

TPI

February 7, 2025

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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.

Fourth Quarter 2024

Q4 2024 Power Systems Research Truck Production Index (PSR-TPI) climbs 3.7%

The Power Systems Research Truck Production Index (PSR-TPI) increased from 109 to 113, or 3.7%, for the three-month period ending Dec. 31, 2024, from Q3 2024. The year-over-year (Q4 2023 to Q4 2024) decrease for the PSR-TPI was, 117 to 113, or -3.4%.

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.

All Regions. In 2025, Medium and heavy commercial vehicle production in South America, Greater China, South Asia and Japan/Korea are expected to increase moderately while European production is expected to be flat and North American production is expected to decline over 2024.

Global Index. Globally, medium and heavy commercial vehicle production is expected to increase by 2.3% this year over 2024. Overall improvement in the global

economy is the primary driver for the forecasted increase. However, the possibility for additional global tariffs from the incoming United States Executive Branch may place negative pressure on this forecast.

North America. Medium and heavy commercial vehicle production is expected to decline by 4.3% this year over 2024. While sales in the class 8 segment are expected to decline by around 5% this year, the OEMs continue to prepare for the anticipated pre-buy leading up to the GHG emission regulations starting in 2027. OEMs are expected to slow production in the first half of the year as truck inventories are currently at high levels. The freight market remains weak, and 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 remained fairly strong in 2024 but is expected to slow somewhat in 2025. The impact of the Trump Administration with regard to the phase 3 emission regulations scheduled to take effect for MY 2027 trucks, is unknown at the time of this writing.

TPI authors



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Europe. Due to continued truck overcapacity in the freight market and some on-going issues with the supply chains for both the OEMs and the upfitters, PSR along with the majority of the industry, believe that 2025 truck demand will further decline during the first half of 2025. PSR does expect improvement in 2026 and 2027 as the fleets will need to replace their older trucks purchased in 2022 and 2023. Depending on economic conditions and timing, PSR believes medium and heavy truck production in Europe will decline around 2% this year before improving in 2026 and 2027.

South Asia. After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by 3.7% this year compared with 2024. In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 4% this year compared with 2024. Demand is expected to grow in mid-term owing to a strong macroeconomic environment, healthy fleet utilization levels, Government capex on infrastructure projects, and stable freight demand. The CV industry posted muted performance in Q2 2024 owing to seasonal and temporary factors like extreme weather conditions, uneven distribution of rainfall, general elections and slow take-off in government capex.

South America. Medium and heavy commercial vehicle production is expected to increase by 4.9% this year after a very strong 2024 in Brazil. Production in Argentina is expected to increase by 29% as the economy is improving

and inflation is down significantly from a year ago. MHCV production in Brazil is expected to increase by 4.4% in 2025. Vehicle production in Columbia is forecasted to decline by 25% in 2025 as General Motors has ceased operations due to plant overcapacity and unprofitability.

