



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

Dealer sales holding up as South Africa's vehicle market continues its rebound

South Africa, 1 July 2021: *"The fact that 86.3% of the 38 030 new vehicles sold in South Africa in June went through the retail dealer channels is a strong indicator of growing confidence in buying capital assets by both the business and consumer sectors of the market,"* said Mark Dommissie, Chairperson of the National Automobile Dealers' Association (NADA), after analysing the latest sales data distributed today by naamsa.

"Retail sales continued to show a gradual recovery in June, which was in line with industry forecasts, despite the growing impact of the Covid-19 pandemic on our daily lives as the country moved from lockdown level 2 to level 3 and then, at the end of June, we experienced a really bad week with rapidly rising infection levels and the imposition of lockdown level 4.

"The aggregate sales of 38 030 units were an increase of 6 387 units or 20.2% on the performance in June 2020, while total vehicle sales for the first half of 2021 were 40.1% higher than at the same time in 2020. This is genuinely great news. We are halfway through the year, and we are tracking ahead of most industry forecasts, which is encouraging.

"It is also encouraging to see the rental industry increasing its purchases as they accounted for 7.6% of total sales. This not only shows growing business confidence within this key economic indicator, but also means that more vehicles will come into the used car market when the time comes to re-fleet," added Dommissie.

Dommissie notes that another positive sign was the 50.9% growth in the export of built-up vehicles as this is the key to success through economy of scale production for most of the local vehicle manufacturers.

"However, we, as the motor dealers of South Africa, are also realists and know well that it is going to be tough to keep up momentum in July as key living costs, such as electricity and water are going up, together with the price of fuel and, in many instances municipal rates and taxes. During this time, dealers will also be dealing with implementation of the Protection of Personal Information Act (POPIA), the planned rollout of AARTO and the Competition Guidelines for the local motor industry.



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“What we really need as a stimulus is a rapid increase in the rate of vaccinations. The injection of R10-billion into Aspen to facilitate vaccine production is good news in the fight against the Coronavirus,” concluded the NADA Chairperson.

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 July 2021. Please contact Meropa Communications for any updates if the content is going to be utilised thereafter.

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