

TPI

August 2, 2024

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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.

Second Quarter 2024

Q2 2024 Power Systems Research Truck Production Index (PSR-TPI) climbs 11.5%

ST. PAUL, MN — The Power Systems Research Truck Production Index (PSR-TPI) increased from 113 to 126, or 11.5%, for the three-month period ending June 30, 2024, from Q1 2024. The year-over-year (Q2 2023 to Q2 2024) increase for the PSR-TPI was, 125 to 126, or 0.8%.

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

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 1.6% this year over 2023. Moving into 2024, much of the focus on demand will be centered around slowing global

economic conditions that will likely impact overall freight demand.

North America. Medium and heavy commercial vehicle production is expected to decline by 4.3% 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 a relatively high level especially during the first part of the year. Strength in the vocational segment and higher levels of heavy truck demand in Mexico will somewhat offset the weakness in the semi-truck segment. Continued softness in the overall freight market will negatively impact truck demand through 2024. Relatively high inflation and interest rates will also pressure demand moving forward.

Europe. After relatively strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 11.3% this year compared with 2023. The pent-up demand for heavy trucks has mostly ended and the market is indicative of replacement demand rather than expansion. PSR expects truck

TPI authors



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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.

South Asia. After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to decline by 5.9% 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. South America is being affected due to the low vehicle demand volumes in Colombia and Argentina. Since Brazil is the largest volume in the region, TPI is not strongly impacted.

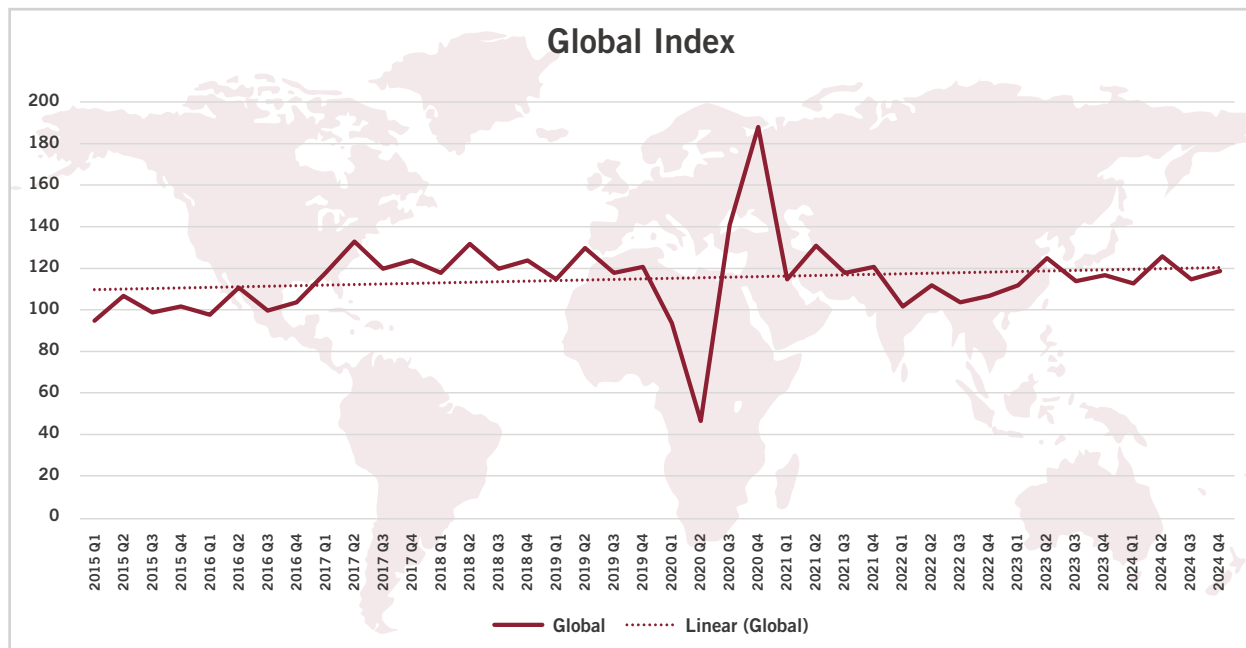
Japan/Korea. Medium and heavy commercial vehicle production in Japan and South Korea will increase by 7.8% this year over 2023. Commercial vehicle production

