

PRESS RELEASE

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VEHICLE EXPORTS JUMPS BY 177,8% naamsa releases July 2022 new vehicle stats

PRETORIA: Monday, August 01, 2022: NOTE TO THE MEDIA - Reflecting on the new vehicle sales statistics for the month of July 2022, **naamsa** said that the new vehicle market's performance was distorted by the adverse economic events as well as the cyberattack on Transnet's operations during July 2021. Aggregate domestic new vehicle sales in July 2022, at 43,593 units reflected an increase of 10,281 units, or 30,9%, from the 33,312 vehicles sold in July last year. Export sales recorded an increase of 19,990 units, or 177,7%, to 31,242 units in July 2022 compared to the 11,252 vehicles exported in July of last year.

Overall, out of the total reported industry sales of 43,593 vehicles, an estimated 36,420 units, or 83,6%, represented dealer sales, an estimated 10,4% represented sales to the vehicle rental industry, 5,0% to industry corporate fleets, and 1,0% sales to government.

The July 2022 new passenger car market at 31,455 units had registered an increase of 10,517 cars, or a gain of 50,2%, compared to the 20,938 new cars sold in July 2021. The car rental industry supported the new passenger car market during the month and accounted for 13,2% of sales in July 2022. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 9,547 units during July 2022 had recorded a decline of 710 units, or a fall of 6,9%, from the 10,257 light commercial vehicles sold during July 2021.

Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 790 units and 1,801 units, respectively, showed an increase of 196 units, or 33,0% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 278 vehicles, or a gain of 18,3%, compared to the corresponding month last year.

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The July 2022 exports sales number at 31,242 units reflected an increase of 19,990 vehicles, or 177,7%, compared to the 11,252 vehicles exported in July 2021. For the year-to-date, vehicle exports were now 2,5% ahead of the corresponding period 2021.

The new vehicle market's performance for July 2022 was in line with the June 2022 performance but distorted when compared to the corresponding month 2021. The economic disruptions caused by unrests in Kwazulu-Natal and certain areas across Gauteng, the cyberattack on Transnet operations which led to a force majeure which in turn impacted negatively on vehicle export and import operations, as well as the adjusted Alert Level 4 lockdown restrictions, which lasted for more than five weeks, severely curtailed the automotive industry's performance at the time. Although the new vehicle market's performance for the year-to-date is still 13,9% ahead compared to the corresponding period 2021, the Absa Purchasing Managers' Index (PMI) index tracking expected business conditions in six months' time dipped to 49,4 in July 2022. This was the first time since the second quarter of 2020 during the strictest phase of South Africa's COVID-19 lockdown restrictions that respondents expected conditions to worsen going forward.

In addition, the consumer price inflation exceeded the top end of the South African Reserve Bank's (SARB's) target range of 3% to 6% to reach 7,4% in June 2022, the highest level since May 2009, as prices continued to accelerate, mostly for transport. Consequently, the SA Reserve Bank increased interest rates by 75 basis points in July 2022, the biggest hike since September 2002 and the fifth increase since November 2021. Further interest rate increases are expected for the balance of the year that would impact consumer and business sentiment negatively, and consequently the new vehicle market.

On a year-to-date basis, vehicle exports moved into positive territory for the first time this year and were 2,9% ahead of the corresponding period 2021. Although further new locally manufactured model introductions are expected to boost vehicle exports for the balance of the year, global economic growth prospects have been revised downwards. A key driver in this decline is the much weaker growth prospects for Europe, which is the South African automotive industry's largest export region.

ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 4.3% to GDP [2.4% manufacturing and 1.9% retail];
- in 2021, the export of vehicles and automotive components reached a record amount of R207.5 billion, equating to 12.5% of South Africa's total exports; the industry accounts for 17.3% of the country's manufacturing output;
- vehicles and components are exported to 152 international markets;
- the manufacturing segment of the industry presently employs in the order of 110,000 people across its various tiers of activity [from component manufacturing to vehicle assembly];
- combined with the industry's strong multiplier effect, the industry is responsible for approximately 457,000 jobs across the South African economy's formal sector.

NOTES FOR EDITORS

- Our vision is to be the most credible and respected thought leader and partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa;
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naamsa OFFICES: PRETORIA | Monday, August 01, 2022