



**NATIONAL ASSOCIATION OF AUTOMOBILE MANUFACTURERS OF SOUTH AFRICA**

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## PRESS RELEASE

**PRETORIA: Monday, March 02, 2020: NOTE TO THE MEDIA - BMW South Africa [Pty] Limited and Mercedes-Benz SA Limited will, effective immediately, report sales information quarterly. This is in line with both companies' global directives. NAAMSA has provided estimates for domestic new vehicle and export sales for both companies.**

The National Association of Automobile Manufacturers of South Africa [NAAMSA] said that aggregate domestic new vehicle sales continued the declining trend into February 2020. Reflecting on the new vehicle sales statistics for the month of February, 2020 released today for public consumption via the website of the Department of Trade and Industry NAAMSA confirmed that aggregate domestic sales at 43 485 units showed a decline of 320 units or 0,7% from the 43 805 vehicles sold in February last year. Export sales at 30 832 units also registered a fall of 2 843 units or a decline of 8,4% compared to the 33 675 vehicles exported in February last year.

Overall, out of the total reported Industry sales of 43 485 vehicles, an estimated 34 956 units or 80,4% represented dealer sales, an estimated 11,4% represented sales to the vehicle rental industry, 4,3% to government, and 3,9% to industry corporate fleets.

The February 2020 new passenger car market had registered an increase of 2 098 cars or a gain of 7,6% to 29 665 units compared to the 27 567 new cars sold in February last year. The car rental Industry's contribution accounted for a sizeable 16,0% of new car sales in February 2020.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 11 625 units during February 2020 had recorded a substantial decline of 2 497 units or a fall of 17,7% from the 14 122 light commercial vehicles sold during the corresponding month last year.

Sales in the medium and heavy truck segments of the industry performed relatively well and at 686 units and 1 509 units, respectively, reflected an increase of 25 vehicles or a gain of 3,8% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 54 vehicles or a gain of 3,7% compared to the corresponding month last year.

February 2020 export sales performed weaker with export sales at 30 832 vehicles reflecting a decline of 2 843 units or a fall of 8,4% compared to the 33 675 vehicles exported in the same month last year. The momentum of vehicle exports over the course of 2020, however, should increase further and industry export sales for the year could reach around 390 000 units compared to the record 387 125 vehicles exported last year.

New vehicle sales continue to mirror the deteriorating economic outlook in the country. The unexpected tax relief for individual tax payers in the Budget 2020, aimed at not further slowing down the already sluggish economy, was welcomed. However, the CO2 emissions tax increase and the lowering of the threshold on passenger cars as well as the increase in the tax on double cab bakkies effectively mean a price increase on vehicles during a sustained period of market decline, especially now also covering smaller vehicles comprising the major portion of sales in the domestic market. Eskom's announcement of a high likelihood of load shedding during the next 18 months contributed to the further deterioration in sentiment regarding business conditions going forward. This was confirmed by the ABSA Purchasing Managers Index (PMI) tracking expected business conditions in six months' time, which fell to its lowest level since 2009. The impact of the coronavirus outbreak and potential to affect supply chains and disrupt manufacturing operations around the world are increasing daily and developments are monitored closely.

Although vehicle exports declined in February, it is anticipated that the upward momentum on the export side would continue into 2020. The strong growth of vehicle exports in recent years continues to underpin the key role that the South African automotive industry plays in the country's economy, despite the challenges.

#### **NOTE FOR EDITORS**

- NAAMSA represents 41 car, light commercial vehicles, truck and bus manufacturers plus all importers and distributors of automobiles in South Africa.
- Our purpose is to actively and responsibly represent, advance and protect our members' collective, non-competitive interests across the automobile industry.
- More information can be found on [www.naamsa.co.za](http://www.naamsa.co.za).
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#### **ABOUT THE SA AUTOMOBILE INDUSTRY**

- The automotive industry contributes 6.8% to GDP [4.3% manufacturing and 2.5% retail];
- A record 387 125 vehicles exported in 2019;
- Record vehicle production of 631 983 vehicles achieved in 2019;
- Vehicles and components are exported to 155 international markets;
- The sector employs 110 000 people in vehicle and component production.

#### **NAAMSA OFFICES: PRETORIA**