



Vehicle Sales

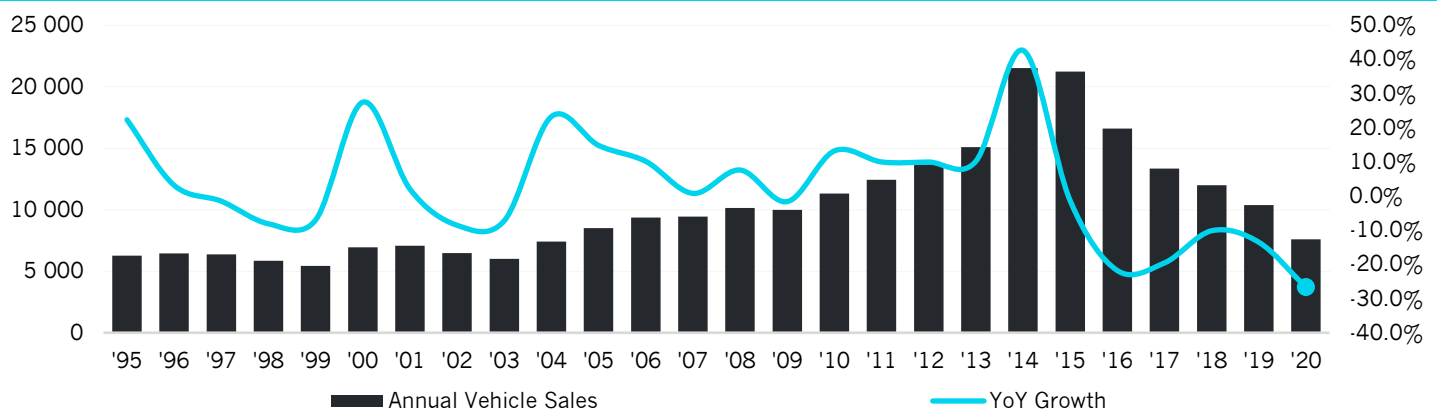
18 Jan '21

December 2020

December saw vehicle sales increase marginally m/m, with growth of 0.3%. However, vehicle sales remained contractionary with growth of -2.0% y/y. This amounted to 700 vehicles being sold over the month. This brings total new vehicle sold in '20 to 7,606 – the lowest annual sales figure since '04. This represents annual growth of -26.7%, the largest contraction on record.

Annual Vehicle Sales

Vehicles sold in '20 represent a 16-year low with the lowest annual growth (-26.7%) on record



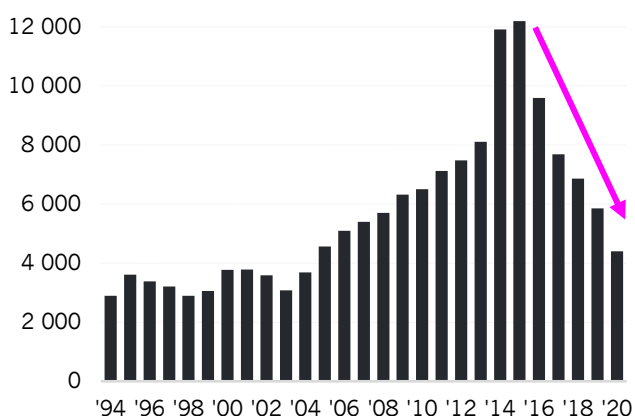
Source: Cirrus Securities, Lightstone Auto

A total of 700 new vehicles were sold in December, resulting in monthly and annual growth of 0.3% and -2.0%, respectively. Moreover, 2,771 fewer new vehicles were sold in '20 than '19. Total sales for '20 amounted to 7,606 units, a growth rate of -26.7% which is comparable to losing three full months of '19 sales. As was the case for the preceding two months, commercial vehicle sales decreased in December and were the primary contributor to the monthly decline. A total of 4,402 commercial vehicles were sold in '20, 1,447 (-24.7%) fewer than in '19. December new passenger vehicle sales increased over the year with growth of 5.1%. Naturally, annual passenger vehicle sales decreased compared to '19. In '20, there were 1,324 (29.2%) fewer passenger vehicles sold than in '19.

