

Used-truck prices spike up to 21%

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With the government reviewing its vehicle scrappage policy, the price of used trucks has surged by up to 21 per cent in certain segments. The rise in used-market prices is also driven by demand from the government's infrastructure projects, say industry sources.

The price of used commercial vehicles (CVs) in the 1.5-2 tonne category (which includes Tata Ace, Ashok Leyland's Dost, and Mahindra Treo) registered a 21 per cent year-on-year (Y-o-Y) increase. This was followed by a 12 per cent rise in the 7.5-16 tonne category, also known as intermediate commercial vehicles, which are larger than light commercial vehicles, and more powerful than heavy-duty trucks. However, prices

fell by 16 per cent in the 16-19 tonne category, which is dominated by Tata and Eicher.

The government is reviewing its vehicle scrappage policy, which mandates the scrapping of vehicles of over 15 years. This could be amended to focus on emission levels rather than the age of the vehicle.

"There is a surge in demand for the used truck segment of late," said Shenu Agarwal, managing director and chief executive officer, Ashok Leyland.

This comes at a time when truck rentals, a key barometer of goods movement, remained firm in September as pre-festival stocking continued across India. Freight rates held firm without much increase as fleet utilisation levels surged to 90 per cent, the highest in recent times from 70 per cent.