TPI

November 4, 2025

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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.

Third Quarter 2025

Q3 2025 Power Systems Research Truck Production Index (PSR-TPI) falls -8.5%

St. Paul, MN (Oct. 13, 2025) —The Power Systems Research Truck Production Index (PSR-TPI) decreased from 117 to 107, or -8.5%, for the three-month period ending Sept. 30, 2025, from Q2 2025. The year-over-year (Q3 2024 to Q3 2025) loss for the PSR-TPI was, 109 to 107, or -1.8%.

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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 while European and North American production is expected to decline significantly this year over 2024. Truck demand in North America and Europe is expected to show slight improvement in 2026.

Global Index. Globally, medium and heavy commercial vehicle production is expected to decline 3.2% this year over 2024. A moderate softening of the global economy along with negative impacts from increased tariffs has placed pressure on vehicle demand this year. However, global truck demand is expected to see some improvement in 2026.

North America. Medium and heavy truck production in North America is expected to decline 15.8% this year compared with 2024. The commercial truck market in North America remains in a “wait and see” mode with regard to truck sales this year. Uncertainty about the economy and the impact of the trade tariffs moving forward is causing hesitancy among many fleets. Many fleet owners also believe the EPA will modify or outright cancel the phase 3 GHG emission regulations, thus significantly reducing the cost of the MY 2027 vehicles and effectively eliminating any significant 2026 truck pre-buy. At the time of this writing, PSR believes there

TPI authors

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will be no significant truck pre-buy through the rest of this year and a significantly reduced pre-buy, if any, in 2026. Demand is expected to be strong in 2027 – 2029 as the fleets replace their aging trucks purchased in the 2022 – 2024 time-cycle.

Europe. Medium and heavy truck production in Europe is expected to decline 7.8% this year compared to 2024. The general state of the European economy and concerns about the impacts of tariffs are causing uncertainty within the market. However, it does appear that demand may have bottomed out and is set to start improving later this year and somewhat in 2026. It appears order bookings may have stabilized and may have generally started to improve. Truck demand in Western Europe is expected to improve in 2026 and 2027 as the fleets will need to replace their older trucks purchased in 2022 and 2023. Expansion in the truck segment is also expected to begin in late 2026 and into 2027 as the general state of the economy improves and the freight market picks up.

South Asia. After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase 0.7% 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. Production in Australia, Indonesia and Malaysia is expected to decline this year while Pakistan, the Philippines, Thailand, and Vietnam production is expected to increase modestly this year compared with 2024.

