



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

PRETORIA - Monday, February 03, 2020: BMW South Africa (Pty) Ltd, from the beginning of January 2020, has implemented a new sales reporting model and has not reported new vehicle sales for the month of January 2020. The January 2020 new vehicle sales report, therefore, excludes BMW new vehicle sales for the moment.

The National Association of Automobile Manufacturers of South Africa [NAAMSA] said that domestic new vehicle sales started the year on a weak note with the declining trend in the new vehicle market continuing into January 2020. Reflecting on the new vehicle sales statistics for the month of January, 2020 released today for public consumption via the website of the Department of Trade and Industry NAAMSA confirmed that aggregate domestic sales at 39 475 units showed a decline of 3 481 units or 8,1% from the 42 956 vehicles sold in January last year. Export sales at 11 373 units also registered a fall of 6 877 units or a decline of 37,7% compared to the 18 250 vehicles exported in January last year.

Overall, out of the total reported Industry sales of 39 475 vehicles, an estimated 32 050 units or 81,2% represented dealer sales, an estimated 13,5% represented sales to the vehicle rental Industry, 3,1% to industry corporate fleets and 2,2% to government.

The January 2020 new passenger car market had registered a decline of 1 500 cars or a fall of 5,1% to 28 116 units compared to the 29 616 new cars sold in January last year. The car rental Industry's contribution accounted for a substantial 17,6% of new car sales in January 2020.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 9 791 units during January 2020 had recorded a decline of 1 909 units or a fall of 16,3% from the 11 700 light commercial vehicles sold during the corresponding month last year.

Sales in the medium and heavy truck segments of the industry also registered declines and at 503 units and 1 065 units, respectively, reflected a fall of 44 vehicles or a decline of 8,0% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a fall of 28 vehicles or a decline of 2,6% compared to the corresponding month last year.

The January 2020 export sales number represented a weak performance with export sales at 11 373 vehicles reflecting a substantial decline of 6 877 units or a fall of 37,7% compared to the 18 250 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.

Sustained weak demand for domestic new vehicles continued in January 2020 on the back of depressed consumer and business confidence, weak economic growth, record-high unemployment and Eskom's ongoing electricity supply crisis. The new vehicle market is expected to face further consolidation until South Africa breaks out of its low growth trap and the economy is put on a higher growth path. However, the likelihood of more regular load shedding in the foreseeable future dim prospects for a recovery in the coming months. Some positive news during the month was the Reserve Bank's cut in the repo rate by 25 basis points to 6.25%, which will come as a relief to consumers.

Although vehicle exports declined in January, it is anticipated that the upward momentum on the export side would continue into 2020 following consecutive record export years. Industry vehicle production levels would continue to benefit from strong vehicle export sales.

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.
- Contact: Mike M. MABASA, ExecutiveDirector,mike@naamsa.co.za, +27128070152 or +2782909 6621.

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