

Vehicle sales for September were down 1.9%

New vehicle sales for September were down 1.9% year-on-year with a total of 49,670 units sold according to the latest aggregate sales data from the National Automobile Association of South Africa. From a year-to-date point of view, total industry sales were on par with the first nine months of 2017, coming in marginally lower at -0.8%.



Source: pixabay.com

Looking specifically at the dealer channel that accounted for 78.6% of new vehicle sales in the industry, total unit sales were down 2.3% year-on-year. Retail consumers have felt a pinch in their wallets because of a combination of economic factors such as price increases from manufacturers due to the weakening rand, the VAT hike in April and ongoing fuel price increases.

It is worth noting, however, that total new vehicle sales through the dealer channel have remained relatively strong, showing an increase of 1.9% year-to-date.

“Economic headwinds are likely to persist and cause continued strain on the automotive industry. However, we are encouraged by new vehicle sales through the dealer network that increased 0.9% month-on-month and 1.9% year-to-date,” says Ghana Msibi, WesBank Executive Head of Sales and Marketing. “As we enter the final quarter of 2018, we remain hopeful that our prediction of 0.75% total industry growth can still be achieved, but not without some challenges.”

Rentals sales increased significantly in September at 20.1% year-on-year, but remained subdued at -3.6% year-to-date.

“The increase in rental sales is a seasonal trend seen this time of year as rental companies gear up for the pending holiday season,” says John Loxton, WesBank Executive Head of Fleet Management and Leasing.

The passenger and light commercial vehicle segments, which contributed 66% and 29% to the total market respectively, are down by 0.3% and 2.4% year-to-date. The remainder of the commercial segment including buses, medium, heavy and extra-heavy vehicles was up 2.3% – though this combination has made up a relatively small 5% of the total industry so far in 2018.

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