

The impact of Covid-19 on SA's automotive industry

 By [Naresh Maharaj](#)

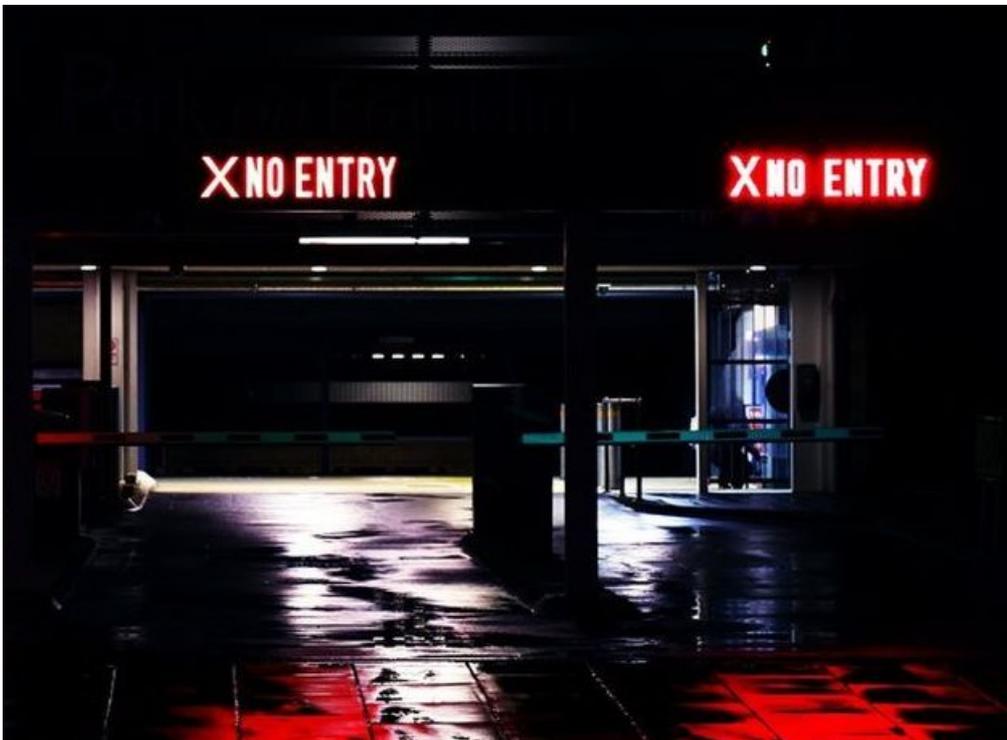
7 Apr 2020

Who would have thought that something like a national lockdown would ever happen? Nobody. All industries have been affected by the coronavirus pandemic, in more ways than one, and the motoring industry is no exception.

As a motoring journalist, I often travel across the country to car launches, but this is no longer the case as the industry has been brought to a halt in a bid to follow the regulations of the national lockdown.

There's no doubt that the pandemic has changed the way we will do business in the future...

China remains the world's largest automotive manufacturing country and automotive market since 2009 and has long been seen as the centre of the global automotive industry with many manufacturers owning plants or having some reliance on automotive parts from the East. Many multinational manufacturers have partnerships with Chinese domestic manufacturers.



Source: pixabay.com

In 2018, annual vehicle production in China accounted for over 30% of worldwide vehicle production, which exceeds that of the European Union or that of the United States and Japan combined. Is it right for the world to place such huge reliance on one country? I am sure that this is set to change, one way or the other. Lessons have been learned.

I posed a few questions on salient issues to local motoring manufacturers in general.

“The emergency and essential services are crucial to implementing and maintaining the national lockdown and social distancing measures to contain the spread of the coronavirus,” says Neale Hill, managing director of Ford Motor Company South Africa.

“To keep these services running and ensuring that the provision of primary healthcare, community support and deliveries of food continues, Ford Motor Company, together with the selected dealers, applied for and were granted government permission for 16 Ford dealers in the major centres across the country to conduct essential repairs on Ford vehicles used by these personnel.

Denise van Huyssteen, Corporate Affairs, Business Strategy and Legal Executive at Isuzu Motors South Africa, says, “While we are fully aware that the closure of our operations will have a direct economic impact on our business, the businesses of our suppliers and dealers and also upon our employees, these measures are necessary to contain the spread of Covid-19.”