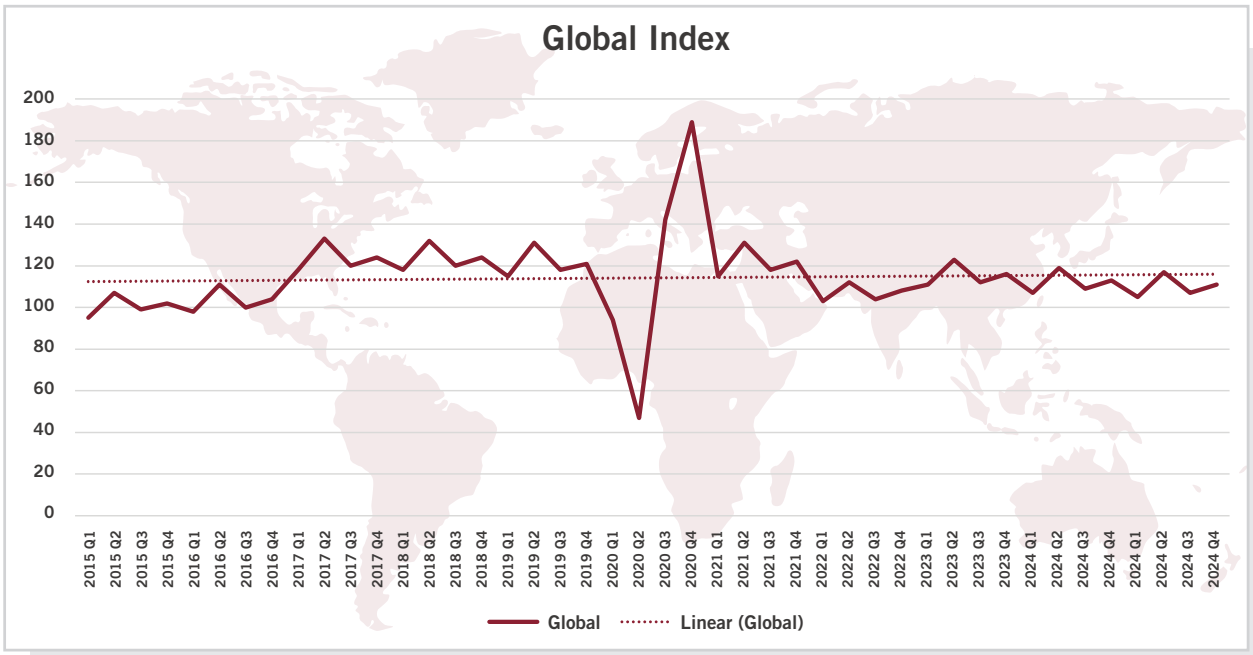
South America. Medium and heavy commercial vehicle production is expected to decrease 0.4% this year after a very strong 2024. Production in Argentina is expected to increase 45.6% as the economy is improving and inflation is down significantly from a year ago. MHCV production in Brazil is expected to decrease 1.7% in 2025. Vehicle production in Columbia is forecasted to decline 26% 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 7.1% in 2025 over last year. Commercial vehicle production is expected to increase 8.4% in Japan and decline 2.8% in South Korea this year. In Japan, infrastructure spending and the need for fleets to replace older trucks will be the primary reasons for