



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

NADA projects 10-15% growth in SA vehicle market in 2022

South Africa, 9 February 2022: The National Automobile Dealers' Association (NADA) is looking to sales growth of between 10% and 15% in the South African new vehicle market in 2022. The estimate is based on buoyant sales in the first month of the year, together with positive trends seen in 2021, though the projection is dependent on stock supply normalising swiftly.

"We expect sales to be back to pre-pandemic numbers in 2022. Last year proved to be a much better year than expected when compared to 2020, with 22% growth thanks to local sales of 86,7673 more units than in 2020," said Alex Boavida, the organisation's Vice-Chairperson. *"We were, however, still not back to the market levels of 2019, and lagged by 14% or 72,490 units compared to results from two years ago."*

NADA says that average growth of 16% across all vehicle categories in 2021 was heartening, with extra-heavy commercials the best performer with sales up 24%. Passenger car sales followed closely with sales up 23% (57,177 more cars sold).

"These were positive results in a year with a great deal of turmoil including the ongoing COVID-19 pandemic, civil riots and social unrest, as well as interest rate and fuel price hikes. The global shortage of semi-conductors, or microchips as they are better known, and other automotive components has also impacted new vehicle production for the past two years, but a normalised stream of stock entering South Africa will help to bolster sales numbers in 2022."

"This strong performance in times of adversity underlines the resilience and determination to succeed that exists in the local motor industry. We are grateful for the continuing support from our customer bases, which also indicates economic activity starting to move in the right direction," added Boavida.

"The upward movement in interest rates and fuel prices will affect passenger car sales more than sales of commercial vehicles. The increase in interest rate is predicted to be as much as 1.5% in 2022, which is significant in a country where consumers have more debt exposure than in previous years and hikes put added strain on consumers' disposable income."



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

“Government’s undertaking to improve the ease of doing business in South Africa will go a long way towards reducing the overhead compliance costs of motor retailers, which in turn, will translate to savings to the consumer in the long term. NADA eagerly awaits Government’s engagement on this undertaking to ensure that this sector of the industry, as well as the economy at large, remains sustainable in aid of job preservation and creation, as well as economic recovery and growth,” she added.

“One trend that we envisage growing apace in 2022 is the increased introduction of electric vehicles (EVs) into the South African market. We see more manufacturers launching electric models in South Africa this year, putting additional focus and emphasis on this sales channel.

“We see intensified consumer education on the benefits of these vehicles, as well as an increase in the emphasis on technology, such as applications specifically developed for customers. This will create new revenue streams for OEMs and dealers, as well as generating enhanced consumer-centric offerings quickly and efficiently,” explained Boavida.

“NADA will continue to educate customers through its media and other engagements on the Automotive Guidelines, which affect both new car sales and the aftermarket, as part of the organisation’s intention to report to, and communicate with its stakeholders. We believe there will also be strong emphasis placed on employment equity and the targets set by the Department of Labour, with achievable goals and steps that are measured and reported on transparently.

“We, as NADA, will continue to ensure our retail dealerships are treated fairly and not prejudiced by new laws and regulations, while providing these dealerships with all the information and opportunities they require to grow and succeed in 2022,” concluded the NADA Vice-Chairperson.

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

ENDS



MEDIA INFORMATION

FOR IMMEDIATE RELEASE

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 three months from date of issue. Please contact Meropa Communications for any updates if the content is going to be utilised thereafter.

Issued for and on behalf of NADA by:
Meropa Communications

For further information please contact:
Ilana Salant - Meropa Communications
E-mail: ilanas@meropa.co.za