naamsa
THE AUTOMOTIVE BUSINESS COUNCIL

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PRESS RELEASE

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naamsa RELEASES FEBRUARY 2026 NEW VEHICLE SALES STATS

DOMESTIC DEMAND HOLDS FIRM AS EXPORT VOLUMES DECLINE

PRETORIA: Monday, March 02, 2026: naamsa | The Automotive Business Council underscores that the South African new vehicle sales extended its domestic growth trajectory in February 2026, reflecting not merely cyclical uplift, but increasingly entrenched domestic economic stabilisation. Strengthening credit extension, moderating inflation, fiscal consolidation credibility, and incremental logistics reform have collectively underpinned domestic demand conditions.

However, exports have weakened in the month of February 2026 with vehicle export sales at 24,221 units, reflecting a year-on-year decrease of 9,463 units, or 28,1%, compared to the 33,684 vehicles exported in the corresponding month last year. The industry's export performance remains subject to heightened protectionism across several of South Africa's key export markets, while increasingly stringent decarbonisation requirements in destination markets continue to weigh on the competitiveness of South African vehicle exports.

Aggregate domestic new vehicle sales in February 2026, at 53,455 units, the best February monthly performance since 2013, reflected an increase of 5,461 units, or 11,4%, compared to the 47,994 vehicles sold in February 2025. Export sales decreased to 24,221 units, representing a loss of 28,1% compared to the 33,684 vehicles exported in February 2025.

naamsa notes that the February 2026 performance continues to reflect a broad-based improvement in underlying demand fundamentals. Private sector credit extension accelerated to 8.7% year-on-year in December, driven predominantly by robust corporate borrowing, while household credit growth improved gradually as cumulative interest rate reductions since late 2024 filtered into asset finance markets. Vehicle asset finance activity has strengthened as cumulative interest rate cuts since late 2024 improve affordability and support buyer sentiment.

Overall, out of the total reported industry sales of 53,455 vehicles, an estimated 45,457 units, or 85,0%, represented dealer sales, an estimated 9,6% represented sales to the vehicle rental industry, 3,0% to government sales, and 2,4% to industry corporate fleets - a composition indicative of both retail resilience and stabilising fleet demand.

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The February 2026 new passenger car market at 37,576 units recorded an increase of 3,826 units, or 11,3%, compared to the 33,750 new cars sold in February 2025. Car rental sales accounted for 11,5% of new passenger vehicles sold during the month. Domestic sales of new light commercial vehicles (bakkies and mini-buses) at 13,218 units during February 2026 recorded an 11,9% increase compared to the 11,816 units sold in February 2025. **naamsa** observes that light commercial vehicle demand continues to align with conditions in the goods-producing sectors, which are gradually stabilising as energy supply improves and logistics reforms gain traction.

Sales in the medium and heavy commercial vehicle segments reflected a positive performance. Medium commercial vehicle sales at 720 units were exactly the same as in February 2024, while heavy trucks and buses at 1,941 units reflected a 13,6% increase compared to the 1,708 units sold in February 2025. Investment decisions in these segments remain closely linked to infrastructure spending trends, freight volumes, electricity costs, and overall business confidence.

From a South African economic perspective, the environment remains supportive. Headline consumer price inflation eased to 3.5% year-on-year in January, with core inflation contained at 3.4%, signalling that underlying price pressures remain manageable. Producer price inflation for final manufactured goods slowed to 2.2% year-on-year, suggesting easing factory-gate cost pressures despite persistent structural input costs in electricity and intermediate goods. These dynamics have moderated vehicle price inflation and support real household purchasing power.

The 2026 Budget reinforced fiscal credibility through a cautious but consistent consolidation path, with gross debt projected to stabilise over the medium term. Market expectations of further interest rate reductions during 2026 continue to underpin affordability in interest-rate-sensitive sectors such as automotive retail.

Labour market indicators showed modest improvement in the fourth quarter of 2025, with the official unemployment rate easing to 31.4% as employment increased. Retail trade sales expanded by 2.6% year-on-year in December, while annual retail growth of 3.7% for 2025 confirms a gradual recovery in consumer activity. Early signs of stabilisation in the housing market - particularly in middle-income segments - provide an additional supportive signal for passenger vehicle demand.

While the February new vehicle sales performance remains encouraging, it unfolds against a shifting global energy backdrop and confirmed domestic cost adjustments that warrant careful monitoring. The 2026 Budget confirmed fuel levy increases effective 2 April 2026, with the general fuel levy rising by 9 cents per litre for petrol and 8 cents per litre for diesel, the carbon fuel levy increasing by 5 cents per litre for petrol and 6 cents for diesel, and the Road Accident Fund levy - previously expected to remain unchanged - increasing by 7 cents per litre. Collectively, these measures will incrementally raise the cost of fuel at the pump, feeding into higher operating costs for both households and businesses, thereby affecting calculations of total cost of vehicle ownership.

Compounding these domestic levy adjustments, global oil markets have responded sharply to intensifying geopolitical tensions in the Middle East. Brent crude has breached the US$80 per barrel mark amid escalations following major military operations in the region, with risks that sustained disruption around the Strait of Hormuz - a chokepoint for roughly 20% of global oil shipments - could embed a geopolitical risk premium into prices for an extended period. Elevated crude prices, if maintained, would feed into

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international refined fuel costs and, ultimately, domestic pump prices. For South Africa, this will potentially dampen discretionary consumption - including new vehicle purchases.

At the same time, the South African rand - which had strengthened on the back of fiscal consolidation signals in the Budget - has experienced slight depreciation amid these same global risk-off shifts, trading around R16.16 to the US dollar as risk sentiment favours safe-haven assets. A softer rand against the dollar increases the rand cost of crude oil imports and imported automotive inputs, counterbalancing some of the earlier budget-driven currency strength and exerting further pass-through into local fuel prices.

Taken together, these fuel levy adjustments, elevated international crude prices, and currency dynamics imply an inflationary impulse for transport-related costs that could, in the short to medium term, weigh on consumer purchasing power and total cost of vehicle ownership. While moderating inflation broadly and expected monetary accommodation remain supportive, these energy price pressures and exchange rate effects underscore the importance of monitoring fuel-related cost inflation as part of the overall demand outlook for new vehicles in 2026.

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.2% to GDP [3.2% manufacturing and 2.0% retail];
- in 2024, the export of vehicles and automotive components reached a record amount of R268.8 billion, equating to 14.7% of South Africa's total exports;
- the industry accounts for 22.6% of the country's manufacturing output;
- vehicles and components are exported to 155 international markets;
- the manufacturing segment employs ~115,000 people; and
- combined with multiplier effects, the industry sustains 498,000 jobs across the formal economy.

NOTES FOR EDITORS

- Since 2021, naamsa introduced associate membership with tangible benefits including industry data access and visibility;
- **naamsa** represents 42 companies manufacturing, assembling, distributing and importing new vehicles;
- Our vision is to be the most credible and respected automotive industry thought leader and partner for a globally competitive and transformed South African auto sector;
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