



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

Motor dealers feeling cautiously optimistic about the future

South Africa, 01 December 2020: South Africa's hard-pressed motor dealers are feeling cautiously optimistic about the future, following the release of the November new vehicle retail sales figures by the National Association of Automobile Manufacturers' of South Africa (naamsa).

"Even though the retail sales figures remained muted in November, which once again reminded us of the challenges facing the overall automotive industry in these times, the general feeling of dealers is that they are slightly more hopeful than they were a few months ago," commented Mark Dommissie, the Chairperson of the National Automobile Dealers' Association (NADA).

The total dealer retail sales figure of 33 547 units in November was 5% above the October figure, but still 3.8% lower than the sales achievement in November 2019, when 34 861 units were retailed. Dealer sales equated to 85% of total sales in November 2020, with the rental market taking 8%, the government 3.9% and corporate fleets the remaining 2.8%.

Dommissie continued by saying: *"The monthly sales decline across the entire new car market has remained steady since halfway through 2020.*

"What we need to know now, is what direction the government is going to take to handle the growing number of coronavirus infections while still preserving a recovering economy.

The NADA Chairperson went on to say that the pricing of pre-owned vehicles is currently holding up well, but there is a concern about a decrease in the supply of used vehicles. He added that he believed this shortfall will continue into 2021 and is problematic for the industry.

"Fortunately, interest rates are remaining low, and we still have the rand holding up against the dollar as well as a stable oil price. The looming wage dispute between the government and the trade unions could affect the economy.



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With economic uncertainty, customers are wary of spending on big ticket, durable items. Instead they are tending to hold onto savings and disposable income for the time being

“Another problematical area is the backlog in renewing vehicle and driver’s licences as well as the threat of the rigorous AARTO regulations taking effect without amendment, which will have far-reaching negative outcomes for the motor industry.

“The good news is that the industry has started on its long road to recovery with fairly consistent sales results over the past five months. This is bringing a measure of stability to the market. We also know that the pandemic has altered the way many people travel and anticipate ongoing changes in the commute between home and work into the future. This will impact on the type of vehicles they buy or whether a significant number will switch to shared transport options,” concluded Dommissie.

NADA is a proud member of the RMI.

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About NADA

The National Automobile Dealers' Association (NADA) is a professional body representing the interests of business persons who own, operate and manage new passenger and commercial vehicle franchise motor- and motorcycle dealerships and qualifying used vehicle only outlets in South Africa. NADA is a proud constituent association of the Retail Motor Industry Organisation (RMI) and has affiliations with a number of similar organisations world-wide. There are currently 1,326 NADA members. NADA members make up 85% of all new franchise dealerships in South Africa. South Africa currently has approximately 1,600 new franchised automotive dealerships comprising R48-billion worth of investment. It employs 60,000 personnel directly and a further 25,000 indirectly.

As a major role player in the automotive industry, NADA and its members are strong supporters of complying with the accreditation regime of the Retail Motor Industry Organisation and the Consumer Protection Act’s Codes of Conduct for the Automotive Industry. In all forums, NADA is the fully representative and respected voice of the retail motor industry in South Africa.

PLEASE NOTE: This content is relevant for the month of December 2020. Please contact Meropa Communications for any updates if the content is going to be utilised thereafter.

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