

# PRESS RELEASE

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## naamsa releases February 2022 new vehicle stats “WE DON’T NEED ANOTHER GLOBAL ECONOMIC DISRUPTION”

**PRETORIA: Tuesday, March 01, 2022:** The automotive industry in South Africa is concerned about the escalating geo-political tensions due to the Russian invasion of Ukraine. **naamsa** | The Automotive Business Council says the current hostilities poses another potential global supply chain challenge for the auto industry because of Europe’s strategic significance to the global automotive ecosystem. The timing of the confrontation between Russia - on the one hand, and Ukraine, the European Union, the United States and all their allies in the West, on the other, comes at the time when the global auto industry is trying to recover from the devastating impact of COVID-19; disruptions and global shortages of semi-conductors and many other supply chain-related challenges experienced by the industry since the beginning of 2020.

“We don’t need another global economic disruption. We urgently urge all global leaders to work through the United Nations structures to find sustainable political solutions to the conflict in the region so that the people of Ukraine can avert human suffering, destruction to property and the demolition of some of their important economic infrastructure needed to sustain progress and development”, says **naamsa** CEO, Mikel Mabasa.

Reflecting on the new vehicle sales statistics for the month of February 2022, Mabasa said that the new vehicle market continued to gain traction. Aggregate domestic new vehicle sales in February 2022, at 44,229 units, reflected a further increase of 6,860 units, or 18,4%, from the 37,369 vehicles sold in February 2021. Export sales, encouragingly, also recorded an increase of 3,590 units, or 12,3%, to 32,867 units in February 2022 compared to the 29,277 vehicles exported in February 2021.

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**National Office Bearers:** President: **Neale HILL** | Managing Director | Ford Motor Company  
Vice-President: Manufacturing OEMs | **Billy TOM** | President and Chief Executive Officer | Isuzu Motors South Africa  
Vice-President: Retailing OEMs | **Gary SCOTT** | Chief Executive Officer | Kia South Africa  
Vice-President: Heavy Commercial OEMs | **Filip VAN DEN HEEDE** | Managing Director | UD Trucks  
Immediate Past President: **Andrew KIRBY** | President and Chief Executive Officer | Toyota South Africa Motors

**Executive Director:** Chief Executive Officer: **Mikel MABASA**

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Overall, out of the total reported industry sales of 44,229 vehicles, an estimated 37,553 units, or 84,9%, represented dealer sales, an estimated 10,1% represented sales to the vehicle rental industry, 3,8% sales to government, and 1,2% to industry corporate fleets. The February 2022 new passenger car market at 29,563 units had registered a sound increase of 5,419 cars, or a gain of 22,4%, compared to the 24,144 new cars sold in February 2021. The car rental industry supported the new passenger car market during the month and accounted for 13,3% of car sales in February 2022.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 12,290 units during February 2022 had recorded an increase of 1,058 units, or a gain of 9,4%, from the 11,232 light commercial vehicles sold during February 2021. Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 572 units and 1,804 units, respectively, showed an increase of 40 units, or 7,5% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 343 vehicles, or a gain of 23,5%, compared to the corresponding month last year.

The February 2022 exports sales number at 32,867 units reflected an increase of 3,590 vehicles, or 12,3%, compared to the 29,277 vehicles exported in February 2021. Following an extended downward trajectory period since the second half of 2021, the increase during the month perhaps marked the start of a renewed upward momentum in vehicle exports for the balance of the year.

The healthy performance in the new vehicle market reflected an improvement in domestic demand conditions, although year-on-year comparisons remain difficult to interpret because of differing pandemic circumstances during the corresponding period 2021. The growth-positive National Budget passed during the month provided some good news for business and consumers with a cut in corporate income tax, accommodating adjustments in personal income tax brackets and no hike in the fuel or Road Accident Fund levy, for the first time since 1990. However, South African motorists' relief was short-lived as fuel prices will hit record highs in March 2022 with petrol to cost more than R21 a litre for the first time ever.

The vehicle emissions tax rate on passenger cars will also increase from R120 to R132/gCO<sub>2</sub>/km while the tax on double cabs will increase from R160 to R176/gCO<sub>2</sub>/km from 1 April 2022. The ripple effects of Russia's invasion of Ukraine hold in negative consequences for South Africa for the Rand, oil prices, food prices, financial markets, as well as potential earlier and bigger interest rate hikes by the South African Reserve Bank to curb inflation. Although the ABSA Purchasing Managers' Index [PMI] for February 2022 reflected that purchasing managers remained upbeat about expected business conditions in six months' time, the renewed disruptions in the operations of global supply chains amid an escalation of the Ukrainian conflict will not only have cost implications for the domestic economy but could also negatively impact sentiment.

In view of the positive performance in vehicle exports during the month, prospects for 2022 remain optimistic in line with favourable economic and market conditions abroad as well as on the back of positive domestic developments such as further new locally manufactured model introductions in 2022. Vehicle production, and consequently vehicle exports, however, will remain subject to global tensions as well as the ongoing world-wide semi-conductor shortage, which is hampering production and sales across the globe.

In conclusion, **naamsa** is proud to announce the first of its kind, **naamsa Autolytics Bank data** subscription environment, which would allow users to interact with the automotive market data breakdown, from domestic market, export data to new energy vehicles. The go live date is today March 01, 2022 via [www.naamsa.co.za](http://www.naamsa.co.za).

**ENDS!**

#### **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](mailto:mikel@naamsa.co.za),
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- More information can be found on [www.naamsa.co.za](http://www.naamsa.co.za).

**naamsa** OFFICES: PRETORIA | Tuesday, March 01, 2022