is expected to increase by 5.8% in Japan and 5.5% in South Korea this year. The supply chain has shown relatively good improvement which led to stronger than expected production levels last year especially in South Korea. Demand for commercial vehicles in Japan is strong however, their traditional export markets are being pressured by high inflation and interest rates.

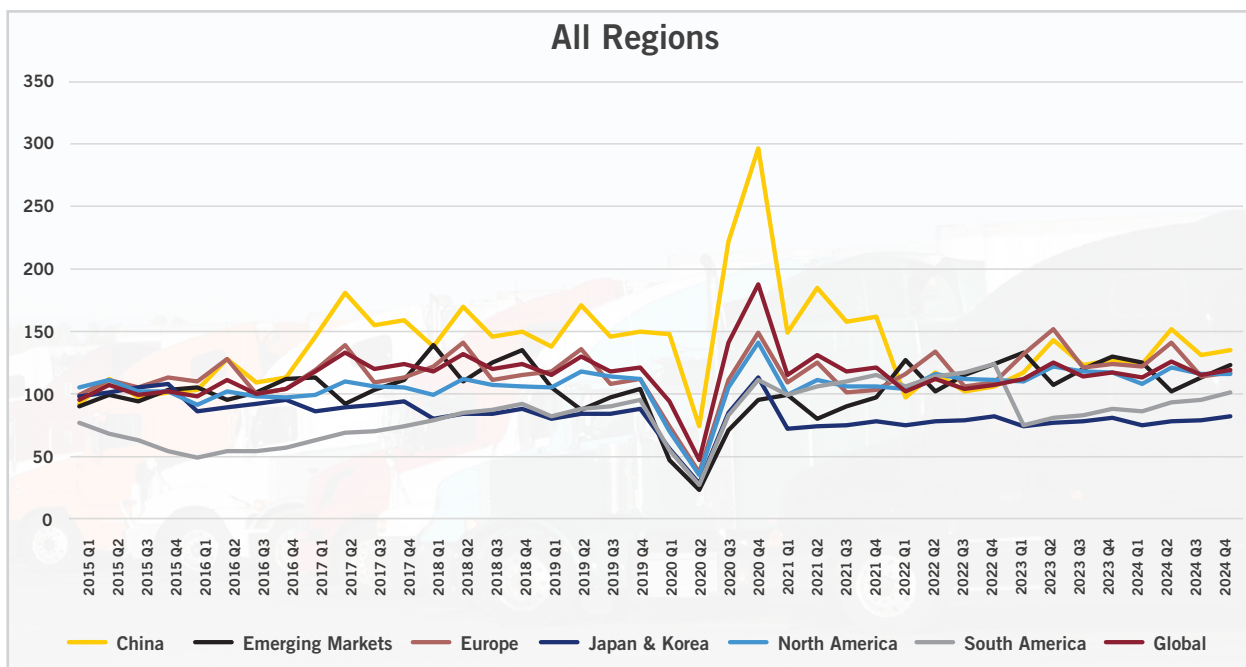
Greater China. Medium and heavy commercial vehicle production is expected to increase by 5.3% this year over 2023. Vehicle demand was up sharply last year as the market recovered from a dismal 2022. While truck demand is expected to increase this year, the Chinese economy will continue to face economic 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 5.4% this year over 2023.

