TPI

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Truck Production Index

Power Systems Research
Data · Forecasting · Solutions™

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 2025

Q1 2025 Power Systems Research Truck Production Index (PSR-TPI) drops -5.3%

St. Paul, MN (April 21, 2025)—The Power Systems Research Truck Production Index (PSR-TPI) dropped from 113 to 107, or -5.3%, for the three-month period ending March 31, 2025, from Q4 2024. The year-over-year (Q1 2024 to Q1 2025) timeframe was flat for the PSR-TPI, 107 to 107, or 0%.

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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 slightly while European and North American production is expected to decline this year over 2024.

Global Index. Globally, medium and heavy commercial vehicle production is expected to decline by 0.1% this year over 2024. A moderate softening of the global economy along with negative impacts from increased tariffs will likely place pressure on vehicle demand this year.

North America. There are significant issues that will impact the medium and heavy commercial truck market forecast for 2025 and beyond. The uncertain state of the economy, much of which is driven by the impact of possible tariffs this year. While freight tonnage was up sharply in February, it is yet to be known if this may be indicative of an improving economy or is this simply a buy ahead on freight to get ahead of the potential tariffs. Another issue is how much of the truck pre-buy ahead of the 2027 emission regulations will be in 2025 vs 2026. PSR is forecasting lower production levels for much of this year. This forecast assumes there will be no changes to the implementation of the phase 3 GHG emission regulations that are scheduled for MY2027 trucks. We should know more about this in the coming months. Medium and heavy truck production is expected to decline by 8.4% this year compared with 2024.

TPI authors

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Europe. After very low levels of demand in Europe last year, PSR is forecasting a 7.5% decline in production in 2025 over last year. Demand is expected to be soft throughout most of the year but is expected to improve later in 2025. The general state of the European economy and concerns about the impacts of tariffs are causing uncertainty within the market. PSR does expect good demand and production improvement in 2026 and 2027 as the fleets will need to replace their older trucks purchased in 2022 and 2023.

Greater China. Medium and heavy commercial vehicle production is expected to increase by 4.3% in 2025 over 2024. 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 decline slightly this year.

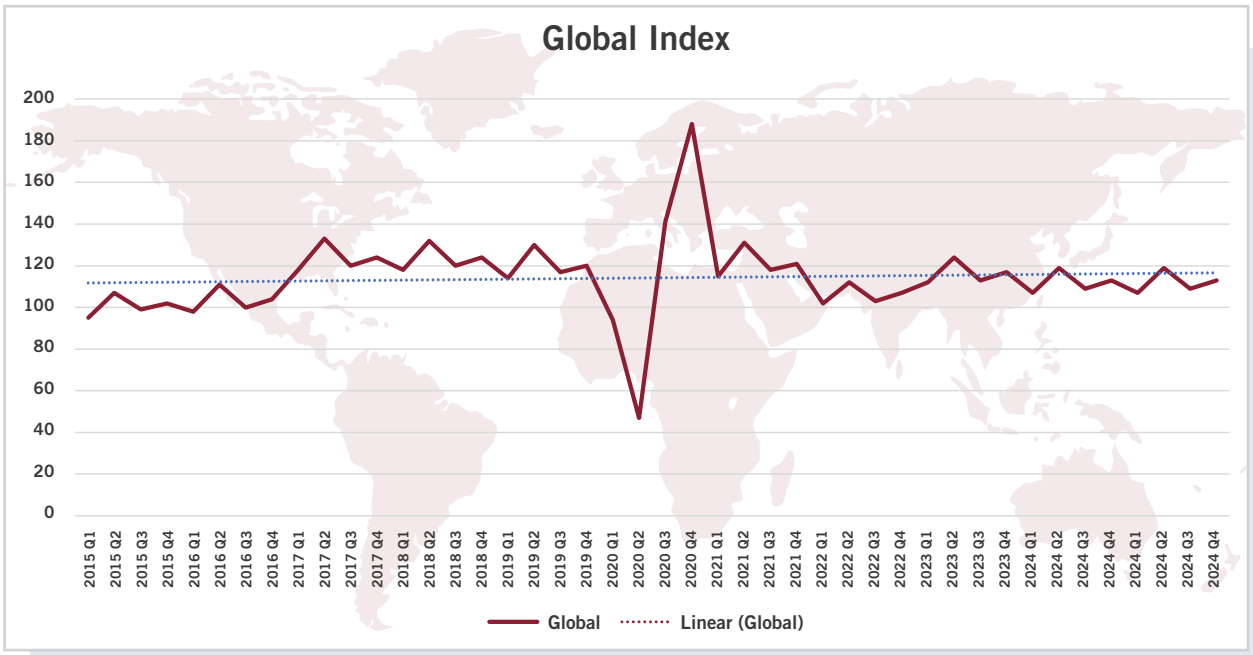
South Asia. After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by 2.1% this year compared with 2024. In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 2% this year compared 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.

