

# PRESS RELEASE

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## naamsa RELEASES OCTOBER 2024 NEW VEHICLE SALES as we gear-up for the SA Auto Week 2024 in Cape Town

**PRETORIA: Tuesday, October 01, 2024:** Despite the lingering effects of a high inflationary environment, South Africa's automotive industry remains optimistic that the tide for higher new vehicle sales will turn and show some signs of recovery as we move closer to year end. **naamsa** reaffirmed that at the beginning of 2024 “we stated that we anticipate a year of two halves, with a taxing first six months of the year and improved prospects for the second half of the year. All the economic challenges of 2023 rolled over into 2024, such as the high interest rate and inflation environment, a weaker Rand exchange rate, high fuel prices, port delays, and indebted consumers, along with a vehicle affordability crisis. Our predictions and overall outlook for this year played out exactly as we suspected for the first half of the year. We have seen some positive movements during the third quarter but both new vehicle sales and vehicle imports for the first nine months of the year were still 6% and 3%, respectively, below the 2023 levels, said Mikel Mabasa, **naamsa** CEO.

For the period under review, September 2024, new vehicle sales experienced another modest decline of -4.1% and exports dropped by -38,1%. Aggregate domestic new vehicle sales in September 2024, stand at 44,081 units, showing a decline of 1,889 units, compared to the 45,970 vehicles sold in September 2023. Export sales also fell by 13,535 units, to 21,964 units in September 2024, from the 35,499 vehicles exported in September last year.

South Africa celebrates Transport Month in October and reaches the **first 100 days of the 7th administration** of the Government of National Unity [GNU]. The GNU has sparked positive sentiment both within the country and internationally, with its focus on infrastructure development and its commitment to revitalising key sectors, including transport and the automotive industry.

In a year marked by economic fluctuations, year-to-date data reveals that new vehicle sales in South Africa reached 401,169 units by September 2024, reflecting a decline of -5.8% compared to the same period in 2023. Similarly, exports fell to 289,198 units, showing a

significant drop of -19.7%. A key factor in this export decline is the waning demand for models nearing the end of their production cycles, compounded by stricter environmental regulations in key global markets. These combined pressures have tempered growth in an industry poised for recovery amid shifting dynamics.

Out of the total industry sales of 44,081 vehicles, an estimated 34,830 units, or 79%, represented dealer sales. An estimated 15% were attributed to sales in the vehicle rental industry, 3% to government, and 2% to corporate fleet sales.

The new passenger car market in September 2024, at 30,218 units, registered an increase of 112 cars, or a rise of 2%, compared to the 29,626 new cars sold in September 2023. Sales to the car rental industry accounted for a substantial 28 % of new passenger vehicle sales during the month.

Domestic sales of new light commercial vehicles, bakkies, and mini-buses at 10 914 units in September 2024 recorded a decrease of 2,257 units, or a loss of 17,1%, from the 13,171 units sold in September 2023.

In the medium and heavy truck segments, sales presented a mixed performance. Medium commercial vehicles saw an increase to 821 units, reflecting a gain of 4 units or 0,5%, compared to the 817 units sold in September 2023. However, heavy trucks and buses experienced a decline, with a decrease of 314 units or 18% compared to the 1,849 units sold in the same month last year.

Economic indicators in September 2024 showed positive trends, including the first interest rate cut in four years by the South African Reserve Bank, a stronger Rand, and easing inflation below the mid-point of the central bank's target range. Lower fuel prices further bolstered consumer confidence, offering relief to household budgets. Although the July 2024 market rally did not continue in August, the passenger car segment has shown a positive trend in recent months, boosted by rental sales, currency strength, and decreasing inflation.

As the country anticipates further interest rate reductions, the costs of borrowing are expected to decline, which may stimulate economic activity, even though immediate improvements in vehicle affordability may be limited. Since the decline in new vehicle sales began in August 2023, expectations are rising that the new vehicle market could see improvement for the remainder of the year due to favourable economic conditions and the comparison to last year's lower base levels.

Internationally, the US Federal Reserve Bank's reduction in interest rates and the European Central Bank's second interest rate cut in 2024 could provide a boost to South Africa's export performance. Although vehicle exports to Europe have slowed due to regional economic challenges, exports to the US have surged by 132% year-to-date, offering promising signs for the remainder of the year.

The **naamsa** SA Auto Week has become a premier event for the South African automotive industry. Now in its third edition, this year's event presents a new, innovative format,

showcasing 100 years of South African automotive history. The event will include a media day, the prestigious **naamsa** Accelerator Awards, and the Captains of Industry Gala, where leaders and innovators in the automotive sector will gather. Leading up to the event, **naamsa** has hosted several pre-activations, including the release of the **naamsa** Automotive Trade Manual 2024, the "Follow the Leader" program, a Retailing Thought Leadership Roundtable, and four "Make Autos Attractive" Masterclasses.

**naamsa** invites stakeholders to re-imagine the future of the automotive industry at the 2024 SA Auto Week, scheduled from **15 to 18 October 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](mailto: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](http://www.naamsa.co.za).

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