The next update of the Power Systems Research TPI will be in October 2024 and will reflect changes in the TPI during Q3 2024. **PSR**

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

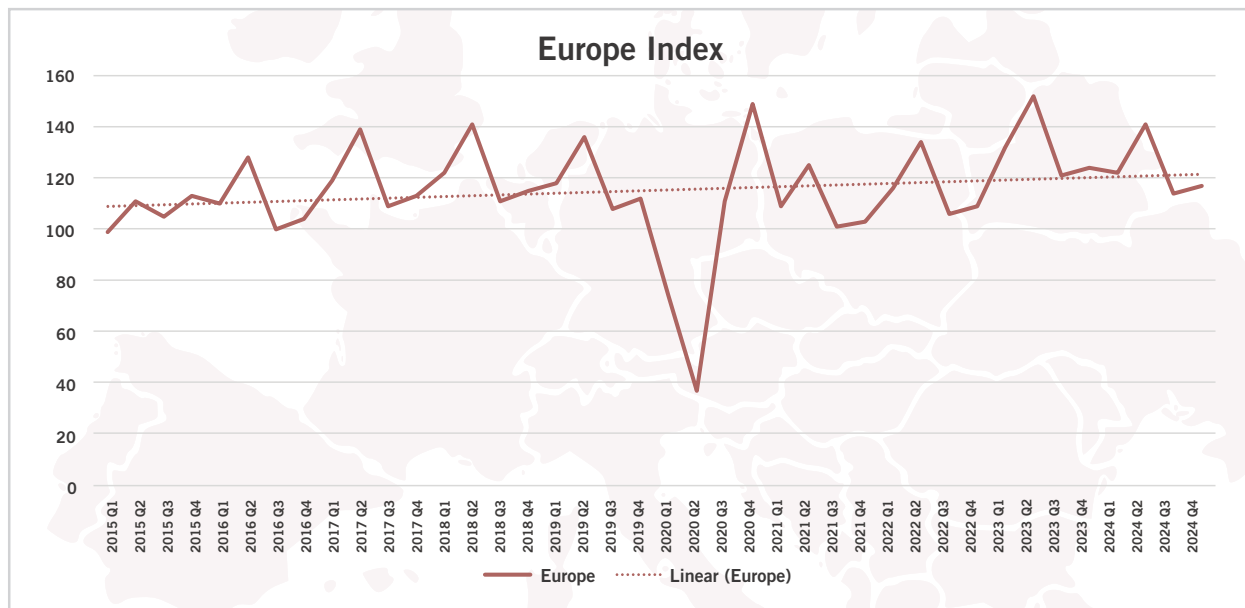


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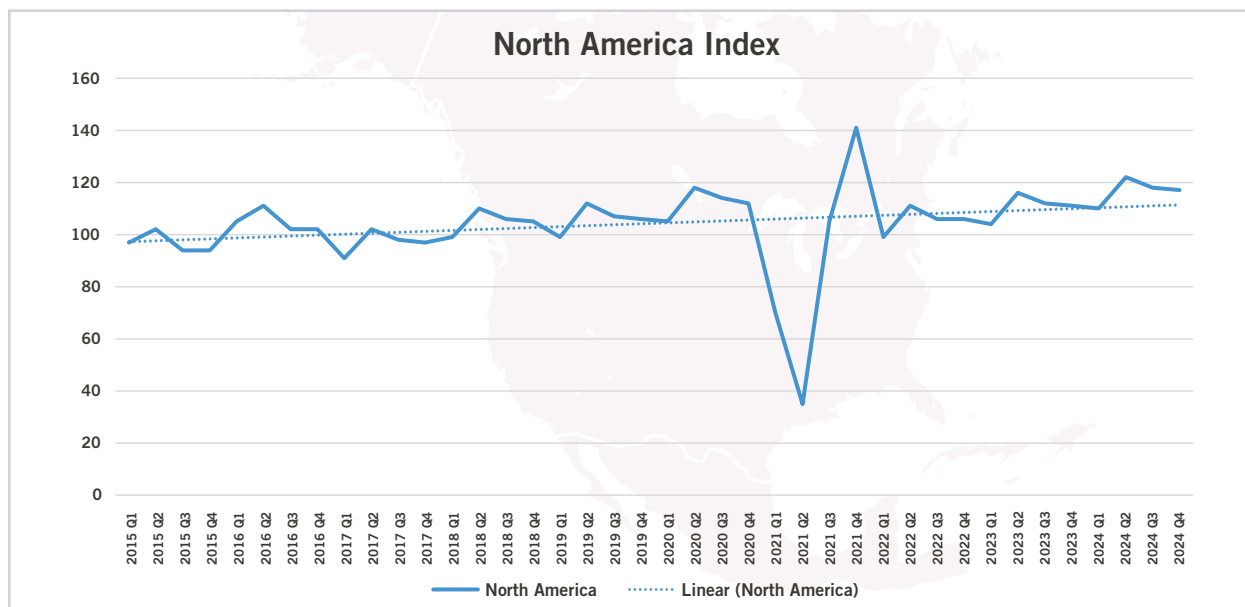


