



Vehicle Sales

11 Feb '21

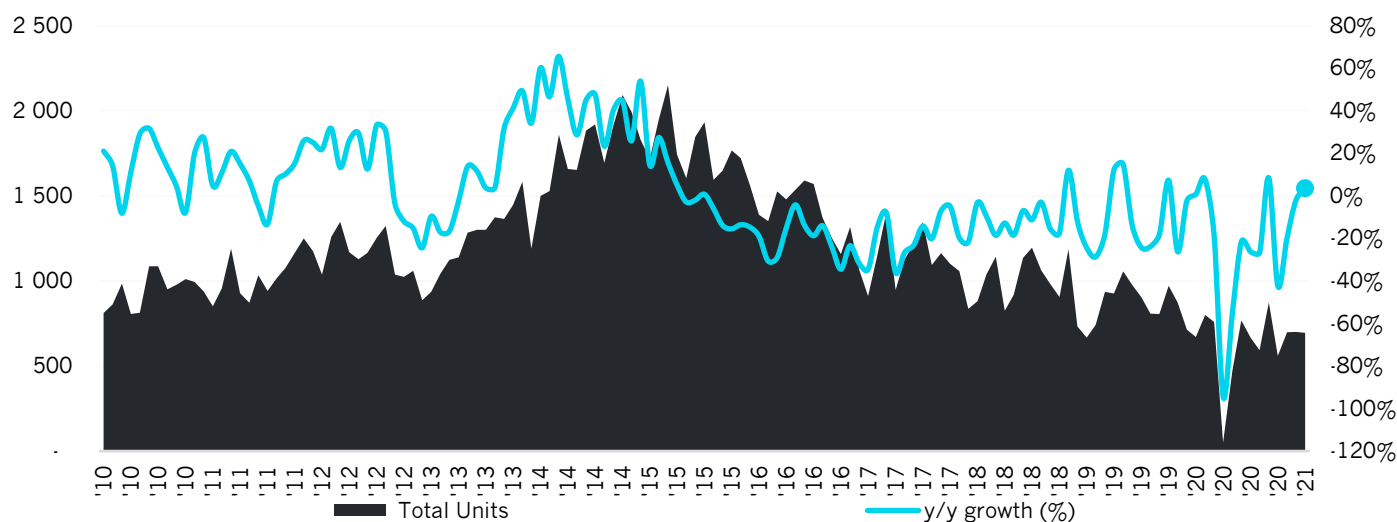
January 2020

January saw vehicle sales decrease m/m, with growth of -0.9%. However, vehicle sales, on an annual basis, saw growth of 3.4%. This amounted to 694 new vehicles being sold in January 2021. This is the first positive growth posted since September 2020 and the third positive growth figure in the last 12 months.

A total of 694 new vehicles were sold in January, resulting in monthly and annual growth of -0.9% and 3.4%, respectively. The positive annual growth in January is the first positive figure witnessed in vehicle sales in 3 consecutive months and is the third experienced in the past 12 months. Moreover, barring 2020 vehicle sales, total vehicles sold over the month represent the second lowest sales figure since May 2009. Commercial vehicle sales saw decreases on both a monthly and annual basis with respective growth rates of -8.4% and -10.8% amounting to 339 vehicles were sold. Conversely, new passenger vehicle sales increased both on a monthly and annual basis, growing by 7.6% and 22.0%, respectively, amounting to 355 passenger vehicles sold.

