

NAAMSA MEDIA RELEASE: FOR IMMEDIATE RELEASE
COMMENT ON THE FEBRUARY, 2019 INDUSTRY NEW VEHICLE SALES STATISTICS

Commenting on the new vehicle sales statistics for the month of February, 2019 – released today for public consumption via the website of the Department of Trade & Industry – the Association said that the disappointing trend in new car sales experienced in January had continued into February, 2019. The continued lower than expected car sales had however been offset by fairly strong commercial vehicle sales numbers. In the event, aggregate domestic sales at 43 251 units had declined by 3 016 units or 6.5% from the 46 267 vehicles sold in February last year. Export sales had again registered strong growth reflecting a substantial improvement of 6 202 vehicles or a gain of 22.5% compared to the 27 529 vehicles exported in February last year.

Overall, out of the total reported Industry sales of 43 251 vehicles, an estimated 35 760 units or 82.7% represented dealer sales, an estimated 10.0% represented sales to the vehicle rental Industry, 3.9% to government and 3.4% to industry corporate fleets.

The February, 2019 new car market had, for the second consecutive month, been particularly weak and at 27 000 units had registered a substantial fall of 4 139 cars or a decline of 13.3% compared to the 31 139 new cars sold in February last year. The new car sales figures confirmed that consumers generally were under pressure and lacked a willingness to invest and purchase. As had been the case for most of 2018, the car rental Industry had continued to make a major contribution accounting for 14.3% of new car sales in February, 2019.

Domestic sales of new light commercial vehicles, bakkies and mini buses at 14 123 units during February, 2019 had recorded a noteworthy improvement of 932 units or a gain of 7.1% from the 13 191 light commercial vehicles sold during the corresponding month last year. NAAMSA expected the light commercial vehicle market to continue to register growth over the medium term.

Sales in the medium and heavy truck segments of the Industry had performed remarkably well and at 662 units and 1 466 units, respectively, reflected a significant gain of 83 vehicles or an improvement of 14.3%, in the case of medium commercial vehicles, and, in the case of heavy trucks and buses, a good improvement of 108 vehicles or a gain of 8.0% compared to the corresponding month last year.

The February, 2019 export sales number represented another stellar performance with export sales at 33 731 vehicles reflecting a substantial improvement of 6 202 units or a gain of 22.5% compared to the 27 529 vehicles exported in the same month last year. The momentum of vehicle exports over the course of 2019 should increase further and industry export sales for the year could reach 400 000 units compared to the 351 139 vehicles exported last year.

Prospects for domestic new vehicle sales, particularly the new car market, would continue to be affected by the subdued current macro-economic environment and generally pressure on household disposable income. It was expected that the low growth environment would continue until after the general election. Post-election policy reforms and governments' commitment to revitalise the South African economy with the aim of achieving a substantially higher economic growth rate should translate into improved domestic sales numbers during the second half of 2019. Overall, an improved second half performance in terms of sales was expected. Furthermore, Industry vehicle production levels would continue to benefit from strong vehicle export sales.