

PRESS RELEASE

FOR IMMEDIATE RELEASE | Tuesday, November 01, 2022

naamsa has thanked industry stakeholders as it releases October 2022 new vehicle stats

PRETORIA: Tuesday, November 01, 2022: naamsa | The Automotive Business Council has thanked all industry stakeholders after the successful hosting of the SA Auto Week last week. “We would like to take this time to record our sincerest appreciation to everyone who participated, directly or indirectly during the inaugural SA Auto Week. This event was an important engagement platform where the industry had great discussions on the future of the automotive industry in the country and on the African continent”, says Mikel Mabasa, **naamsa** CEO.

While the key takeaways were countless, we underscore a few that resonated with many of our delegates: 1] as the European markets become more and more challenging for exports in the future, South Africa needs to put its foot forward in bringing the African Continental Free Trade Area [AfCFTA] a reality to accelerate and further develop the African market for new vehicles to help drive industrialisation of the continent; 2] South Africa needs to embrace the opportunities that the transition to New Energy Vehicles offer well beyond the automotive sector [e.g. decentralised solar power generation, charging infrastructure, energy storage solutions]. And we have to move quickly as the gap is continuously increasing and other African countries are far more progressive than us in SA; 3] we urgently need to address our structural challenges [energy, infrastructure, labour, transportation] as they continue to threaten our global competitiveness. These thoughts were shared by Dr. Robert CISEK, the outgoing Chairman and Managing Director at Volkswagen Group South Africa.

Page 1 of 3

National Office Bearers: President: **Neale HILL** | Managing Director | Ford Motor Company
Vice-President: Manufacturing OEMs | **Billy TOM** | President and Chief Executive Officer | Isuzu Motors South Africa
Vice-President: Retailing OEMs | **Gary SCOTT** | Chief Executive Officer | Kia South Africa
Vice-President: Heavy Commercial OEMs | **Filip VAN DEN HEEDE** | Managing Director | UD Trucks
Immediate Past President: **Andrew KIRBY** | President and Chief Executive Officer | Toyota South Africa Motors

Executive Director: Chief Executive Officer: **Mikel MABASA**

Registration Details: **naamsa** NPC: 2021/358607/08 | VAT No.: 4070109972 | PBO No.: 930/023/609

Reflecting on the new vehicle sales statistics for the month of October 2022 **naamsa** said that, although the pace of recovery has started to ease, the performance of the new vehicle market remained reassuring considering further headwinds such as the logistical disruptions during the month. Aggregate domestic new vehicle sales in October 2022, at 45,966 units reflected an increase of 4,715 units, or **11,4%**, from the 41,251 vehicles sold in October 2021. Export sales recorded an increase of 4,101 units, or 16,1%, to 29,508 units in October 2022 compared to the 25,407 vehicles exported in October 2021.

Overall, out of the total reported industry sales of 45,966 vehicles, an estimated 37,983 units, or 82,6%, represented dealer sales, an estimated 13,1% represented sales to the vehicle rental industry, 2,4% sales to government, and 1,9% to industry corporate fleets. The October 2022 new passenger car market at 30,597 units had registered an increase of 2,881 cars, or a gain of 10,4%, compared to the 27,716 new cars sold in October 2021. The car rental industry supported the new passenger car market during the month and accounted for a solid 17,4% of sales in October 2022.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 12,738 units during October 2022 had recorded an increase of 1,590 units, or a gain of 14,3%, from the 11,148 light commercial vehicles sold during October 2021. Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 769 units and 1,862 units, respectively, showed an increase of 177 units, or 29,9% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 67 vehicles, or a gain of 3,7%, compared to the corresponding month last year. The October 2022 exports sales number at 29,508 units reflected an increase of 4,101 vehicles, or 16,1%, compared to the 25,407 vehicles exported in October 2021. For the year-to-date, vehicle exports were now 14,4% ahead of the corresponding period 2021.

The new vehicle market's performance during October 2022 remained reassuring despite tough economic pressures, although the pace of recovery for the year to date has eased to 13,1% compared to the corresponding period 2021. In addition to seasonal support from the car rental industry, a new **naamsa** member company has started to report new vehicle sales since the second half of the year which has enhanced the monthly sales figures. However, growth prospects for the balance of the year remain constrained as higher interest rates and consequent higher debt servicing costs weigh on disposable income. According to the ABSA Purchasing Managers' Index [PMI], the index tracking business conditions in six months slipped to 49.2. This is the most pessimistic purchasing managers have been about the outlook since May 2020. The persistence of load-shedding and little hope that this will be alleviated over the near term likely also weighed on sentiment.

Vehicle exports continued their upward momentum during the month despite the logistical disruptions caused by the Transnet strike and consequent force majeure declared. Despite the weaker global demand, due to major advanced economies around the world entering a new era of persistent and structurally higher inflation, vehicle exports remain on track to reach a level of well over 300,000 units in 2022. **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

- **naamsa** is a pre-eminent industry representative that actively and responsibly represents, promote, advance, and protect the interests of local manufacturers and assemblers of passenger, light, and heavy commercial vehicles as well as major importers and distributors of new vehicles in South Africa. We represent 41 companies;
- 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;
- Enquiries: Mikel M. MABASA, Chief Executive Officer, mikel@naamsa.co.za;
- Contact Numbers: +27 12 807 0152 or +27 82 909 6621;
- More information can be found on www.naamsa.co.za.

naamsa OFFICES: PRETORIA | Tuesday, November 01, 2022