

# South Africa's new vehicle market reflects continuing recovery

Aggregated sales data from the National Association of Automobile Manufacturers of South Africa (Naamsa) reflect a continuing recovery in South Africa's new vehicle market. New vehicle sales in 2017 are finally in credit with total sales of 49,222 new vehicles.

## New Vehicle Sales and Exports - August 2017

**366,316**  
vehicles sold in  
the first eight  
months of 2017



That's **0.6%** more than  
the 364,279 vehicles sold  
in the first eight months  
of 2016



**49,222**  
New vehicles sold  
in South Africa  
August 2017

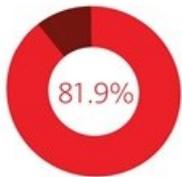
**2,438**  
More than  
July 2017

**2,998**  
More than  
August 2016

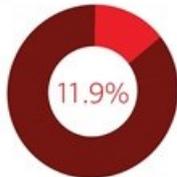
**32,161**  
The number of passenger vehicles  
sold in August 2017, up by 1,561  
units or 5.10% on 30,600 vehicles  
sold in August 2016

## New Vehicle Sales and Exports - August 2017

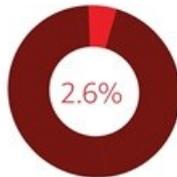
### Sales per industry



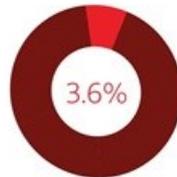
Dealer



Rental Industry



Government



Corporate

Says Simphiwe Nghona, group head of Standard Bank vehicle and asset finance: "New passenger vehicle sales continue to show resilience...despite tough trading conditions. However, the current pressure on new car sales is expected to persist for the remainder of 2017."

This growth was mainly driven by consumer buying patterns. Passenger car sales through the dealer channel grew 11.2%, while light commercial vehicle (LCV) sales through dealers were up 6.7%, year-on-year. With three consecutive months of growth, the new vehicle industry's year-to-date sales are up 0.6%.

## Used vehicle prices grow

Strong activity in the used market over the last 24 months has resulted in depleting stock levels of quality used cars, with demand driving up prices in this market. In August, the average value of a used vehicle deal was 8.4% higher than the same period in 2016. WesBank's book data indicates that used car prices grew an average of 7.9% over the past three months.

In contrast, average transaction values for new cars show a trend of slowing down. The average new vehicle deal in August 2017 was just 1.64% higher than August 2016. Over the last three months, the value of an average new vehicle finance deal has grown just 2.6%.

“Interest rates are also lower, which has had a significant positive impact on consumer sentiment and willingness to apply for credit. Further rate cuts are anticipated for September and this will stimulate the market for the remainder of 2017,” said Rudolf Mahoney, head of brand and communications, WesBank. “Buyers should just be very cognisant of their deal structures and how a vehicle purchase today will affect their finances four or five years down the line. They should buy smart, choose the deal that’s right for them, and plan ahead to ensure their budgets can absorb any changes in monthly affordability.”

## Local is lekker

South Africans also seem to have a growing preference for purchasing locally made cars, according to year-to-date sales data from WesBank and Naamsa. Sales records from January to July 2017 show that nine of the 10 top-selling cars and bakkies are models built in South Africa – accounting for 34.1% of passenger car and light commercial vehicle (LCV) sales, year-to-date.

## New Vehicle Sales and Exports - August 2017

### Top 5 sellers



## New Vehicle Sales and Exports - August 2017

### Exports: Top 5



29,927

vehicles were exported  
in August 2017

12.9%

lower than  
August 2016

13.8%

lower than  
July 2017

“It’s remarkable that the top ten sellers are all South African, especially with more than 350 models on sale today,” said

Mahoney. “This incredible demand for locally built vehicles perfectly illustrates how important the motor industry is to the local economy and consumers.”

Bakkies remain the most popular, accounting for 55% of year-to-date sales among SA-built vehicles. Bakkies form part of the LCV segment, which also includes minibuses and light vehicles that have been refitted for commercial use. Between 2012 and 2016, the LCV segment grew 7.1%, while total vehicle sales over that period declined 18.8%.

“Bakkies aren’t just commercial vehicles anymore, consumers are also using them to enable their lifestyles. Locally built passenger cars also fill a need: many of them are mainstream models that fill the need for affordable transport,” said Mahoney. “Consumers aren’t necessarily buying these models because they’re local. Rather, it’s a case of manufacturers choosing to build these models locally because there is high demand. However, the result benefits both parties.”

### **The 10 top-selling passenger cars for 2017, year-to-date:**

- VW Polo Vivo - Local
- VW Polo - Local
- Toyota Fortuner - Local
- Toyota Etios - Import
- Toyota Corolla Quest - Local
- Ford Fiesta - Import
- Ford EcoSport - Import
- VW Polo Vivo Sedan - Local
- Renault Kwid - Import
- Toyota RAV - Import

### **The 10 top-selling bakkies for 2017, year-to-date:**

- Toyota Hilux - Local
- Ford Ranger - Local
- Nissan NP200 - Local
- Isuzu KB - Local
- Nissan NP300 - Local
- Chev Utility - Local
- Hyundai H100 Bakkie - Local and import
- Toyota Landcruiser PU - Import
- VW Amarok - Import
- VW Caddy - Import

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