

Volkswagen Group South Africa leads passenger car market in March

- **Volkswagen's Polo Vivo again number one selling Brand in South Africa**
- **2011 South African Car of the Year – Polo – a firm favourite**
- **Polo Vivo and Polo dominate small car segment**

During March 2011 a total of 35 167 new passenger cars were sold in South Africa. Total new passenger car sales in March increased by 3.3% when compared to February 2011, and by 23.6 percent when compared to March 2010. This brought year-to-date sales of new passenger cars in 2011 to a level 25.5% above first quarter sales in 2010.

“Volkswagen Group South Africa captured 20.7% of the passenger market in March – with 7 292 units sold. Polo Vivo was once again the top seller, with the sale of 2 768 units. Polo, announced the 2011 South African Car of the Year last month, sold 1 823 units during March, giving the VW Brand a dominant share of the small car, entry segment,” said Mike Glendinning, Director of Sales and Marketing, Volkswagen Group South Africa.

“In the premium segment, Audi delivered sales of 1 436 units. The Brand's new, trendy A1 sold 299 units during its second month of sales.”

“The Amarok Double Cab Pick-up remains a consistent seller – with 456 units driven off showroom floors during March,” said Glendinning.

“Strong growth in demand for new passenger cars continued into March, which despite the well-established seasonal strength of demand for new cars during the month - probably performed ahead of many expectations. The selling rate of new cars per day during the month continued at a level last experienced in 2007, bringing sales during the first quarter of 2011 to the highest level since the third quarter of 2007.”

“Sales of new passenger cars through new car dealers, probably encouraged by competitive market activity during the month, dominated the sale of new cars during March - contributing around 85 percent of vehicles sold,” continued Glendinning.

“The strong recovery in sales of new passenger cars over the past year-and-a-half reflects a robust recovery on the consumption side of the South African economy with real retail sales in the three months ended January 2011 up nearly eight percent on the same period ended January 2010. The recovery has been fueled by gains in income and household spending that have been ahead of expectations during the past year and has been further supported by an ongoing recovery in the net wealth of households in relation to disposable income.”

“However, significant fuel and energy price increases, together with stalled house price growth and slow recovery in demand for credit, suggests that the current rate of growth in the new cars sales cycle could slow during the second half of 2011, with the new car market potentially ending the year between 15 and 20% up on 2010,” he concluded.

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