

# Citroën not lost to SA and new Peugeots on the way

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Citroën may yet return to South African shores, says Peugeot Citroën SA MD Francis Harnie, telling Business Day that the group would reconsider bringing the brand back into the country in two to three years, once it had relaunched and better established Peugeot.



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"We are relaunching the [PSA] Group in SA and will be introducing five new Peugeot models in the next 18 months, three of which are SUVs," Harnie said, following [news that Citroën](#) would no longer be importing vehicles into the country due to tough trading conditions.

Formerly PSA Peugeot Citroën, the group rebranded to PSA Group earlier in 2016.

"We are just not bringing in new [Citroën] models for the next few years; it could be one year or two years or three years," he said.

Existing Citroën owners would be serviced by the same 26 Peugeot Citroën dealerships, all of which would remain open, Harnie said. "Nothing is changing [on] the service side, nobody will be lacking parts. [Citroën] owners will receive the same service they are used to."

Citroën returned to SA as an independent importer in 2001 and as a subsidiary of France's PSA Peugeot Citroën in 2010. The group has a domestic car park of 60,000 vehicles, 45,000 of which are Peugeots. Citroën sold just 440 vehicles in 2016.

The decision to pull the plug on Citroën imports and focus only on Peugeot reflected the weak domestic trading environment, said Nico Vermeulen, director at the National Association of Automobile Manufacturers of SA (Naamsa).

"The importers are exposed to the full effects of rand weakness, although the rand has strengthened some over the past few months," he said.

Harnie said rand volatility meant that all imported brands were struggling to be competitive in SA. "We are facing the tough reality of being an importer in SA."

Vermeulen said domestic manufacturers were to some extent cushioned by exports, but domestic sales remained subdued because of relatively high interest rates. New vehicle sales fell for the fourth consecutive month in November, Naamsa reported.

The short-to medium-term outlook for new vehicle sales remained extremely challenging in the face of high new vehicle price inflation, pressure on disposable incomes and relatively high interest rates, it said.

The PSA Group was not running away from SA and would look to reintroducing Citroën and possibly its premium DS car brand in future, Harnie said.

*Source: Business Day*

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