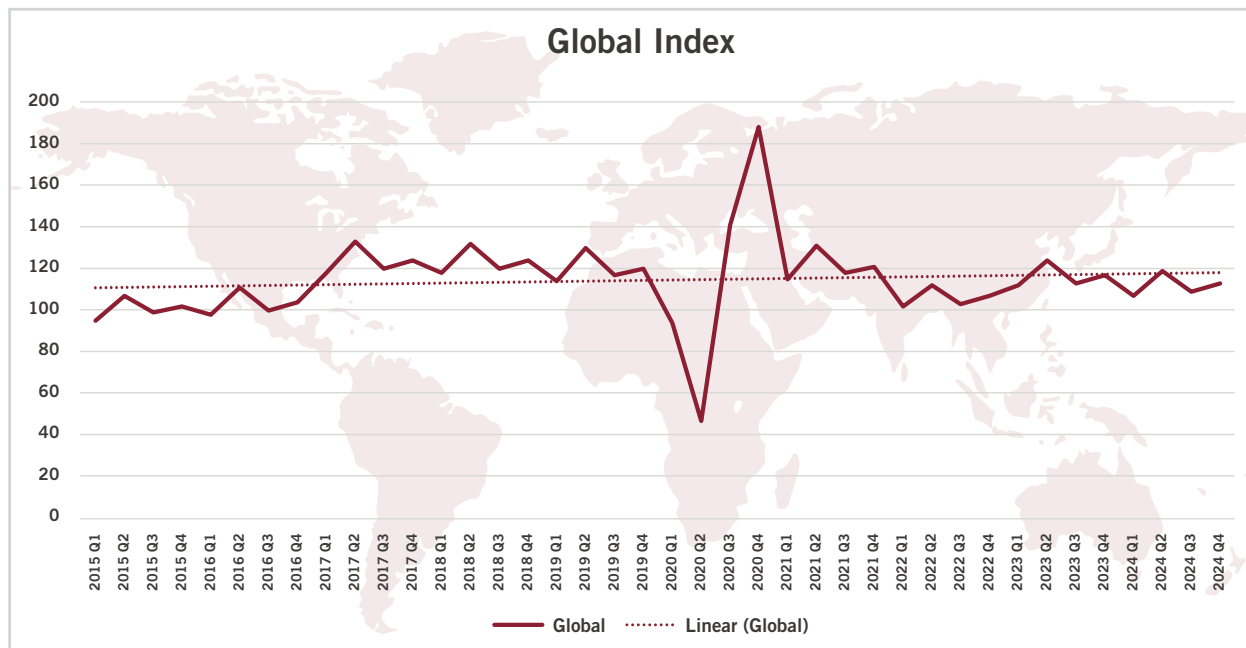
Japan/Korea. Medium and heavy commercial vehicle production in Japan and South Korea is expected to decline by 7.3% in 2024 over 2023. Commercial vehicle production is expected to decline by 8% in Japan and 2.2% in South Korea this year over 2024. The supply chain has shown relatively good improvement which led to stronger than expected production levels last year especially in South Korea. Demand for commercial vehicles in Japan has slowed this year and their traditional export markets are being pressured by high inflation and interest rates.

Greater China. Medium and heavy commercial vehicle production is expected to decrease by 2% in 2024 over 2023, when final numbers are available. Vehicle demand has stabilized and has been improving. 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, when final numbers are available.

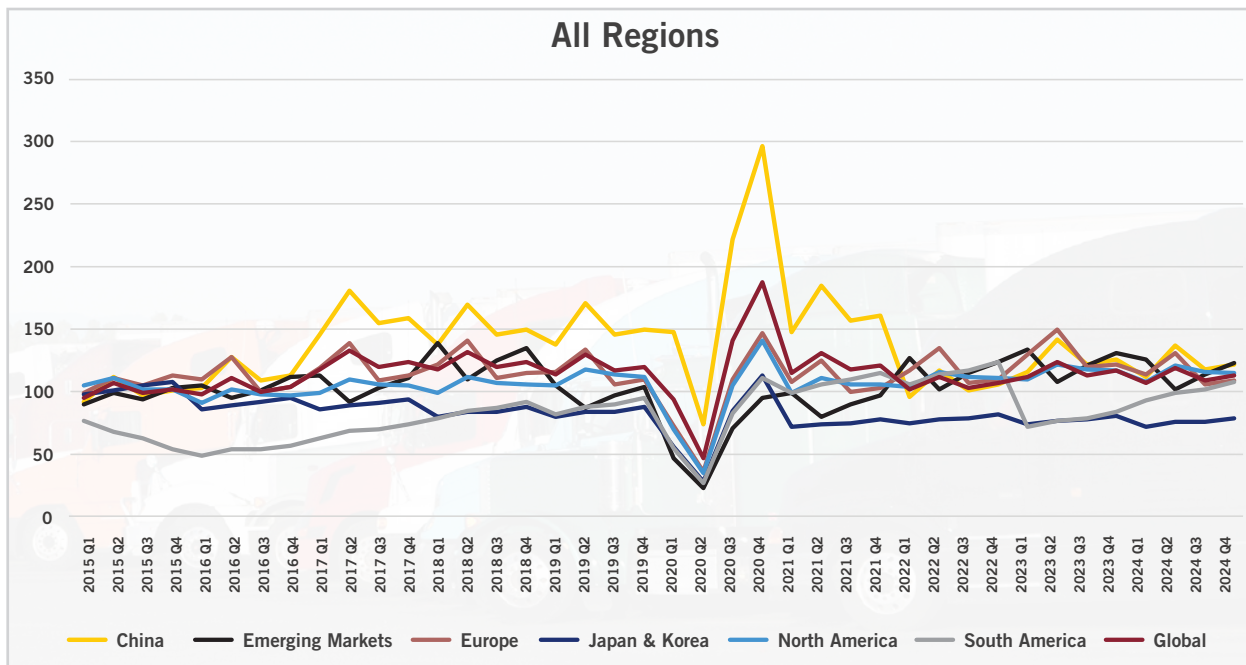
The next update of the Power Systems Research TPI will be in April 2025 and will reflect changes in the TPI during Q1 2025. **PSR**



