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Thursday, August 20, 2026

REPRESENTATIVES AT GENERAL MEETINGS
RECIPIENTS OF naamsa MEDIA RELEASES

RE: <u>QUARTERLY REVIEW OF BUSINESS CONDITIONS: NEW MOTOR VEHICLE MANUFACTURING INDUSTRY / AUTOMOTIVE SECTOR: 2ND QUARTER 2026</u>

Ladies and Gentlemen,

Attached is a copy of **naamsa's** quarterly review of business conditions for the South African motor vehicle manufacturing industry, during the second quarter of 2026, as submitted to the Minister, Department of Trade, Industry and Competition [**the dtic**].

Industry vehicle sales, export, and import statistics for 2017 through 2025, together with current projections for 2026 and 2027, are reflected on the attachment to the submission.

KEY FEATURES: SECOND QUARTER 2026

- Aggregate new vehicle sales during the second quarter 2026 recorded an increase of 13,4% compared to the corresponding quarter 2025 and a decrease of 5,4% compared to the first quarter 2026;
- Second quarter 2026 aggregate industry employment as at 30th June 2026 totalled 31,675 reflecting a decrease of 230 jobs compared to the 31,905 industry head count as at the end of March 2026;
- Average industry capacity utilisation levels during the second quarter 2026 reflected the impact of prevailing markets conditions in the domestic and export markets;
- New energy vehicle [NEV] sales by 30 industry brands increased by 134,3% from 3,675 units in the second quarter 2025 to 8,611 units in the second quarter 2026;
- Aggregate capital expenditure by the major light vehicle manufacturers in 2025 amounted to R7,2 billion, linked to new generation model investments;
- South Africa's global vehicle production market share decreased from 0,65% in 2024 to 0,64% in 2025, while its global vehicle production ranking remained at 21st;
- Second quarter 2026 domestic vehicle production reflected a decrease of 3,0% compared to the corresponding quarter 2025;
- Vehicle exports decreased by 5,0% in the second quarter 2026 compared to the corresponding quarter 2025 due to decreasing exports to all major regions, with the exception of Africa and the America's; and
- The **naamsa** CEOs Confidence Index, as an in-house leading business confidence indicator of current and future developments in the domestic automotive industry, reflects the sentiment expressed by the **naamsa** CEOs for the second quarter 2026 compared to the second quarter 2025 as well as automotive business conditions and the country's economy in general for the next 6 months.

naamsa NPC, trading as The Automotive Business Council
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Thursday, August 20, 2026

Minister Parks TAU
Minister of Trade, Industry and Competition
Department of Trade, Industry and Competition
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0001

RE: QUARTERLY REVIEW OF BUSINESS CONDITIONS: NEW MOTOR VEHICLE MANUFACTURING INDUSTRY / AUTOMOTIVE SECTOR: 2ND QUARTER 2026

Dear Minister TAU

naamsa would like to submit the following report on business conditions in the South African new motor vehicle manufacturing industry and the automotive sector during the second quarter of 2026.

1. EMPLOYMENT LEVELS AND TRENDS

The number of persons employed by the South African new vehicle manufacturing industry - comprising the major new vehicle manufacturers and specialist commercial vehicle and bus manufacturers - during the second quarter of 2026 may be set out as follows:

PERIOD	INDUSTRY TOTAL
Last pay week April 2026	31,872
Last pay week May 2026	31,678
Last pay week June 2026	31,675

Industry employment levels and trends reflect employees on the payroll of vehicle manufacturers. Aggregate industry employment as at 30th June 2026 totalled 31,675 reflecting a decrease of 230 jobs compared to the 31,905 industry head count as at the end of March 2026.

The average monthly vehicle manufacturing industry employment number for 2025 was 32,115 compared to the 33,154 in 2024. Employment in the vehicle manufacturing industry is generally linked to production and the decrease in employment in 2025 mainly related to lower vehicle production volumes at one major OEM moving from three shifts to two shifts at the end of 2024.

Employment levels on the payroll of the independent vehicle importers, at their head offices and dedicated dealerships.

PERIOD	TOTAL
End of quarter 4, 2022	7,610
End of quarter 4, 2023	7,517
End of quarter 4, 2024	7,580
End of quarter 1, 2025	7,575
End of quarter 2, 2025	7,682
End of quarter 3, 2025	7,767
End of quarter 4, 2025	7,903
End of quarter 1, 2026	8,034
End of quarter 2, 2026	8,039

Aggregate independent vehicle importers employment as at 30th June 2026 totalled a head count of 8,039 reflecting an increase of 5 jobs, compared to the head count of 8,034 as at the end of March 2026.

