

PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, September 02, 2024

naamsa RELEASES AUGUST 2024 NEW VEHICLE SALES STATISTICS

43 DAYS AND COUNTING TO THE naamsa SA AUTO WEEK 2024 EVENT

PRETORIA: Monday, September 02, 2024: Reflecting on the new vehicle sales statistics **naamsa** | The Automotive Business Council said that the positive July 2024 new vehicle market performance could unfortunately not fuel a sustained rebound in the August 2024 sales performance. Aggregate domestic new vehicle sales in August 2024, at 43,588 units, reflected a decrease of 2,266 units, or a loss of 4,9%, from the 45,854 vehicles sold in August 2023. Export sales decreased by 14,658 units, or 34,3%, to 28,073 units in August 2024 compared to the 42,731 vehicles exported in August 2023.

Overall, out of the total reported industry sales of 43,588 vehicles, an estimated 35,503 units, or 81,5%, represented dealer sales, an estimated 12,4% represented sales to the vehicle rental industry, 3,3% to government, and 2,8% to industry corporate fleets. The August 2024 new passenger car market at 30,022 units had registered an increase of 891 cars, or a gain of 3,1%, compared to the 29,131 new cars sold in August 2023. Car rental sales accounted for a sound 16,7% of new passenger vehicles sales during the month. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,709 units during August 2024 had recorded a decrease of 2,941 units, or a loss of 21,5%, from the 13,650 light commercial vehicles sold during August 2023.

Sales for medium and heavy truck segments of the industry reflected a mixed performed in August 2024 and at 748 units and 2,109 units, respectively, recorded an increase of 56 units, or 8,1% from the 692 units sold in August 2023 in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decrease of 272 vehicles, or 11,4%, compared to the 2,381 units sold in the corresponding month last year.

The August 2024 exports sales at 28,073 units reflected a decrease of 14,658 vehicles, or a loss of 34,3%, compared to the 42,731 vehicles exported in August 2023 which was the highest monthly-base level in 2024. For the year to date, vehicle exports were now 16,8% below the corresponding period 2023.

The stronger July 2024 performance in the new vehicle market could not be sustained in August 2024. Encouragingly, however, the volume passenger car segment trended upward over the past two months. Although supported by seasonal sales to the vehicle rental industry, a 13-month high Rand exchange rate, a three-year low 4,6% consumer inflation rate, decreasing fuel prices, the potential “end to loadshedding” as well as definite prospects of lower interest rates on the cards before year-end all enhanced consumer sentiment during the month. There is recognition that with interest rates at a 15-year high, two potential rate cuts before the end of the year, reducing the cost of borrowing, would not materially improve vehicle affordability challenges and household debts over the short term, but it would signal a positive shift to stimulate economic activities. Since the downward slope in new vehicle sales commenced in August 2023, expectations remain that the new vehicle market will reflect an improved performance for the balance of the year due to the 2023 lower base-month effect comparisons.

The downward slide in vehicle exports continued during the month in line with declining exports to Europe due to weak regional economic activity. However, Eurozone inflation fell to 2,2% in August 2024, its lowest level in more than three years thanks to falling energy costs, raising expectations of a further European Central Bank interest-rate cut in September 2024. It should be noted that vehicle exports to the US reflected a substantial increase of 132,0% for the year to date compared to the corresponding period 2023. An easing of monetary policy in the industry’s main export markets bodes well in contributing to an improved performance for the balance of the year.

The **naamsa** SA Auto Week has established itself as a premier networking and lobbying platform for the South African automotive sector. Now in its third edition, this year’s event will feature a fresh, innovative approach, differentiating it from previous years. **naamsa** will take you on a curated journey through 100 years of the South African automotive industry. Amongst others, the event includes a media day, the prestigious **naamsa** Accelerator Awards celebrating our automotive industry, as well as the Captains of Industry Gala, a gathering of industry leaders, innovators, and key stakeholders within the South African automotive sector. Pre-activations building up to the event included the release of the newly branded **naamsa** Automotive Trade Manual 2024 publication, the Follow the Leader programme, a Retailing Thought Leadership Roundtable, as well as four “Make Autos Attractive” Masterclass sessions, dedicated to Brand Pretorius. **naamsa** invites you to come and re-imagine the future together with us at the 2024 SAAW event scheduled to take place from 15 to 18 October 2024 at the Cape Town International Convention Centre.

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;
- 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.

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