



MEDIA INFORMATION

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NADA Commentary: Encouraging vehicle sales in February

South Africa, 01 March 2021: *“Vehicle sales in February were more encouraging than we had expected for a shorter trading month than January. Overall dealer sales across all segments increased by almost 3,000 units month-on-month. It was heartening to see that Passenger Vehicle sales increased by almost 1,500 units and Light Commercial Vehicle sales improved by close to 2,000 units,”* said Mark Dommissie, chairperson of the National Automobile Dealers’ Association (NADA).

Dommissie was commenting on the figures released today and distributed by the newly named naamsa | The Automotive Business Council.

“A slow start to the year had been expected, as the coronavirus and sluggish local economy have had a negative effect on consumer and business confidence. But February sales figures proved better than we, as the dealer body, had anticipated.

“Unfortunately, consumers have been hit with a double whammy in the past week with the announcement of an upcoming electricity hike of 15.6% in April and another big increase in the price of fuel from Wednesday. These are expected to have a negative effect on the market going forward. Some new vehicle dealers are also experiencing a tough time with stock shortages on certain models,” added Dommissie.

The current situation with supply is due to a global shortage of semiconductors, commonly known as computer chips, which are used in increasingly greater numbers in modern vehicles.

“Chips are not only used extensively in the automotive industry but in smartphones and gaming consoles as well. Orders for chips were reduced due to the pandemic and now the chip manufacturers are unable to catch up on the backlog, as demand far outstrips supply,” explained Dommissie.

“Some forecasters see the global automotive industry losing up to a million vehicles and huge amounts of money this year as production is reduced. We expect this situation to last as long as four months,” said Dommissie.



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The total South African new vehicle market for February was 37,521 vehicles which was 13.3% lower than the 43,296 units sold in the same month last year. Dealers performed well in the retail space with an 84.3% share of the total market, with rental taking 10%, government 3.4% and sales to corporate fleets 2.3%.

Exports held up reasonably well, with 29,582 units shipped, which was only 8% below the figure for February 2020, just before COVID-19 hit.

“It is encouraging to see the coronavirus vaccine availability and inoculation rate moving up, but there is a long road to travel before we can reach the required herd immunity which should bring back some normality to the way we do business,” concluded the NADA chairperson.

NADA is a professional body representing the interests of about 1 300 NADA members who make up 85% of franchised dealer networks in SA. NADA is a constituent association of the Retail Motor Industry Organisation (RMI).

ENDS

NOTES TO EDITORS

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 dealerships and qualifying used vehicle only outlets in South Africa. 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.

NADA is a proud constituent association of the Retail Motor Industry Organisation (RMI) and has affiliations with a number of similar organisations world-wide. NADA is committed to enhancing the image of the retail motor business; facilitating the interface between dealers and the motor manufacturers and importers who supply them; building rewarding relationships between dealers and their customers; and bringing relevant issues facing its members to the attention of government at all levels.

As a major role player in the automotive industry, NADA and its members are strong supporters of complying with 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.



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PLEASE NOTE: This content is relevant for March 2021. Please contact Meropa Communications for any updates if the content is going to be utilised thereafter.

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Meropa Communications

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