

Vehicle sales improve in January

Vehicle sales in January, although subdued, have improved, the National Association of Automobile Manufacturers of South Africa (NAAMSA) said.



"Aggregate industry sales had improved by 3144 units or 7% to 48 251 vehicles from 45 107 units in January last year," said NAAMSA on Thursday.

According to the association, the January 2012 new car market represented the highest January month in the past five years. This was due to the strong demand by car rental companies with the car rental industry accounting for about 17% of total new car sales.

Aggregate industry new car sales during January 2012 at 35 428 units - including Mercedes-Benz South Africa (MBSA) - reflected an improvement of 2 465 units or 7.5 % compared to the 32 963 new cars sold during January 2011.

This comes as a global directive by parent company Daimler AG (Germany) instructing MBSA not to report disaggregated sales data for the time being. It will, however, provide a single total sales number for passenger cars and commercial vehicles.

Dealer sales

Of the total industry sales of 45 944 (excluding MBSA), 79.1% or 36 354 units represented dealer sales, 12.8% represented sales to the vehicle rental industry, 4.7% sales to government and 3.4% to industry corporate fleet sales.

South African export vehicles (excluding MBSA) sales data, showed an improvement of 260 units compared to the 10 185 vehicles exported in January 2011. These figures are expected to improve from February onwards as the January figures reflected the fact that automotive factories only resumed their operations from the middle of January.

"The industry's export sales performance would, however, depend on the direction of the global economy and the contribution of new export programmes by manufacturers," said NAAMSA.



South Africa exports vehicles to 77 countries worldwide.

NAAMSA said that export sales to Europe were likely to soften as a result of the recession and debt crisis in the Eurozone. Projected higher exports to African countries should enable the industry to record growth and exceed the total number of vehicle exports of 271 763 units in 2011.

"At this stage, the outlook for 2012 in terms of total industry sales remained one of modest growth. Factors that would lend support to the domestic market included the on-going improvement in the financial position of consumers on the back of relatively low interest rates, continuing improvement in vehicle affordability in real terms, the highly competitive trading environment and new model introductions.

"As a result, domestic sales were expected to continue to reflect growth, but at a relatively subdued rate."

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