

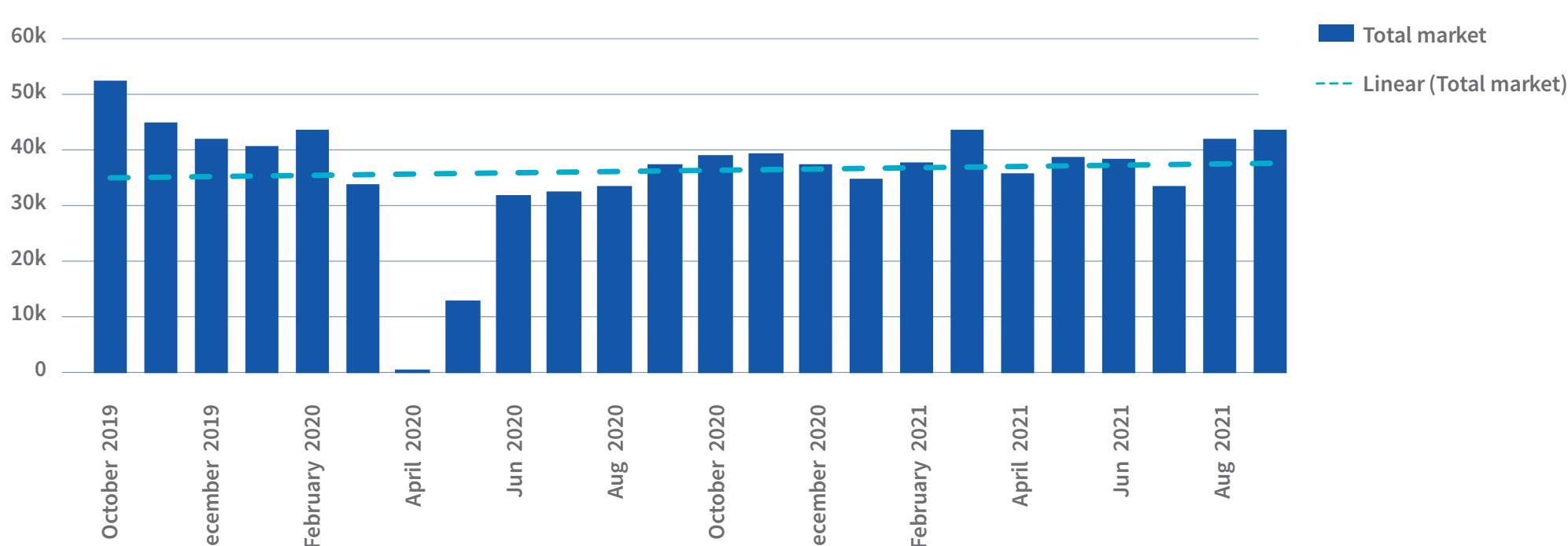
New vehicle sales recovery continues

New vehicle sales in September 2021 (43 146 units) were 16% up on September 2020, according to **naamsa**, and 3.9% up on August 2021 as the market continues to recover from Lockdown Alert Level 4 and July's civil unrest.

New vehicle sales in South Africa have yet to experience the full impact of the global semi-conductor shortage, which has affected sales in several overseas markets and continues to limit vehicle production around the world. Several premium brands, however, have suffered a dip in domestic sales as stock shortages begin to take their toll.

