

Local car sales lift, boosted by attractive offers by manufacturers

Attractive offers by vehicle manufacturers is one of the reasons for the aggregate year-on-year increase in domestic vehicle sales in the month of September, the fourth successive month in which volumes have risen.

Purchases were made despite the sluggish economy, which slipped into recession during the year, and despite the pressures on household income.

WesBank head of brand and communication Rudolf Mahoney believed that customers were finding better value in the new car market because manufacturers were offering fantastic marketing deals.



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According to figures released by the Department of Trade and Industry on Monday, aggregate new vehicle sales came in at 50,322 units up by 2,965 units or 6,3% from the 47,357 vehicles sold in September 2016.

New passenger cars sold came in at 33,669 units, a gain of 1,868 cars, or 5.9%, compared to the 31,801 new cars sold in September 2016.

Toyota sold the most vehicles (11,123) during the month followed by Volkswagen (8,012) and then FMC (6,175).

Export sales at 36,134 vehicles registered an improvement of 3,370 units or a gain of 10.3% compared to the 32,764 vehicles exported in September 2016.

The National Association of Automobile Manufacturers of SA (Naamsa) said encouraging gains were led by the new light commercial vehicle and new car segments. New vehicle exports had also registered strong gains.

"The recent sharp increase in the Reserve Bank's leading indicator and the improvement in the purchasing managers index suggested that further improvement in domestic sales could be expected in the months ahead," the association said. An overall year-on-year improvement of about 1.5% for 2017 was expected.



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21 Sep 2017



"Over the past four months, the domestic automotive industry had held up well in the current challenging economic environment.

A number of factors had contributed to the improved momentum in local sales and these included reduced new vehicle pricing pressures currently at an annualised rate lower than inflation, the July 2017 reduction in interest rates and continued highly attractive sales incentives," Naamsa said.

Sales during the second half of the year are usually higher than aggregate sales in the first half.

Domestic sales of new light commercial vehicles, bakkies and minibuses at 14,523 units during September reflected a substantial gain of 1,520 vehicles, or an improvement of 11.7%, compared to the 13,003 light commercial vehicles sold during the corresponding month in 2016.

This was on top of the improvement in light commercial vehicle sales in recent months.

Source: BDpro