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

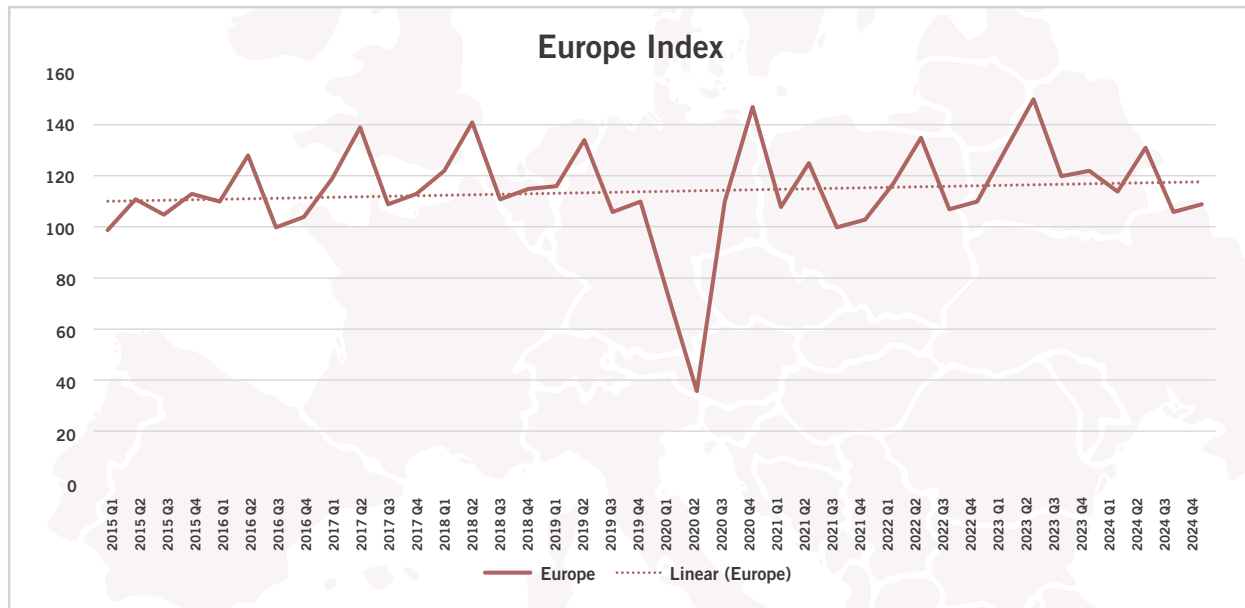


Globally, medium and heavy commercial vehicle production is expected to increase by 2.3% this year over 2024. Overall improvement in the global economy is the primary driver for the forecasted increase. However, the possibility for additional global tariffs from the incoming United States Executive Branch may place negative pressure on this forecast.

