

PRESS RELEASE

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naamsa RELEASES MAY 2026 NEW VEHICLE SALES STATS CONSUMER CONFIDENCE SUPPORTS VEHICLE DEMAND AMID A CHANGING ECONOMIC LANDSCAPE

PRETORIA: Monday, June 01, 2026: South Africa's new vehicle market remained on a positive footing in May 2026, extending the period of sustained demand recovery that has characterised much of the year to date. While favourable domestic economic conditions continued to support market activity, the latest results emerged against a backdrop of increasing global volatility and mounting cost pressures, as rising inflation risks, higher fuel prices and tighter financial conditions began to reshape the operating environment.

Despite these emerging headwinds, consumer demand remained resilient, supported by underlying mobility requirements, replacement purchasing cycles, fleet renewal activity, and a gradual improvement in household and business confidence. Importantly, consumers continued to engage the market in a measured and informed manner, placing greater emphasis on affordability, financing costs, fuel efficiency, vehicle utility, safety, and long-term ownership value. This reflects a consumer environment that is recovering steadily but remains highly conscious of total cost of ownership considerations. Evident to the sentiment is the corresponding NEV sales for April 2026, where there is a gain of 120% compared to the same period last year. As a result, purchasing decisions are increasingly driven by value and practicality rather than discretionary spending alone, underscoring the continued resilience of South Africa's new vehicle market and the essential role that personal and commercial mobility plays in supporting economic participation and growth.

Aggregate domestic new vehicle sales in May 2026 reached 51,071 units, the best May monthly figure since 2013, representing an increase of 5,784 units, or 12,8%, compared to the 45,287 vehicles sold in May 2025. In contrast, export volumes decreased to 29,392 units, a contraction of 4,8% relative to the 30,859 units shipped in May 2025.

Overall, out of the total reported industry sales of 51,071 vehicles, an estimated 45,999 units, or 90,1%, represented dealer sales, an estimated 5,3% represented sales to the vehicle rental industry, 2,5% to industry corporate fleets, and 2,1% to government sales.

The May 2026 new passenger car market at 36,871 units recorded an increase of 5,170 units, or 16,3%, compared to the 31,701 new cars sold in May 2025. Car rental sales accounted for 6,0% of new passenger vehicles sold during the month. Domestic sales of new light commercial vehicles (bakkies and mini-buses) at 11,251 units during May 2026 recorded a gain of 273 units, or 2,5% compared to the 10,978 units sold in May 2025.

Sales in the medium and heavy commercial vehicle segments reflected a positive performance during May 2026. Medium commercial vehicle sales at 718 units recorded a 13,6% increase compared to the 632 units sold in May 2025, while heavy trucks and buses, at 2,231 units, reflected a 12,9% increase compared to the 1,976 units sold in May 2025.

Exports remained under pressure in May 2026, with vehicle export sales reaching 29,392 units, down 1,467 units, or 4,8%, compared to the 30,859 units exported in the corresponding month last year. The sharp decrease in LCV exports could be attributed to the phased rollout of new-model production by a key exporter.

MACRO-ECONOMIC VARIABLES

The economic backdrop that underpinned the vehicle market's recovery through the first quarter of 2026 is gradually giving way to a more challenging set of conditions. Earlier gains were supported by a combination of contained inflation, stable borrowing costs and strengthening consumer and business confidence, which collectively improved affordability and encouraged deferred purchasing decisions to return to the market.

The environment has since shifted. Rising fuel prices, mounting inflation risks and a changing interest rate outlook have altered the trajectory of the broader economy, introducing new pressures on household budgets and business operating costs. Following a sharp increase in global oil prices, domestic fuel costs rose significantly during April and May, contributing to an acceleration in headline consumer inflation to 4.0% year-on-year in April. In response to these evolving risks, the South African Reserve Bank increased the repo rate by 25 basis points to 7.0% in May 2026, raising the prime lending rate to 10.50%. For a sector in which the majority of purchases are credit-financed, these developments are likely to influence both vehicle affordability and purchasing behaviour.

SA NEW VEHICLE SALES CONSUMER MARKET

While the full effects of these pressures are likely to emerge over time, May's sales performance suggests that the market continues to benefit from momentum established earlier in the year, even as a more uncertain macro-economic environment is testing the foundations of that recovery. Households remain mindful of affordability considerations, the overall market has demonstrated resilience, with consumers continuing to participate in the new vehicle market across a range of segments. Purchasing decisions are increasingly informed by value, financing affordability, fuel efficiency, vehicle utility, and long-term ownership considerations, reflecting a more measured and informed consumer.

From an industry perspective, the 2026 consumer landscape presents both opportunities and considerations for the automotive sector. The market continues to benefit from underlying mobility demand, while competition among brands, vehicle segments, and propulsion technologies provides consumers with greater choice than ever before. As economic conditions continue to stabilise, the industry's ability to offer products that balance affordability, quality, technology, and long-term value will remain central to sustaining market growth and supporting the continued recovery of South Africa's new vehicle sales environment.



SARB RATE HIKE SIGNALS A MORE CHALLENGING ENVIRONMENT FOR VEHICLE DEMAND

naamsa acknowledges the South African Reserve Bank's decision on 28 May 2026 to increase the repo rate by 25 basis points to 7.00%, a move aimed at containing emerging inflationary pressures and preserving price stability amid elevated global oil prices and rising second-round inflation risks. While the decision reflects the Bank's commitment to its inflation-targeting mandate, it also marks an important shift in the operating environment facing the domestic new vehicle market, which has benefited from a prolonged period of interest rate stability during the first half of the year.

The significance of the decision for the automotive sector lies in the central role that vehicle finance plays in purchasing a vehicle. Where majority of new vehicle transactions are financed through credit, higher interest rates translate directly into increased monthly instalments, placing pressure on affordability and encouraging more cautious purchasing behaviour among both consumers and fleet operators. The increase lifts the prime lending rate to 10.50%, and market expectations, supported by the SARB's own projections, suggest that a further increase remains possible later in the year. Should this materialise, financing conditions are likely to tighten further during the second half of 2026.

For the vehicle market, the implications extend beyond borrowing costs alone. Higher fuel prices increase the ongoing cost of vehicle ownership, while higher interest rates raise the cost of vehicle acquisition. This combination creates a dual affordability challenge that is likely to weigh most heavily on first-time vehicle buyers, small business operators and segments of the market where purchasing decisions are particularly sensitive to monthly repayment obligations and operating costs. Commercial vehicle operators face additional pressure as fuel remains one of the largest components of transport and logistics expenditure.

South Africa's new vehicle market continued to demonstrate resilience in May 2026, extending the positive momentum recorded during the first five months of the year. However, while the sustained recovery in vehicle demand remains encouraging, **naamsa** remains cautious about the outlook for the remainder of 2026 as households and businesses face a more challenging operating environment. Rising fuel prices, increasing inflationary pressures, heightened global uncertainty and the potential for tighter financial conditions could begin to erode consumer and business confidence, placing pressure on discretionary spending and investment decisions. **naamsa** will continue to monitor economic developments, monetary policy trends and consumer market conditions closely, providing industry stakeholders with timely, data-driven insights into their implications for vehicle demand and overall market performance.

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.2% to GDP [3.3% manufacturing and 1.9% retail];
- in 2025, the export of vehicles and automotive components reached a record amount of R291.0 billion, equating to 15.6% of South Africa's total exports;
- the industry accounts for 23.8% of the country's manufacturing output;
- vehicles and components are exported to 154 international markets;
- the manufacturing segment employs 113,000 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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