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Vehicle Sales Report

June 2024

Executive summary

- For the month of June 2024, a total of 993 vehicles were sold in Namibia, reflecting a monthly increase of 3% compared to May 2024 but a yearly decline of 25% compared to June 2023. See figure 1
- Light Commercial Vehicles were the most sold vehicle type with 510 units sold, while Buses were the least sold with 6 units, marking a 100% increase from May 2024.
- Toyota was the bestselling vehicle make with 525 units sold nationwide, with the Toyota Hilux leading the market.
- Sales of Light Commercial Vehicles, Medium Commercial Vehicles, Extra Heavy Commercial Vehicles, and Buses increased by 15%, 40%, 73%, and 100% respectively compared to May 2024.
- In contrast, Passenger Vehicles and Heavy Vehicles sold 64 and 5 fewer units respectively compared to the previous month.

2. Analysis

2.1 Bestselling Vehicles by Category

- **Light Commercial Vehicle**: The Toyota Hilux tops this category with 285 units sold
- **Passenger Vehicle**: The Toyota Fortuner led with 63 units sold
- **Medium Commercial Vehicles**: The HINO 300 Series was the bestseller with 8 units
- **Heavy Commercial Vehicle**: The UD TRUCKS Croner leads with 5 units sold
- **Buses**: The MERCEDES-BENZ Bus was the top seller with 4 units sold

This dominance by Toyota, with four out of the top five spots, indicates the brand's strong market presence and consumer preference. The Toyota Hilux, with 285 units sold, clearly leads the market, suggesting its reliability and popularity among consumers, particularly in the Light Commercial Vehicle segment. See Figure 4.

2.2 Sales Trends Over the Past Three Months

An analysis of vehicle sales over the past three months (April, May, and June 2024) indicates a downward trend compared to the same period in 2023. In April 2024, sales declined by 10.5%, followed by a slight decrease of 1.6% in May. The decline became more pronounced in June, with sales dropping by a significant 25%. This trend is likely driven by several factors, including weakened consumer confidence due to persistently high interest rates and an increased cost of living. These economic pressures discourage consumers from making significant purchases such as new vehicles, reflecting broader market challenges and economic conditions.

2.3 Detailed Analysis by Vehicle Category

- **Passenger Vehicles**: Sales saw a significant decrease of 14% from May to June, indicating weak consumer confidence.
- **Light Commercial Vehicles**: Recorded an increase of 15%, suggesting ongoing demand in the commercial sector, which could be driven by business activities and infrastructure projects.
- **Medium Commercial Vehicles**: recorded a significant increase of 40%, indicating a high demand, potentially for mid-sized business operations or specific industry needs.
- **Extra Heavy Commercial Vehicles**: Saw a remarkable increase of 73%, suggesting strong demand for high-capacity transportation solutions, which could be driven by major infrastructure projects or mining activities.
- **Buses**: Sales doubled, reflecting a 100% increase. Despite the low absolute numbers, this indicates a positive trend in public or private transportation investments. See Table 1 and Figure 2.

