



NATIONAL ASSOCIATION OF AUTOMOBILE MANUFACTURERS OF SOUTH AFRICA

Physical Address: Building F | Alenti Office Park | 457 Witherite Street, THE WILLOWS X82 | PRETORIA
Postal Address: P.O. Box 74166 | LYNNWOOD RIDGE | 0040 | Tel: +2712 807 0152 / 0179 / 0086
Email: info@naamsa.co.za | Fax: +2712 807 0671 | Web Address: www.naamsa.co.za

PRESS RELEASE

FOR IMMEDIATE RELEASE | Wednesday, April 01, 2020

NAAMSA RELEASES MARCH 2020 NEW VEHICLE STATS

PRETORIA: Wednesday, April 01, 2020: NOTE TO THE MEDIA - BMW South Africa [Pty] Limited has reported its quarterly sales information, in line with its global directive and these have been captured in this release. For Mercedes-Benz SA Ltd, NAAMSA has provided estimate domestic new vehicle and export sales for the month of March 2020. It is worth noting that NAAMSA is currently renovating its data management offering to the market. We will be introducing a number of value adding services that we will announce shortly.

The National Association of Automobile Manufacturers of South Africa [NAAMSA] said that the automotive industry across the world is currently experiencing unprecedented challenges due to the global lockdowns implemented across all major auto manufacturing countries and cities to flatten the COVID-19 curve. South Africa is not an exception and the local automotive industry supports all measures announced recently by President Cyril RAMAPHOSA during the implementation of the country's 21-day lockdown.

As expected, the aggregate domestic new vehicle sales numbers continue to decline at the back of the recent developments around the coronavirus and challenging economic conditions in the country. The new vehicle sales statistics for March 2020 reflects a substantial decline of 14 150 units or 29,7% from the 47 695 vehicles sold in March last year to the aggregate domestic sales of 33 545 units in March 2020. Equally, export sales at 28 883 units also registered a huge fall of 7 905 units or a decline of 21,5% compared to the 36 788 vehicles exported in March last year. The performance of vehicle exports over the course of 2020 is linked to the duration of the Covid-19 pandemic and its impact on the global economy.

Overall, out of the total reported industry sales of 33 545 vehicles, an estimated 28 042 units or 83,6% represented dealer sales, an estimated 6,2% represented sales to the vehicle rental industry, 5,8% to government, and 4,4% to industry corporate fleets. The March 2020 new passenger car market had registered a sizeable decline of 8 139 cars or a fall of 26,8% to 22 200 units compared to the 30 339 new cars sold in March last year. The car rental Industry's contribution accounted for 8,4% of new car sales in March 2020.

Page 1 of 3

Elected Office Bearers: President | **Tim ABBOTT**, Chief Executive Officer, BMW Group South Africa and Sub Saharan Africa;
Vice-President: Manufacturers | **Neale HILL**, Managing Director, Ford Motor Company of Southern Africa;
Vice-President: Importers and Distributors | **Gary SCOTT**, Chief Executive Officer, Kia Motors South Africa [Pty] Ltd;
Immediate Past President | **Andrew KIRBY**, Chief Executive Officer, Toyota South Africa [Pty] Ltd.

Executive Director: **Michael M. MABASA**: NAAMSA Chief Executive Officer | PBO No.: 930/023/609 | VAT No.: 4070109972

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 9 425 units during March 2020 had recorded a significant decline of 5 570 units or a fall of 37,1% from the 14 995 light commercial vehicles sold during the corresponding month last year.

Sales for medium and heavy truck segments of the industry also performed weaker and at 631 units and 1 289 units, respectively, reflected a decline of 146 vehicles or a fall of 18,8% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 295 vehicles or a fall of 18,6% compared to the corresponding month last year.

COVID-19 has a huge macro and micro economic impact globally as well as in South Africa. In line with the temporary closure of global facilities, the entire domestic motor industry also suspended production in view of the nationwide lockdown imposed on midnight, 26 March 2020. As a result, the industry lost three working days during the month impacting negatively on the March 2020 domestic new vehicle sales and export sales.

South Africa was already in a recession before the COVID-19 had any significant impact. In exacerbating the situation further, the Moody's rating downgrade during March 2020 comes at a time that the country is in the midst of pulling all its resources and capacity together to mitigate the impact of COVID-19 across the economy. The country's resources and capacity are being stretched in addressing this extraordinary situation and the downgrade opens another major challenge for South Africa.

The ABSA Purchasing Managers' Index [PMI] experienced the weakest quarterly performance since 2009. The index tracking expected business conditions in 6 months' time fell in March 2020 to below the lowest reading recorded during the 2008/09 global financial crisis and, in fact, the lowest level on record. This means that the worst is yet to come for the manufacturing sector.

A glimmer of good news is that the South African Reserve Bank has cut its benchmark interest rate during March 2020 by the biggest margin in more than 10 years aiming to support an already fragile economy and to ease the financial conditions of households and firms to the short-term economic implications of the COVID-19. The global automotive industry is contributing immensely with several initiatives during lockdown period across the world. Collectively, we are working with our respective Governments to support our country's essential services, such as offering factories to produce ventilators and other medical equipment urgently required to fight against COVID-19. The NAAMSA CEO Council will be meeting tomorrow to consider what else the South African automotive industry can do to support Government efforts to reduce the impact of COVID-19 in South Africa.

The performance of exports would remain a function of the performance and direction of global markets. The fall in global vehicle demand as a result of restrictions on consumer movement would become clearer in the industry's export sales over the short term.

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 6.9% to GDP [4.4% manufacturing and 2.5% retail];
- total automotive revenue in South Africa amounted to R503 billion in 2018;
- in 2018, the export of vehicles and automotive components reached a record amount of R178,8 billion, equating to 14,3% of South Africa's total exports;
- the industry accounts for 30.1% of the country's manufacturing output;
- vehicles and components are exported to a record 155 international markets;
- we are the country's 5th largest exporting sector out of all 104 sectors and accounts 13.9% of total exports;
- the manufacturing segment of the industry presently employs more than 110,000 people across its various tiers of activity [from component manufacturing to vehicle assembly];
- combined with the industry's strong multiplier effect, the industry is responsible for approximately 457,000 jobs across the South African economy's formal sector.

NOTES FOR EDITORS

- NAAMSA is a pre-eminent industry representative that actively and responsibly represents, promote, advance and protect the interests of local manufacturers and assemblers of passenger, light and heavy commercial vehicles as well as major importers and distributors of new vehicles in South Africa. We represent 41 companies;
- Our vision is to be the most credible and respected thought leader and partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa;
- Enquiries: Michael M. MABASA, Chief Executive Officer, mike@naamsa.co.za,
- Contact Numbers: +27 12 807 0152 or +27 82 909 6621;
- More information can be found on www.naamsa.co.za.

NAAMSA OFFICES: PRETORIA | Wednesday, April 01, 2020