South America. Medium and heavy commercial vehicle production is expected to increase by 4.1% 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 3.5% in 2025. Vehicle production in Columbia is forecasted to decline by 31% in 2025 as General Motors has ceased operations due to plant overcapacity and unprofitability.

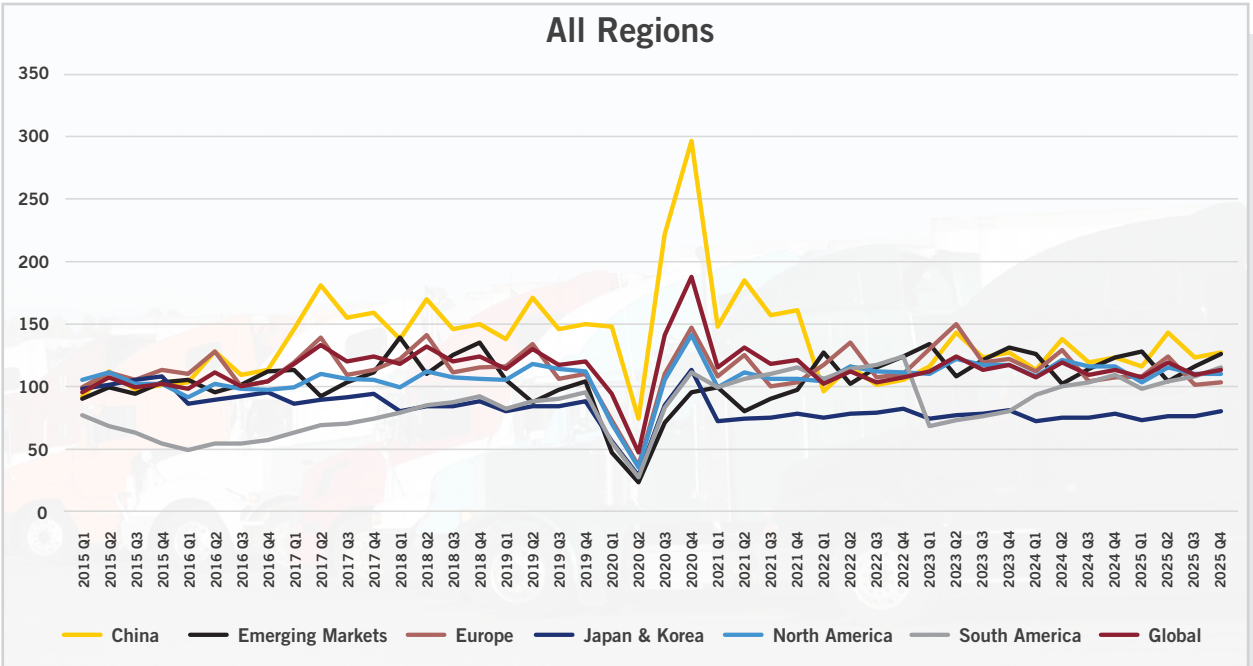
Japan/Korea. Medium and heavy commercial vehicle production in Japan and South Korea is expected to increase by 2% in 2025 over last year. Commercial vehicle production is expected to increase by 1.5% in Japan and 5% in South Korea in 2025. The supply chain has shown relatively good improvement which led to stronger than expected production levels last year, especially in South Korea. In Japan, a general economic slowdown, along with high interest rates and inflation, likely played a role in reducing demand for commercial trucks in 2024. Rising materials costs and vehicle prices have also impacted sales. The government's work-style reforms, which include a cap on overtime hours for truck drivers, are predicted to cause a reduction in transportation capacity, potentially disrupting delivery services and making it harder to attract new workers to the trucking industry.