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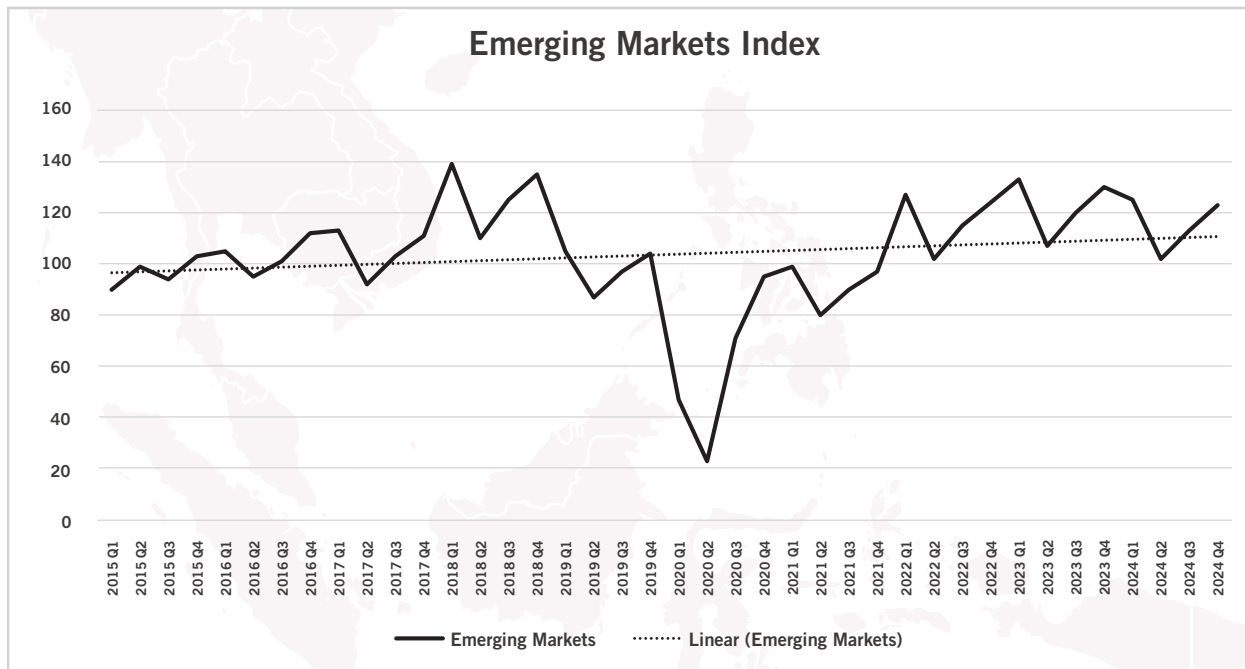


After relatively strong commercial vehicle demand in Europe last year, MHCV production is expected to decline by 11.3% this year compared with 2023. The pent-up demand for heavy trucks has mostly ended and the market is indicative of replacement demand rather than expansion. PSR expects truck production 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.



