

TPI

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Truck Production Index



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.

First Quarter 2024

Q1 2024 Power Systems Research Truck Production Index (PSR-TPI) falls 4.5%

ST. PAUL, MN — The Power Systems Research Truck Production Index (PSR-TPI) decreased from 116 to 111, or 4.5%, for the three-month period ending March 31, 2024, from Q4 2023. The year-over-year (Q1 2023 - Q1 2024) PSR-TPI was flat at 111. There was no change.

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

Global Index. Globally, medium, and heavy commercial vehicle production is expected to decline by 1.5% this year over 2023. Moving into 2024, much of the focus on demand will be centered around slowing global

economic conditions that will impact overall freight demand.

North America. Medium and heavy commercial vehicle production is expected to decline by 9.3% this year over 2023 after strong class 8 truck production last year was driven by on-going pent-up demand. While class 8 demand is expected to decline this year, it will still be at an elevated level especially during the first quarter of the year. Strength in the vocational segment and higher levels of heavy truck demand in Mexico will off-set the weakness in the semi-truck segment. Continued softness in the overall freight market will negatively impact truck demand through 2024. High inflation and interest rates will also pressure demand moving forward.

Europe. After strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 8.6% this year over 2023. Vehicle deliveries were strong during 2023 and the order books remain at healthy levels moving into 2024. Overall, the supply chain has improved and much like North America,

TPI authors



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pent-up heavy truck demand will fuel production levels through at least the first quarter of the year. PSR expects truck production to slow this year primarily due to re-balanced truck capacity and a slower economy in part due to on-going inflation and higher interest rates.

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 8% this year and increase by 5% in 2025.

South America. Medium and heavy commercial vehicle production is expected to increase by 25.2% this year after a significant decline in 2023 primarily driven by the implementation of the Proconve 8 emission regulations in Brazil last year as well as elevated level of interest rate.

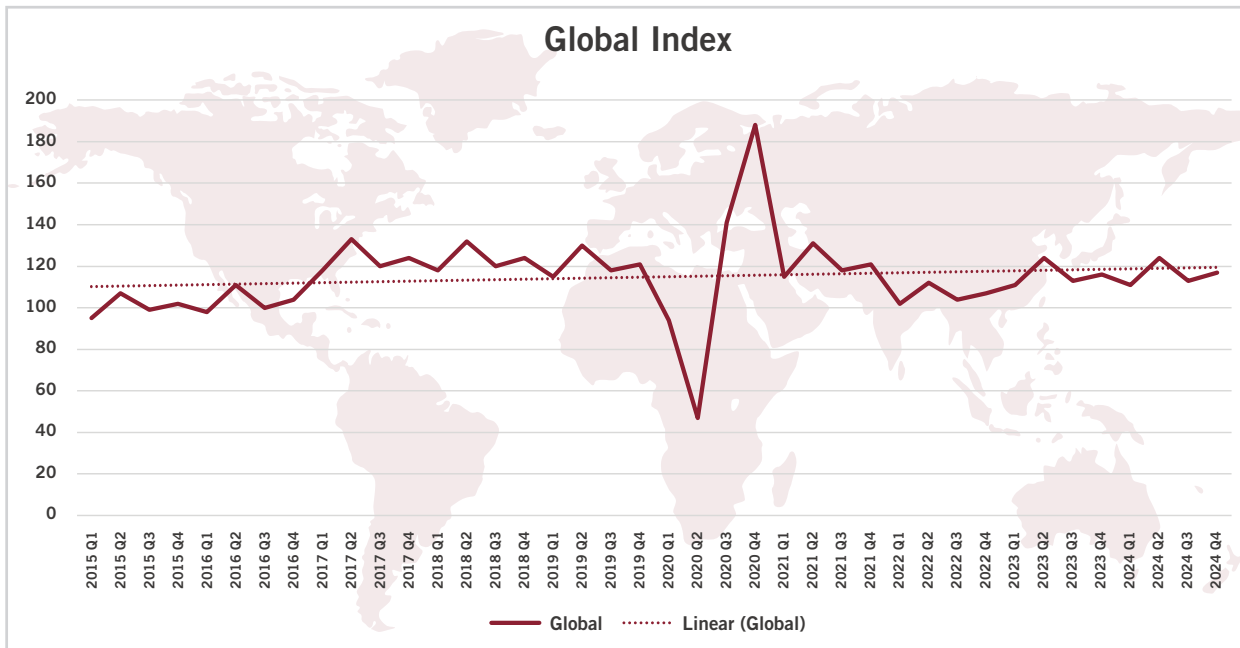
Japan/Korea. Medium and heavy commercial vehicle production in Japan and South Korea is increase by

