

SA's new vehicle sales start on a positive note in 2023

Mark Dommissie, chairperson of the National Automobile Dealers' Association (Nada), commented on the latest sales figures distributed by the National Association of Automobile Manufacturers of South Africa (Naamsa), saying: "The strong headwinds of load shedding, inflation, political instability, rising interest rates and fuel prices did not put a dampener on new vehicle sales in January and total sales of 43 509 units showed an encouraging improvement of 4.8% on the figure for January 2022."



Source: [Unsplash](#)

"This market is difficult to read, given all the disruptive external factors now in play. We believe the public is adjusting its spend downwards, but conversely, the upper end of the market is remaining surprisingly strong at the same time.

"The current talk of another state of disaster, relating to the electricity crisis, presents another imposition for South Africa and the automotive industry, as it pushes buyers into taking more conservative approaches in their respective buying cycles," explained Dommissie.

"OEMs and importers are bullish about sales opportunities in 2023 and are urging dealers to invest, increase their floor plan levels and dealership standards," he added.

“Sales of battery electric vehicles remain slow, while there is a growing demand for hybrid variants. Generally, there is a rising public interest in new energy vehicles. Judging from feedback from dealers it seems this latter group generally live in medium and larger cities.



SA's car retailers under pressure due to load shedding - Nada chairperson

25 Jan 2023



The rental industry is still fleeing up, even though the holiday season has passed and took an estimated 12.1% of sales in January, which is promising for both the tourism and automotive industries. Retail sales through dealer channels were responsible for selling 36,353 units, or 83.6% of the total market

“It was also reassuring to see growth in both the passenger and light commercial vehicle segments. Sales of medium and heavy trucks and buses were also positive, evidenced by the increase in demand for coal transportation for local and international consumption.

Exports of built-up vehicles were slightly down on those in January a year ago, but generally, the export market looks positive, with more new models aimed for export coming off local production lines.

Nada expects the new vehicle market in South Africa to continue growing in 2023 but at a more moderate pace than in 2022. Several factors that negatively affected vehicle sales last year will recur this year. Among them is the ongoing global shortage of semiconductors, which is hampering production across almost all manufacturers.

“Generally new car supply has improved and the supply of new vehicles is more consistent. There are still certain segments under pressure, resulting in a dealer stock mix that is not ideal. However, the wait for new models is, on average, better than a year ago, due to supply improvements,” concluded Dommissie.

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