



MEDIA INFORMATION

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NADA Comment: Encouraging new vehicle sales throughout the first quarter but setbacks could be on the cards

South Africa, 03 May 2020: New vehicle sales in April were 17.6% down from last month, but still showed encouraging signs of market recovery when considering it was an especially short trading month with only 19 selling days.

“Sales results were better than expected, despite April being the shortest trading month bookended with public holidays and long weekends. There was the added complication of staggered school holidays affecting business too,” said Mark Dommissie, the Chairperson of the National Automobile Dealers’ Association (NADA), when commenting on local retail vehicle sales for April 2021.

April sales figures reported by **naamsa** showed an aggregate of 35 779 units sold, with 31 482 of these coming from dealers. Sales through dealer retail channels in April were estimated at 88.0% of total sales, with the rental industry taking 7.5%, 2.4% of sales going to the government and 2.1% to industry corporate fleets.

“We cannot compare sales with April 2020 as we were in the harshest Level 5 lockdown at this time last year, with only 574 new vehicles being sold that month and only 275 through the dealer network. It’s also difficult to track where we are quarter-on-quarter, but with an average of 36 000 units sold over the first four months of 2021 the new car market is in a relatively healthy state,” said Dommissie.

“We must be mindful, however, of potential setbacks in coming months. In contrast to 2020, we have customers, but a shortage of many models due an increasing number of global logistical challenges are impacting negatively on the current and future new vehicle stock availability in South Africa. We’re experiencing a global scarcity of microchips, as well as steel, resin, and rubber.

“We now unfortunately have the added complication of severe lockdowns in India, limiting production. India is a large source of built-up vehicle imports, particularly in the entry level segment of the market,” added the NADA Chairperson.



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“The large-scale vaccination programme in South Africa cannot start fast enough to bring more normality to the country. Kudos to the government for accelerating the supply of vaccines, with more than 300 000 batches arriving early on Monday morning and more expected in the next few weeks,” concluded Dommissie.

NADA is a proud constituent association of the Retail Motor Industry Organisation (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 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.

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

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