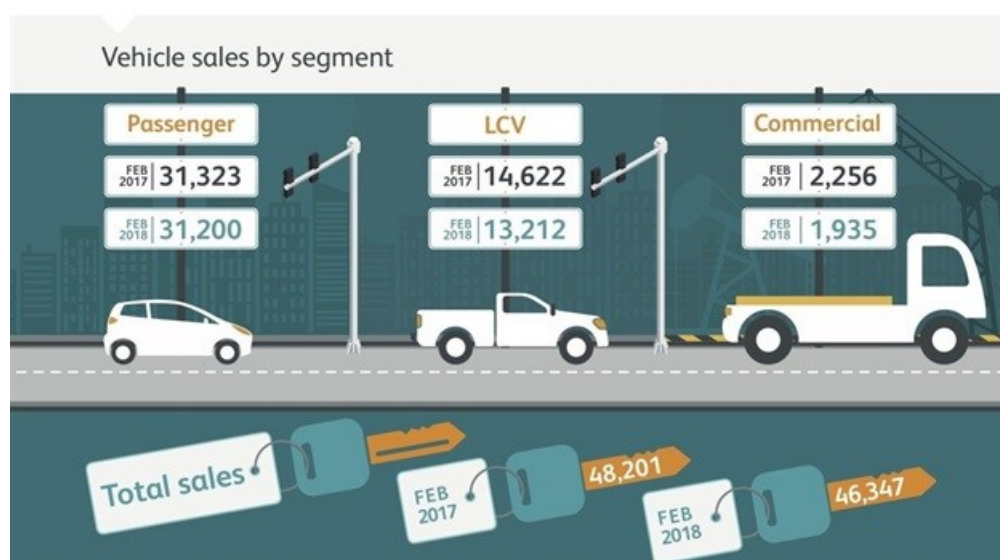


New vehicle sales drop in rental, government channels

February saw a total of 46,347 new vehicles sold - a year-on-year decline of 3.8%. The National Association of Automobile Manufacturers of South Africa's (Naamsa) latest figures show that the largest sales declines in February 2018 were in the rental channel (almost a 30% drop) and government channel (a 42% drop).



[click to enlarge](#)

By contrast, sales through the dealer channel grew 2.9% – a positive development for a segment that accounted for 79% of total sales in February.

“The year-on-year decline in rental channel sales is mainly attributed to re-fleeting activity normalising, following a spike in buying activity at the start of last year,” said Rudolf Mahoney, head of brand and communications at [WesBank](#). “While this has had a negative impact on the overall market, it doesn’t tell the whole story. Sentiment among dealers and consumers is positive, and new vehicle price inflation has continued to slow as the rand has recovered.”



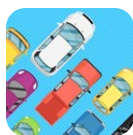
When is the right time to sell your car?

We Buy Cars 20 Feb 2018



The growth in dealer sales is corroborated by WesBank’s vehicle finance application data, which measures consumer demand. In February, demand for new vehicles grew 11.6%, year-on-year. Demand for used vehicles remains positive (up 6.5%), but continues to be outstripped by consumer appetite for new models. According to WesBank, this is evidence that consumer demand is shifting back to the new market.

“This strong demand for new vehicles is attributed to two complementary factors,” said Mahoney. “Our data shows that the replacement cycle has hit a high of 45 months, which means that the average financed car is reaching the end of its warranty and maintenance lifecycle. Combined with very aggressive marketing incentives from OEMs, dealer business is on the rebound.”



South Africans trading cars for bitcoin on the rise

18 Jan 2018



However, the positive sentiment among consumers may be short-lived, going forward. WesBank is aware of the potential impact of the recently announced increases in VAT and ad valorem taxes, and any increase in car prices will negatively impact vehicle sales.

The industry will evaluate the full impact of how this will affect vehicle prices and the implication on vehicle-buying behaviour. WesBank will deliver its full vehicle sales forecast for 2018 on 13 March 2018, at the [WesBank SAGMJ Car of the Year](#) banquet.

For more, visit: <https://www.bizcommunity.com>