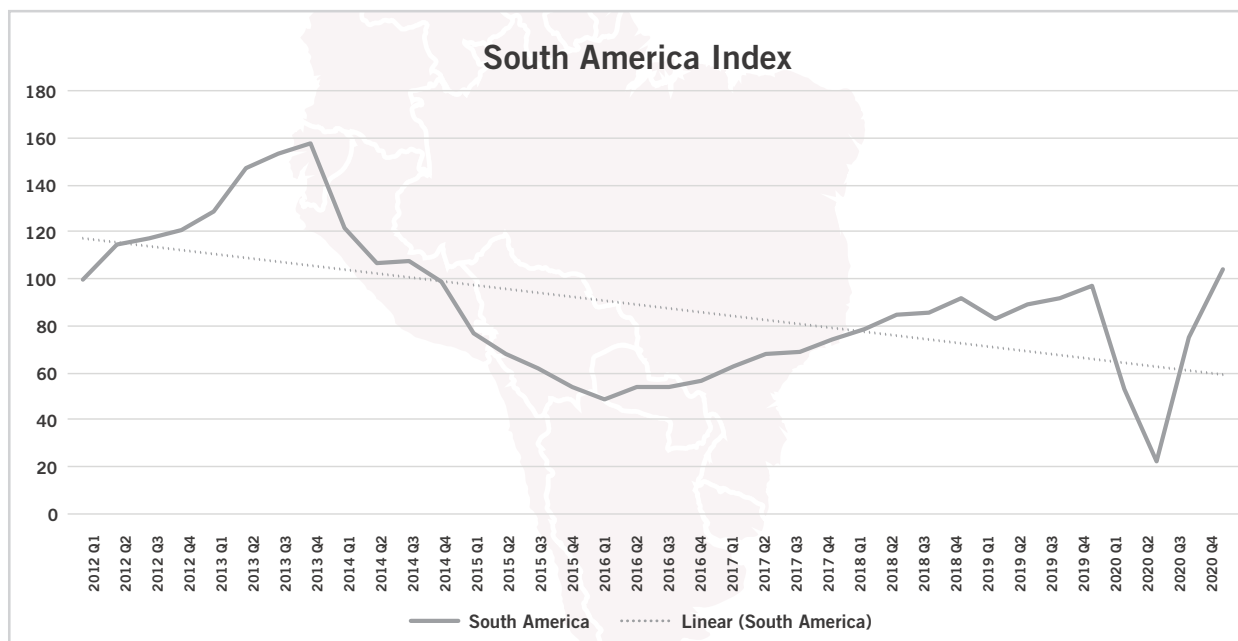


Global demand for medium and heavy commercial vehicles declined sharply during the second quarter which resulted in plants being idled in both Japan and Korea. Overall, production appears to be back on-line. However, global demand is expected to remain soft for the remainder of the year. It should be noted that a significant amount of commercial truck production in this region is exported throughout the global market.



Commercial truck demand has declined significantly during the first half of the year primarily due to the impact of the Coronavirus and concerns about future truck demand. This along with overcapacity in the market and heavy vehicle inventories at the end of last year will continue to place negative pressure on production moving forward. However, the worst appears to be behind us, but production is expected to be somewhat variable during the remainder of the year.

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



Commercial vehicle production was relatively strong during the first quarter before declining sharply in April and May as many truck plants were idled. While the negative effects of the virus are expected to continue, production should gradually improve through the last half of the year.

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