“We will continue to offer support to our customers who are classified as providing essential services to South Africa. We will also continuously engage with our internal and external stakeholders to develop and implement plans to mitigate the impact of these developments on our local and national economy. We are committed to supporting our country through this very difficult and challenging period and will where ever possibly provide assistance. To this, we have allocated vehicles to the Gift of the Givers to utilise in providing critical emergency support to hospitals and medical facilities.”

“In addition to this, we are considering other measures which we can implement to help the country through this crisis. There is no doubt that in the next few weeks and months will be a difficult time for our economy and for every single South African. At Isuzu Motors South Africa, we stand in solidarity with our government, our employees, dealers, suppliers, customers and our broader community,” concludes van Huyssteen.

Toni Herbst, media liaison officer at Suzuki Auto South Africa, said that service plans and warranties will be extended by the number of days of the lockdown. Motor plans and extended warranties are not underwritten by Suzuki Auto South Africa but rather a third party.

“We are at the mercy of this lockdown period, with no movement of vehicles to and from the stockyard to dealers and customers. We have also cancelled the launch of the new Suzuki S-Presso (before the announcement of the lockdown), and managed to pull off a digital launch instead.”

Herbst believes that there will certainly be an effect on the entire motor industry, but believes it is too soon to comment on exactly how big this impact will be. She also referred to a statement from Yukio Sato, managing director of Suzuki Auto South Africa.

Dear valued customer,

The time has come for each and every one of us to take a stand, work together and do our part to curb the spread of this global pandemic. As part of President Cyril Ramaphosa's directive, Suzuki Auto South Africa head office and all Suzuki dealerships will be closed during the 21-day lockdown period.

In order to best serve you, our loyal Suzuki customer, we have equipped our Customer Care teams to respond to queries and concerns remotely, via the customer@suzykiauto.co.za e-mail address, our Customer Care page on the suzykiauto.co.za website and through interactions on our Suzuki SA Facebook page.

All online communication platforms will be operational for sales, service and general enquiries. These will be attended to and advised upon in line with the lockdown restrictions.

We wish you all the best during these unprecedented times and would like to encourage you to interact with us on our social media platforms.

Take Care, Stay Home & Stay Safe,

Yukio Sato
Managing Director – Suzuki Auto South Africa

Toyota SA Motors has long been seen as a front runner when it comes to vehicles sales across all their motoring derivatives. Toyota recently launches the all-new Corolla. Clynton Yon, senior manager of communications at Toyota, says “Obviously there are no new models being launched at present. We are also planning post lockdown very cautiously. Warranties and service plans will not be affected by the lockdown as we will extend the benefits to account for the ‘lost’ days.

Renault SA has confirmed that all plants in Europe have been closed. Vivienne Ward, press relations manager, says that new products have been put on hold until further notice.

Finally, Dr Norman Lamprecht of the National Association of Automobile Manufacturers of South Africa (Naamsa), says “The automotive industry across the world is currently experiencing unprecedented challenges due to the global lockdowns implemented across all major automotive manufacturing countries to flatten the Covid-19 curve. South Africa is no exception to this and the entire domestic motor industry also suspended production in view of the nationwide lockdown.

The new vehicle sales statistics for March 2020 reflects a substantial decline of 29,7% compared to March last year while export sales showed a huge fall of 21,5% compared to March last year. The South African automotive industry is an export-oriented industry. China was South Africa’s 7th largest automotive trading partner in 2019 with imports of R18,6bn of which R4,6bn original equipment components and R12,5bn aftermarket components.

However, Europe, also severely affected by Covid-19 pandemic, was the domestic automotive industry’s main trading region in 2019 comprising R129,7bn, or 64,3% of the country’s vehicle and component exports and R119,2bn, or 51%, of the country’s vehicle and component imports of R233,7bn,” concludes Dr Lamprecht.

For the South African motoring industry, this is scary stuff indeed, but we have to remain steadfast in our homes and hope and pray for the best.

**Note that Bizcommunity does not necessarily share the views of its contributors - the opinions and statements expressed herein are solely those of the author.*

ABOUT NARESH MAHARAJ

Naresh Maharaj is a petrol head who loves cars and writing about them. He is also a Member of the SA Guild of Motoring Journalists. Naresh is also an international sports correspondent and an acclaimed corporate MC and voice-over artist. Naresh is a sports/news producer for community radio stations and also an award-winning sports journalist. Contact Naresh on nmaharaj321@gmail.com

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