

Vehicle Registrations

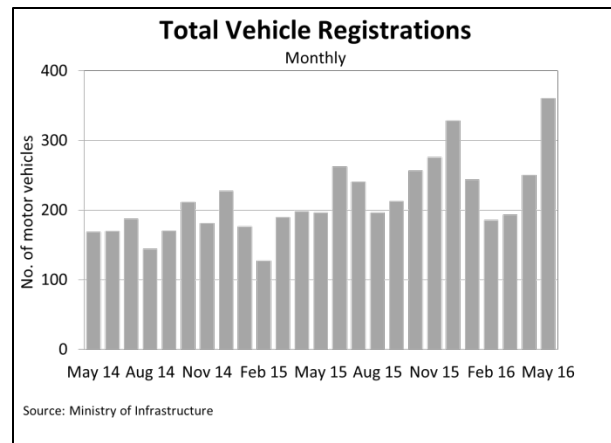
May 2016

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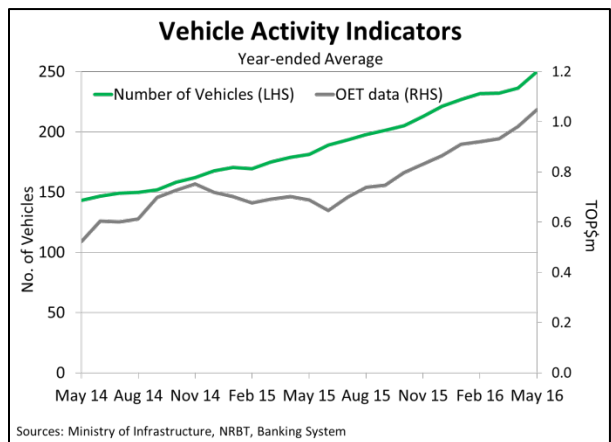
	May 16	Apr 16	Mar 16	Feb 16
New Registrations	360	250	193	185

Returning seasonal workers support rising vehicle registrations

New vehicle registrations rose significantly in May by 110 new registered vehicles (44.0%), reaching a new monthly high record of 360 new registrations, the highest since December 2015. The registration of almost all major vehicle categories increased, with cars being the major type of new vehicles increasing by 49 new registrations (45.8%). The registration of taxis and rentals more than doubled over the review period by 30 registrations. Light vehicles also rose by 22 registrations (23.9%).



The National Reserve Bank of Tonga’s (NRBT) liaison program with car dealers indicated that the high demand from returning seasonal workers from Australia and New Zealand during the month contributed to the rise in vehicle registrations. There are also more people buying more second-hand vehicles online mainly from Japan, rather than buying from car dealers where vehicles import payments



are made in advance. The number of imported vehicles reported from Ports Authority is also in line with the numbers registered at the Ministry of Infrastructure. High registrations coincided with the rise of \$0.3 million (24.1%) in import payments for vehicles over the month, indicating lagged effects arising from advance import payments.

Annually, the number of vehicles registered rose by 825 registrations (37.9%). Cars and light vehicles continued to be the major vehicle type registered over the year with cars increasing the most by 372 registrations (42.7%). This suggests positive performance in the formal transportation sector, supported by an increase in consumer demand. This is consistent with a rise in vehicle import payments over the year by \$4.3 million (52.4%) to \$12.6 million.

Looking forward, vehicle registrations are projected to increase in the near term, supported by the high inflow of remittances from seasonal workers which will drive strong consumer demand and the import of cheap used vehicles from Japan. Anticipated strong growth for the tourism sector is also expected to have positive spill over effects on the transportation sector, specifically for public transport, car rental providers, and therefore vehicle registrations.

Total Number of Vehicle Registrations								Memo Share*
	Month ended				Year ended			
	May 16	Apr 16	Mar 16	May 15	May 16	May 15	% growth	
Total vehicles	360	250	193	196	3,000	2,175	37.9	100
Cars	156	107	85	81	1,243	871	42.7	41
Light vehicles+	114	92	73	66	1,144	853	34.1	38
Heavy vehicles++	36	26	19	25	253	214	18.2	8
Taxis and rentals	50	20	12	22	279	179	55.9	9
Motorcycles	0	0	1	0	15	16	-6.3	1
Government vehicles	2	2	2	2	43	22	95.5	1
Buses	2	3	1	0	23	20	15.0	1

* Based on year-ended vehicle registration numbers.

+Vehicles lighter than 1500kgs excluding cars

++Vehicles heavier than 1500kgs excluding Buses

Source: Ministry of Infrastructure