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<b>Docket Number:</b>	20-IEPR-02
<b>Project Title:</b>	Transportation
<b>TN #:</b>	235667
<b>Document Title:</b>	Triad Truck makers hit hard by Covid-19 fallout
<b>Description:</b>	N/A
<b>Filer:</b>	Raquel Kravitz
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	11/18/2020 10:39:09 AM
<b>Docketed Date:</b>	11/18/2020

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From the Triad Business Journal:

<https://www.bizjournals.com/triad/news/2020/05/26/triad-truck-makers-hit-hard-by-covid-19-fallout.html>

## Triad Truck makers hit hard by Covid-19 fallout

May 26, 2020, 6:00am EDT

Greensboro-based heavy truck manufacturers Volvo and Mack have experienced sharper than anticipated declines in sales of Class 8 trucks as April saw the U.S. new truck sales market experience its worst month in more than three years.

According to data released by ACT Research, 12,986 new Class 8 Trucks were sold in April compared to 24,280 in the same month 2019, a decline of 47.6%.

That sales were down from 2019 wasn't unexpected as all manufacturers adjusted down their



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Volvo North America and Mack Trucks, both owned by Volvo Group, are co-headquartered in Greensboro.

workforce and capacity following a robust two-year run of new truck sales resulting from the 2018 federal tax cuts. More telling, though, is that last month's sales dropped 23.1% from the 24,280 sold the month prior.

A report by trade publication thetrucker.com cited sales through the first quarter were already lagging 28% behind last year, which was not unexpected. The economic fallout of Covid-19 exacerbated the situation.

Volvo Trucks, whose North American headquarters is in Greensboro, sold 951 Class 8 trucks domestically, the first time it sold fewer than 1,000 in any month since January 2012. Volvo sold 1,717 trucks in March, a one-month drop of 44.6%. Year-to-date, Volvo sales have declined by 31.2%

Sister company Mack Trucks, whose world headquarters is also in Greensboro, had sales of 1,063 Class 8 trucks in April, a 24.3% drop from the 1,404 it sold in March. Mack, which benefits from its Mack Defense division's military contracts with the U.S. and Canada and its higher concentration in the vocational truck market, actually gained market share, going from 6.6% of Class 8 trucks sold in April 2019 to 7.8% the same month 2020, according to ACT.

The drop in sales is not entirely the result of lower demand, but also available supply. Plants were shut down for weeks at a time for cleaning and social distancing strategy implementation. Not just assembly plants, but those that make up the supply chain have been impacted as well. Industry watchdogs don't expect May to be any better as businesses gradually reopen and only begin to fill the pipeline.

“It takes a lot of people marching at the same speed to turn the manufacturing sector back on,” said Kenny Vieth, president and senior analyst at ACT Research told thetrucker.com. “With current inventories and supply chains, we can say that April will probably not be the bottom of the economic downturn.”

According to ACT, April Class 8 sales included 8,156 fifth-wheel tractors, down 30.1% from 11,673 in March and down 25.5% from 18,303 in April 2019. The remaining 4,830 were vocational trucks — dump trucks, refuse trucks, etc. — which at 37.2% of the entire market was significantly higher than the 25% to 30%, which according to ACT suggests over-the-road vehicles took an even bigger hit.

**Andy Warfield**

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Economic Development and  
Workforce  
*Triad Business Journal*