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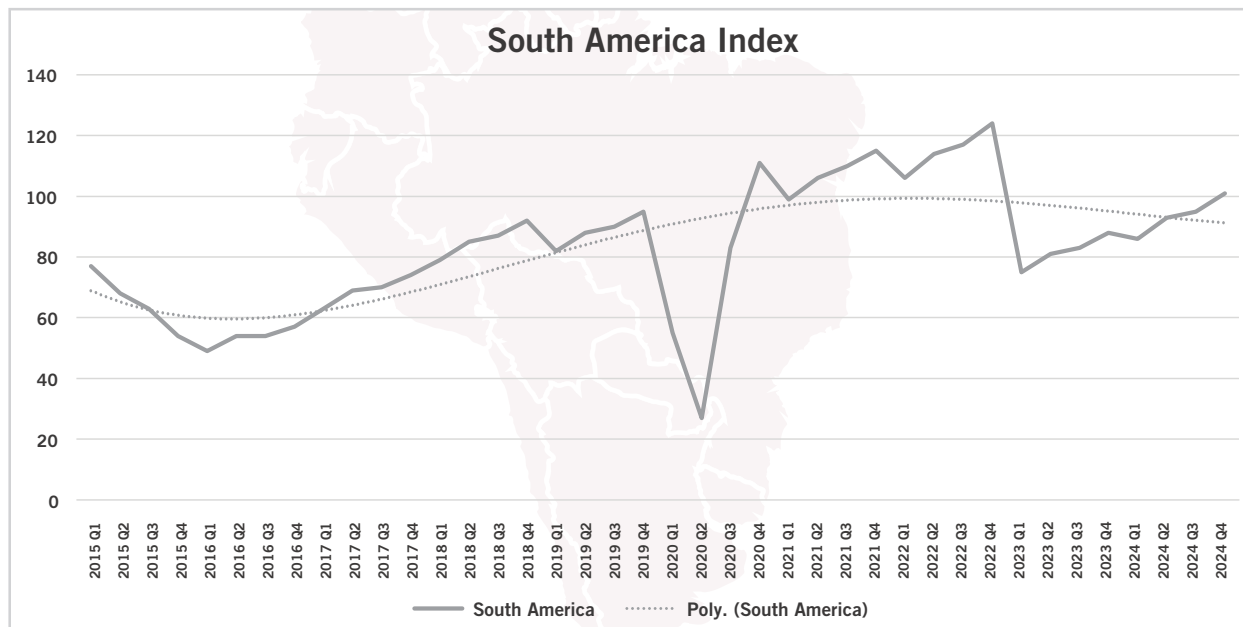
Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



