
Rays of recovery - Australian new car sales up by 3pct MoM

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According to Federal Chamber of Automotive Industries data, new vehicle sales in Australia rose for a second month in October and posted the first annual increase in over a year as demand steadily recovered from the global credit crisis.

FCAI said that vehicle sales rose by 3.4% MoM in original terms compared to September, to reach 80,813. Adjusted for seasonal factors, that equated to an increase of 3.7% for the month. Sales were up by 2.2% YoY, the first annual increase since June 2008.

Mr Andrew McKellar CEO of FCAI said that the result was solid and showed the welcome return of private, business and rental buyers in larger numbers. He added that "The industry is looking to round out the year on a positive note and we expect a further surge in sales as businesses move to take advantage of the successful tax break prior to the end of the year. While the latest figures are encouraging we would urge the Reserve Bank to proceed with caution in contemplating further interest rate rises until the foundations of a full recovery are clearly established."

The FCAI survey shows SUV sales lead the charge in the year to October, recording a 9.5% rise, followed by a 3.4% lift in light commercial vehicles and a 1.3% increase in passenger cars. Heavy commercial vehicles declined, slipping 24.9%. 762,787 new vehicles were sold in the year to date, a fall of 11.7% as compared to the same period last year.

(Sourced from www.businessspectator.com.au)

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