

# SA's automotive industry opens up for business

The Department of Trade, Industry and Competition has published a Government Gazette, which details precise directions regarding the sale of cars and emergency automobile repairs during Level 4 lockdown.



Photo by Kehn Hermano© from [Pexels](#)

Significantly, car dealers are now allowed to sell both new and used cars while original equipment manufacturers (OEMs) and importers may wholesale new and used cars. Cars may also be imported and exported. Trade-in purchases, car lease scheme returns and the wholesale trading of used cars are also permitted.

## Phases

There are three phases to get dealerships to operate at 100% capacity – and these are important to motorists and dealers alike.

- Under **Phase One** (commencing 12 May; expected to end after a fortnight), dealerships and used car outlets can operate with a maximum of 30% of staff members and the majority of car sales must be done remotely (via the internet or telephone). Home deliveries of fully sanitised vehicles are mandatory.

With **Phase Two** (expected to commence on 26 May and last for a fortnight), dealerships and used car outlets can operate with up to 60% of staff members and limited customers can enter the dealership under extremely strict hygiene and social distancing conditions. On-site pick-ups and deliveries of fully sanitised cars will be allowed.

**Phase Three** commences on 8 June 2020 and continues until Level 4 is lifted. At this stage, all staff members are allowed to return to work at the dealerships and used car outlets while customers will be allowed on-site (although this will still be kept to a minimum).

In all three phases, test drives can only be arranged on appointment while car auctions must be conducted online.

In order to support the dealerships, roadworthy assessment and testing centres will open while the National Regulator for Compulsory Specifications (NRCS) will provide homologation services.

George Mienie, CEO at AutoTrader, comments: "This directive is undoubtedly good news for motorists and the motor industry alike. Based on an AutoTrader survey, the financial well-being of a whopping 65% of vehicle-buying consumers in South Africa has been negatively impacted by the nationwide lockdown. Many (30% to be precise) are under pressure to replace their vehicle within the next four weeks. This is being reflected in a massive increase in online searches. The highest number of car searches in Level 4 period was recorded on 10 May; we recorded over 1,3 million searches on that day alone. In the last two weeks, enquiries to car dealers have risen by an astounding 69%.

"Dealers, on the other hand, are under pressure to survive. Another particularly important factor is the decline in consumer finance approval rates. Some dealers are reporting that approval ratings have declined," he reveals.

"The situation is far from ideal. But the good news is that this directive is the best for both motorists and dealers," Mienie concludes.

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