As a result of the dismal '20 vehicle sales, both commercial and passenger vehicle sales continue their downward trends that were established in '16, for commercial vehicles, and '15, for passenger vehicles.

Annual Commercial Vehicle Sales

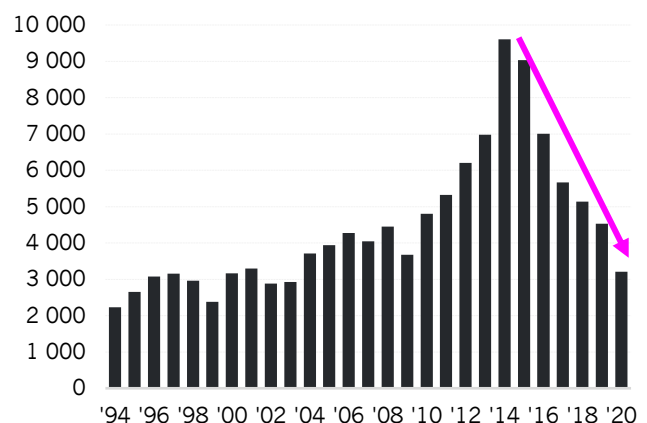
Annual commercial vehicle sales have not seen YoY increases since 2015



Source: Cirrus Securities, Lightstone Auto

Annual Passenger Vehicle Sales

Annual passenger vehicle sales have not seen YoY increases since 2014



Source: Cirrus Securities, Lightstone Auto

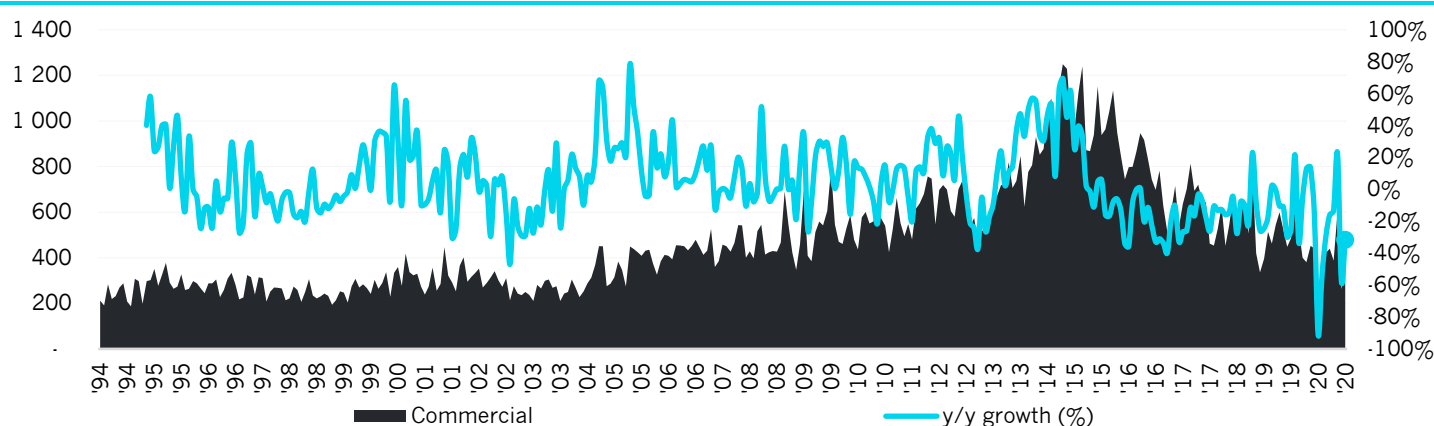


Vehicle sales are expected to rebound in '21, largely due to base effects as business operations normalise, and due to the release of pent-up demand from '20. Moreover, given the population census this year, it is expected that government will play a bigger role in vehicle purchases this year. This should see commercial vehicles rebound. Despite the expected artificial spur for commercial vehicles, expectations for passenger vehicles are to rebound at a lower rate. This is because many households remain at risk of retrenchments, are constrained by high debt levels (relative to disposable income), and face greater difficulty accessing finance given the riskier macro environment with historically low interest rates.