4.2% this year over 2023. Commercial vehicle production is expected to increase by 4.7% in Japan and .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.

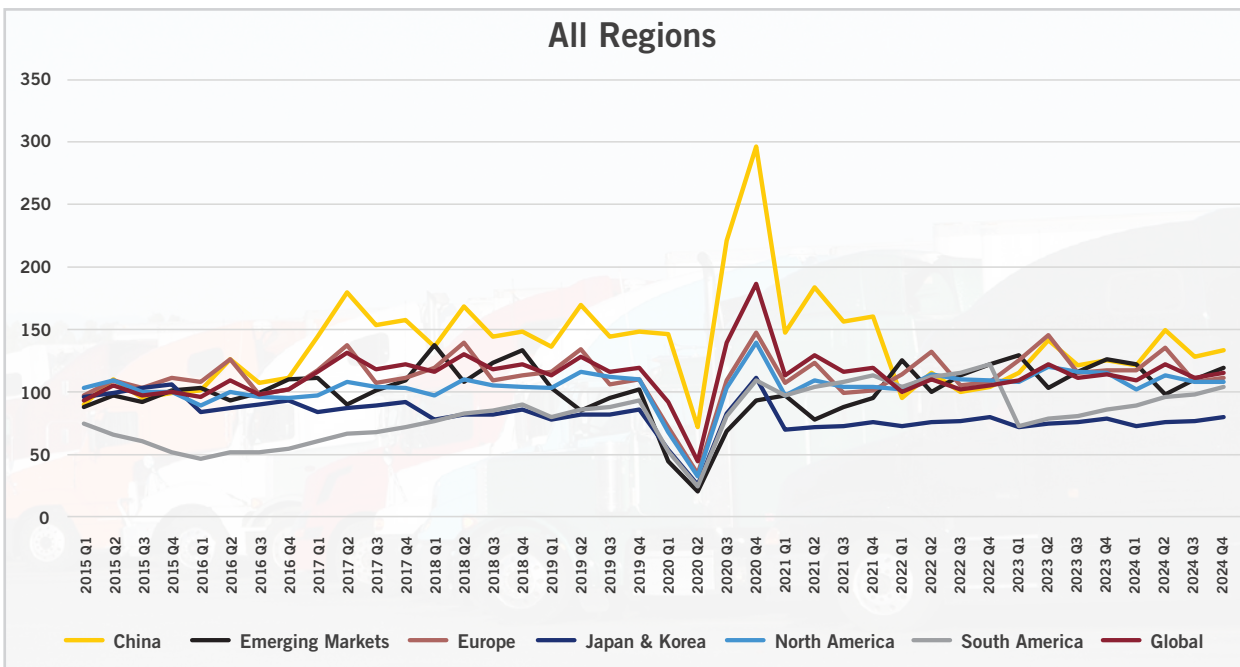
Greater China. Medium and heavy commercial vehicle production is expected to increase by 5.4% this year over 2023. Vehicle demand was up sharply last year as the market recovered from a dismal 2022. While truck demand is expected to increase this year, the Chinese economy will continue to face economic 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 increase by 4.7% this year over 2023.

