

PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, June 03, 2024
naamsa RELEASES MAY 2024 STATISTICS

NATIONAL ELECTION JITTERS IMPACTED NEW VEHICLE SALES

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 conventions as advised above.

PRETORIA: Monday, June 03, 2024: The encouraging performance in the new vehicle market during April 2024 was short-lived as national election jitters applied a handbrake on purchases of big-ticket items such as vehicles. Reflecting on the new vehicle sales statistics **naamsa** | The Automotive Business Council said that the welcomed uptick in new vehicle sales during April 2024 could unfortunately not repeat itself during the Month of May 2024. Aggregate domestic new vehicle sales in May 2024, at 37,105 units, reflected a substantial decrease of 6,137 units, or a loss of 14,2%, from the 43,242 vehicles sold in May 2023. Export sales also recorded a substantial decrease of 5,712 units, or 19,1%, to 24,235 units in May 2024 compared to the 29,947 vehicles exported in May 2023.

Overall, out of the total reported industry sales of 37,105 vehicles, an estimated 33,191 units, or 89,4%, represented dealer sales, an estimated 4,5% represented sales to the vehicle rental industry, 3,1% to industry corporate fleets, and 3,0% to government. The May 2024 new passenger car market at 24,367 units had registered a decrease of 3,212 cars, or a loss of 11,7%, compared to the 27,579 new cars sold in May 2023. Car rental sales accounted for 5,7% of new passenger vehicles sales during the month. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,334 units during May 2024 had recorded a decrease of 2,498 units, or a loss of 19,5%, from the 12,832 light commercial vehicles sold during May 2023.

Sales for medium and heavy truck segments of the industry reflected an overall weak performance for May 2024 at 533 units and 1,871 units, respectively, which is a decrease of 42 units, or 7,3% from the 575 units sold in May 2023 in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decrease of 385 vehicles, or 17,1%, compared to the 2,256 units sold in the corresponding month last year.

The May 2024 exports sales number at 24,235 units reflected a decrease of 5,712 vehicles, or 19,1%, compared to the 29,947 vehicles exported in May 2023. For the first five months of 2024 exports were now 11,6% below the corresponding period 2023.

The positive performance in the new vehicle market during April 2024 was short-lived as national election jitters likely put a hold on purchases of big-ticket items such as vehicles, along with an additional public holiday during the month. A welcomed development was a second consecutive full month of no load-shedding, while oil prices have remained relatively low due to sluggish demand in the global markets, which support the manufacturing industry. The South African Reserve Bank have held interest rate unchanged for the sixth consecutive meeting but now saw inflation only stabilising at its mid-point of 4,5% in the second quarter of 2025. While this is of some comfort to indebted consumers, the high lending rate combined with high inflation and relatively lower household income, will continue to negatively impact the new vehicle market. Once the Rand exchange rate, consumer price inflation and fuel prices are under control, it will stimulate the whole economy and also the demand for new vehicles.

Vehicle exports continued to decline due to the sluggish global economic recovery. The US inflation rate has remained benign over recent months which could result in an easing of interest rates later in the year. This could also result in other central banks commencing with interest rate cuts, which would support South African vehicle exports.

NOTE TO ALL EDITORS AND JOURNALISTS: A decision has been taken by naamsa that this will be the last media report to be released via e-mail. From May 2024 onwards, all naamsa media releases will only be available from a dedicated naamsa website platform called The Members Lounge. Should you experience challenges kindly contact Mme Theresa NEL at naamsa at theresa@naamsa.co.za or on the naamsa website <https://naamsa.net/contact-us/>.

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.3% to GDP [3.2% manufacturing and 2.1% retail];
- in 2023, the export of vehicles and automotive components reached a record amount of R270.8 billion, equating to 14.7% of South Africa's total exports;
- the industry accounts for 21.9% of the country's manufacturing output;
- vehicles and components are exported to 148 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;
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- More information can be found on www.naamsa.co.za.

naamsa OFFICES: PRETORIA | Monday, June 03, 2024.