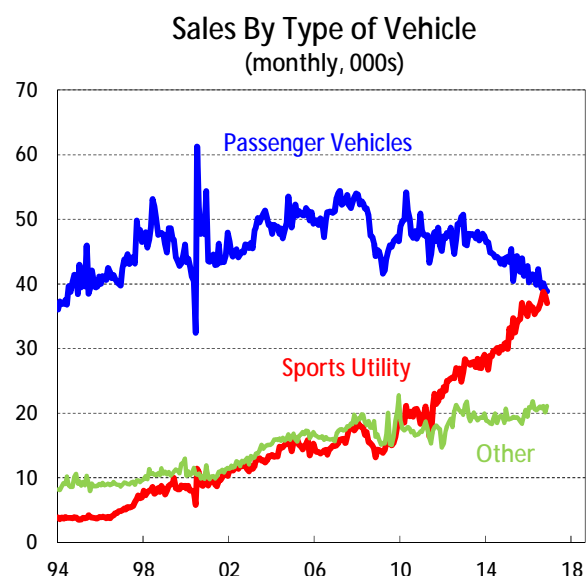
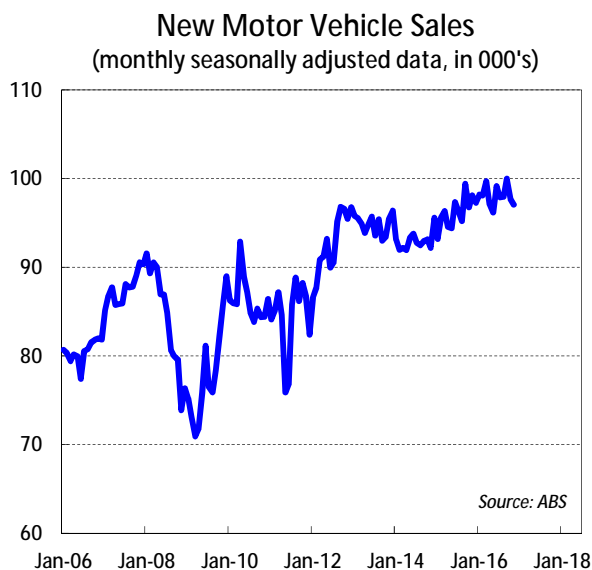


## New Motor Vehicle Sales Down But Not Out.

- New motor vehicle sales slipped for a second successive month in November but remain at historically high levels. Sales in November fell 0.6% to be down 1.1% on a year earlier.
- Sales of 'other' vehicles are an indicator of economic activity and business conditions in the Australian economy. Over the year to November, sales of 'other' vehicles have risen 3.0%. While this is moderately healthy, it is down from the 14.6% growth seen in the year to September.
- Sales of SUV's have been on a steady rise since the mid-1990s and are close to overtaking sales of passenger vehicles. In November, SUV sales fell 3.1% but are up 3.8% over the year. Given current trends it seems only a matter of time before sales of SUV's outnumber those of passenger vehicles.
- Over the year to November there was significant variation in vehicles sales across the State and Territories. Growth in new vehicle sales has been solid in Tasmania (8.5%), the Northern Territory (7.2%), Victoria (4.6%), South Australia (3.2%) and the ACT (3.1%). Sales have slumped in WA (-12.7%) and weakened in Queensland (-5.5%) and NSW (-1.4%). Taken together, sales in NSW and Queensland have accounted for around 53% of total new motor vehicle sales over the past year.
- Despite a decline in November, new motor vehicle sales remain at an elevated level. With ongoing population growth, steady jobs growth and reasonable business conditions, new motor vehicle sales are likely to remain elevated, although growth rates will vary between regions.



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Not all segments of the market declined during November. Sales of 'other' vehicles, which includes utes, buses and trucks, rose 4.6% to erase a 4.3% decline in October. Sales of 'other' vehicles are an indicator of economic activity and business conditions in the Australian economy. Over the year to November, sales of 'other' vehicles have risen 3.0%. While this moderately healthy, it is down from the 14.6% growth seen in the year to September.

Sales of SUV's have been on a steady rise since the mid-1990s and are close to overtaking sales of passenger vehicles. In November, SUV sales fell 3.1% but are up 3.8% over the year. Given current trends it seems only a matter of time before sales of SUV's outnumber those of passenger vehicles.

Passenger vehicle sales fell 0.8% in November and are down 7.2% on the same month last year. November was the seventh consecutive month in which the annual pace of passenger vehicle sales has fallen.

### By State

Over the year to November there was significant variation in vehicles sales across the State and Territories. Growth in new vehicle sales has been solid in Tasmania (8.5%), the Northern Territory (7.2%), Victoria (4.6%), South Australia (3.2%) and the ACT (3.1%). Sales have slumped in WA (-12.7%) and weakened in Queensland (-5.5%) and NSW (-1.4%). Taken together, sales in NSW and Queensland have accounted for around 53% of total new motor vehicle sales over the past year.

### Implications and Outlook

Despite a decline in November, new motor vehicle sales remain at an elevated level. With ongoing population growth, steady jobs growth and reasonable business conditions, new motor vehicle sales are likely to remain elevated, although growth rates will vary between regions.

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