

Vehicle Registrations

May 2014

Release date: 27 June 2014

	May 14	Apr 14	Mar 14	Feb 14
New Registrations	168	151	124	137

Growth driven by smaller vehicles

The total number of vehicle registrations rose in May 2014 by 11.3%. The rise was due to increases in registration numbers for cars and light vehicles which were offset only slightly by a decline in heavy and other vehicles.

In year ended terms, vehicle registrations saw the largest increase in six years, mainly driven again by growth in both cars and light vehicle registrations. Vehicle imports data from the Statistics Department, though now out dated, had shown a similarly strong profile. An increase of this magnitude is often interpreted as a rise in consumption, with flow-on effects for the distribution sector. However, according to liaisons conducted with car retailers, the rise seems to stem more from the availability of cheaper cars from Japan and the rise of informal markets. The increase in supply has driven retail prices down. According to certain retailers, sales figures (in monetary terms) have remained broadly unchanged despite the increase in quantity of cars sold and supplied. The lower prices of cars would also explain the decrease in vehicle lending growth.

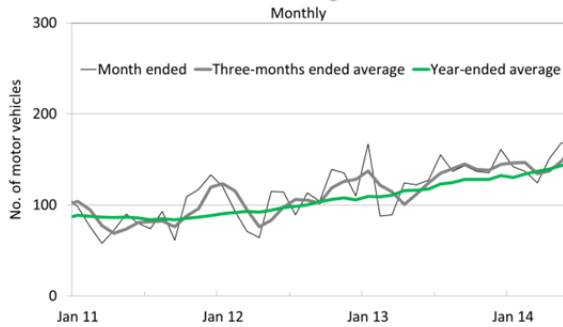
Looking forward, vehicle registration is expected to grow further due to an increase in supply of smaller, cheaper vehicles from Japan. However, as imports measured in the banks' overseas transactions data have eased; these changes are not expected to exert pressure on the NRBT foreign reserves.

Vehicle Registrations
Number of vehicles during each period

	Month ended			3 months ended			Year ended			Memo Share*
	May 14	Apr 14	Mar 14	May 14	Feb 14	Nov 13	May 14	May 13	% growth	
Total vehicles	168	151	124	443	440	415	1717	1394	23.2	100
Cars	65	46	51	162	175	163	657	518	26.8	38
Light vehicles+	80	62	48	190	195	190	775	604	28.3	45
Heavy vehicles++	12	24	20	56	31	35	151	153	-1.3	9
Other	11	19	5	35	39	27	134	119	12.6	8

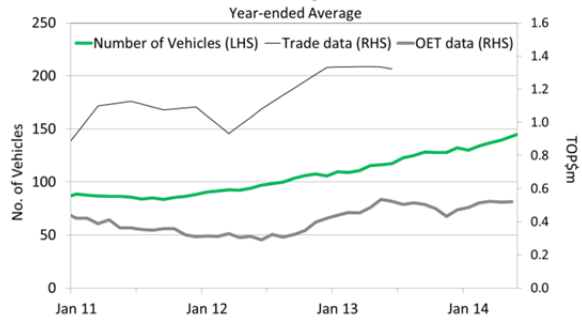
* Based on year-ended vehicle registration numbers.
+Vehicles lighter than 1500kgs excluding cars
++Vehicles heavier than 1500kgs excluding Buses
Source: Ministry of Infrastructure

Total Vehicle Registrations



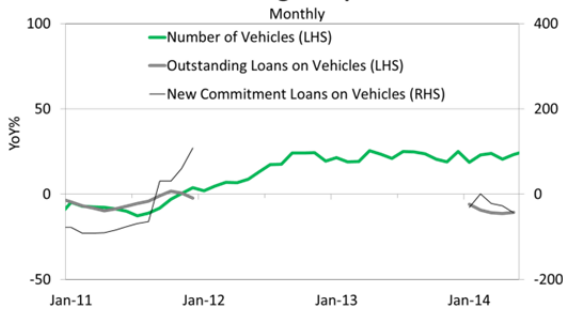
Source: Tonga Department of Statistics, NRBT, Banking System

Vehicle Activity Indicators



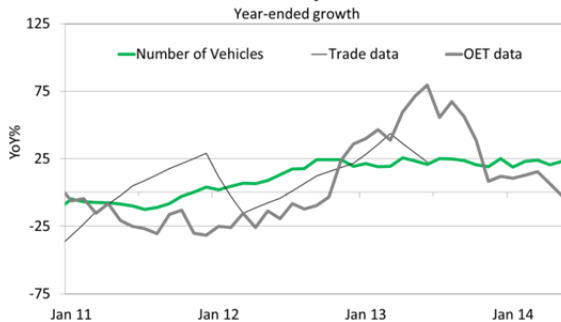
Source: Tonga Department of Statistics, NRBT, Banking System

Bank Lending Comparisons*



* YoY growth in banking data are temporarily unavailable from Jan 2012 due to a reporting change.
Source: NRBT, Banking System

Vehicle Activity Indicators



Source: Tonga Department of Statistics, NRBT, Banking System