

February vehicle sales prove better than expected - NADA

Commenting on naamsa | the Automotive Business Council's recently released vehicle sales figures for February 2021, the National Automobile Dealers' Association (NADA) says the numbers were more encouraging than had been expected.



Image source: www.pixabay.com

“Overall, dealer sales across all segments increased by almost 3,000 units month-on-month,” said NADA chairperson Mark Dommissive. “It was heartening to see that passenger vehicle sales increased by almost 1,500 units and light commercial vehicle sales improved by close to 2,000 units.”

“A slow start to the year had been expected, as the coronavirus and sluggish local economy have had a negative effect on consumer and business confidence. But February sales figures proved better than we, as the dealer body, had anticipated.

“Unfortunately, consumers have been hit with a double whammy in the past week with the announcement of an upcoming electricity hike of 15.6% in April and another big increase in the price of fuel from Wednesday. These are expected to have a negative effect on the market going forward. Some new vehicle dealers are also experiencing a tough time with stock shortages on certain models,” added Dommissive.



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Mark Dommissive 23 Feb 2021



Global semiconductor shortage

The current situation with supply is due to a global shortage of semiconductors, commonly known as computer chips, which are used in increasingly greater numbers in modern vehicles.

“Chips are not only used extensively in the automotive industry but in smartphones and gaming consoles as well. Orders for chips were reduced due to the pandemic and now the chip manufacturers are unable to catch up on the backlog, as demand far outstrips supply,” explained Dommissie.

“Some forecasters see the global automotive industry losing up to a million vehicles and huge amounts of money this year as production is reduced. We expect this situation to last as long as four months,” said Dommissie.



SA car market faces challenging 2021

15 Feb 2021



Exports held up well

The total South African new vehicle market for February was 37,521 vehicles which was 13.3% lower than the 43,296 units sold in the same month last year. Dealers performed well in the retail space with an 84.3% share of the total market, with rental taking 10%, government 3.4% and sales to corporate fleets 2.3%.

Exports held up reasonably well, with 29,582 units shipped, which was only 8% below the figure for February 2020, just before Covid-19 hit.

“It is encouraging to see the coronavirus vaccine availability and inoculation rate moving up, but there is a long road to travel before we can reach the required herd immunity which should bring back some normality to the way we do business,” concluded the NADA chairperson.

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