

## Commercial Vehicle Rapid Response Report | COVID-19 Special Edition

### US Market Rapid Reporting (Class 4-8)

**-91% MN**

WoW decline

Confirmed COVID-19 cases, at 175/M

Dealerships limited to Service only

**-80% AR**

WoW decline

Confirmed at 290/M

Dealerships continue normal operations

**-65% KS**

WoW decline

Confirmed cases, at 291/M

Dealerships limited to Service only

**-39% CA**

WoW decline

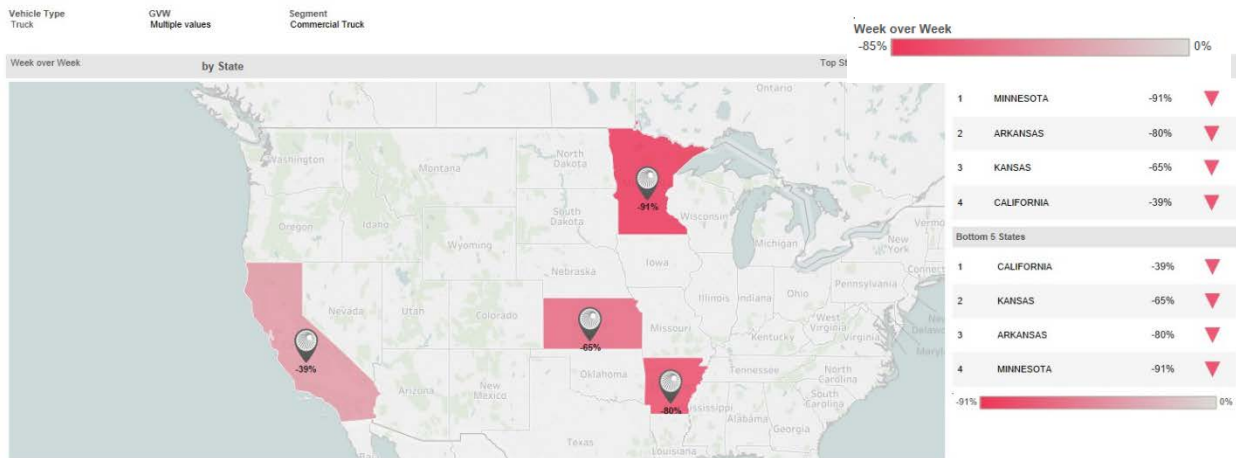
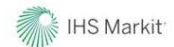
Confirmed cases, at 405/M

Dealerships limited to Service only

- With March 2020 having come to a close in calendar week 14, the scale of the initial COVID-19 related slide in registrations became apparent. Registrations of Class 4-8 trucks dropped 29% in the month versus February 2020.
- The lower GVW classes exhibited more relative strength. Registrations of Class 6-7 trucks fell 39% month over month (MoM) in March while Class 4-5 dropped just 21% MoM, for example. Class 8 fell 30% MoM, meanwhile.
- Individual states showed considerable variation, with Louisiana down 79% MoM for Class 4-8 and Nevada up 91% MoM.
- The steepest drops as March ended in week 14 were in Minnesota (-91%) week over week (WoW) and Arkansas (-80%).

### COVID-19 Impact Analysis

Data as of: Wk-14 2020



Week over Week: Week 14-2020 vs Week 13-2020  
 Month over Month: March-2020 vs February-2020  
 Year over Year: 2020 YTD vs 2019 YTD

COVID cases reported in alignment with calendar week.

