

Vehicle Registrations

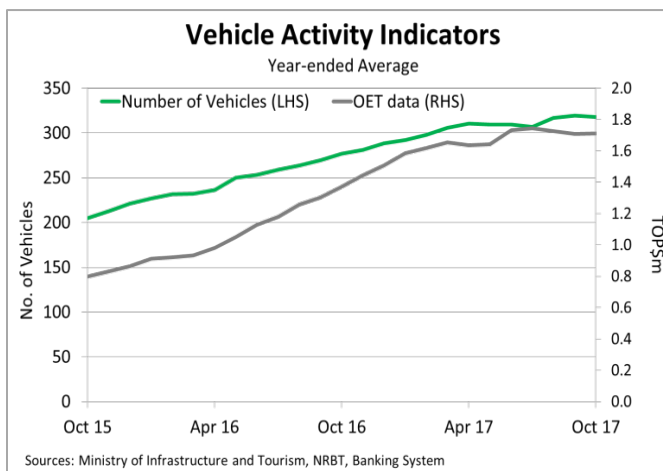
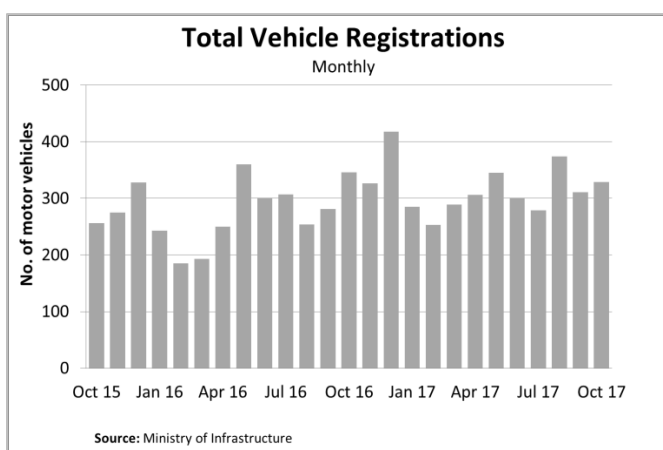
October 2017

	Oct 17	Sept 17	Aug 17	Jul 17
New Registrations	329	311	374	279

Rise in new registrations due to higher taxis and rental vehicles registered

Total of 329 new vehicles were registered in October 2017, 18 vehicles (5.8%) more than the 311 total registrations recorded last month. The rise in total vehicles registered was mainly due to an increase in taxis & rentals and cars registrations. Registrations of taxis & rentals increased by 17 (94.4%), followed by a rise in the registrations of cars by 8 vehicles (6.3%). This was outweighed by the decrease in light and heavy vehicle registrations. Taxis

and rental companies projected a high demand for taxis and rental vehicles in preparation for the upcoming holidays and Christmas season which explains the increase in the number of taxis and rental cars imported. This may enhance access to tourist and recreation businesses, thus support the Tourism and Services sector. Additionally, the continuous buying of vehicles online from Japan at relatively cheaper price, contributed to the increase in car registrations over the month. As a result, this may improve access to markets, shops and plantations which would



further support the Retail sector. Government vehicles also increased by 4 vehicles which contributed to the overall rise. The increase in total vehicle registrations coincided with the rise in vehicle import payments by \$0.2 million (11.11%) in October 2017. However, the registration of light and heavy vehicles declined by 14 vehicles (10.9%) and 5 vehicles (15.6%) respectively.

Over the year to October 2017, the total volume of vehicles registered rose by 493 (14.8 %), reflecting the continued strong demand for vehicles. Majority of the annual rise were for cars which rose by 246 (18.2 %) followed by a 110 (8.6 %) increase in light vehicle registrations. The annual rise was in line with the \$4.08 million (24.8%) increase in import payments for vehicles recorded in the Overseas Exchange Transactions reports. Moreover, the rise in the purchasing power of the returning Recognised Seasonal Employees (RSE) may have also contributed to the annual rise. The annual increase in the level of vehicle registrations can also be attributed to the availability of hire purchase options for consumers wishing to buy vehicles, and the convenience of purchasing vehicles online.

Looking forward, vehicle registrations are projected to continue to rise in the near term. This is supported by the return of Recognised Seasonal Employees from Australia and New Zealand. Additionally, the upcoming holidays and Christmas season may contribute to higher demand for vehicles. Furthermore, preference by locals for second hand cars ordered online from Japan is expected to remain high as the price is cheaper and the road conditions in Tonga are improving. Therefore, more vehicles would be imported in future despite the progressive increase in petrol prices.

Total Number of Vehicle Registrations

	Month ended				Year ended			Memo Share*
	Oct 17	Sep 17	Aug 17	Oct 16	Oct 17	Oct 16	% growth	
Total vehicles	329	311	374	346	3,815	3,322	14.8	100
Cars	134	126	161	150	1,595	1,349	18.2	42
Light vehicles+	115	129	126	147	1,396	1,286	8.6	37
Heavy vehicles++	27	32	22	23	322	306	5.2	8
Taxis and rentals	35	18	31	19	355	272	30.5	9
Motorcycles	9	2	1	4	42	26	61.5	1
Government vehicles	6	2	33	1	81	57	42.1	2
Buses	3	2	0	2	24	26	-7.7	1

* Based on year-ended vehicle registration numbers.

+Vehicles lighter than 1500kgs excluding cars

++Vehicles heavier than 1500kgs excluding Buses

Source: Ministry of Infrastructure and Tourism