

PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, July 01, 2024

naamsa RELEASES JUNE 2024 NEW VEHICLE SALES STATISTICS AND CONGRATULATES THE NEW CABINET IN THE GOVERNMENT OF NATIONAL UNITY

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, July 01, 2024: naamsa | The Automotive Business Council has congratulated the appointment of the new Cabinet in the Government of National Unity [GNU] as announced by President Cyril Ramaphosa on 30 June 2024. **naamsa** said the challenge was to put narrow political differences behind and for the 7th administration to create a positive momentum and bring about tangible impact in the lives of ordinary South Africans in this new era in our country's democratic journey. The electorate expect to see a stable GNU that would work in unison to guide and expedite economic reforms that the country desperately needs at this time.

naamsa also welcomed the appointment of Mr Parks Tau, as the new Minister of Trade, Industry, and Competition. "The dtic is the automotive industry's line department and a custodian of all automotive policy regime in South Africa and we welcome the appointment of Minister Tau to this important economic development role", said Mikel Mabasa, **naamsa** CEO. Minister Tau is no stranger to the auto industry and has significantly contributed to our sector in the past and we look forward to working with him as we reimagine the future of the automotive industry, together", said Mabasa.

Reflecting on the new vehicle sales statistics, **naamsa** said that the ongoing downward slope in the new market since August 2023 underscored the constraint economic environment in the country, amplified by weak consumer and business demand. Aggregate domestic new vehicle sales in June 2024, at 40,072 units, reflected a further substantial decrease of 6,531 units, or a loss of 14,0%, from the 46,603 vehicles sold in June 2023. Export sales recorded a welcomed increase of 977 units, or 3,6%, to 28,306 units in June 2024 compared to the 27,329 vehicles exported in June 2023.

Overall, out of the total reported industry sales of 40,072 vehicles, an estimated 33,039 units, or 82,5%, represented dealer sales, an estimated 11,0% represented sales to the vehicle rental industry, 3,6% to government, and 2,9% to industry corporate fleets.

The June 2024 new passenger car market at 26,928 units had registered a decrease of 2,671 cars, or a loss of 9,0%, compared to the 29,599 new cars sold in June 2023. Car rental sales accounted for a sound 14,2% of new passenger vehicles sales during the month.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,552 units during June 2024 had recorded a decrease of 3,385 units, or a loss of 24,3%, from the 13,937 light commercial vehicles sold during June 2023. Sales for medium and heavy truck segments of the industry also performed weaker for June 2024 at 531 units and 2,061 units, respectively, which is a decrease of 203 units, or 27,7% from the 734 units sold in June 2023 in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decrease of 272 vehicles, or 11,7%, compared to the 2,333 units sold in the corresponding month last year.

The June 2024 exports sales number at 28,306 units reflected an increase of 977 vehicles, or 3,6%, compared to the 27,329 vehicles exported in June 2023. For the half of 2024 exports were now 9,6% below the corresponding period 2023.

New vehicle sales further declined in June 2024 as South African households continued to grapple with consistent cost pressures in a weak economic environment with affordability remaining a decisive factor in new vehicle purchasing decisions. Cumulative new vehicle sales for the first six months of the year were now tracking 7,6% below the corresponding period 2023, in line with industry expectations of a taxing first half of the year. However, the markets seem to have responded positively to the announcement of the new Cabinet and along with a third month of no load-shedding, a further welcomed relief at the fuel pumps in July 2024 reducing inflationary pressure, and likely lower interest rates to commence before year-end, brighter economic prospects for the second half of the year are steadily improving. South Africa's seventh administration now has a unique opportunity to accelerate implementing structural reforms and turning the economy around. A keystone of this is Operation Vulindlela that has already resulted in many gains for the country, including the opening up of the electricity market and building better relations between businesses and government to resolve other crises areas.

Vehicle exports showed a welcomed uptick during the month after losing some momentum since the start of the year. The European Central Bank has decided to lower its interest rates by 25 basis points in June 2024, from a record high, which will go a long way to support vehicle exports to the domestic automotive industry's top export region for the balance of the year.

NOTE TO ALL EDITORS AND JOURNALISTS: All **naamsa** media releases and statements are only available from a dedicated **naamsa** website platform, **The Members Lounge**. Should you experience challenges in connecting with us, kindly contact Mme Theresa NEL at theresa@naamsa.co.za or via 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 116,000 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 498,000 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;
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- More information can be found on www.naamsa.co.za.

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