

Vehicle Registrations

August 2014

Release date: 9 October 2014

	Aug 14	Jul 14	Jun 14	May 14
New Registrations	144	187	169	168

Registrations drop following a strong month

The total number of vehicle registrations dropped over August driven by a decline across all categories. However, the results follow the strongest month since January 2007. Total registrations were still 12.9 per cent higher over the 3 months to August compared to the previous period.

In year-ended terms, vehicle registrations remained firm, mainly due to growth in 'cars' with strong contributions from 'light vehicles' and 'others' categories. Vehicle payments recorded in banks' overseas transactions data have also doubled over the year to date. Liaison suggests lower car prices to be the main factor driving the lift. The decline in vehicle lending also supports this notion. These developments are suggestive of a rise in consumption leading to growth in the distribution sector. Liaison with energy companies has also indicated an increase in demand and sales for oil.

Looking forward, the NRBT anticipates continual growth for vehicle registrations in the near-term. As an offsetting factor; Tonga's nominal trade weighted index has been on the decline over the last three years placing pressure on import prices. We do not expect the developments contained in this release to exert stress on foreign reserves or the NRBT's monetary policy settings.

Number of vehicles during each period

	Month ended			3 months ended			Year ended			Memo Share*
	Aug 14	Jul 14	Jun 14	Aug 14	May 14	Feb 14	Aug 14	Aug 13	% growth	
Total vehicles	144	187	169	500	443	440	1798	1497	20.1	100
Cars	60	64	65	189	162	175	689	520	32.5	38
Light vehicles+	59	79	60	198	190	195	773	698	10.7	43
Heavy vehicles++	13	18	13	44	56	31	166	164	1.2	9
Other	12	26	31	69	35	39	170	115	47.8	9

* Based on year-ended vehicle registration numbers.

+Vehicles lighter than 1500kgs excluding cars

++Vehicles heavier than 1500kgs excluding Buses

Source: Ministry of Infrastructure

