

## TSAM retains market leadership

Toyota South Africa Motors (TSAM) continued its market leadership, with 9,378 new units sold during May - this represents nearly 19% of the total sales of 49,465 units reported by the National Association of Automotive Manufacturers of South Africa (NAAMSA). The company contributed 3,263 units to the export market, representing a 20% share of the export market.



Hilux remains Toyota's strongest performer with a total of 2,637 bakkies being delivered during May. This model is also Toyota's strongest export product with 2,426 units exported to Africa and Europe. Newcomer to the Toyota stable, the Corolla Quest, recorded impressive launch month figures of 858 units; while the other budget buy - the Toyota Etios - performed strongly with 1,033 units sold.

"New vehicle sales, especially through dealer channels, are slowing down - a situation that can be attributed to subdued economic growth, fluctuating fuel prices and the imminent threat of a hike in interest rates. There is a reduction in disposable income and this is leading to consumers being more careful to commit to more debt," says Calvyn Hamman, senior vice president of Sales and Marketing at Toyota South Africa, adding that government sales has increased dramatically with a 119% increase year on year. This increase could be a purchase timing issue when compared to 2013.

"There is a clear shift in purchase patterns with an increase in sales of smaller, more economical cars which is indicative of consumers feeling the pinch on disposable income. Dealers also reported that in many cases, although vehicle finance was approved, customers did not conclude the deal," he said, adding that the Corolla Quest's performance underlines this trend. Corolla Quest essentially offers buyers a C-segment vehicle at a B-segment price without compromising on quality or safety.

"When national demand for vehicles drops, vehicle stock levels increase, which normally leads to additional marketing support activities from manufacturers and distributors and increased discounts at retail level. The current economic conditions with cost pressures will add to an already highly competitive environment," Hamman concluded.

Market segment	May-13	May-14	% change
Passenger vehicles	37,191	32,984	-11.30%
Light commercial vehicles	14,618	13,866	-5.10%
Medium commercial vehicles	970	830	-14.40%
Heavy commercial vehicles	480	449	-6.50%
Extra Heavy commercial vehicles	1,173	1,230	4.90%
Bus	58	106	82.80%
Vehicle exports	26,252	15,613	-40.5%
Overall market (local)	54,490	49,465	-9.20%

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