increased truck demand this year. For both Japan and South Korea, the trade tariff uncertainty will place pressure on the OEM's in their various export markets for at least the rest of this year.

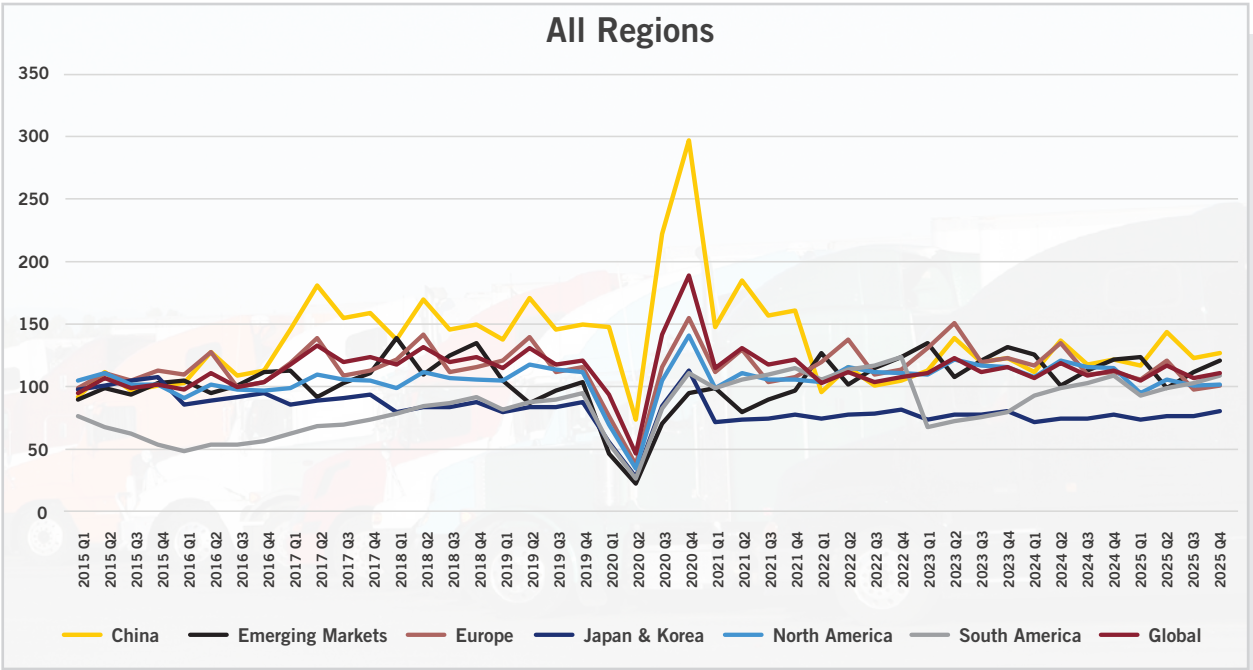
Greater China. Medium and heavy commercial vehicle production is expected to increase 4.2% in 2025 over 2024. Vehicle demand has stabilized and has been improving. The Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt. In Taiwan, medium and heavy vehicle production is down sharply during the first five months of 2025 compared with the same period last year. Commercial vehicle production in China is expected to increase 4.3% while production in Taiwan is on track to decline 45% this year.

