

# PRESS RELEASE

**FOR IMMEDIATE RELEASE | Monday, August 03, 2020**

## naamsa releases July 2020 new vehicle stats

**PRETORIA: Monday, August 03, 2020: NOTE TO THE MEDIA - naamsa has introduced a new way of reporting and is currently renovating its data management offering to the market and will be introducing a number of value adding services that will be announced shortly. However, it is worth noting that this information will be securely migrated and housed in our new website, which is ready to go LIVE next week Monday, August 10, 2020.**

Reflecting on the new vehicle sales statistics for the month of July 2020 **naamsa** confirmed that aggregate domestic sales at 32 396 units reflected a decline of 13 646 units or 29,6% from the 46 042 vehicles sold in July last year. Export sales at 24 706 units also registered a fall of 10 381 units or a decline of 29,6% compared to the 35 087 vehicles exported in July 2019.

Overall, out of the total reported industry sales of 32 396 vehicles, an estimated 30 325 units or 93,6% represented dealer sales, 3,1% to industry corporate fleets, 2,9% sales to government, and an estimated 0,4% represented sales to the vehicle rental industry.

The July 2020 new passenger car market had registered a substantial decline of 10 552 cars or a fall of 35,8% to 18 905 units compared to the 29 457 new cars sold in July last year. In view of the tourism sector still under lockdown restrictions, the contribution by the car rental industry comprised only 1,4% in July 2020 compared to the nearly 20% in July 2019.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 11 123 units during July had recorded a decline of 2 736 units or a fall of 19,7% from the 13 859 light commercial vehicles sold during the corresponding month last year.

Sales for medium and heavy truck segments of the industry reflected a weak performance and at 698 units and 1 670 units, respectively, showed a decline of 103 vehicles or a fall of 12,9% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 255 vehicles or a fall of 13,3% compared to the corresponding month last year.

Vehicle exports for July 2020 recorded a decline of 10 381 vehicles or 29,6% compared to the 35 087 vehicles exported in July 2019. The performance for July 2020 did reflect a welcomed improvement on June 2020 and positive news is that the domestic automotive industry's major export destinations are starting to ease their lockdown restrictions with many actively stimulating their new vehicle markets with large financial government incentives.

July 2020 new vehicle sales figures provide a picture of what could be expected for the remainder of the year with some notable changes to market behaviour by the vehicle rental companies, in particular, which could be the beginning of new trends. Although the Absa Purchasing Managers' Index (PMI) tracking business conditions in six months' time turned slightly more optimistic in July 2020, it still remains fairly subdued. Considering the most recent projected negative annualised GDP growth in the country of 7,3% by the SA Reserve Bank, it does not bode well for the outlook on domestic demand for new vehicles over the short term. Positive dynamics such as the further 25 basis point interest rate cut to a near 50-year low during the month and the already 300 basis points interest rate cut for the year, low inflation as well as dealer incentives would be expected to support consumers and businesses into new vehicle purchases. However, a recovery in the new vehicle market will most likely depend on how quickly the economy can break out of its low growth trap and how soon society will recover from the present COVID-19 lockdown.

The domestic automotive industry's vehicle export performance for the second half of the year hinges on the successful implementation of the lockdown exit strategies in the domestic industry's major export destinations. The marked improvement in the July 2020 export performance compared to June 2020 export performance provides reason for optimism that exports will gain upward momentum during the second half of the year as international markets ease their lockdown restrictions while many are also stimulating their new vehicle markets with financial incentives.

**ENDS**



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## ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 6.4% to GDP [4.0% manufacturing and 2.4% retail];
- total automotive revenue in South Africa amounted to R500 billion in 2019;
- in 2019, the export of vehicles and automotive components reached a record amount of R201.7 billion, equating to 15,5% of South Africa's total exports;
- the industry accounts for 27.6% of the country's manufacturing output;
- vehicles and components are exported to 151 international markets;
- we are the country's 5th largest exporting sector out of all 104 sectors;
- 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](mailto: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](http://www.naamsa.co.za).

**naamsa OFFICES: PRETORIA** | Monday, August 03, 2020



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