

SA's new vehicle sales continue to improve

New vehicle sales in South Africa is showing continued improvement in performance month after month, and again in February. Total vehicle sales of 45 352 units were 2.6% better than the figure for the same month a year ago. Year-to-date sales are up 4.3% which is encouraging.



Source: [BMW Group](#)

“This is reassuring news in an environment that seemed set to put vehicle sales into reverse gear,” commented Mark Dommissie, chairperson of the National Automobile Dealers’ Association (Nada), after studying the February sales data distributed by Naamsa, The Automotive Business Council.

“Firstly it was budget month, which could have meant increased taxation and less take-home pay, and secondly there has been a significant amount of political upheaval during February. In addition to these headwinds, the South African Reserve Bank increased the interest rate for the eighth consecutive month. Fortunately, these burdens did not seem to slow down recent sales momentum.”

The dealer retail sales channel was responsible for 83.6% or 37,091 units of the month’s total, while the rental industry continued to show confidence at 9%, government was responsible for 5.1% of February’s sales and 2.3% went to corporate fleets.

Business and consumer confidence showed resilience with passenger car sales up 1.1% compared to the same period in 2022. Light commercial vehicle demand increased by 5.5%, climbing to 12 972 units and extra heavy trucks showed a healthy increase, up 4.9% year-on-year to 1 244 units. Medium/heavy trucks fell from 517 in February 2022 to 435 units last month while new vehicle exports also declined by 11.5% to 30,409 units.

“It is quite difficult to predict how the 2023 new vehicle market will play out, as there are so many factors influencing spending patterns of consumers and businesses. The energy crisis and ongoing load-shedding will drastically impact consumer confidence as the year goes on, but the market has proven its resilience for the past three years and Nada believes there is still growth potential,” concluded Dommissie.

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