The next update of the Power Systems Research TPI will be in January 2026 and will reflect changes in the TPI during Q4 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 3.2% this year over 2024. A moderate softening of the global economy along with negative impacts from increased tariffs has placed pressure on vehicle demand this year. However, global truck demand is expected to see some improvement in 2026.



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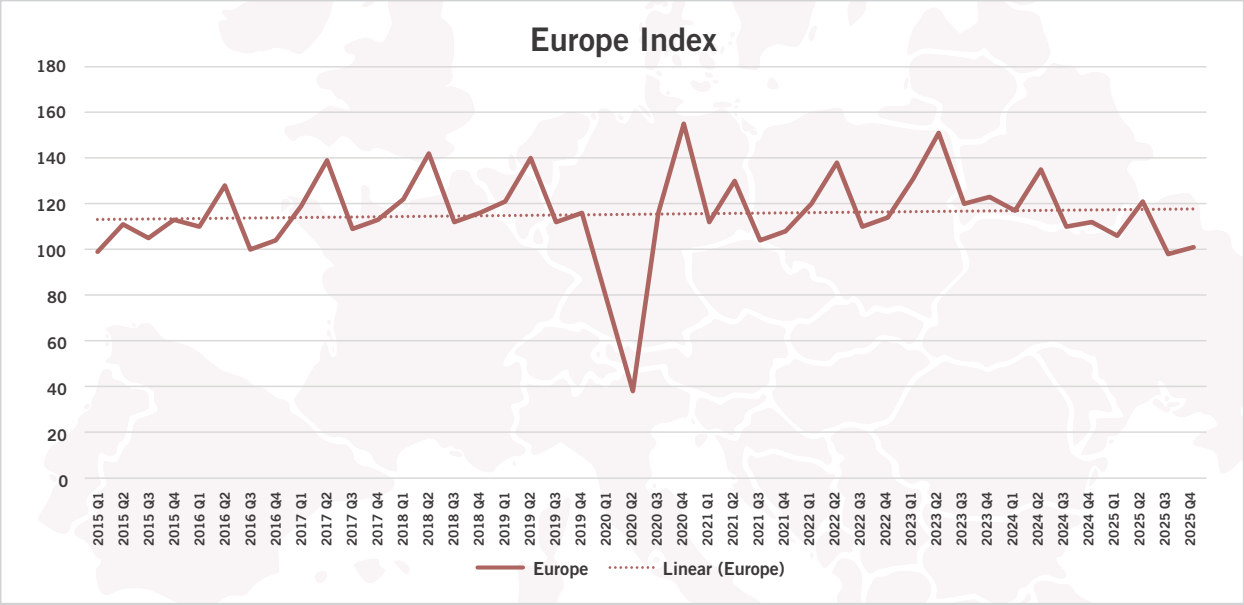
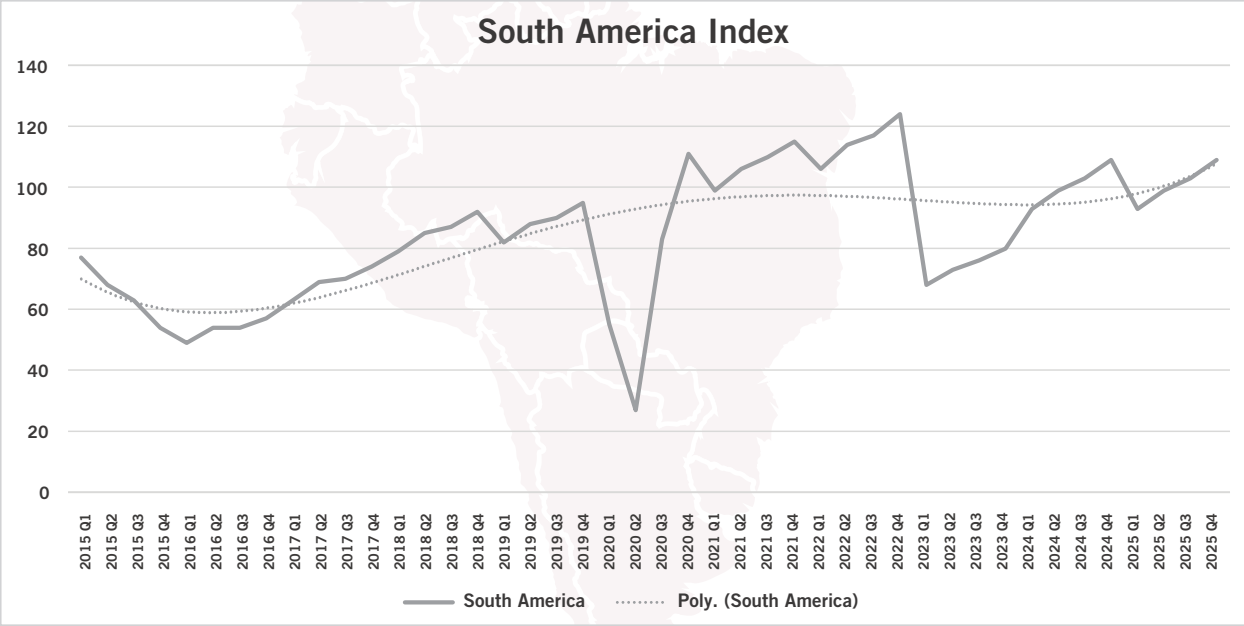


Medium and heavy truck production in Europe is expected to decline by 7.8% this year compared to 2024. The general state of the European economy and concerns about the impacts of tariffs are causing uncertainty within the market. However, it does appear that demand may have bottomed out and is set to start improving later this year and somewhat in 2026. It appears order bookings may have stabilized and have generally started to improve. Truck demand in Western Europe is expected to improve in 2026 and 2027 as the fleets will need to replace their older trucks purchased in 2022 and 2023. Expansion in the truck segment is also expected to begin in late 2026 and into 2027 as the general state of the economy improves and the freight market picks up.



Medium and heavy commercial vehicle production is expected to decrease by .4% this year after a very strong 2024. Production in Argentina is expected to increase by 45.6% as the economy is improving and inflation is down significantly from a year ago. MHCV production in Brazil is expected to decrease by 1.7% in 2025. Vehicle production in Columbia is forecasted to decline by 26% in 2025 as General Motors has ceased operations due to plant overcapacity and unprofitability.

