

UK demand behind delay in supply of MGs to SA

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13 May 2014

The immediate future of MG cars in SA is safe after importer Combined Motor Holdings (CMH) struck a deal with the brand's Chinese owners to bring a new car range to the local market within weeks.



Huge demand for the MG3 in the UK has left South Africa without any models for its dealerships. However, after extensive talks with the manufacturers, the MG3 should be available in this country from July. Image: [Car Pages](#)

CMH's Chief Executive Jebb McIntosh last month expressed his exasperation at broken promises by Shanghai-based SAIC to supply new products to SA. Three years into a five-year agreement to import MGs, CMH is still selling only the original launch model, the MG6 sedan.

McIntosh said he was "frustrated and disillusioned" at the lack of support from SAIC, and suggested CMH might ditch the brand. The final straw was the failure to meet last August's deadline to provide the new MG3 entry-level car to SA.

Now, however, MG SA's Chief Operating Officer Craig Lanham-Love says the car should start arriving here in July. A further new, as yet unspecified, MG range should follow next year. "We and SAIC are once again committed to the SA market," he said.

Depending on exchange rates, the M3 is expected to sell at about R150,000.

General Manager Derrick Bishop said delays in supplying the MG3 to SA were caused by market demand in the UK, the original home of MG. Brand sales rose 574% there last year, leaving no MG3 stock available for other right-hand drive countries.

Now a new M3 assembly plant in Thailand will supply markets such as SA, New Zealand and Australia. The plant is about to begin limited test production. Until it is ready for full runs, SA will be supplied from the main Shanghai factory.

Lanham-Love said: "After intensive discussions, SAIC understands our predicament and our needs. We have been through a difficult time with the MG franchise but we believe that is now behind us."

He said the government recently approved MG as a potential bidder for government vehicle contracts and the company hoped to increase its South African dealers this year from the current level of 15 to at least 25.

Source: Business Day via I-Net Bridge

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