

Chevrolet sales plunge 38% as GM leaves SA

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Sales of new Chevrolet cars plunged by 38% in May from a month earlier, following the announcement that the brand will leave the market at the end of this year when General Motors (GM) disinvests from SA. Sales fell to 251 from 407 in April.



It was also a disappointing month for the overall new-vehicle market as total sales in May fell 2.6% compared to May 2016, from 42,912 to 41,783. Car sales slipped 1.5%, from 26,980 to 26,317.

As a result, aggregate vehicle sales for the first five months were down 1.7%, from 227,432 to 223,664.



Major GM South Africa announcement

Ilse van den Berg 18 May 2017



The figures were released on Thursday, 1 June 2017 by the department of trade and industry. Though the National Association of Automobile Manufacturers (Naamsa) said car and bakkie sales "held up better than expected", some market analysts had been hoping for the start of a market rebound. However, they still believe it will kick in before the end of the year.

Disappointing truck sales

Truck sales last month were disappointing: medium-sized vehicles lost 13.6% and heavies 17.5%.

Naamsa said the sales outlook for the rest of the year is uncertain. "The polarised political environment in SA, together with prospects of subdued economic growth over the short to medium term, continues to weigh on business confidence and consumer sentiment."

While Chevrolet car sales suffered in May, the brand's small Utility bakkie stayed strong and led its market category. This put it ahead of Nissan's NP200, which will have the field effectively to itself from the end of this year when GM completes the sale of its South African assets to Japanese commercial vehicle manufacturer Isuzu, and ends local production and sales of Chevrolet products.

Exports in May were disappointing - down 12% compared to a year earlier, from 33,619 to 41,783. Though Naamsa said this should be seen in the context of a particularly strong performance in May 2016, the combined export market for the first five months of 2017 is down 8.8% and companies will have to pull out all the stops to achieve the forecast record full-year exports.

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