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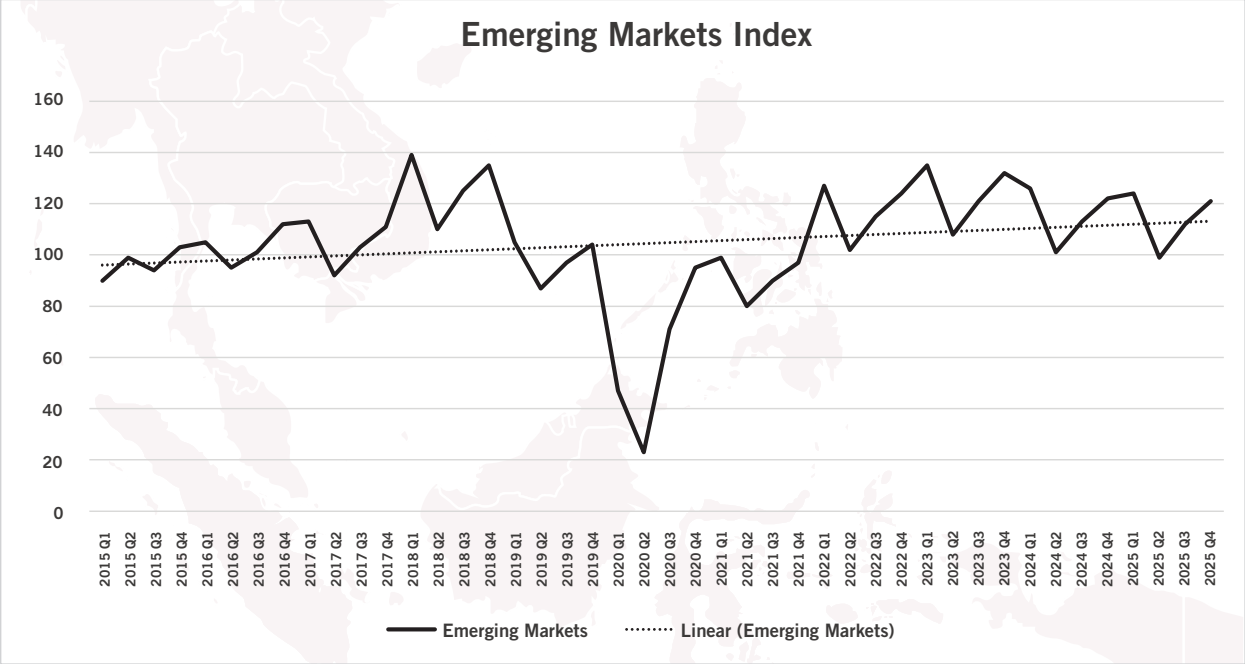

After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by .7% this year compared with 2024. In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 2% this year compared with 2024. 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. Production in Australia, Indonesia and Malaysia is expected to decline this year while Pakistan, the Philippines, Thailand, and Vietnam production is expected to increase modestly this year compared with 2024.

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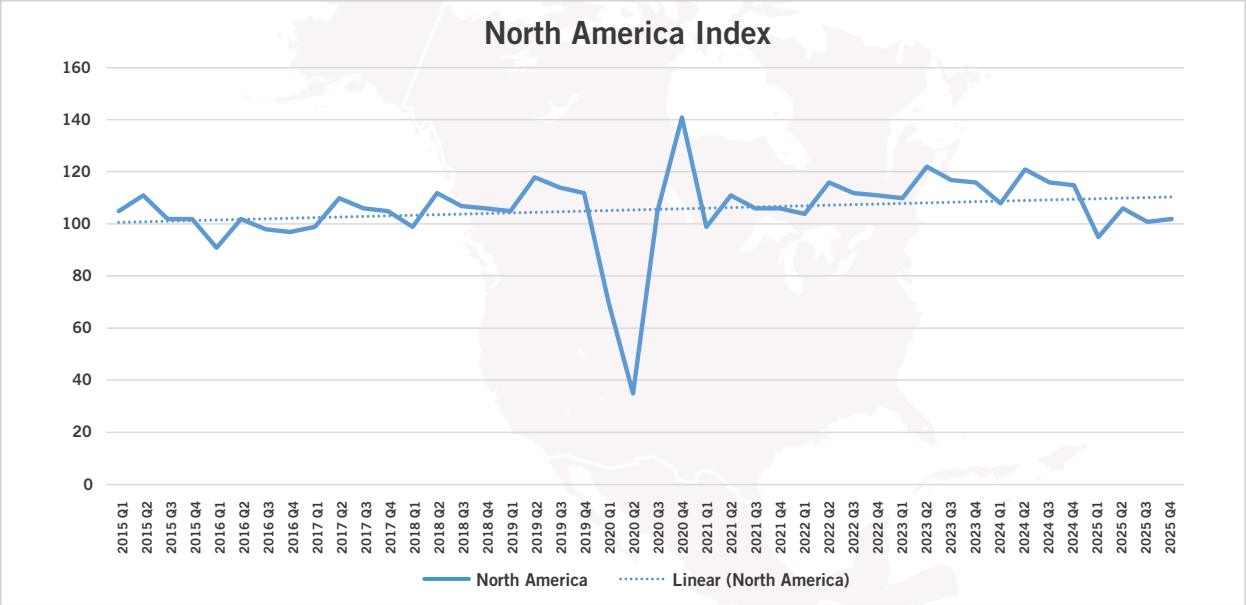