The next update of the Power Systems Research TPI will be in July 2025 and will reflect changes in the TPI during Q2 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 decline by .1% this year over 2024. A moderate softening of the global economy along with negative impacts from increased tariffs will likely place pressure on vehicle demand this year.



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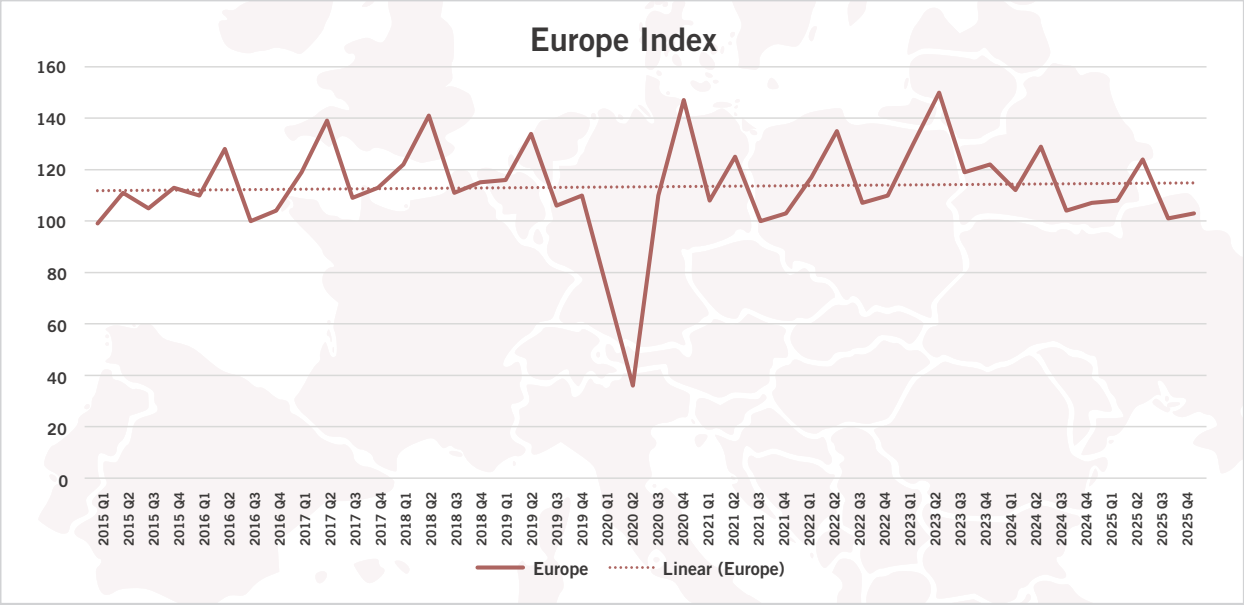

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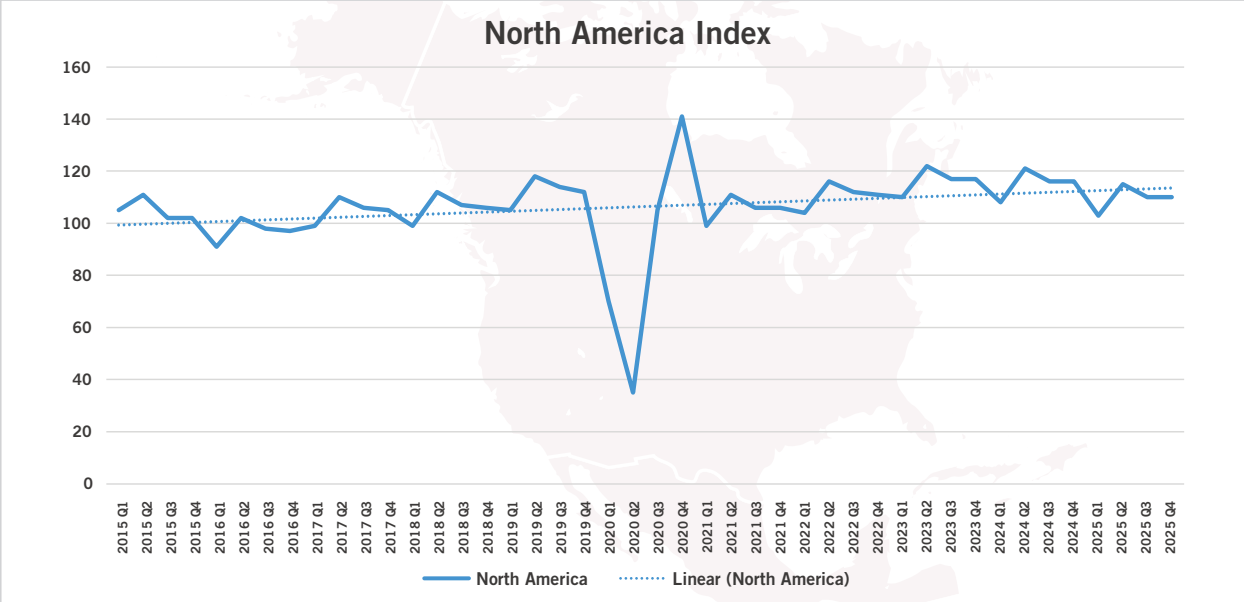