Capital expenditure reported on an annual basis by the independent vehicle importers, at their head offices and dedicated dealerships, amounted to R18,1 million in 2025.

PERIOD	TOTAL
2019	R62.6 mil
2020	R53.3 mil
2021	R32.5 mil
2022	R54.3 mil
2023	R43.3 mil
2024	R63,6 mil
2025	R18,1 mil

The employment and capital expenditure data collection serves as important reference points, mainly to discern trends in the independent vehicle importers' landscape. As more new vehicle market entrants start to report data the trends will become more pronounced.

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2. NUMBER OF SHIFTS

Various OEMs have returned to operations on a three-shift basis as well as multi-shifts in selected areas such as machining, press shops, paint shop operations and body shops in line with a recovery in vehicle production volumes post the pandemic as well as in supporting higher vehicle export volumes. During the quarter, two OEMs operated on a three-shift basis, one OEM on a combined single, double and three-shift basis, one OEM on a double shift, one OEM on a combined single- and double-shift basis, and two OEMs on a single-shift basis.

3. AVAILABILITY AND PRICE TRENDS OF COMPONENTS AND RAW MATERIALS

3.1. Imported components and raw materials

Reported that OEMs maintained heightened vigilance and proactive supply chain risk management in response to the Middle East crisis, ensuring the uninterrupted delivery of imported materials and components during the quarter. Prices of imported components and raw materials remained subject to exchange rate movements and the global price index.

3.2. Local components and raw materials

Port congestion remained an ongoing challenge during the quarter while it was noted that some suppliers airfreighted critical parts to mitigate supply risks and to ensure the uninterrupted availability of materials and components in view of global disruptions. Raw material pricing trends remain a function of exchange rate movements and the global price index.

4. UTILISATION OF PRODUCTION CAPACITY: 2022 - 2026 Q2

Average motor vehicle manufacturing industry capacity utilisation levels, by sector and for the years/quarters indicated, may be illustrated as follows:

	Year 2022	Year 2023	Year 2024	Year 2025	Q1 2026	Q2 2026	Q2 2026 Range [High]	[Low]
Cars	75.5%	92.8%	90.4%	86.6%	78.6%	87.2%	100%	66.7%
Light Commercials	65.2%	77.9%	74.4%	71.3%	74.3%	76.4%	100%	33.3%
Medium Commercials	69.1%	58.5%	39.4%	45.5%	60.0%	86.0%	100%	60.0%
Heavy Commercials	83.8%	79.6%	81.1%	77.6%	77.5%	88.5%	100%	60.0%

Average industry capacity utilisation levels during the second quarter 2026 reflected the impact of prevailing markets conditions in the domestic and export markets. The experience of the various OEMs in the different segments remained uneven during the quarter as determined by their specific business models and balance of trade.

5. VEHICLE MANUFACTURING INDUSTRY CAPITAL EXPENDITURE: 2019 - 2025

naamsa reports the industry's aggregate capital expenditure on an annual basis. The aggregated data is based on capital expenditure details supplied by the major vehicle manufacturers. Details of actual industry capex for 2019 through 2025, in Rand millions, are as follows:

CAPITAL EXPENDITURE	2019	2020	2021	2022	2023	2024	2025
Product/Local/Content/ Export Investment/ Production Facilities	6,705.8	7,296.2	4,910.8	6,443.9	4,393.3	6,685.5	6, 264.7
Land and Buildings	234.5	1,558.1	3,641.4	203.8	215.3	312.2	410.3
Support Infrastructure [I.T., R&D, Technical, etc.]	334.0	377.4	248.5	464.6	561.6	300.2	512.5
TOTAL	**7,274.3**	**9,231.7**	**8,800.7**	**7,112.3**	**5,170.2**	**7,297.9**	**7,187.5**

Capital expenditure amounted to R7,2 billion in 2025 [excluding Mercedes-Benz SA]. The continued high levels in capital expenditure over recent years are due to investment projects by manufacturers in terms of the Automotive Production Development Programme [APDP] and APDP2, which are normally spread over multiple years and linked to new generation model investment cycles as well as higher levels of production for export markets. There has been an increasing trend in investments in hybrid and plug-in hybrid models in the domestic market over recent years.

6. TRANSFORMATION | NEW INDUSTRIAL DEVELOPMENT STRATEGY (IDS) 2026

In quarter 2, 2026, South Africa unveiled its new Industrial Development Strategy (IDS) 2026. This represents an overarching industrial policy which aims to align government's support measures across existing sectoral masterplans. The IDS responds to a set of structural challenges, one of them being deindustrialisation, which has seen manufacturing fall in the country from 21% of GDP in 1994 to approximately 13,6% in 2025.