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## Global Economic Overview

**-2.8%**

Forecast CY2020 real  
GDP growth in the  
world economy

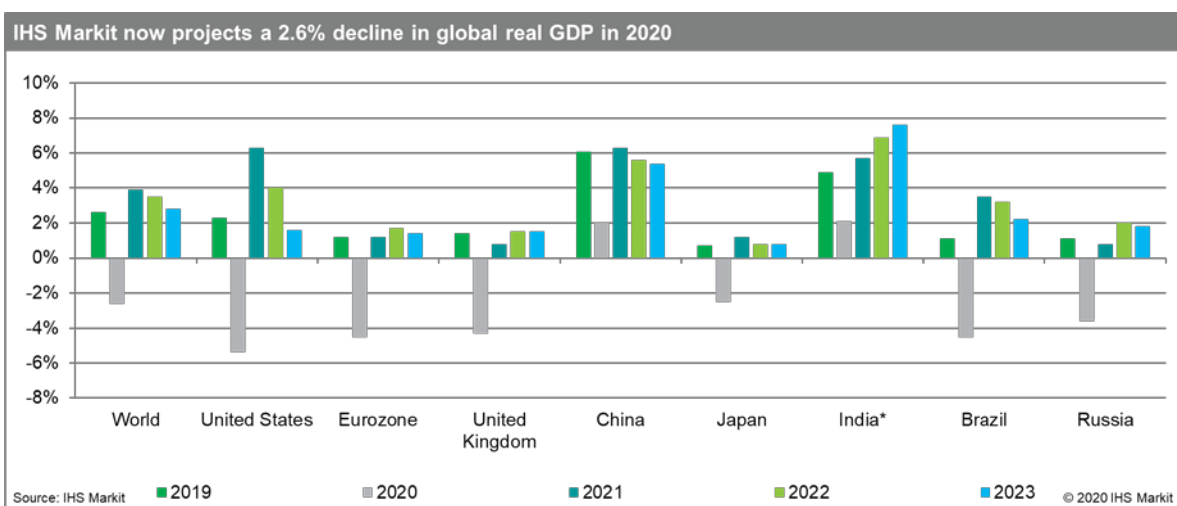
**-5.4%**

Forecast CY2020 real  
GDP growth in the  
United States

**-5.5%**

Forecast CY2020 real  
GDP growth in Canada

- In the United States, restrictions on non-essential business activity drive real GDP declines of 3.5% in annualized terms (SAAR) in the first quarter. IHS Markit projects a 26.5% decline in the second quarter. The unemployment rate will quickly rise above 10%. The US economy is expected to contract faster and deeper than any previous recession in the post-WWII era before stabilizing as business restrictions end. Real GDP is projected to fall 5.4% in the full year 2020.
- Recessions across Europe will be significantly deeper than during the global financial crisis. Mirroring the US outlook, the economic crisis expected to peak in the second quarter with GDP declining 5.6% QoQ, exceeding the 3.2% contraction in the first quarter of 2009. Italy (-6.0%) and Spain (-5.0%) are forecast to suffer the largest declines in real GDP in 2020. Real GDP to decline 4.5% in 2020.
- Recent data suggests that the COVID-19 outbreak in China has been largely brought under control. Economic conditions improved by mid-March. The work resumption rate for companies listed on China's stock exchange reached 98%. However, the percent of workers returned to work was lower (76%) due travel restrictions. Economic growth to return in the second quarter but China's real GDP is projected to increase just 2.0% in 2020 as new factory orders continue to decline on weak global demand.
- It will take at least two to three years for most economies to return to their pre-COVID-19 levels of output. The collapse in economic activity and the extensive public support requisitioned to jumpstart growth will become a key source of financial market risk. Rising deficits and debt burdens are likely to restrain future growth rates once stimulus dissipates.



## Global Commercial Truck Overview

**-22%**

impact to global Class 4-8 commercial truck production as Covid-19 spreads

**2.6M**

expected global production – **drop of over 650K units**

**-30%**

impact to NA Class 4-8 truck production as Covid-19 spreads

**387K**

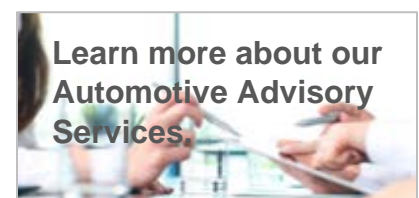
expected NA Class 4-8 truck production – **drop of ~198K units**

- North American production decline of about 198K units. Truckmakers planned downtime through mid-April, resulting in **~13K units of lost production**.
- Europe has become epicenter of crisis with **32K units of lost production** as a result of stringent workplace controls.
- **8K units in lost production** as the coronavirus has forced major Japanese and South Korean automakers to suspend operations at their domestic facilities due to reported parts shortages. Restrictions expected to ease through April.
- Truckmakers across China have all re-started their plants as Hubei province (Wuhan) allowed business to resume on March 11th. Shutdowns have already cost **>80k units of lost production**, which March output appears to have recovered in part.

Covid-19 has precipitated closure of auto facilities worldwide and continues to wreak havoc on global commercial truck production.

*\*Based on data received through March 31, 2020*

## Access more information and resources



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