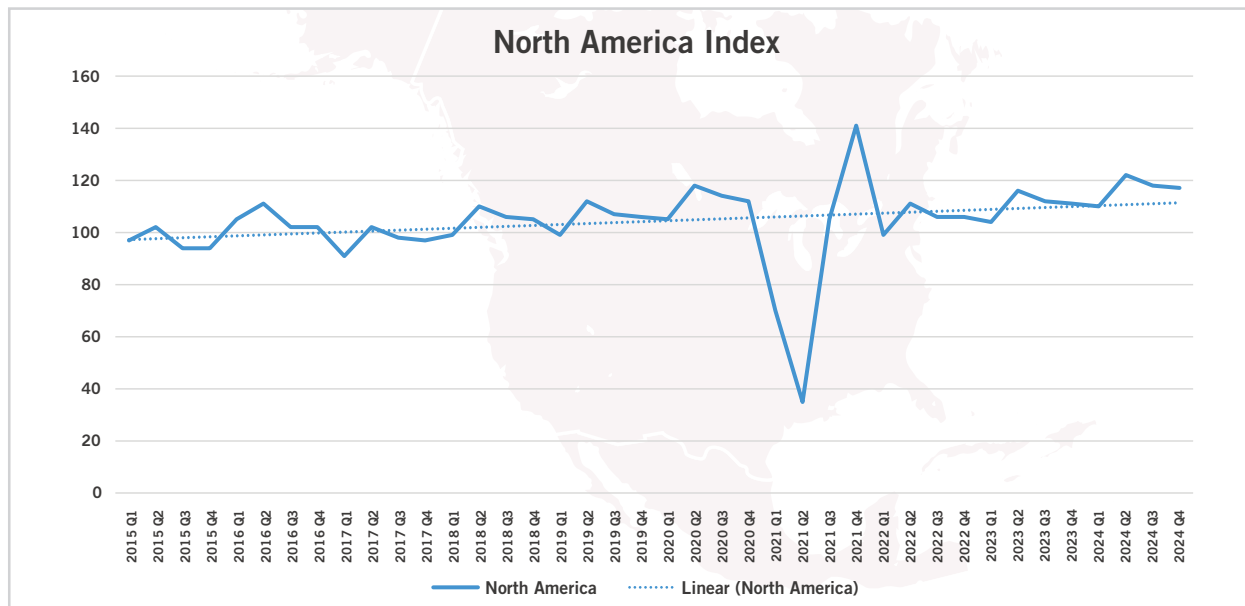


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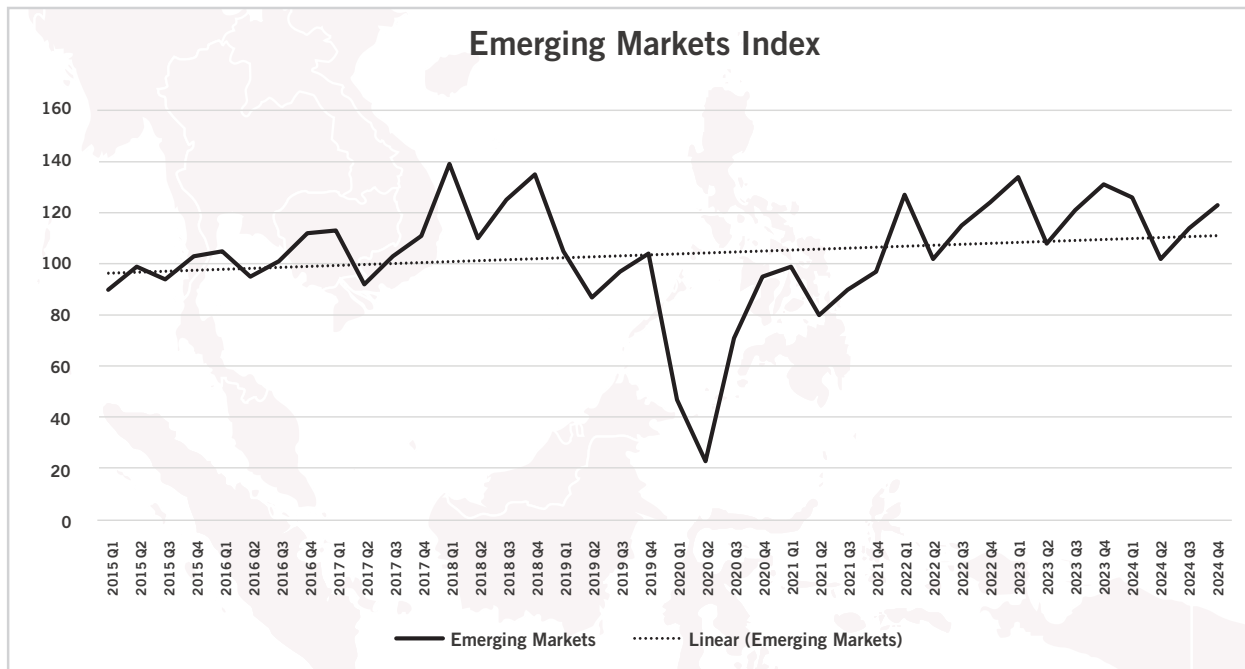