Total Vehicle Sales

694 new vehicles were sold in January with annual growth of 3.4%



Source: Cirrus Securities, Lightstone Auto

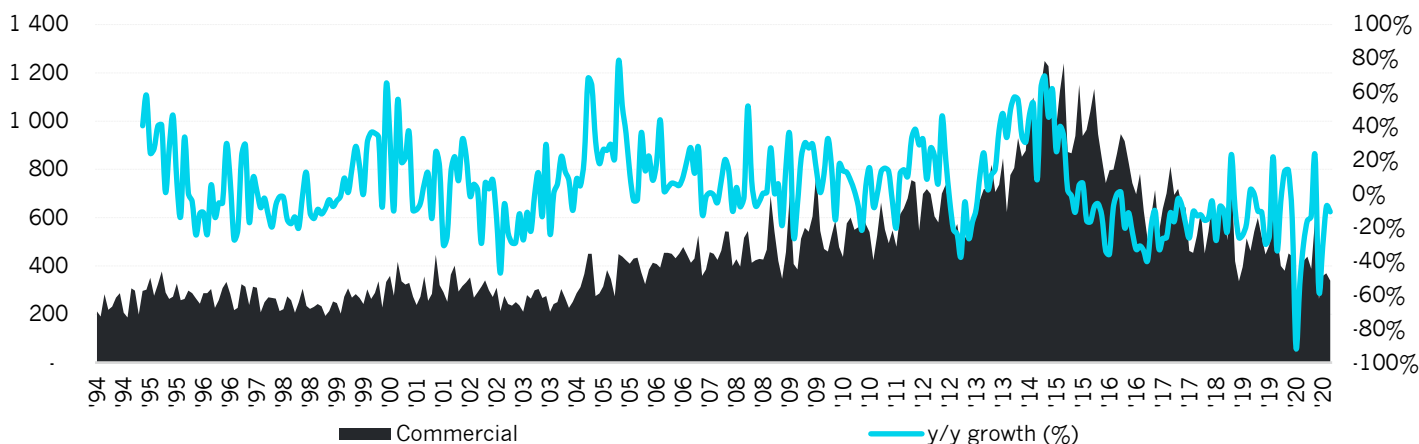
Vehicle sales are expected to rebound in '21, largely due to base effects as business operations are not expected to be halted abruptly. Moreover, vehicle sales growth will be further fuelled by the release of pent-up demand created in '20. Finally, given the population census this year, it is expected that government will play a bigger role in vehicle purchases this year. Despite the expected artificial spur for new vehicles, expectations are that vehicle sales will remain subdued, as compared to '19, as the economy struggles to rebound. This is further illustrated by the approximate 10-year low total vehicle sales figure. 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.



Commercial Vehicles

Commercial Vehicles

339 Commercial vehicles were sold in January with annual growth of -10.8%



Source: Cirrus Securities, Lightstone Auto

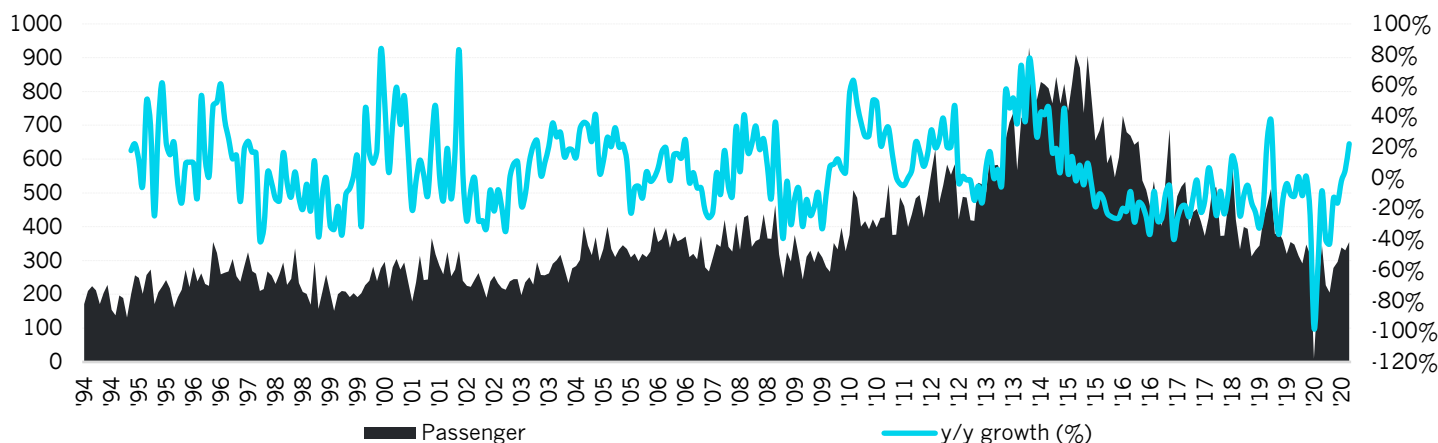
A total of 339 new commercial vehicles were sold in January. This is a 10.8% decrease y/y. Similarly, commercial vehicle sales saw 8.4% decreases m/m. Barring 2020 commercial vehicle, this is the second lowest commercial vehicle sold since January 2006. This is a clear indication that the recovery witnessed in commercial vehicles will take several years to return to normalised levels.

Light commercial vehicle (LCV) sales saw decreases both on a monthly and annual basis, with growth of -4.4% and -6.0%, respectively. A total of 9 medium commercial vehicles were sold in January, representing a growth rate of -35.7%. Finally, 9 heavy commercial vehicles, 19 extra heavy vehicles and 1 bus were sold in January.

Passenger Vehicles

Passenger Vehicles

335 Passenger vehicles were sold in December with annual growth of 22.0%



Source: Cirrus Securities, Lightstone Auto

A total of 335 passenger vehicles were sold in January. This resulted in growth of 7.6% and 22.0% on a monthly and annual basis, respectively. Moreover, annual growth represents the highest growth rate since May '19. Base effects are expected to see passenger vehicle sales improve during '21, as pent-up demand begins to leak into the space. However, passenger vehicles will remain subdued on a normalised basis 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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