

Vehicle Registrations

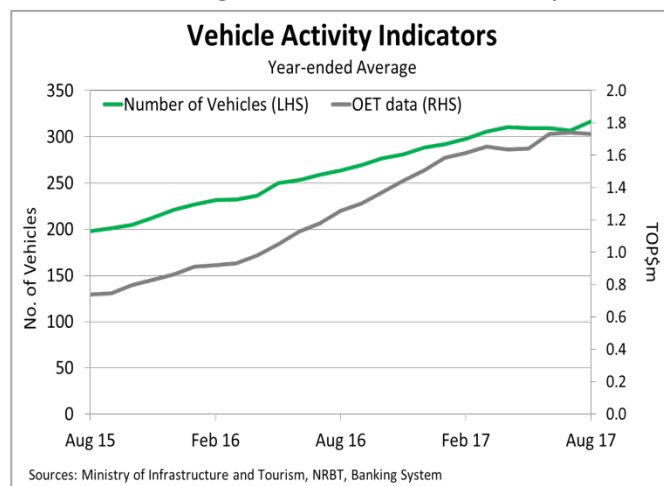
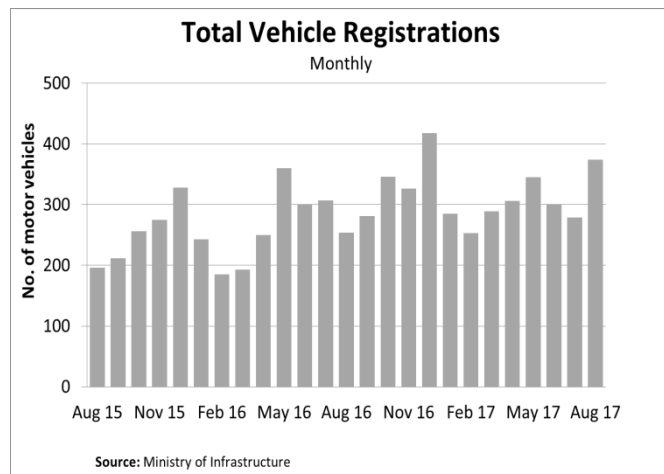
August 2017

	Aug 17	Jul 17	Jun 17	May 17
New Registrations	374	279	300	345

Higher registrations of cars pushed total vehicle registrations to rise

The total number of new vehicles registered over the month of August 2017 increased to 374 registrations, 95 registrations (34.1%) higher compared to previous month. Higher registration of cars drove the monthly growth, as registrations increased by 55 cars (51.9%), followed by a rise of 27 registrations (27.3%) of light vehicles. The return of Recognised Seasonal

Employees in August contributed to the high import of cars, among others. Government vehicles also increased by 21 registrations to a record high of 33 vehicles, mainly due to vehicles provided as grant from development partners to government ministries over the month. In addition, government ministries may have bought new vehicles from its new budget estimate for 2017/18. Though the number of vehicles registered increased, the total vehicles import payments in August 2017 fell by \$0.2 million (11.1%). This reflects the lagged



effects of import payments for vehicles. In contrast, registrations of heavy vehicles fell over the month by 5 registrations (18.5%).

In year ended August 2017, the total number of vehicles registered increased by 639 registrations (20.2 %), reflecting the continued strong demand for vehicles. Majority of the annual rise in registered vehicles were cars which rose by 290 (22.4 %) followed by a 187 (15.4%) rise in light vehicle registrations. The rise in vehicle registrations over the year was in line with the \$5.6 million (37.2 %) increase in import payments for vehicles recorded in the Overseas Exchange Transactions reports. Moreover, the rise in 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 vehicles, and the convenience of purchasing vehicles online.

Vehicle registrations are projected to rise in the near term. This is supported by the return of Recognised Seasonal Employees from Australia and New Zealand in the coming months. Additionally, the upcoming holidays and Christmas season may contribute to higher demand for vehicles. Furthermore, locals' preference for the 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, hence more imports of vehicles in the future.

Total Number of Vehicle Registrations

	Month ended				Year ended			Memo Share*
	Aug 17	Jul 17	Jun 17	Aug 16	Aug 17	Aug 16	% growth	
Total vehicles	374	279	300	254	3,802	3,163	20.2	100
Cars	161	106	125	106	1,587	1,297	22.4	42
Light vehicles+	126	99	132	104	1,405	1,218	15.4	37
Heavy vehicles++	22	27	20	24	320	280	14.3	8
Taxis and rentals	31	32	10	13	335	284	18.0	9
Motorcycles	1	3	2	0	48	10	380.0	1
Government vehicles	33	12	9	7	84	51	64.7	2
Buses	0	0	2	0	23	23	0.0	1

* Based on year-ended vehicle registration numbers.

+Vehicles lighter than 1500kgs excluding cars

++Vehicles heavier than 1500kgs excluding Buses

Source: Ministry of Infrastructure and Tourism