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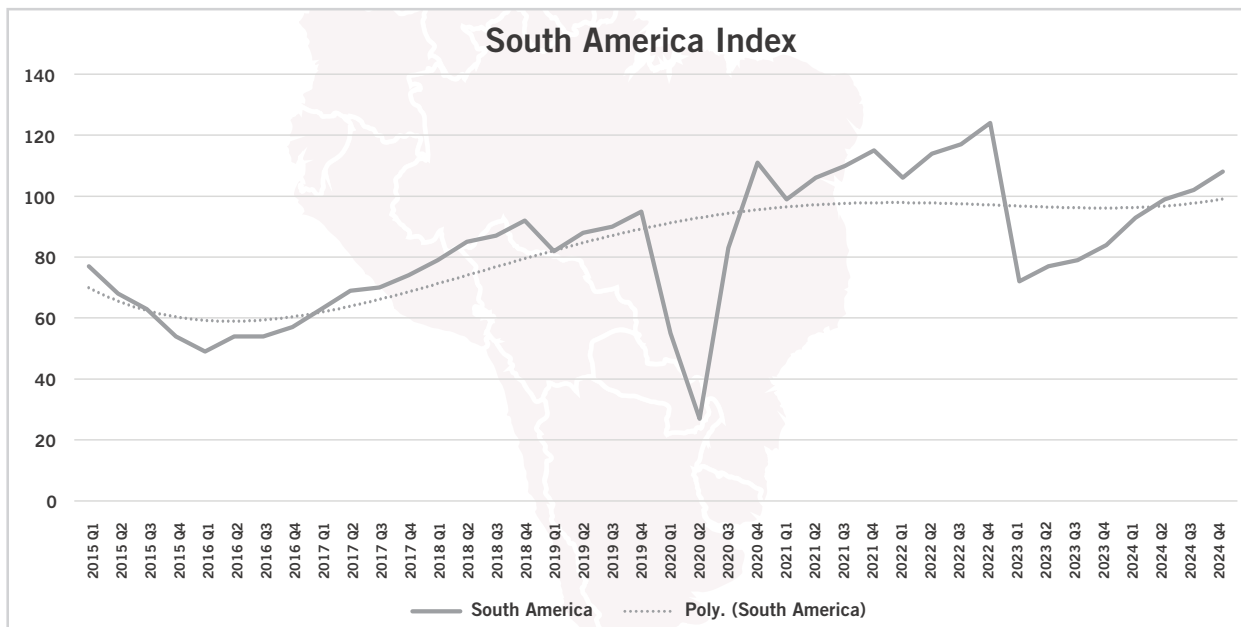
Power Systems Research Global Truck Production Index (PSR-TPI) (Class 3-8 Trucks & Bus Chassis)



After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by 3.7% this year compared with 2024. In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 4% this year compared with 2024. Demand is expected to grow in mid-term owing to a strong macroeconomic environment, healthy fleet utilization levels, Government capex on infrastructure projects, and stable freight demand. The CV industry posted muted performance in Q2, CY24 owing to seasonal and temporary factors like extreme weather conditions, uneven distribution of rainfall, general elections and slow take-off in government capex.



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 4.9% this year after a very strong 2024 in Brazil. Production in Argentina is expected to increase by 29% as the economy is improving and inflation is down significantly from a year ago. MHCV production in Brazil is expected to increase by 4.4% in 2025. Vehicle production in Columbia is forecasted to decline by 25% in 2025 as General Motors has ceased operations due to plant overcapacity and unprofitability.

