

New vehicle sales beat forecast in 2012

By  Henrie Geyser

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New vehicle sales increased to 623,914 units last year which is a growth of 9.2% over 2011 and 2% more than expected by automobile industry body NAAMSA. The 2012 total does not include 7,794 units sold by Great Wall Motors.



New vehicle sales ended the year 2012 on a positive note with 46,016 units sold in December, which is also slightly higher than number of vehicles sold the year before. The continued growth in sales was again supported by the car rental industry which accounted for 14.3% of the total monthly sales.

Export sales had also recorded substantial gains during December and at 19,719 units reflected an improvement of 5,554 units or 39.2% compared to the 14,165 vehicles exported during December, 2011.

Trading conditions remained 'tough' in 2012

Following record domestic new vehicle sales in 2006 when the domestic total market peaked at 714,315 vehicles - the market declined for three consecutive years through 2009 and thereafter registered three successive years of relatively strong growth culminating in 2012 total sales of 623,914 vehicles.

In 2012 new car sales were up by 11.3% and all commercial sections also showed increases varying from +2.8% to +9.2%

NAAMSA said trading conditions remained tough in 2012 with 60 brands and close on 2,100 model derivatives competing for consumer wallets. Based on volume increases and a weighted average estimated increase of about 3% in new vehicle prices the market generated about R182bn for the year. New vehicle export sales were estimated to have added a further R52bn to total Industry 2012 revenue.



South Africa's track record as a reliable manufacturer and supplier of high-quality vehicles and automotive components to world markets has been firmly established with vehicle exports currently destined for 148 international markets. Higher exports into African markets as well as to China and Australia more than offset lower new car exports into Europe. Total Industry exports are projected to reach about 361,000 units during 2013.

NAAMSA says the domestic vehicle market is expected to grow sales by 7.3% in 2013 but this would be closely linked to the performance of the domestic economy and in the case of export sales, the performance of the global economy.

Overall, 2013 is likely to prove a more challenging year for the SA Automotive Industry. However, the Industry remains well positioned to continue to make a positive contribution to the South African economy, particularly if economic growth in excess of 3.0% materialises.

ABOUT HENRIE GEYSER

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