



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

NADA Comment: South Africa's retail motor dealers fare better than expected in September

South Africa, 01 October 2021: *“South Africa's retail motor dealers fared better than expected in September with the overall new vehicle market of 43 130 units being a welcome 15.8% higher than the 37 237 units sold in the same month a year previously. With these sorts of volumes, industry could expect to end the year at the high end of analyst forecasts for 2021,”* commented Mark Dommissie, Chairperson of the National Automobile Dealers' Association (NADA), after analysing the sales figures distributed by **naamsa** | The Automotive Business Council on 1 October.

“What was heartening to see is that 82.7% of the total new vehicle volume was sold through retail dealer channel. The 1 506 unit growth month-on-month is encouraging, with the majority increase seen in passenger vehicle sales, which is also a positive sign as the largest volume segment.

Dommissie notes that the healthy contribution of 12.4% by the rental industry bodes well for the future supply of vehicles to the pre-owned market, where stock is currently in short supply. This segment of the market has only recently seen a resurgence in buying since de-fleeting drastically in 2020 when the global pandemic hit South Africa.

“Used car values should continue to hold at higher-than-expected levels as long as there is a new vehicle stock shortage. Fortunately for dealers, the strong demand for used vehicles has been able to mitigate some of the losses in new vehicle sales volume, due largely to the global shortage of microprocessors.

“The effect of the ongoing microchip shortage resulted in more brands than previously experiencing stock shortages in September. There is stock, but not in the best model mix, which is affecting the dealers' ability to supply models the customers want. However, despite the lack of semi-conductor chips affecting supply, manufacturers have worked extremely hard to supply stock to the market,” concluded Dommissie.



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

The unwelcome news is that this situation is unlikely to improve significantly in the next 12-18 months. It has already cost the global motor industry an estimated US\$210 billion as many manufacturing plants have had to either close or run at low output levels.

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

ENDS