

Forecasted decline in new truck sales continues

The South African commercial vehicle market is continuing to track various industry predictions with the forecasted decline in new truck sales continuing during August. This is according to the latest results released by the National Association of Automobile Manufacturers of South Africa (Naamsa), Associated Motor Holdings (AMH) and Amalgamated Automobile Distributors (AAD).



At the end of last month, the truck market was 4.2% down on the corresponding period in 2015, reaching 12,154 sales. On a year-to-date basis, only the heavy commercial vehicles (HCV) and bus segments managed to remain in the black, recording growth of 1.6% (3 487 units) and 7.3% (789 units) respectively. Medium commercial vehicle (MCV) sales have declined by a significant 18% to 5,409 units so far this year, while sales in the extra heavy commercial vehicle segment declined by 7.5% to 7,878 units.

According to Gert Swanepoel, acting vice president of UD Trucks Southern Africa, the EHCV segment in particular is heavily impacted by the lack of business confidence in the local economy. “In essence, fleet operators are ‘sweating their assets’ or adopting a wait and see approach,” explained Swanepoel.

“However, there has been some positive activity over the past few weeks in specifically the construction sub-segment, but we will have to see how all of this pans out during the coming months and if it will have any significant impact on sales.” He pointed out that a drastic decline in commodity prices has also impacted buying from the mining industry, which usually makes up a big portion of EHCV sales.

UD Trucks expects the market to remain flat during the next quarter. The company advises truck owners to scrutinise all costs in order to eliminate any wastages and not to let vehicle maintenance fall behind as this can be more costly in the

long run.

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