## August 2014 New Vehicle Sales

<table>
<thead>
<tr>
<th>Vehicle sales</th>
<th>Units</th>
<th>2014 YTD</th>
<th>Jul 14 y/y %</th>
<th>Aug 14 y/y %</th>
<th>Sentiment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger</td>
<td>809</td>
<td>6,371</td>
<td>8.0</td>
<td>31.3</td>
<td>✓</td>
</tr>
<tr>
<td>Light Commercial</td>
<td>777</td>
<td>6,877</td>
<td>36.3</td>
<td>5.0</td>
<td>☒</td>
</tr>
<tr>
<td>Medium Commercial</td>
<td>49</td>
<td>262</td>
<td>86.2</td>
<td>48.5</td>
<td>☒</td>
</tr>
<tr>
<td>Heavy Commercial</td>
<td>59</td>
<td>459</td>
<td>-13.0</td>
<td>-22.4</td>
<td>☒</td>
</tr>
<tr>
<td>Total</td>
<td>1,694</td>
<td>13,969</td>
<td>21.5</td>
<td>15.6</td>
<td>☒</td>
</tr>
</tbody>
</table>

Source: Naamsa

*Sentiment describes the y/y movement

1,694 new vehicles were sold in Namibia during August, down 11.7% m/m, reflecting a seasonal downward trend. The lower monthly figures were caused by a slowdown in commercial vehicle sales and passenger vehicle sales. On an annual basis, growth eased to 15.6%, falling from 21.5% y/y in July on account of base effects. At this point, 13,969 vehicles have been sold so far in 2014, up 33.6% on the comparable period of 2013.

The 12-month cumulative measure increased further to 19,628 and is now 35.7% higher than a year ago and up 1.2% from the previous month. The increase in the 12-month cumulative figure is a combination of a low base and strong results in the current period.

Sales of passenger vehicles slightly decreased, falling by 1.5% m/m to 809 vehicles sold. Passenger vehicle sales are 31.3% higher than a year ago, highlighting the current state of the consumer. Commercial vehicle sales decreased 19.4% m/m to 885 vehicles sold, from a record of 1,098 in the previous month. This was on account of lower numbers recorded in the light, medium, and heavy categories.

Toyota and Volkswagen dominated the passenger market, selling the most vehicles in August, with the two brands claiming 28.4% and 22.6% of sales respectively. Toyota once again was the market leader in light commercial vehicles, having the lion’s share of sales at 44.0% of the market, followed by Nissan at 18.9%.

### The Bottom Line

The strong increase in vehicle sales is attributed to a number of factors, namely the on-going expansive fiscal and monetary positions of the Ministry of Finance and Bank of Namibia, as well as purchase of vehicles by Government. The Ministry of Finance has allocated N$984.5m to vehicle purchases in the 2014/15 National Budget, a N$517.8m (111.0%) increase on the vehicle expenditure budget of the 2013/14 financial year. We expect the strong growth trend to continue, however sales may slow towards the end of the year as monetary policy tightening is likely to continue. Nevertheless, government tenders yet to be delivered will maintain the momentum of vehicle sales through 2014.
Vehicle sales growth y/y % change

Annual new vehicle sales vs Namibian real GDP

Source: NAAMSA

Vehicle Sales Volume
Sales Volume

Source: NAAMSA

Total Vehicle Sales

12-month Cumulative y/y % change

Source: NAAMSA