naamsa
THE AUTOMOTIVE BUSINESS COUNCIL

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Our Strategy: Re-imagining the future, TOGETHER

PRESS RELEASE

FOR IMMEDIATE RELEASE | Friday, September 01, 2023

naamsa RELEASES AUGUST 2023 NEW VEHICLE STATS

IMPORTANT NOTICE: Please note that **naamsa** uses a different naming convention, namely **naamsa** | The Automotive Business Council or **naamsa**. The National Association of Automobile Manufacturers of South Africa is no longer a legal entity, and we wish to advise all reporters to use the new naming convention as advised above.

PRETORIA: Friday, September 01, 2023: Reflecting on the new vehicle sales statistics for the month of August 2023, **naamsa** | The Automotive Business Council said that the weak new vehicle sales performance underlines the ongoing stressed business and consumer environment in the country given that negative economic considerations still greatly outweigh positive ones. Aggregate domestic new vehicle sales in August 2023, at 45,679 units reflected a decline of 1,476 units, or a fall of 3,1%, from the 47,155 vehicles sold in August 2022. Export sales recorded an increase of 10,405 units, or 33,5%, to 41,462 units in August 2023 compared to the 31,057 vehicles exported in August 2022.

Overall, out of the total reported industry sales of 45,679 vehicles, an estimated 38,292 units, or 83,8%, represented dealer sales, an estimated 12,2% represented sales to the vehicle rental industry, 2,8% to industry corporate fleets, and 1,2% sales to government.

The August 2023 new passenger car market at 28,951 units had registered a decline of 2,064 cars, or a loss of 6,7%, compared to the 31,015 new cars sold in August 2022. The car rental industry supported the new passenger car market during the month and accounted for a sound 16,2% of sales in August 2023.

Domestic sales of new light commercial vehicles, bakkies and mini buses at 13,652 units during August 2023 had recorded an increase of 363 units, or a gain of 2,7%, from the 13,289 light commercial vehicles sold during August 2022.

Non-Executive Directors: Billy TOM [President] | Peter VAN BINSBERGEN [Vice-President: Manufacturing OEMs] | Thato MAGASA [Vice-President: Retailing OEMs] | Jan AICHINGER [Vice-President: Heavy Commercial OEMs] | Neale HILL [Immediate Past President]

Executive Director: Mikel MABASA [Chief Executive Officer]

Registered Information: **naamsa** NPC, trading as naamsa | The Automotive Business Council
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Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 702 units and 2,374 units, respectively, showed an increase of 2 units, or 0,3% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 223 vehicles, or a gain of 10,4%, compared to the corresponding month last year.

The August 2023 exports sales number at 41,462 units reflected a substantial increase of 10,405 vehicles, or 33,5%, compared to the 31,057 vehicles exported in August 2022. Vehicle exports for the year to date were now 12,4% ahead of the same period last year.

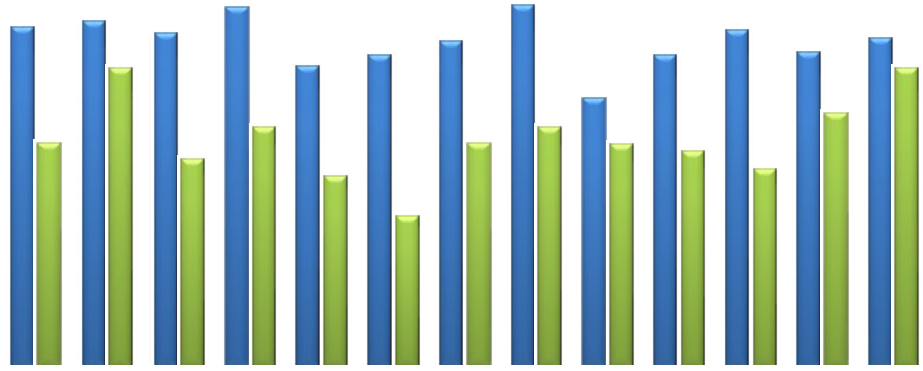
The weak performance of the passenger car market reflected the impact of rising costs of living and lower disposable income on consumer sentiment and the ability to be active in the new vehicle market. Affordability along with delayed replacement cycles appear to be driving new vehicle sales. On the positive side, the significantly less daytime loadshedding since June 2023, interest rates that were put on hold in July 2023 for the first time since November 2021 and inflation now firmly falling within the 3%- 6% target band, have been providing some relief for consumers. However, energy and logistical constraints remain binding on the domestic economic growth outlook, limiting economic activity and increasing costs. Although the SA Reserve Bank has slightly increased its forecast for South Africa's GDP growth from 0,3% to 0,4% for 2023, the medium-term outlook for business conditions in the new vehicle market continue to reflect subdued demand for high-priced items such as vehicles, which correlates with a stagnating domestic economy.

Vehicle exports reflected a substantial increase during the month compared to the corresponding month 2022 due to the ongoing knock-on effects of the devastating Kwazulu-Natal flooding and supply chain disruptions at the time. The longer-term global economic outlook remains clouded by risks to the inflation trajectory, ongoing geopolitical tensions and the effects of climate change. However, prospects for vehicle export growth for the balance of the year remain optimistic on the back of new model introductions by major exporters in the domestic market.

South Africa has advantageous access to world markets through free trade agreements with major markets such as Europe and the UK, and a preferential trade arrangement with the US. The African Growth and Opportunity Act [AGOA] Research Report, conducted by the Automotive Industry Export Council [AEIC], as released by **naamsa** on 31 August 2023, reflects the overwhelming evidence of how the various trade arrangements enjoyed by South Africa, such as AGOA, substantively secured, strengthened, and enhanced the domestic automotive industry's exports and trade flows.

Finally, **naamsa** congratulates President Cyril RAMAPHOSA, on hosting a momentous and successful BRICS summit, which culminated in the addition of six new countries from January 2024. We are encouraged that the expanded BRICS collective will create mutual trade and investment opportunities, skills and technological transfers, and openness to new markets.

Total Market | 12 months trend



	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
New Vehicle Sales	47155	47984	46350	49989	41722	43295	45162	50114	37356	43243	46822	43575	45679
Exports	31057	41464	28891	33207	26295	20684	30991	33136	30749	29947	27329	35205	41462

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 4.9% to GDP [2.9% manufacturing and 2.0% retail];
- in 2022, the export of vehicles and automotive components reached a record amount of R227,3 billion, equating to 12.4% of South Africa's total exports;
- the industry accounts for 21.7% 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

- Since 2021 **naamsa** introduced associate membership that offers tangible benefits such as access to information, visibility to key industry issues, business exposure, as well as related discounts;
- 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 | Friday, September 01, 2023.