There are significant issues that will impact the medium and heavy commercial truck market forecast for 2025 and beyond. The uncertain state of the economy, much of which is driven by the impact of possible tariffs this year. While freight tonnage was up sharply in February, it is yet to be known if this may be indicative of an improving economy or is this simply a buy ahead on freight to get ahead of the potential tariffs. Another issue is how much of the truck pre-buy ahead of the 2027 emission regulations will be in 2025 vs 2026. PSR is forecasting lower production levels for much of this year. This forecast assumes there will be no changes to the implementation of the phase 3 GHG emission regulations that are scheduled for MY2027 trucks. We should know more about this in the coming months. Medium and heavy truck production is expected to decline by 8.4% this year compared with 2024.

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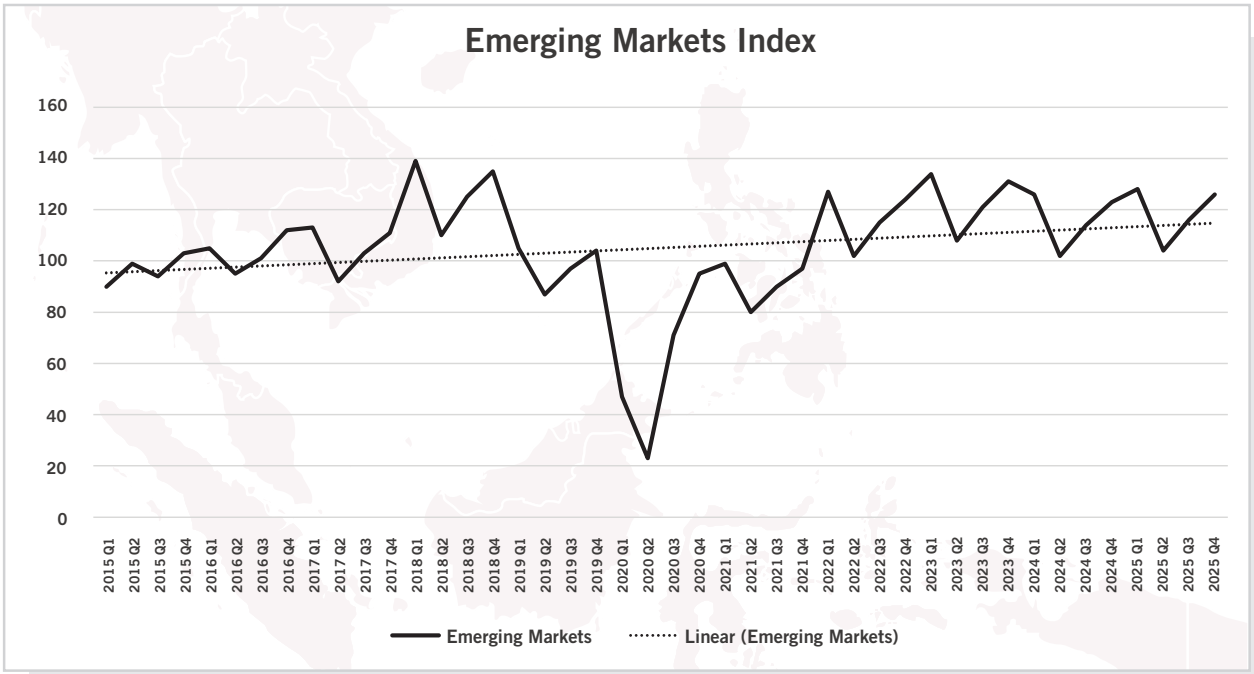

