

Strike impact slows growth for 2013

The South African vehicle market slowly returned to its past growth path as vehicle manufacturers restarted production plants and new locally produced vehicles rolled off the production line.



Image: [Free Digital Photos](#).

The National Association of Automotive Manufacturers of South Africa (Naamsa) reports that a total of 56,927 vehicles were retained in October, while vehicle exports improved dramatically to near pre-strike levels.

"It is encouraging to see vehicle sales returning to near-normal levels, especially if one considers that nearly 80% of the vehicles sold in October were sold through the dealer retail channel," says Calvyn Hamman, senior vice president of Sales and Marketing at Toyota South Africa Motors.

"We expect that the holiday season momentum, as well as the delivery of strike-delayed orders will drive sales growth in November and December, although I do not think the industry has enough locally produced vehicles or time left to meet the growth targets we set at the start of the year."

Year to date sales growth has dropped to 3.9% in October and it is unlikely to reach the 10%+ targets set by various market analysts at the start of 2013.

Toyota South Africa returned to full production and delivered 2,894 locally produced Hilux and 1,540 locally assembled Quantums to customers, despite some imbalances in model mix and colour availability due to the strike. The Etios added a further 2,392 units for a position next to the other Toyota models on South Africa's top seller list.

According to Toyota Financial Services the number of finance applications increased by 10.7% compared to September 2013, while finance applications are 1.3% higher for the year to date compared with the same period last year. These figures prove that vehicle demand remains high and that the current constraint is on the availability of vehicles, especially

high-demand locally produced vehicles such as the Hilux, Fortuner and Corolla.

"We expect further growth as the delivery of locally produced vehicles to dealers normalise in November," says Hamman.

In total Toyota sold 10,698 vehicles in October, while exports grew from 1,913 units in September to 4,929 units in October. This remains well below past export levels, but holds promise of further growth in November and December.

"We look forward to a speedy return to our sales levels, but will have to accept that a number of the strike-delayed orders in September and early October - both locally and for the export markets - have been lost and that we will not be able to reach our original sales targets," says Hamman.

Despite the unfortunate slow down in vehicle sales growth, 2013 is still expected to be one of the three best years in South Africa's history.

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