The next update of the Power Systems Research TPI will be in July 2024 and will reflect changes in the TPI during Q2 2024. **PSR**

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

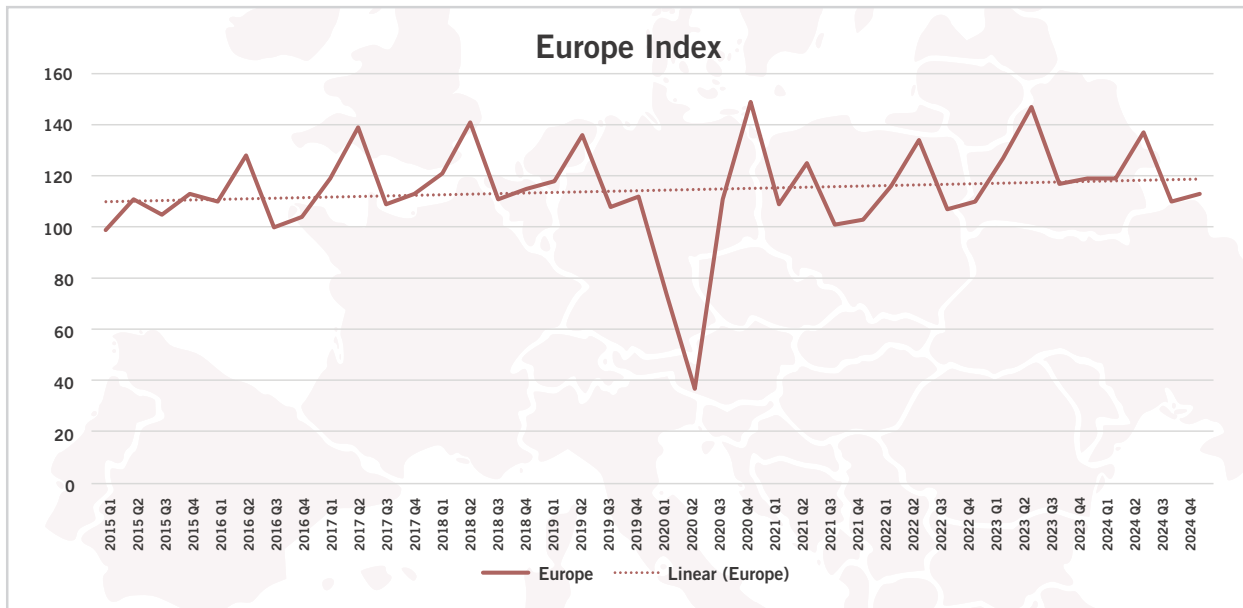


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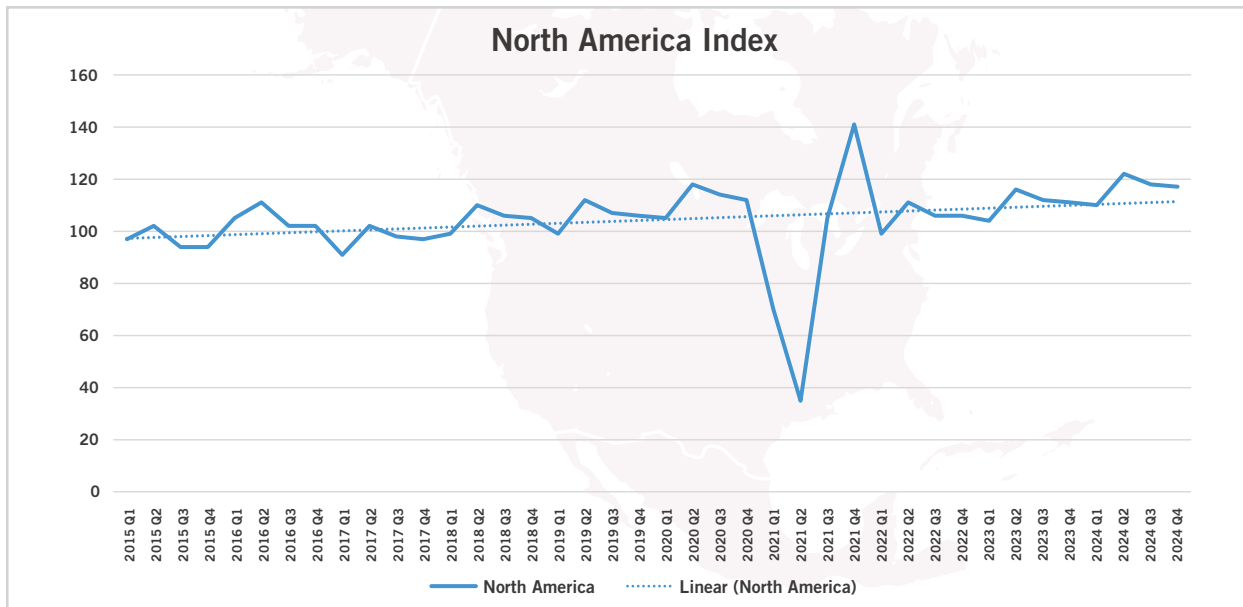