Medium and heavy truck production in North America is expected to decline by 15.8% this year compared with 2024. The commercial truck market in North America remains in a "wait and see" mode with regard to truck sales this year. Uncertainty about the economy and the impact of the trade tariffs moving forward is causing hesitancy among the various fleets. Many fleet owners also believe the EPA will modify or outright cancel the phase 3 GHG emission regulations thus significantly reducing the cost of the MY 2027 vehicles and effectively eliminating any significant 2026 truck pre-buy. At the time of this writing, PSR believes there will be no significant truck pre-buy through the rest of this year and a significantly reduced pre-buy if any, in 2026. Demand is expected to be strong in 2027 – 2029 as the fleets replace their aging trucks purchased in the 2022 – 2024 time-cycle.

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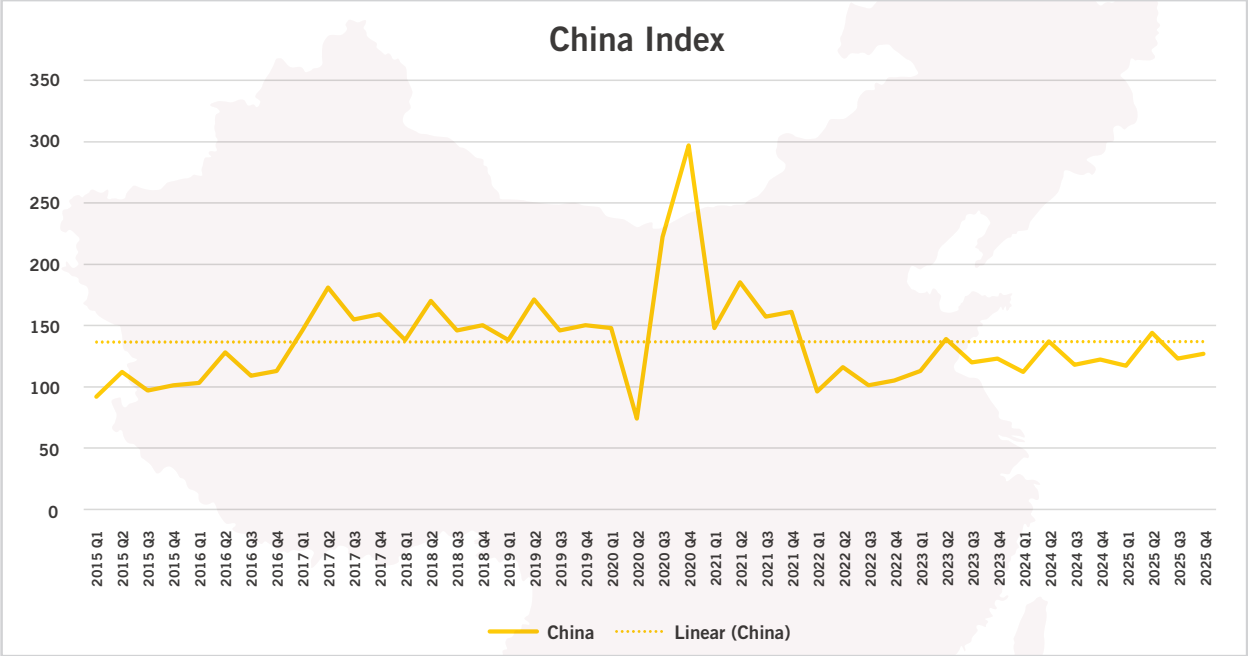
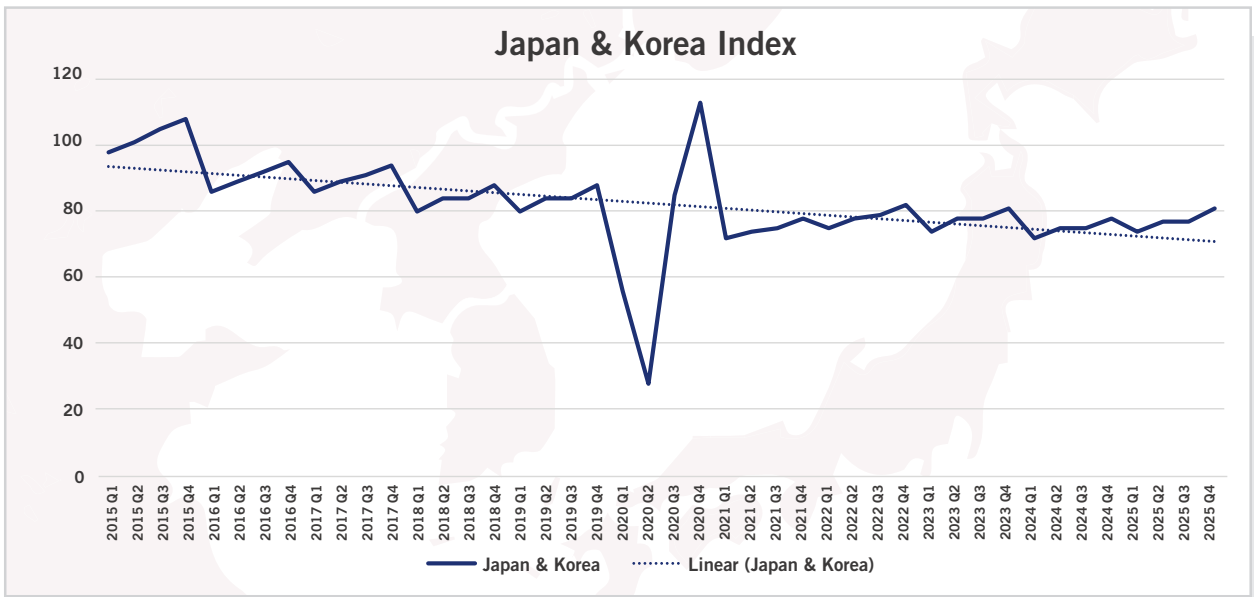


Medium and heavy commercial vehicle production is expected to increase by 4.2% in 2025 over 2024. Vehicle demand has stabilized and has been improving. The Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt. In Taiwan, medium and heavy vehicle production is down sharply during the first five months of 2025 compared with the same period last year. Commercial vehicle production in China is expected to increase by 4.3% while production in Taiwan is on track to decline by 45% this year.



Medium and heavy commercial vehicle production in Japan and South Korea is expected to increase by 7.1% in 2025 over last year. Commercial vehicle production is expected to increase by 8.4% in Japan and decline by 2.8% in South Korea this year. In Japan, infrastructure spending and the need for the fleets to replace older trucks will be the primary reasons for increased truck demand this year. For both Japan and South Korea, the trade tariff uncertainty will place pressure on the OEM's in their various export markets for at least the rest of 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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