Commercial truck sales closed out 2020 with total sales just shy of 410,000 units, a decline of 22.3% from the 2019 total. Sales of Class 8 trucks improved in December, reaching a high for the year, but that was not enough to offset sales declines seen earlier in the year stemming from the pandemic. Class 8 sales in 2020 totaled nearly 192,000 units, down 30.6% from 2019 which was in fact their second-best sales year on record.

Sales of medium-duty trucks also improved in fourth quarter 2020, but still closed out the year just short of 218,000 units, a decline of 13.2%. Following the strong performance in 2019, commercial truck sales had been expected to decline throughout 2020, but the pandemic exacerbated the decline, with sales bottoming out in May at their lowest level since 2011.

Despite the tumultuous 2020, the industry started 2021 on an optimistic note. According to ACT Research, orders for Class 8 trucks in December 2020 reached their fourth-highest level ever and marked the second straight month with orders greater than 50,000 units. Full-year orders in 2020 also beat 2019, with orders reaching 278,400 for the year. Orders for medium-duty trucks also ended the year at a strong pace. According to ACT Research, preliminary orders for Class 5-7 trucks hit 31,500, marking their second-highest monthly total on record and the highest since March 2006, when orders topped 41,000 units.

COVID-19 has shifted a significant portion of consumer spending from services to goods, which are increasingly purchased online for at-home delivery. This has been a positive for sales of both Class 8 trucks used in the long-haul phase of goods transportation and for the medium-duty vehicles used in the last-mile delivery of those goods. This tailwind should continue for at least as long as COVID-19 dominates the daily lives of American consumers.

The pandemic has also exacerbated the driver shortage by causing some older and immunocompromised drivers to step away. But that shortage should be reduced somewhat in the near term by vaccine distribution and by freight companies increasing driver pay.

For 2021, we expect sales of Class 8 trucks of around 240,000 units and sales of medium-duty trucks of around 230,000 units.