In 2024, Medium and heavy commercial vehicle production in Europe South Asia and North America is expected to decline modestly while production in China, South America, Japan, and Korea is expected to improve over last year.

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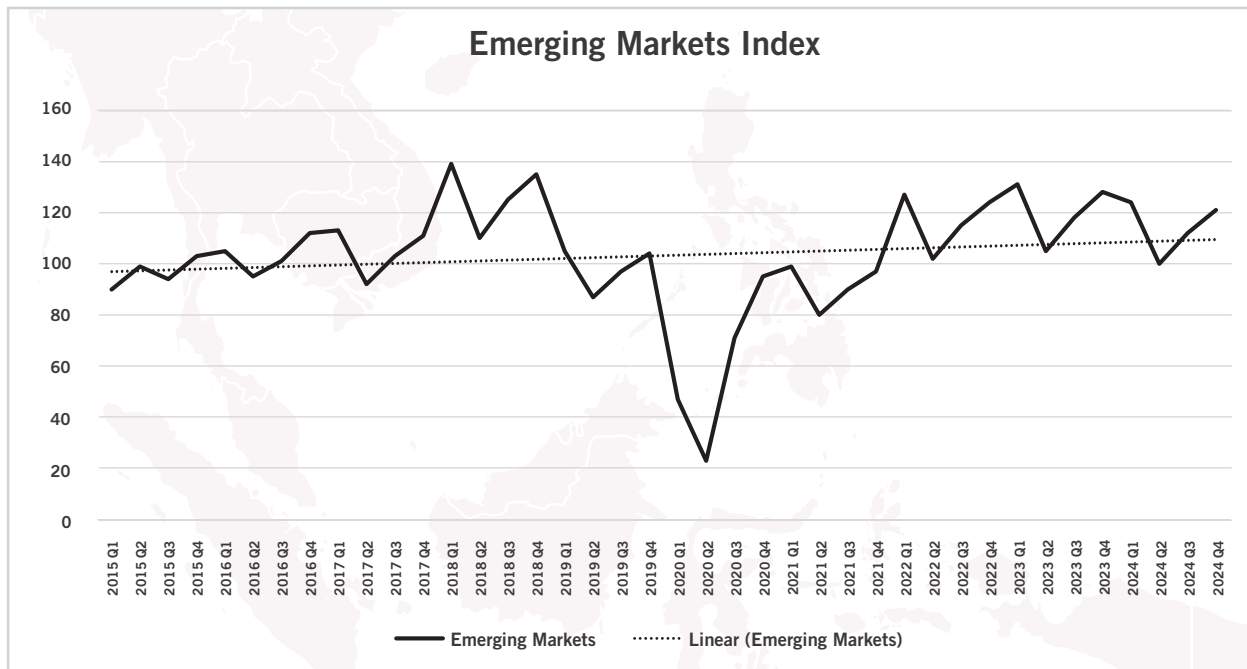


After strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 8.6% this year over 2023. Vehicle deliveries were strong during 2023 and the order books remain at healthy levels moving into 2024. Overall, the supply chain has improved and much like North America, pent-up heavy truck demand will fuel production levels through at least the first quarter of the year. PSR expects truck production to slow this year primarily due to re-balanced truck capacity and a slower economy in part due to on-going inflation and higher interest rates.