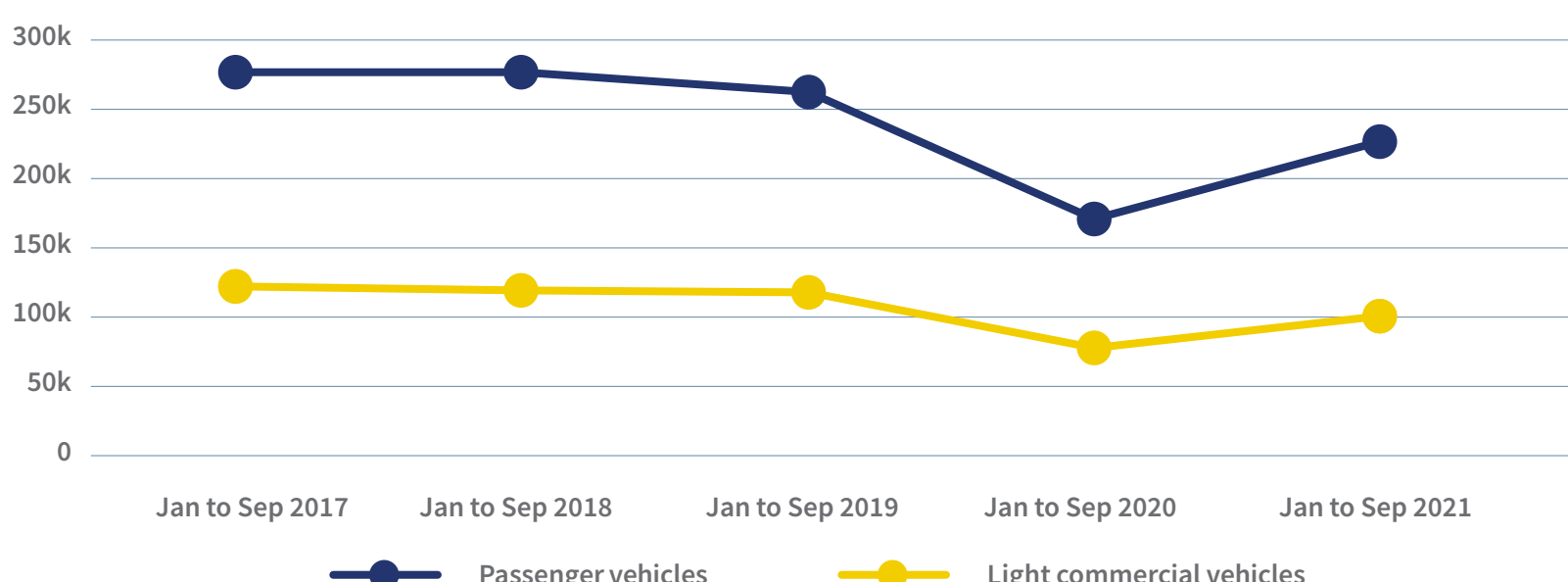
Passenger vehicle sales grew by 30% year-on-year in September to 29 537 units, but Light Commercial Vehicles sales were 11% down, dropping to 10 940 units, when compared with September 2020.

New vehicle sales



Overall sales for the first nine months of 2021 were 30% higher than for the first nine months of 2020, but still 13% down on 2019. So far, **naamsa** has reported a total of 345 502 units sold in 2021, of which around 84% represents dealer sales. Passenger vehicle sales were up 32%, and sales of LCVs increased by 28% compared to the January to September 2020 window. The car rental industry accounted for an estimated 14% of new Passenger car sales between January and September 2021, well ahead of the 8.4% share in the 2020 window and compares favourably with the 16% in 2019.