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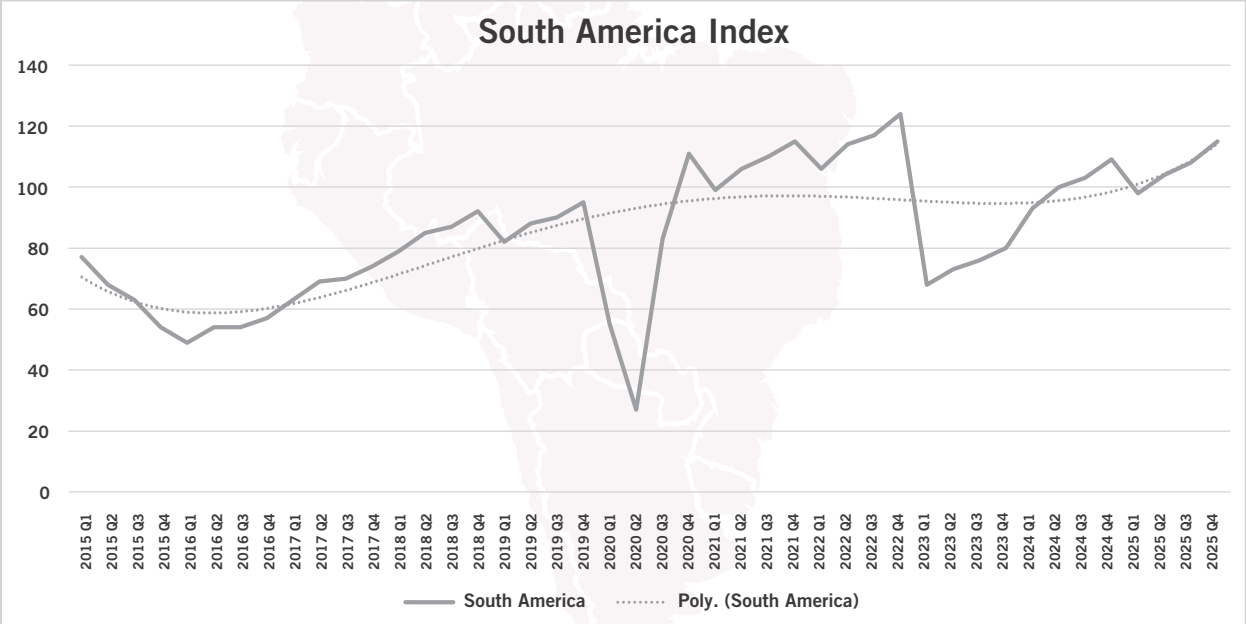