Medium and heavy commercial vehicle production is expected to decline by 9.3% this year over 2023 after strong class 8 truck production last year was driven by on-going pent-up demand. While class 8 demand is expected to decline this year, it will still be at an elevated level especially during the first quarter of the year. Strength in the vocational segment and higher levels of heavy truck demand in Mexico will off-set the weakness in the semi-truck segment. Continued softness in the overall freight market will negatively impact truck demand through 2024. High inflation and interest rates will also pressure demand moving forward.

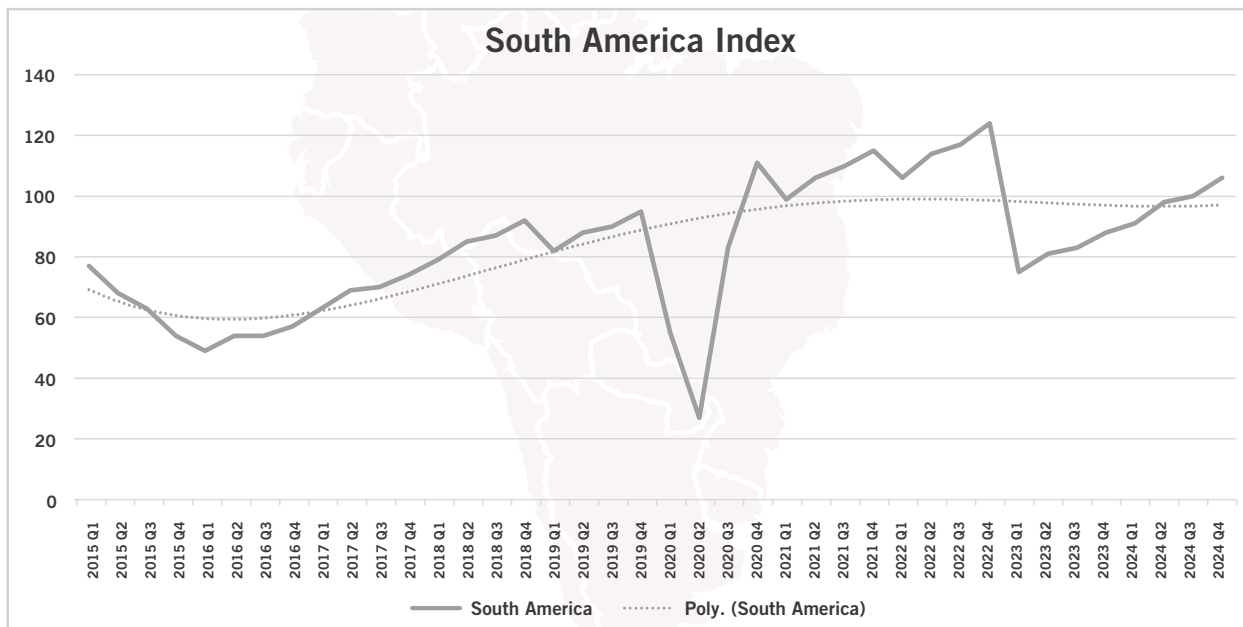
Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



