

# PRESS RELEASE

**FOR IMMEDIATE RELEASE | Wednesday, January 08, 2025**

## NEW VEHICLE MARKET REGISTERED ITS THIRD CONSECUTIVE MONTH OF YEAR-ON-YEAR INCREASE IN DECEMBER 2024

### naamsa RELEASES DECEMBER 2024 AND FULL YEAR 2024 NEW VEHICLE SALES STATISTICS

**PRETORIA: Wednesday, January 08, 2025: NOTE TO THE MEDIA - naamsa** | The Automotive Business Council reports that the new vehicle market remains closely tied to broader economic conditions in the country. Since the first half of 2024 was particularly challenging, new vehicle sales in 2024 fell compared to 2023, even though the last quarter of 2024 was promising. Consequently, the new vehicle market hasn't been able to recover to the 2019 pre-pandemic level in four years and is likely to be delayed for another year.

#### 1. BRIEF COMMENT ON DECEMBER 2024 SALES

The new vehicle market registered its third consecutive month of year-on-year increase in December 2024, with aggregate industry new vehicle sales at 41,273 units recording an increase of 1,011 vehicles or a gain of 2,5% compared to the total new vehicle sales of 40,262 units during the corresponding month 2023. The December 2024 new passenger car market reflected a sound performance with a year-on-year volume increase of 8,2% but in the case of light commercial vehicles a loss of 10,3%. Sales of medium commercial vehicles increased year-on-year by 7,6% while heavy commercial vehicles and buses decreased by 11,8%.

Vehicle export sales in December 2024 continued their downward slope and at 25,931 units reflected a loss of 1,158 vehicles or a decrease of 4,3% compared to the 27,089 vehicles exported during December 2023 to end the year at 308,380 units. Overall, out of the total reported industry sales of 41,273 vehicles, an estimated 36,465 units or 88,4% represented dealer sales, an estimated 8,1% represented sales to the vehicle rental industry, 2,1% to government, and 1,4% to industry corporate fleets.

## 2. COMMENT ON 2024 NEW VEHICLE SALES AND VEHICLE EXPORTS: A YEAR CHARACTERISED BY MARKET DISRUPTIONS, ELECTION JITTERS AND PLUMMETING EXPORTS

At the onset of 2024, the new vehicle market was still only 0,9% below the pre-pandemic level of 536,612 units in 2019. The industry anticipated a year of two halves with a taxing first half of the year and with brighter economic prospects and an upswing in new vehicle sales during the second half of the year, which unfortunately did not materialise. New vehicle sales remained under pressure in 2024, continuing to reflect a shift in the matrix with various new entrants in the domestic market, in particular Chinese brands, offering options at the more affordable end of the pricing spectrum as consumers battled a tough economic climate.

Despite a stronger year-end performance supported by strong seasonal sales to the vehicle rental industry, easing inflation and two interest rate cuts, new vehicle sales decreased by 3,0% to 515,712 units compared to the 531,775 units sold in 2023.

The following table summarises **annual aggregate industry sales by sector from 2020 to 2024**.

Sector	2020	2021	2022	2023	2024	2024 / 2023 % Change
Cars	246,541	304,338	363,682	347,379	351,302	+1,1%
Light Commercials	110,912	133,078	135,711	151,490	133,254	-12,0%
Medium Commercials	6,735	7,520	8,308	8,252	7,714	-6,5%
Heavy Trucks, Buses	16,018	19,555	21,841	24,654	23,442	-4,9%
<b>Total Vehicles</b>	<b>380,206</b>	<b>464,491</b>	<b>529,542</b>	<b>531,775</b>	<b>515,712</b>	<b>-3,0%</b>

Source: **naamsa**, Lightstone Auto

For the first time since the COVID-19 affected 2020, vehicle exports declined in 2024, to 308,830 units, down by a substantial 22,8% compared to the record performance of 2023 when the industry exported 399,594 units. Various factors impacted the plummeting in vehicle exports, including a slowdown in demand in the EU, the domestic automotive industry's key export region, due to low economic growth, stricter emission rules, and competition from cheaper electric vehicle imports from China in the region, as well as the timing effect of new model introductions in the domestic market by a major exporting OEMs.

The following table reflects the **industry's export sales performance from 2020 to 2024**:

	2020	2021	2022	2023	2024	2024 / 2023 % Change
Cars	178,788	173,773	238,631	258,266	192,542	-25,4%
Light Commercials	91,942	123,667	112,312	140,529	115,192	-18,0%
Trucks & Buses	557	579	841	799	646	-19,1%
<b>Total Exports</b>	<b>271,287</b>	<b>298,019</b>	<b>351,784</b>	<b>399,594</b>	<b>308,380</b>	<b>-22,8%</b>

Source: **naamsa**, Lightstone Auto

A significant two out of every three vehicles manufactured in South Africa are exported, enabling the domestic OEMs to reach a much broader consumer base beyond the South African market. Exports remain key to generate sufficient economies of scale, and to achieve improved international competitiveness. As an export-oriented industry, the domestic automotive sector has embraced the trade opportunities via the specific trade arrangements that South Africa has concluded over the past three decades, opening certain markets in Europe, the US, and Africa, among others.

### **3. INDUSTRY PROSPECTS FOR 2025: RETURN TO PRE-PANDEMIC LEVELS IN NEW VEHICLE SALES AND ANOTHER CELEBRATORY YEAR**

The confluence of positive economic indicators and the resilience of the volume passenger car segment during the last quarter of 2024 suggests a potential rebound for the new vehicle market in 2025. The South African Reserve Bank's two interest rate cuts towards year-end, the first in four years, coupled with easing inflation, has created a more favourable economic environment. Additionally, lower fuel prices have bolstered consumer confidence and disposable income as petrol prices were at the lowest point they have been in nearly three years in 2024.

Further interest rate cuts in 2025 would support vehicle affordability across all the various segments. The domestic outlook for 2025 is expected to improve, driven by a revival in business and consumer sentiment stemming from improvements in the country's key economic indicators. The South African Reserve Bank stated that risks to the country's growth outlook are assessed to be balanced, but that growth could be higher from 2025 onwards, given ongoing reforms, especially in the network sectors, such as electricity and transport. With an improved GDP growth rate of around 1,5% projected for 2025, the new vehicle market would likely improve by single digits compared to the level of 2024.

Globally, geopolitical risk is anticipated to overtake inflation as the primary risk factor in 2025. In anticipation of great uncertainty about the US economy in 2025, the economic outlook for the Group of Seven [G7] developed economies shows only modest growth across key territories. The impact of each of the multitude of elections in 2024 will vary but could potentially upend parts of the global economy and raise potential risks which companies and investors need to navigate. Any escalating trade tensions are likely to impact US interest rates and drive the Dollar higher. However, the expected ongoing easing of monetary policy in the South African automotive industry's key export markets could see the vehicle export momentum turn positive again over the medium term.

While the domestic automotive industry celebrated its centenary of vehicle manufacturing in the country in 2024, **naamsa** will commemorate its 90<sup>th</sup> anniversary in 2025.

Best wishes for 2025 to our media colleagues and all automotive industry stakeholders.

**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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