

PRESS RELEASE

FOR IMMEDIATE RELEASE | Tuesday, December 01, 2020

naamsa confirms the new date for APDP2 and releases November 2020 new vehicle stats

PRETORIA: Tuesday, December 01, 2020: NOTE TO THE MEDIA - **naamsa is very pleased to announce that the implementation date of the Automotive Production Development Programme [APDP2] Phase 2 will officially start on July 01, 2021 and that the draft documents that give effect to this change will be published before the end of this year.**

Reflecting on the new vehicle sales statistics for the month of November 2020 **naamsa** said that, although the gradual monthly gains in sales growth by volume in the new vehicle market continued during the month, the year-to-date situation remained depressed. Aggregate domestic sales at 39 315 units reflected a decline of 5 355 units, or 12,0%, from the 44 670 vehicles sold in November last year. The trend was mirrored by export sales at 31 966 units which also declined by 2 622 units, or 7,6%, compared to the 34 588 vehicles exported in November 2019.

Overall, out of the total reported industry sales of 39 315 vehicles, an estimated 33 547 units, or 85,3%, represented dealer sales, an estimated 8,0% represented sales to the vehicle rental industry, 3,9% sales to government, and 2,8% to industry corporate fleets.

The November 2020 new passenger car market at 25 707 units had registered a decline of 5 696 cars, or a fall of 18,1%, compared to the 31 403 new cars sold in November last year. The car rental industry accounted for a sound 11,6% of car sales in November 2020. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 11 243 units during November had recorded a welcomed increase of 567 units, or a gain of 5,3%, from the 10 676 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 664 units and 1 701 units, respectively, showed a decline of 70 vehicles, or a fall of 9,5%, in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 156 vehicles, or a fall of 8,4%, compared to the corresponding month last year.

The November 2020 the exports sales number at 31 966 units represented a decline of 2 622 vehicles or 7,6% compared to the 34 588 vehicles exported in 2019. The performance for the year to date now reflected a fall of 122 987 vehicles, or 32,9% compared to the level of the same period last year.

A positive development is the steady small recovery gains in the new-vehicle market over recent months, however, real growth is still far away. The economic scars of the COVID-19 pandemic are extreme and the domestic as well as global economic environment would remain uncertain and volatile over at least the next six months until safe and effective coronavirus vaccines are available and rolled out in South Africa and around the world. With low inflation, marketing incentives available on new vehicles as well as interest rates expected to remain low for quite some time, it is actually a good time to purchase a new vehicle. However, consumer behaviour changes and short-term budget pressures could result in longer-term developments on the back of protracted COVID-19 concerns as consumers might have less need for mobility, despite improved new vehicle affordability.

Notwithstanding a solid monthly performance, exports of South African manufactured vehicles remained in arrears as a second-wave lockdown in major markets impact on consumer behaviour and demand. Vehicle exports are important to the viability of the domestic automotive industry. In 2019, the record 387 125 left- and right-hand drive vehicles exported supported record vehicle production of 631 983 vehicles as well as employment gains in the vehicle manufacturing side of the industry. For the year to date, vehicle exports, however, are still 32,9% below the level of the same period last year.

ENDS

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.

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



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;
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