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Outline

The World truck-market – a regional issue?
(Our theses are situated at the very end of this outcast)

The world truck market is in several respects quite different from the world market for cars. While there is a need for both, cars and trucks, in all countries, the modes of supply for these two demands are quite different:

1) In nearly all countries, even less developed ones, a car industry emerged, often helped or protected by governments. The world's truck industry, however, is much more concentrated in a handful of states. According to the 2012-production statistics of OICA (Organisation Internationale des Constructeurs d'Automobiles in Paris) only eight countries produced more than 500,000 commercial vehicles, while 22 countries met this threshold for cars.
2) On the other hand is he truck-industry structurally more fragmented than the car industry. World-statistics reflect only one type of non-commercial vehicles (= cars) but at least three types of commercial ones: light- and heavy commercial vehicles (LCV, HCV) and busses. Production of these three types is unevenly distributed between the countries of the World.
3) The World's largest automobile enterprises (those which turned out 100,000 or more units in 2011 – in all 46 firms) are concentrated in the car industry. Nearly all of them produced not only cars but also LCV. In contrast only 18 produced HCV (threshold of more than 5,000 units), while no more than six produced more than 100,000. There are very few firms such as MAN or Scania which produce exclusively HVC and no LCV or cars. The number of enterprises shrinks even more when the market for busses is considered. There were only eight firms producing more than 5,000 units in 2011[1].

[1] This includes also small busses with no more than eight seats (plus driver).

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4) In 2011 80 million vehicles were produced in 56 countries. Nearly one half of these states turned out more than 500,000 units. When LCV are considered the World's turnout was 16 million; of these only nine countries produced more than half a million units. With HCV the world figures were a total of 4 million, and only China and Japan came over our threshold of 500,000 units.[2]

In short, the World's truck industry is much more concentrated in fewer countries and fewer enterprises than the car industry.

We have pointed out to the most recent situation that is for the years 2011 or 2012. Until the year 2005 the picture was quite different, because the Chinese (and Indian) industries emerged with their large numbers only during the last years. We also can presume that the situation will be again different in ten years. In 2011 out of a group of the 50 largest firms 20 were situated in China. There might be room for the same type of consolidation which concentrated the automotive industry in America, Europe or Japan earlier. Because of the exceptional growth in China, little which would last more than a few years can be said on today's structures. Interestingly the automotive industry faced such periods of turmoil before: relative short periods of quick structural change and other, longer lasting periods with a more stable development. During the 1950s and 60s American enterprises more or less governed the automotive World. Then their position was challenged first by European and shortly after by Japanese firms. These deep going changes were, of course, prepared in the years before. Still they were perceived in some quarters as a shock. A first impression suggests that the same is due for the market of commercial vehicles. The differences changing the truck-market came later, emerged in shorter time-spans and were partly more profound. Concerning this last respect there is a significant difference in the development of LCV on the one hand and in HCV and (especially heavy) busses on the other.

There is very little historical research on the truck market. While we have quite some information on cars, there is almost nothing published comparing the development of commercial vehicles apart from single-country, technical, or single-enterprises studies (incl. *Festschrift*).

Our contribution aims first at mapping the World truck industry according to countries (based on literature and sources such as from OICA) in order to establish phases of relative calm and less calm development. The time of evaluation will cover the last 50 years

A second step is focused on enterprises, not on countries. It has been mentioned that the truck industry is even more concentrated than the car industry. In 2000 there were only four enterprises turning out more than 1 million commercial vehicles (GM, Ford, Daimler, and Toyota). When HCV are concerned only two firms turned out more than 100,000 (Daimler and Iveco). And only four firms produced more than 10,000 busses (Daimler, Navistar, Hyundai, and Volvo). These enterprises directed their FDI from their headquarters, understanding themselves as world-players in their respective fields. These headquarters decided at least on design, prices and allocation of their products, and thus directed their network of plants and their part of the World market. Our second step is to map automobile enterprise including their foreign direct investment, according to units produced (incl. CKD).

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[2] We have to point out to a statistical trap: Whilst in Japan HCV are counted from 3 (and more) metric tons own weight, with other states this threshold is five or six tons.

In a third step we will confront these two ways of mapping the industry in order to come up with evidence for our theses:

A) For one generation, between ca. 1975 and 2005 the World's industry of light commercial vehicles was dominated and directed from two regions, the area around Detroit (USA) and the southern half of the Japanese Islands (or more precise the southern half of the provinces Kanto, Chubu, and Chugoku).
B) For one generation, between ca. 1975 and 2005 the World's industry of heavy commercial vehicles was dominated and directed from two regions, the southern half of Germany and the southern half of Sweden.
C) For one generation, between ca. 1975 and 2005 the World's industry of (heavy) busses was dominated and directed from two regions, the southern half of Germany and the southern half of Sweden.

With other words, I will try to show that the World's truck industry was directed, at least during a certain period, out of a few regions which from a global perspective were comparatively tiny. Regions do matter!