

New vehicle sales still in top gear

 By [Henrie Geyser](#)

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In spite of the impact of the transport sector's strikes and disruptions on local manufacturing plants local sales of new vehicles for October increased by 10.1% compared to the corresponding months in 2011. Sales were up by 5,519 units to 57,845 compared to the 52,326 units in October last year.



According to NAAMSA domestic sales for the past 10 months are also up more than 10% over the previous year. However export sales dipped by 859 units or 3.3% to 25,763.

Of the reported industry sales (excluding Mercedes-Benz) 77.9% or 43 091 units represented dealer sales, 13.6% represented sales to the vehicle rental Industry, 4.9% to government and 3.6% to Industry corporate fleets.

New car sales during October maintained upward momentum and at 41,621 units (reflected an improvement of 4,795 units or 13.0% compared to the 36,826 new cars sold during October 2011. Year to date new car sales remained 11.7% ahead of the corresponding ten months of 2011.

Continuing to surprise

A NAAMSA spokesman said against the backdrop of weak momentum in the overall economy, the performance of the South African automotive sector continued to surprise on the upside.

Factors supporting new vehicles sales include the historically low interest rate environment, replacement demand, the highly competitive trading environment, attractive incentives, the variety of choice and ongoing new model introductions.



In terms of domestic sales, the Industry remained on track during 2012 for growth of around 10%. Negative factors that could influence the new vehicle market over the balance of the year and in 2013 include rising inflationary pressures despite subdued economic growth as well as the impact of rand weakness on modest vehicle price increases experienced for the year to date, which may not be sustainable going forward.

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