

Luxury car sales hit fast lane despite woe

Despite sluggish economic prospects, Thailand's luxury car market is expected to see double-digit growth to more than 20,000 vehicles this year.

Matthias Pfalz, president of Germany-based car maker BMW Group Thailand, said the luxury car segment had not felt any effect from economic woes.

Last year, luxury car sales grew by 7% to 20,000 vehicles.

"Purchasing power of high-end consumers remains strong," Mr Pfalz said.

"The impact [of the slow economy] will go to the mass market."

He said Thailand's economic growth of 3% year-on-year in the first quarter was considered healthy compared with developed countries such as Germany, where the economy edged up only 1.4% in the period.

Over the first five months of this year, the group reported its sales rose by 14.8% year-on-year to 3,447 vehicles sold under two brands. BMW sales surged 11.8% to 3,040 vehicles, while Mini sales were up by 43.8% to 407.

The performance of its big bike, the BMW Motorrad, was outstanding, with sales skyrocketing 152% to 439.

"The group expects double-digit growth momentum until the end of this year," Mr Pfalz said.

Last year, the group posted a sales record with 8,386 BMWs and Minis sold, up slightly by 2.93% from 2013.

The political turmoil in the first half of 2014 had a negative effect on the country's vehicle market.

BMW sales declined slightly by 0.9% to 7,465 vehicles, but Mini figures surged 51% to 921 deliveries, marking the highest growth for the marque worldwide.

Big-bike brand BMW Motorrad also achieved 700 deliveries, up by 75%, ranking Thailand as its second-fastest-growing market after China.

The group added another four BMW Motorrad models to be assembled at its plant at Rayong's Amata City Industrial Estate this year — the F700GS, R1200GS, R1200GS Adventure and F800GT.

The group currently assembles six BMW Motorrad models including the F800R and F800GS.

ML Kamolchart Pravitra, general manager for BMW Motorrad sales, said the big-bike market still had high potential for the group, with local assembly making prices 15-30% cheaper than those of imported motorcycles.

Established in 2000, the Rayong factory is the only site in BMW's global network with full operations for three brands — BMW, Mini and BMW Motorrad.

