

# Cheaper Korean car brands surge ahead in Singapore

**In luxury segment, Daimler South-east Asia sells a \$2m Maybach model**

Reports by SAMUEL EE

THE two major Korean marques in Singapore are climbing up the sales charts, with more buyers turning to them amid the economic recession and higher Japanese yen.

There are no surprises about the top two brands after the first two months of 2009 - Toyota and Honda retained first and second positions respectively among members of the Motor Traders Association of Singapore (MTA) (see table). But the big news in the Top 10 was created by two Korean brands and one German marque.

Hyundai has moved up to fourth position in year-to-date sales. At end-2008, it was No 5. Meanwhile, Kia is No 7, up four places from 11th last year.

In January and February 2009, collective sales by members of the MTA - a group of authorised distributors - totalled 10,653 passenger vehicles. Overall sales in the same period, including registrations by non-MTA members and parallel importers, were 13,653 units.

The resurgence of the less-premium Korean makes began in late 2008. Kia, for example, started to see an increase in bookings in November last year, which it attributes to the recession.

In the first two months of 2009, 226 units of Kia's 1.1-litre Picanto were registered, or 47 per cent of its 2008 total of 481 units. The

Picanto is the Korean maker's entry-level model and starts at \$29,999 with COE.

But authorised distributor Cycle & Carriage (C&C) Kia expects the Picanto to be overtaken by the Cerato Forte this month. About 300 units of this new 1.6 or 2-litre sedan are expected to be registered in March.

"With the recession, consumers are much more careful in their spending," says C&C Kia senior manager Chin Kee Min.

"Many of them evaluate vehicles closely in terms of value for money rather than brand image. With the fortunate timing of our new model arrivals, we saw an influx of walk-ins, and subsequently, sales."

Meanwhile, the Korean brand that is enjoying stellar success is Hyundai. It was the No 2 seller in 2004 and No 3 in 2005, but sales faded after those bumper years. Then in December 2008, Hyundai started accelerating, with strong

## Top brands - so far

2009\* ranking vs 2008

1 Toyota	2,952	(no change)
2 Honda	1,264	(no change)
3 Nissan	1,094	(+1)
4 Hyundai	1,004	(+1)
5 Mitsubishi	725	(-2)
6 Mercedes-Benz	525	(no change)
7 Kia	481	(+4)
8 BMW	452	(-1)
9 Subaru	391	(-1)
10 Volkswagen	366	(+4)

\*MTA sales in Jan & Feb

sales of the Avante.

The momentum has continued into 2009, with year-to-date sales of the good-looking sedan surging to 718 units or 71.5 per cent of 1,004 passenger vehicles. This means the Avante, which starts at \$37,699 with COE, is now Singapore's third most popular model after perennial winners the Toyota Corolla Altis (851 units) and Toyota

Vios (746).

Volkswagen also made waves by entering the Top 10 list. It is now in 10th spot - up four places - with sales of 366 units, more than a quarter of them being the New Beetle, with 99 units.

Other models are also doing well, says Volkswagen Group Singapore managing

director Olaf Duebel, and the new Golf is due to arrive in the second quarter. "In trying times such as these, car buyers are looking for more value," he says.

Dr Duebel reckons customers also appreciate buying direct from the manufacturer because "peace of mind, product quality and expertise are assured".

Volkswagen is the only manufacturer with a direct dealership in Singapore.

In the luxury stakes, Mercedes-Benz remains steady and retains its No 6 position. Interestingly, the economic gloom does not seem to have affected Singaporeans' appetite for big Mercs. The three-pointed-star's top-of-the-line S-Class limousine scored 92 registrations in the first two months of 2009, or 17.5 per cent of the 525 passenger cars registered by Mercedes-Benz.

Importer Daimler South-east Asia says overall sales have remained steady and the year-to-date tally also includes one ultra-luxury Maybach 62, which cost about \$2 million.

Traditional rival BMW has slowed down, registering 452 sales in the first two months of 2009 and slipping one place to eighth in the chart, from seventh at end-2008.

## Corolla Altis is top car in Singapore

SINGAPORE'S top car in 2008 has been dethroned after the first two months of 2009, as an old favourite returned to rule the roost.

The Toyota Corolla Altis is again the island's No 1 model, based on January and February sales by members of the Motor Traders Association of Singapore (MTA).

At No 2 is another Toyota, the Vios. Last year's winner, the Honda Civic, has since dropped to No 7.

Observers say the Civic has been hit by the rising Japanese yen, which has

made the pricing of the top two Toyota models more attractive by comparison.

The Corolla Altis and Vios, as well as the No 6 Toyota Camry, are assembled in Thailand and are all traded in Singapore dollars.

Perhaps the biggest sales surprise in the first two months of 2009 is the Hyundai Avante, which has come from literally nowhere to rank No 3 in the sales chart.

The next nearest Korean model is the Kia Picanto at No 9.

The ageing Toyota Wish

MPV is the No 4 seller, with 519 units - a tally that would have been higher if 80 units sold as taxis by authorised distributor Borneo Motors Singapore were included.

Another model that would have figured in the honours list, if it were not a taxi, is the Hyundai Sonata, with 241 units of this diesel model registered in the first two months of 2009.

Also quietly cruising up the charts is the Nissan Latio, the fifth most popular model in Singapore so far this year.

## What's moving

	UNITS
Toyota Corolla Altis	851
Toyota Vios	746
Hyundai Avante	726
Toyota Wish	519
Nissan Latio	501
Toyota Camry	467
Honda Civic	385
Honda Jazz	290
Hyundai Picanto	226

Based on MTA sales in Jan & Feb '09