Commercial Vehicles

Commercial Vehicles

370 Commercial vehicles were sold in December with annual growth of -7.5%



Source: Cirrus Securities, Lightstone Auto

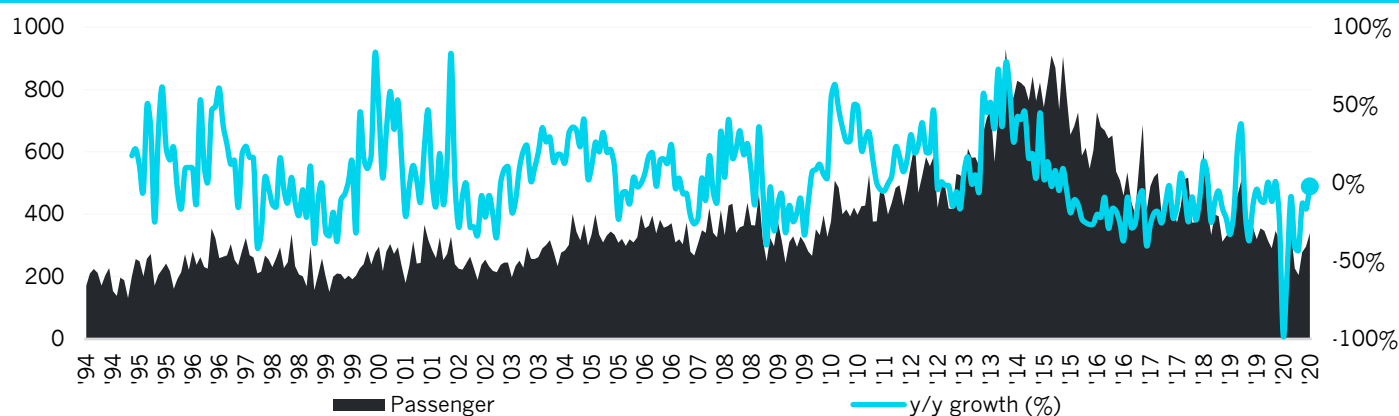
A total of 370 new commercial vehicles were sold in December. This is a 7.5% decrease y/y. Conversely, commercial vehicle sales saw 3.1% increase m/m. Annual sales for the year amounted to 4,402 units, significantly fewer than the 5,849 units sold in '19. This is the biggest annual contraction on record.

Light commercial vehicle (LCV) sales saw decreases both on a monthly and annual basis, with growth of -1.9% and -6.0%, respectively. This amounted to 315 LCVs sold in December and 3,869 vehicles sold over the year. 13 medium commercial vehicles were sold in December, with annual sales amounting to 172 units – 73 fewer than in '19. Finally, 9 heavy commercial vehicles, 32 extra heavy vehicles and 1 bus were sold in December.

Passenger Vehicles

Passenger Vehicles

330 Passenger vehicles were sold in December with annual growth of 5.1%



Source: Cirrus Securities, Lightstone Auto

A total of 330 passenger vehicles were sold in December. However, passenger vehicle sales further contracted on an annual basis, growing 5.1% compared to December '19. As a result, 3,204 passenger vehicles were sold in '20. Moreover, '20 sales represent a 29.4% decrease compared to '19, the biggest annual contraction on record. Base effects are expected to see passenger vehicle sales improve during '21, however not to the same extent as commercial vehicles. This is partly because of an increase in cheaper substitutes available on the market, but also due to weaker balance sheets of households as high household debt, high unemployment, and a relatively weak macroeconomic environment persist.

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