

## July vehicle sales influenced by extra trading days and rental market support - Gauld

General Motors South Africa (GMSA) sold 5487 units in July with an industry sales total of 58,140 vehicles (excluding 552 sales for GWM), an increase of 7,5% on the same month last year with some influence of extra trading days in the month.



"Within the GMSA range the demand for the Chevrolet Spark was at a high level with 737 of these fuel-efficient small cars sold during the month with a high level of interest from both private and fleet buyers. Its sibling, the Spark Pronto continued to expand its presence in the niche market created with its launch. The 92 sales for this effective urban delivery solution moved the Pronto tantalisingly close to the magic 100 monthly sales as it exceeds expectations. The refreshed Captiva logged 178 sales for the month while the new Isuzu KB experienced a significant boost in sales on the back of increased production. The evergreen Chevrolet Utility accounted for 1587 sales in the sub-1 ton LCV sector," says Malcolm Gauld, GMSA's vice president of Vehicle Sales, Service and Marketing.

### A good time to purchase a new vehicle

"Vehicle sales continue to perform at higher than expected volumes as growth measured on a year-to-date basis continues to hover around the 7% mark (6,9% as of the end of July). "Sales reporting for July was however skewed to an extent by the fact that dealers enjoyed 23 selling days in the month compared to the more normal 19-21 trading days. While this certainly boosted total sales for the month, one has to consider that the daily sales volume through the dealer channel, an important indicator of market support, was down from 2393 in June to 2072 units per day in July, a significant decline.

"Further support for the market came from a high level of activity in the rental market with 6644 deliveries into this channel in July, a gain of more than 25% over the same month last year. In contrast sales of passenger vehicles through the dealer channel were up just 6,9%. The light commercial sector showed a gain of some 17% in dealer sales for the period which is encouraging as this is supported largely by activity in the business sector.

"Promotional activities were at a very high level in July to add further support for sales while interest rates remained stable at a low level. The sustainability of the current high level of promotional activity is questionable but in the short term the new

vehicle buyer is certainly being advantaged in the current climate. Now is certainly a good time for anyone thinking of a new vehicle purchase to act.

"Looking ahead price increases influenced by imported inflation and a low rand exchange rate remain a negative influence in the new car market. Aggressive marketing and new model interest, particularly around the Johannesburg International Motor Show towards year end, will continue to support growth with a realistic target of around 5% for the year achievable," says Gauld.

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