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



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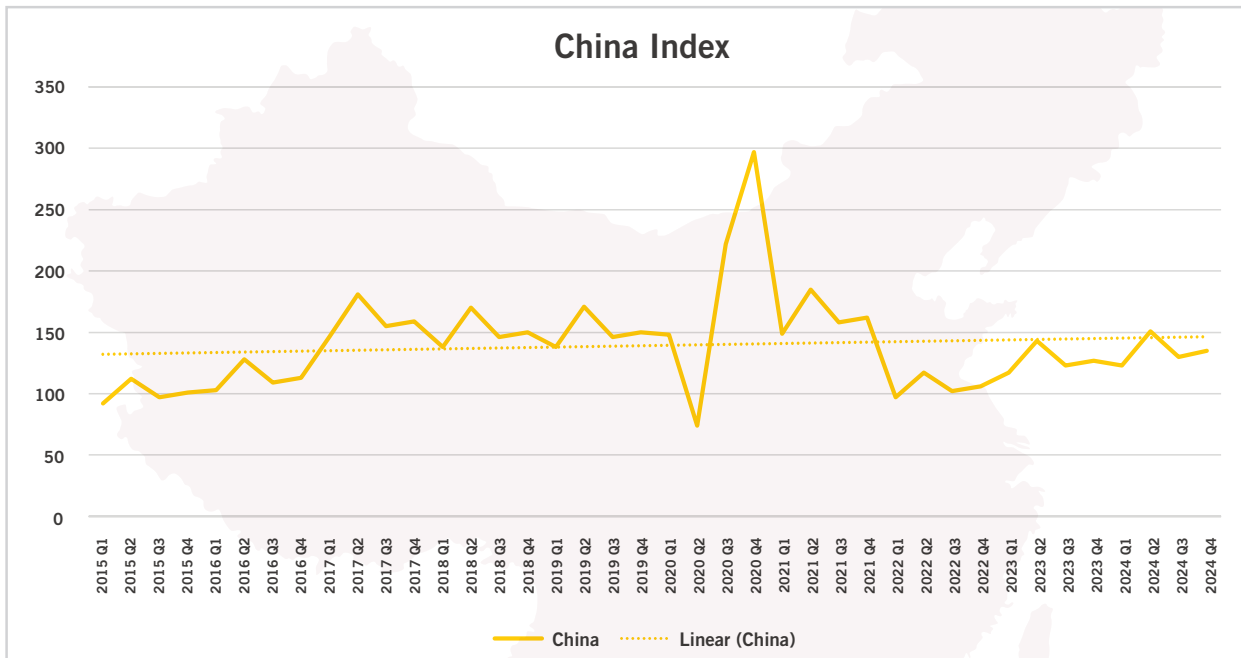
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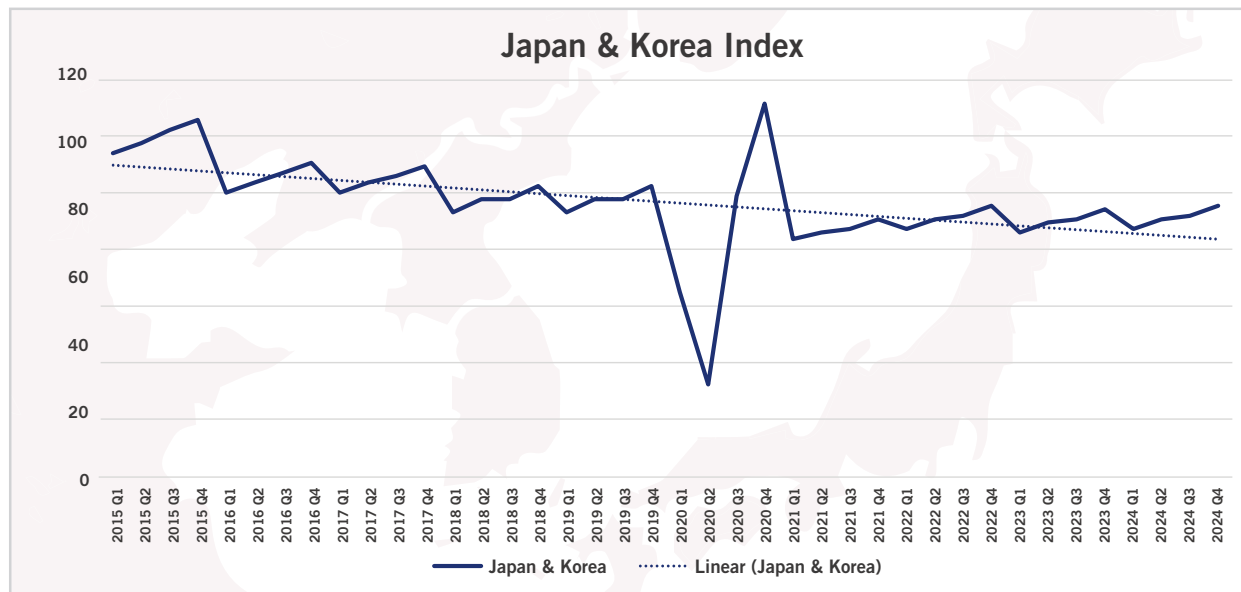
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Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



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 increase by 4.7% this year over 2023.



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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.



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