2.4 Overall Implications

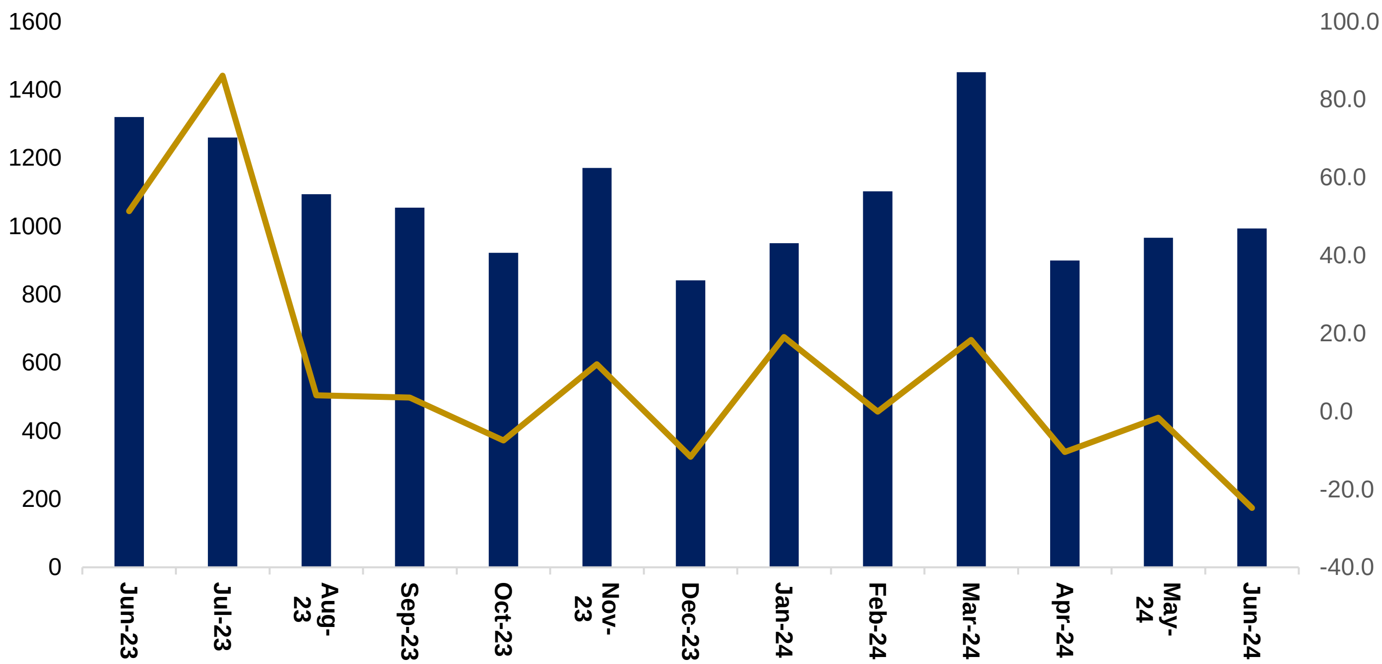
The vehicle sales data for June 2024 shows a market in flux, with the demand for commercial vehicles offsetting declines in passenger vehicle sales. The positive performance of commercial vehicles, particularly light, medium, and extra heavy categories, highlights ongoing demand in the commercial sector, likely supported by business expansion and infrastructure development.

Conversely, the significant drop in heavy commercial vehicle sales points to possible fluctuations in specific industry requirements or project timelines. The increase in bus sales, although from a low base, reflects positive investment trends in public transportation or corporate fleet expansions.

Table 1: Monthly vehicle sales by type (May 2024 and June 2024)