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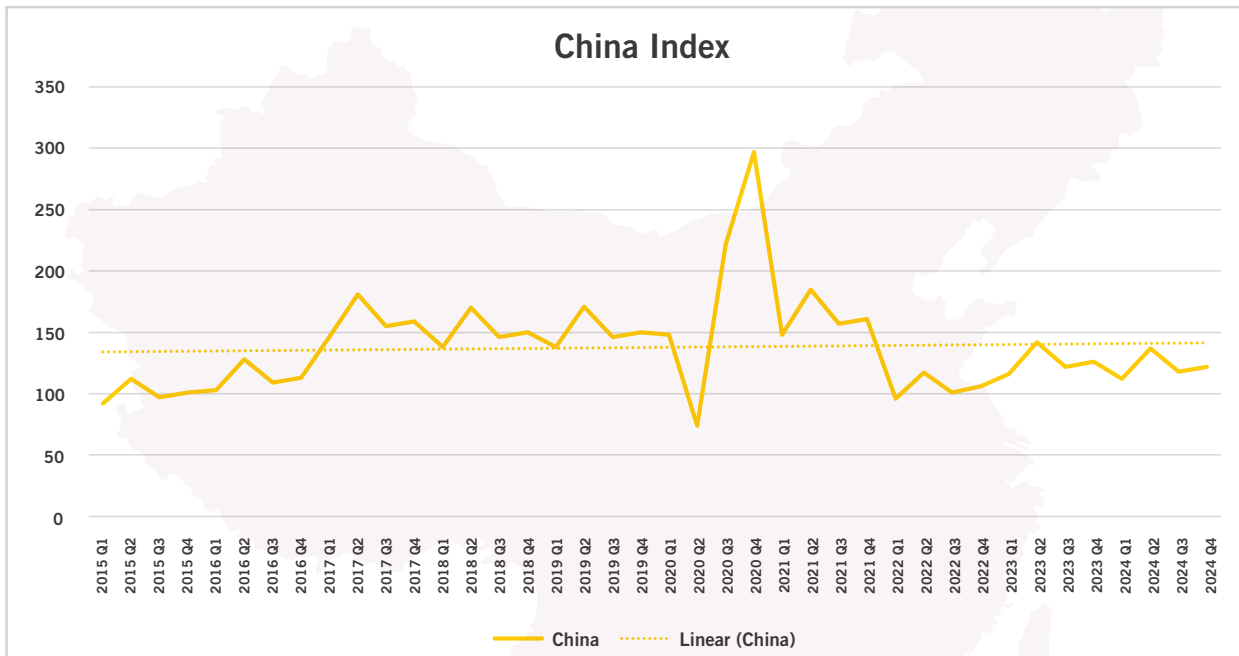
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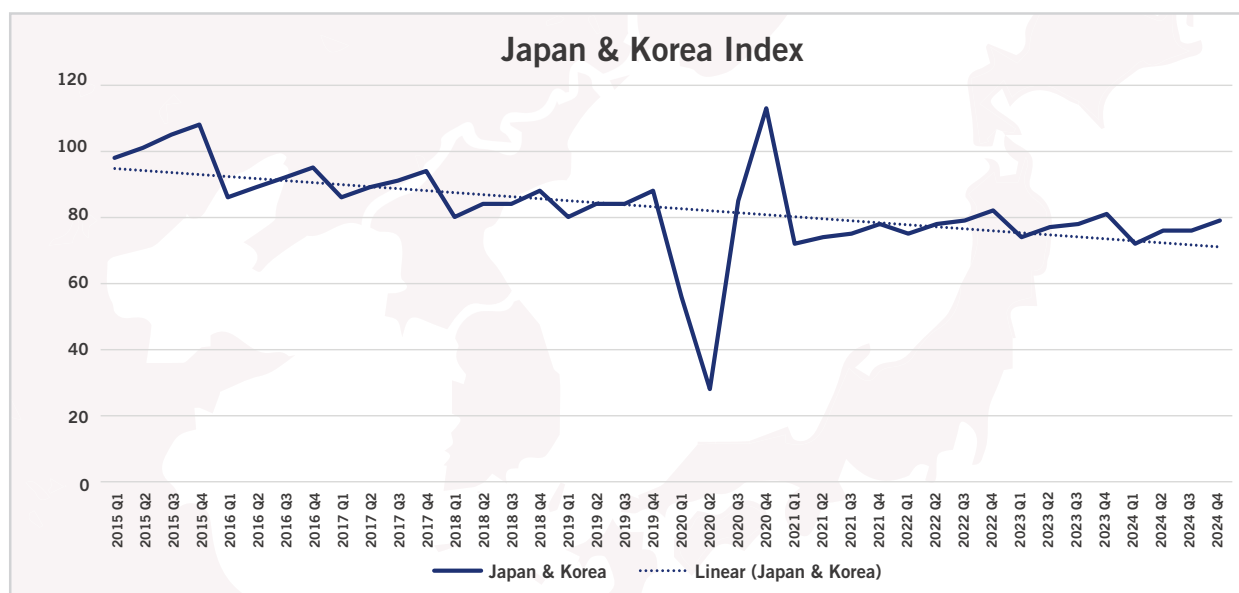
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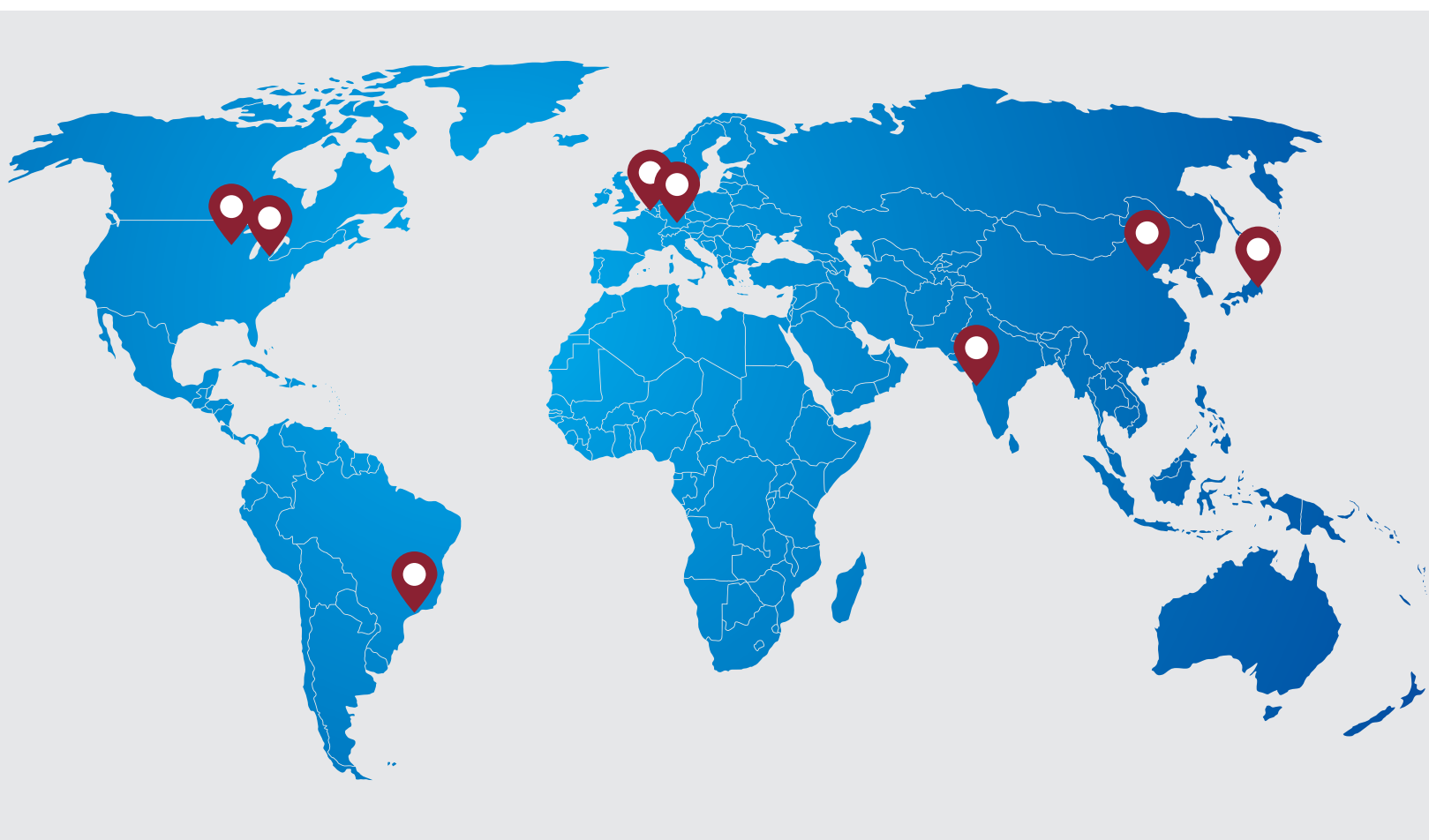
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Medium and heavy commercial vehicle production is expected to decrease by 2% when final year-end numbers are available. Vehicle demand has stabilized and has been improving. The Chinese economy will continue to face economic headwinds during the next 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 when final year-end numbers are available.



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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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