



naamsa
THE VOICE OF THE AUTOMOTIVE INDUSTRY



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PRESS RELEASE

FOR IMMEDIATE RELEASE | Tuesday, June 01, 2021

naamsa releases May 2021 new vehicle stats

PRETORIA: Tuesday, June 01, 2021: naamsa | The Automotive Business Council has once again reaffirmed its position that as an export-oriented industry, the South African automotive sector welcomed the New Energy Vehicle [NEV] Green Paper, as a precursor to a White Paper, in establishing a clear policy foundation that will enable the country to coordinate a long-term strategy that will position South Africa at the forefront of advanced vehicle and vehicle component consumption and manufacturing and increase our competitiveness in the global race to transition from the internal combustion engine era into electro-mobility solutions and technologies. “We welcome the release of the Auto Green Paper on NEVs as a consultative and a discussion document. **naamsa** is currently consulting extensively with all its members and with all our strategic partners and we should be ready to provide the Minister of Trade, Industry and Competition with our initial thoughts to the draft Green Paper by the closing date this Friday, June 04, 2021”, said Mikel MABASA, **naamsa** CEO.

Changing gears and reflecting on the new vehicle sales statistics for the month of May 2021, **naamsa** said that although strict level 4 lockdown measures were in place in May 2020, the Automotive Business Council successfully engaged with Government at the time to accommodate the sector to ease back into production and retail sales during the month under level 4 instead of levels 3 and 2, respectively. It should be noted that the month-on-month comparisons will remain distorted for the time being in view of the hard lockdown restrictions in place during the second quarter of 2020.

In the event, aggregate domestic sales in May 2021, at 38,337 units, reflected an increase of 25,463 units, or 197,8%, from the 12,874 vehicles sold in May 2020. Export sales also recorded a gain of 23,425 units, or 196,8%, to 35,326 units in May 2021 compared to the 11,901 vehicles exported in May 2020.

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NATIONAL OFFICE BEARERS: President | Andrew KIRBY | Chief Executive Officer | Toyota South Africa Motors
Vice-President: Original Equipment Manufacturers | Neale HILL | Managing Director | Ford Motor Company
Vice-President: Independent Vehicle Importers and Distributors | Gary SCOTT | Chief Executive Officer | Kia Motors
Vice-President: Heavy Commercial Vehicles | Fabio SOUZA | Managing Director | Scania South Africa

EXECUTIVE DIRECTOR: Chief Executive Officer: Mikel MABASA |

REGISTRATION DETAILS: **naamsa** NPC: 2021/358607/08 | PBO No.: 930/023/609 | VAT No.: 4070109972



Overall, out of the total reported industry sales of 38,337 vehicles, an estimated 33,642 units, or 87,8%, represented dealer sales, an estimated 8,2% represented sales to the vehicle rental industry, 2,0% to industry corporate fleets 2,0%, and sales to Government. The May 2021 new passenger car market at 24,122 units had registered an increase of 15,156 cars, or a gain of 169,0%, compared to the 8 966 new cars sold in May 2020. The car rental industry accounted for 11,4% of car sales in May 2021.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 11,930 units during May 2021 had recorded an increase of 8,859 units, or a gain of 288,5%, from the 3,071 light commercial vehicles sold during May 2020. Sales for medium and heavy truck segments of the industry also reflected a positive performance and at 559 units and 1,726 units, respectively, showed an increase of 256 units, or 84,5% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 1,192 vehicles, or a gain of 223,2%, compared to the corresponding month last year.

The May 2021 exports sales number at 35,326 units reflected an increase of 23,425 vehicles, or 196,8%, compared to the 11,901 vehicles exported in May 2020. For the first five months of 2021 vehicle exports were now 67,2% above the corresponding period last year.

Following the temporary shutdown of the domestic automotive industry in April 2020 under level 5 of the country's lockdown restrictions, vehicle production and retail sales only started to ease back into operation in May 2020 under level 4 and the month-on-month comparison therefore remains distorted. However, the new vehicle market is in gradual recovery mode in line with the anticipated growth rate in excess of 3% projected for 2021 for the domestic economy and for the year to date aggregate new vehicle sales were now 44,9% above the same period last year.

The **naamsa** CEOs Confidence Index, an in-house leading business confidence indicator of current and future developments in the domestic automotive industry, reflects the general agreement by the **naamsa** CEOs that business conditions for the automotive industry over the next six months will continue to improve. They are mainly positive of a robust recovery in the domestic as well as the global new vehicle markets over the next six months, as the domestic and international markets rebound from the low base of 2020. However, structural constraints in the economy, coupled to the growing debt of the country and the ongoing electricity capacity limitations would continue to curb a potential quick recovery to pre-COVID-19 levels.

Vehicle exports continued their upward momentum during the month in line with the rebound in the global economy and subsequent higher demand for vehicles in international markets. Since most OEMs have grown their volumes substantially and produce a very high proportion of vehicles for the export market, vehicle exports remain key to the viability of the domestic automotive industry.

ENDS

OUR STRATEGY:	REIMAGINING THE FUTURE TOGETHER
OUR AMBITION:	"the most credible thought leader and respected partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa".
OUR VALUES:	Partnership Consistency Trust
OUR ASSETS:	#MOBILITYMatters #naamsaAutolytics #naamsaDreamsAcademy SA-AutoWeek



ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 4.9% to GDP [2.8% manufacturing and 2.1% retail];
- in 2020, the export of vehicles and automotive components reached a record amount of R175.7 billion, equating to 13.9% of South Africa's total exports;
- the industry accounts for 18.7% of the country's manufacturing output;
- vehicles and components are exported to 147 international markets;
- we are the country's 5th largest exporting sector out of all 104 sectors;
- the manufacturing segment of the industry presently employs in the order of 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

- Since 2021 **naamsa** introduced associate membership that offers tangible benefits such as access to information, visibility to key industry issues, business exposure, as well as related discounts.
- **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: Mikel M. MABASA, Chief Executive Officer, mikel@naamsa.co.za;
- Contact Numbers: +27 12 807 0152 or +27 82 909 6621;
- More information can be found on www.naamsa.co.za.

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