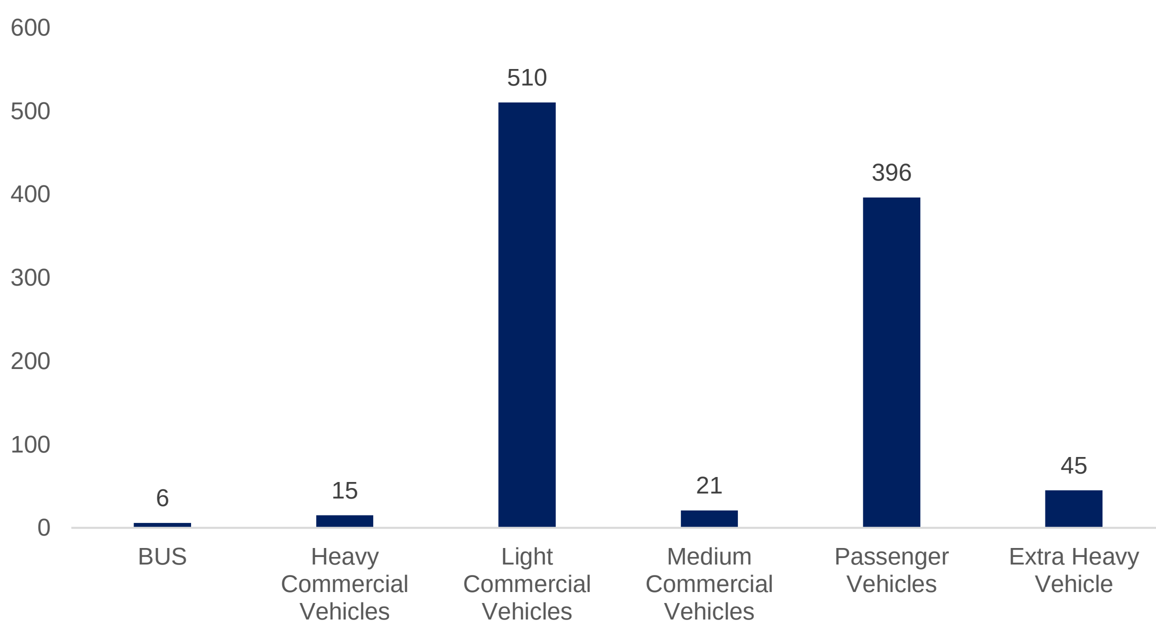
Market	May 2024	June 2024	Change	% Change
Passenger vehicles	460	396	-64	-14%
Light commercial vehicles	442	510	68	15%
Medium commercial vehicles	15	21	6	40%
Heavy commercial vehicles	20	15	-5	-25%
Extra heavy commercial vehicles	26	45	19	73%
Bus	3	6	3	100%
Total	966	993	27	3%

Figure 1: Monthly Vehicle Sales (June 2023 – June 2024)



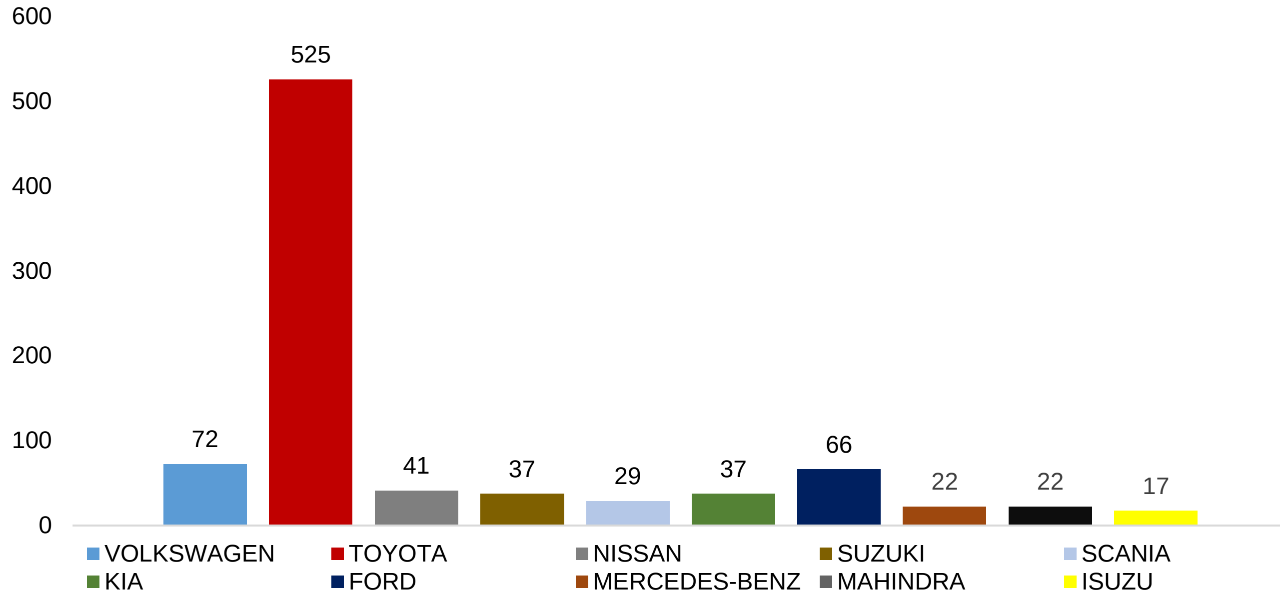
Source: Lightstone (Pty) Ltd & HEI RESEARCH

