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## **Strong start to the passenger market in 2011**

### **Volkswagen Group South Africa leads the market both in total vehicle and passenger car sales**

During January 2011 a total of 32 977 new passenger cars were sold in South Africa. Total new passenger car sales in January, including sales not reported in detail to NAAMSA, increased by 24 percent when compared to December 2010, and by 22.1 percent when compared to January 2010.

“Volkswagen Group South Africa captured 24.1% of the passenger market - thereby starting the New Year on a very positive note,” said Mike Glendinning, Director of Sales and Marketing, Volkswagen Group South Africa.

“The Polo Vivo Brand continued where it left off in 2010 with 2 986 sales, thereby comfortably securing the number one selling model position”.

“In the premium segment, Audi sold 1 870 units. The Audi Brand will bring some exciting new products to the market this year, including the all new Audi A1 just launched in South Africa. The Brand is well positioned to extend its share of the premium segment”.

“The new Amarok Double Cab Pick-up sold 406 units in January giving Volkswagen Group SA a firm footing in the light commercial segment”.

“As expected the new passenger car market came in strongly in January. Assisted by the traditional carry-over of sales into the New Year, the selling rate of new passenger cars per day in January achieved the highest level in over three years with the previous highest selling rate per day having been recorded in October 2007”.

“Continuing a trend that has developed over that past four years, the January new passenger car market appears to have once again been assisted by buoyant demand from rental car companies. Non-rental company sales through the new car dealer organisation in January, however, also performed strongly with the dealer market in January likely to record levels last experienced in early 2008”.

“Steady growth in the new car sales cycle is being supported by ongoing growth in the real disposable income of households, interest rates at a thirty-six year low, and a debt servicing to income ratio at the lowest levels since early 2006. Household net wealth to income is improving and consumer confidence levels as measured by the FNB/BER consumer confidence index remains relatively buoyant”.

“The outlook for the new car sales cycle in 2011 includes ongoing growth, but at a slower rate than that which was experienced in 2010 with new passenger car sales for 2011 achieving annual growth exceeding ten percent during the year,” concluded Glendinning.