

Spain August car sales rise before September VAT hike

Reuters – Spanish car sales rose in August for the first time in seven months, as customers brought forward purchases before a hike in value added-tax on Sept. 1, car manufacturers’ association ANFAC said on Monday. Car sales rose by 3.4 percent in August on an annual basis, with a total of 48,820 cars sold. That was the first rise since January and came before a rise in VAT by three percentage points to 21 percent on Sept. 1. ANFAC said that 10,000 private customers brought forward purchases of cars before the tax rise. Yet the overall trend was down, with a drop of 8.5 percent in sales in the first eight months of the year, and worse expected to come. “The last part of the year, especially September and October are going to be a disaster. We are going to see a sharp fall unless sellers hold the sector up by making aggressive offers,” said a spokesman for car distributors’ association Faconauto. ANFAC reported that a total of 520,216 cars were sold in the first eight months of the year, and forecast no more than 700,000 would be sold in the whole year. (Reporting by Robert Hetz and Emma Pinedo; Writing by Nigel Davies; Editing by Julien Toyer and Helen Massy-Beresford)