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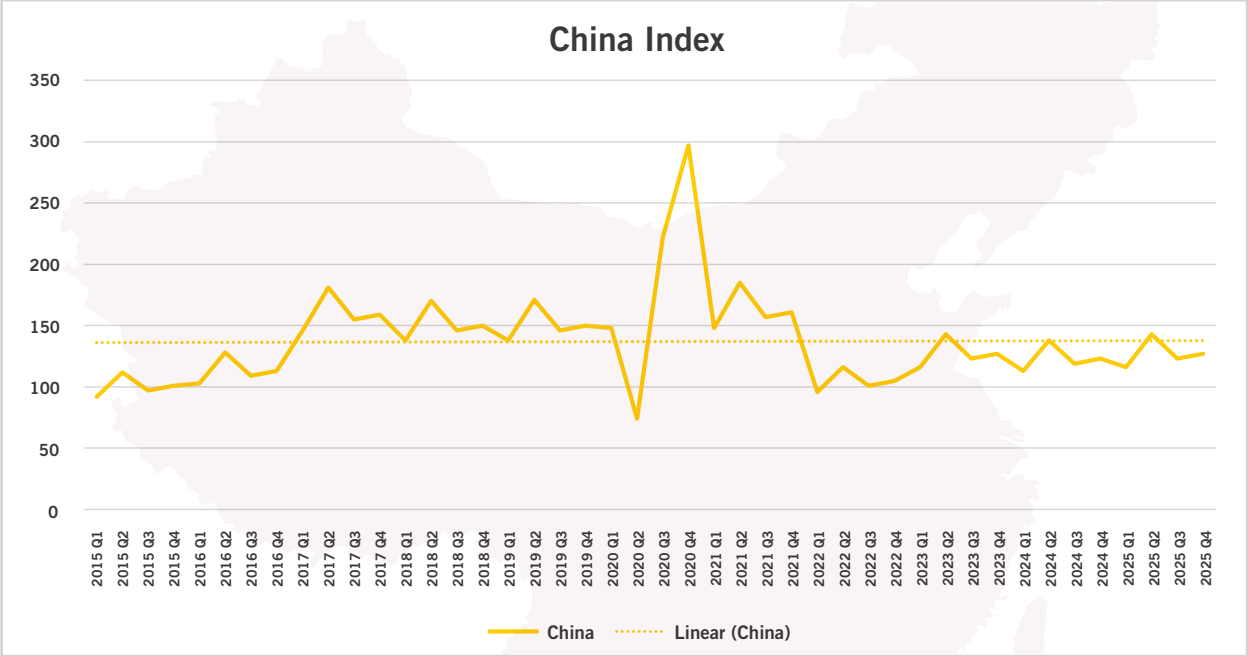
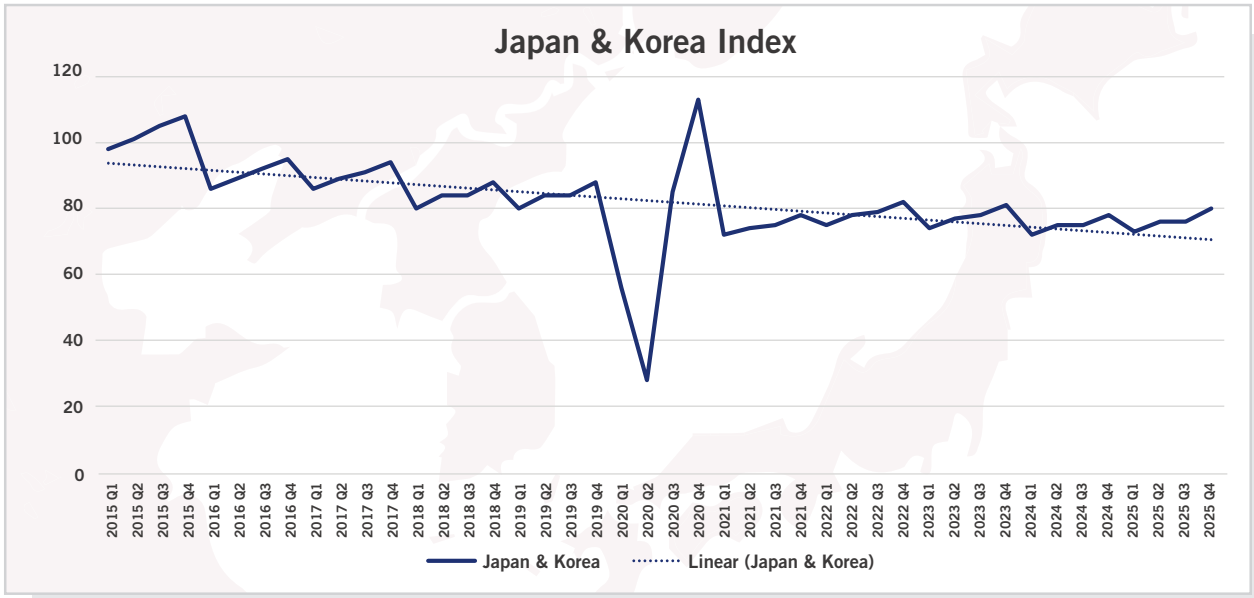


Medium and heavy commercial vehicle production is expected to increase by 4.3% in 2025 over 2024. Vehicle demand has stabilized and has been improving. The Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt. In Taiwan, medium and heavy vehicle production is expected to decline slightly this year.



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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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