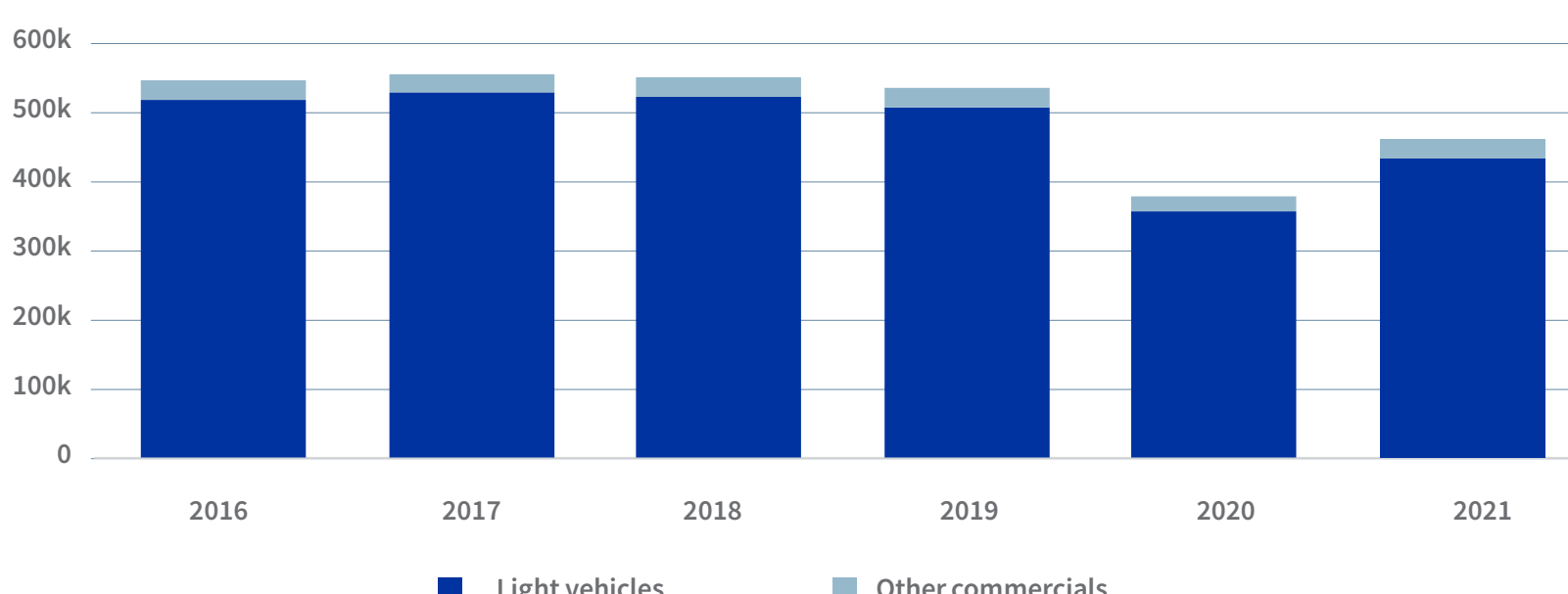
Passenger and light commercial new vehicle sales: year-to-date (January to September)



The market outlook for 2021 has improved marginally on the back of a fairly strong end to the third quarter, whilst GDP is still expected to grow, headline consumer inflation is likely to remain well within the Reserve Bank's target range and interest rates are expected to continue at relatively low levels.

This puts projected new vehicle sales for 2021 at around 462 000 units, of which 435 000 are Light vehicles (Passenger and Light Commercial). Overall, growth in new vehicle sales is expected to end 2021 around 21%.

New vehicle sales - 2016 to 2021



Market observations

The Entry segment (which includes the likes of the Kia Picanto, Toyota Starlet & Volkswagen Polo Vivo) was the largest Light Vehicle (Passenger & LCV markets) segment for the first nine months of 2021, with 60 172 new units sold – of which 79% were Dealer sales, and 18% reported through the Rental channel. Sales for the Entry segment picked up 40% from the nine months ending September 2020, which in turn was 36% down on the 2019 window.

The second-best performing segment in terms of volume was the Crossover segment (eg Ford EcoSport, Hyundai Venue & VW T-Cross) with 57 167 units sold in the nine months to September 2021, and this segment has strengthened from the nine months to September 2020 by 74%.

That 74% year-on-year growth enjoyed by the Crossover segment thus far in 2021 makes this the best performing Light Vehicle segment in terms of sales growth. The Dealer channel accounted for 91% of Crossover segment sales, and 5% were Rental sales. Over this nine-month window, the Crossover segment makes up 18% of all Light Vehicle sales, up from the 13% market share this segment enjoyed a year ago.

The next most improved segment over the first nine months is the MPV segment (eg Hyundai H1, Suzuki Ertiga & Jaguar XF), with a year-on-year jump of 60% over the nine months to September 2020.

Light vehicle segments: share of light vehicle market - January to September