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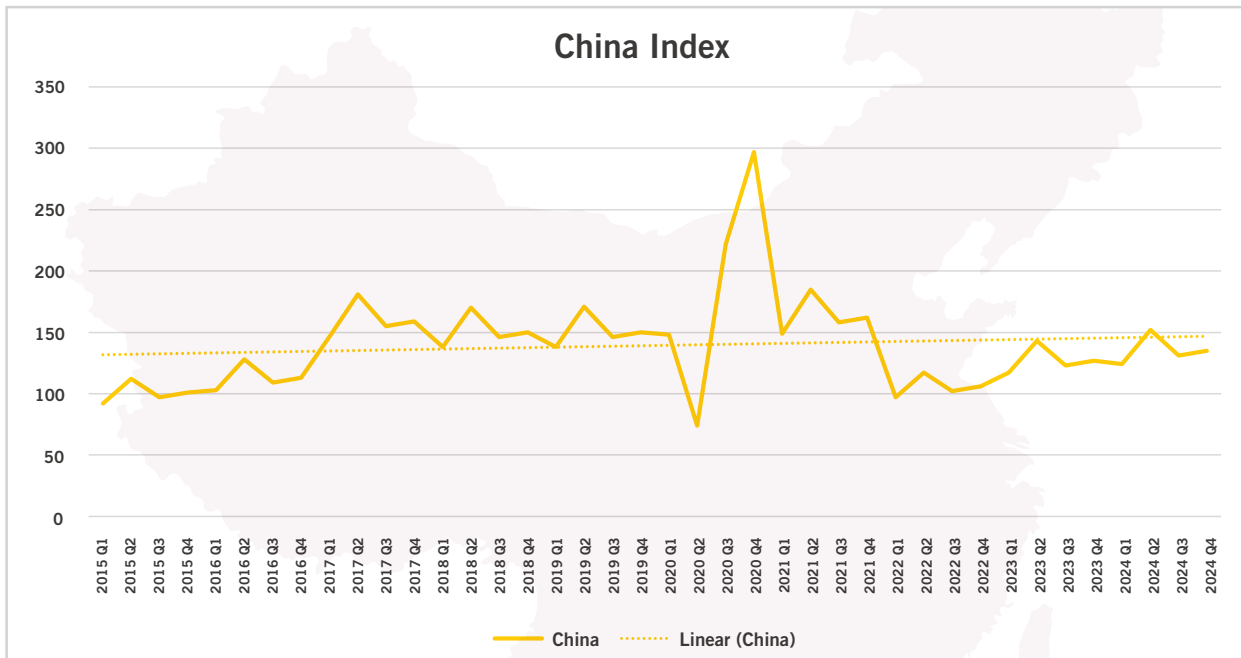
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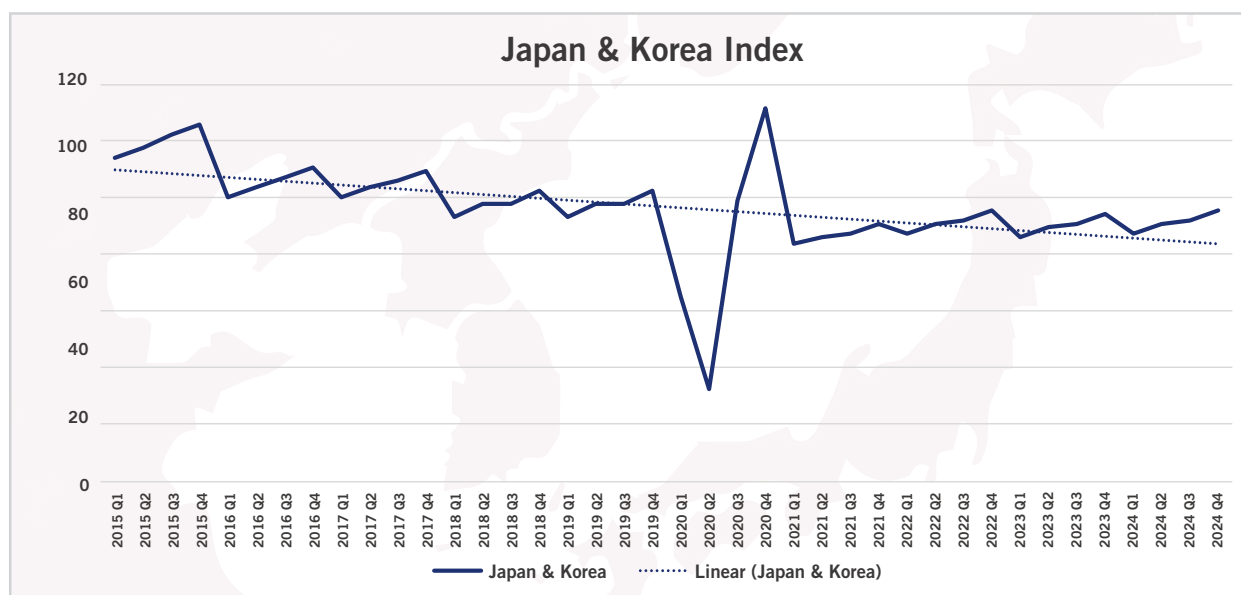
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Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



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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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