



naamsa
THE VOICE OF THE AUTOMOTIVE INDUSTRY



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PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, August 02, 2021

Vehicle Exports records a 33,1% dive in July

PRETORIA: Monday, August 02, 2021: The hugely anticipated new vehicle sales for the month of July reflected a mixed bag of statistics due to a number of factors which include: the recent economic disruptions caused by unrests in Kwazulu-Natal and certain areas across the Gauteng Province, the cyberattack on Transnet operations which led to a *force majeure* which in turn impacted negatively on vehicle export and import operations, as well as the adjusted Alert Level 4 lockdown restrictions which lasted for more than five weeks, curtailed the good progress made in the automotive industry's rebound during the first six months of the year. As a result, export sales recorded a huge decline of 8,381 units, or 33,1%, to 16,931 units in July 2021 compared to the 25,312 vehicles exported in July 2020.

Aggregate domestic sales in July 2021, at 32,949 units, reflected a modest increase of 544 units, or 1,7%, from the 32,405 vehicles sold in July 2020. Overall, out of the total reported industry sales of 32,949 vehicles, an estimated 28,326 units, or 86,0%, represented dealer sales, an estimated 9,2% represented sales to the vehicle rental industry, 2,7% to industry corporate fleets, and 2,1% sales to government.

The July 2021 new passenger car market at 20,575 units had registered an increase of 1,719 cars, or a gain of 9,1%, compared to the 18,856 new cars sold in July 2020. The car rental industry supported the new passenger car market during the month and accounted for 11,9% of car sales in July 2021. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,266 units during July 2021 had recorded a decline of 899 units, or a drop of 8,1%, from the 11,165 light commercial vehicles sold during July 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



Sales for medium and heavy truck segments of the industry also reflected a weak performance and at 587 units and 1,521 units, respectively, showed a decline of 113 units, or 16,1% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 163 vehicles, or a fall of 9,7%, compared to the corresponding month last year. The July 2021 exports sales number at 16,931 units reflected a huge fall of 8,381 vehicles, or 33,1%, compared to the 25,312 vehicles exported in July 2020. Encouragingly, for the year-to-date, vehicle exports, however, were still 47,3% ahead of the same period last year.

In addition to the adjusted Alert Level 4 lockdown restrictions being in place for most of July 2021, the civil unrest in the country along with the cyber-attack on Transnet, left a major scar on the country's economy. The ABSA Purchasing Manufacturers' Index [PMI] reflected that the magnitude of the monthly decline was worse than during the hard lockdown in April 2020.

"The devastating economic impact and unintended consequences of these actions not only caused a setback in the fight against the COVID-19 pandemic but could prolong the economic recovery process and also have a lasting impact on the country's challenges of dealing with poverty, inequality, and unemployment", said Mikel MABASA, **naamsa** CEO. "Physical damages to assets and property, lost sales orders as well as the cancellation of new developments in the automotive industry are estimated at well over R3billion. Businesses and consumers already had to brace themselves for the significant price hikes in key living costs such as electricity, fuel, and municipal rates and taxes during July 2021", MABASA said.

"However, South Africans once again showed their goodwill and social solidarity during these challenging times. With the calm returning to KwaZulu-Natal and Gauteng, the country moving to adjusted alert level 3 lockdown restrictions and the accelerated roll out of the vaccinations, the gradual recovery in the new vehicle market is anticipated to continue for the remainder of the year", reaffirmed **naamsa** CEO.

The upward momentum in vehicle exports also grinded to a halt during the month as the civil unrest well as the Force Majeure declared by Transnet after the cyber-attack, which took effect from July 22 and resulted in many operations having to be conducted manually, caused massive logistical challenges on the N3 highway and at all the country's major ports. Vehicle exports and imports as well as vehicle production and the delivery of automotive components could take some time to normalise. It is always unfortunate that these mindless actions, which lasted only a few days, could potentially affect the image of an industry as a reliable manufacturer and supplier of quality vehicles and automotive components to world markets, which took several decades to establish. **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,
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- More information can be found on www.naamsa.co.za.

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