Figure 2: Monthly vehicles sales by type



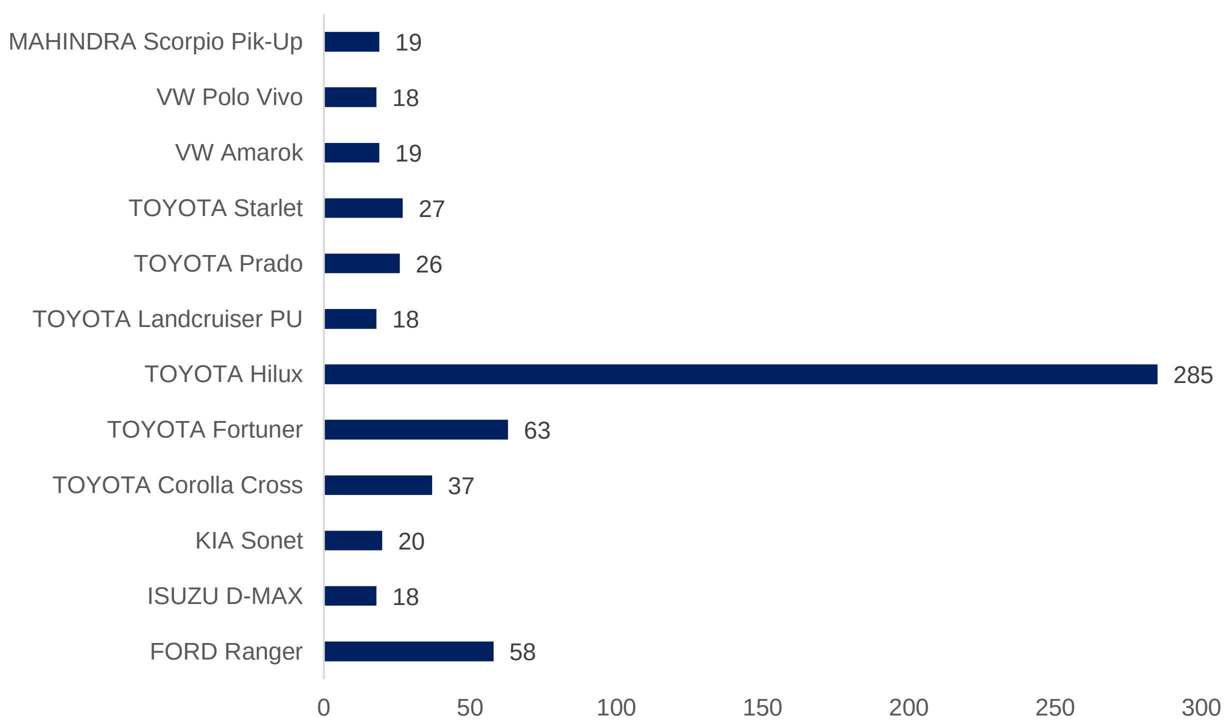
Source: Lightstone (Pty) Ltd & HEI RESEARCH

Figure 3: Top 10 bestselling vehicles by make (June 2024)



Source: Lightstone (Pty) Ltd & HEI RESEARCH

Figure 4: Top 10 bestselling cars by type (June 2024)



Source: Lightstone (Pty) Ltd & HEI RESEARCH

Outlook

We anticipate vehicle sales to remain subdued due to high interest rates and economic pressures in the short to medium term. However, if interest rates stabilize or decrease, consumer confidence may improve, leading to a gradual recovery in passenger vehicle sales. The commercial vehicle segment, on the other hand, may continue to perform relatively well due to ongoing infrastructure and mining activities sustaining demand.

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