The IDS is anchored on what is labelled the 3Ds, namely:

- Decarbonisation: The IDS identifies low-carbon energy as key to protecting exports to regions, such as the EU, which are implementing carbon-border rules. Furthermore, decarbonisation is earmarked for its potential to unlock green industrial opportunities.
- Diversification: As the South African economy has been heavily reliant on the exports of raw materials, the strategy calls for diversification in exports and entering new export markets.
- Digitisation: Lastly, the IDS seeks to embed digital technology and to leverage Artificial Intelligence (AI) across various sectors in an effort to raise productivity and competitiveness.

The IDS views the automotive industry as an important industry, given that it contributes significantly to the country's manufacturing value output. The IDS proposes specific interventions to support the automotive industry. The proposed interventions include a review of the ad valorem tax on vehicles and scaling up NEV incentives, including for component manufacturers. Furthermore, the IDS identifies processing of critical minerals and the development of a domestic NEV battery value chain as opportunities for the industry.

As an important pillar of the South African manufacturing sector, the automotive industry is instrumental in preserving the country's productive base and may advance the IDS's Decarbonisation and Diversification pathways through the transition to NEVs.

7. BUSINESS CONDITIONS, PERFORMANCE INDICATORS AND COMMENT

Business Conditions: Second Quarter: 2026

2026 Second quarter aggregate industry new passenger car sales at 109,236 units recorded an increase of 14,913 units, or a gain of 15,8% compared to the 94,323 new passenger cars sold during the corresponding quarter of 2025. Aggregate industry commercial vehicle sales during the second quarter of 2026, at 43,883 units, recorded an increase of 3,185 units, or a gain of 7,8% compared to the 40,698 units sold during the second quarter of 2026.

Industry domestic sales growth: Direction and extent of change [previous and corresponding quarter's percentage changes are reflected in brackets]				
	Qtr. ended 30 June 2026 compared with previous Qtr. ended 31 March 2026		Qtr. ended 30 June 2026 compared with corresponding Qtr. ended 30 June 2025	
Passenger Cars	-4.6%	[+0.3%]	+15.8%	[+12.5%]
Light Commercial vehicles	-11.0%	[+5.3%]	+6.9%	[+13.0%]
Medium Commercial vehicles	-0.6%	[-2.9%]	+6.0%	[+0.2%]
Heavy Commercial vehicles	-0.7%	[+13.4%]	+10.4%	[+29.5%]
Extra Heavy Commercials	+21.7%	[-4.5%]	+15.6%	[+3.1%]
Buses	+8.4%	[-20.5%]	+6.7%	[+3.3%]

Aggregate new vehicle sales during the second quarter 2026 recorded an increase of 13,4% compared to the corresponding quarter 2025 and a decrease of 5,4% compared to the first quarter 2026. The new light vehicle market continued to be supported by the growing influx of imports, increasing by 19,6% in the second quarter 2026 compared to the corresponding quarter 2025. In the affordable price range below R500 000 and R400 000, imports increased by 15,1% and 15,6%, respectively in the second quarter 2026 compared to the corresponding quarter 2025. Sales of domestically manufactured light vehicles decreased marginally by 0,3% in the second quarter 2026 compared to the second quarter 2025. The sales performance in the heavy commercial vehicle segments during the quarter is encouraging as it represents the earliest indicator of increased business activity in the economy.

New energy vehicle [NEV] sales by 30 industry brands increased by 134,3% from 3,675 units in the second quarter 2025 to 8,611 units in the second quarter 2026, following a 31,5% increase during the first quarter 2026 compared to the first quarter 2025. NEV sales comprised 5,6% of total new vehicle sales during the second quarter 2026, breaching the 5% mark for the first time. It should be noted that the NEV sales performance in 2026 was supported by new entrants starting to report new vehicle sales data to **naamsa**/Lightstone Auto. For the full year 2025, NEV sales by 30 industry brands increased by 7,1% to 16,716 units compared to the 15,611 units in 2024 and comprised 2,8% of the total new vehicle market compared to 3,0% in 2024.

The following table reveals the diversity of drivetrain sales in the South African NEV landscape from 2020 through to 2026 Q2

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Q2:2025	Q2:2026
Traditional hybrid	155	627	4,070	6,485	13,616	12,818	2,834	3,912
Plug-in hybrid	77	51	122	368	738	2,810	547	3,346
Electric	92	218	502	929	1,257	1,088	294	1,353
Total NEVs	**324**	**896**	**4,694**	**7,782**	**15,611**	**16,716**	**3,675**	**8,611**

The accelerating adoption of electrified vehicles across multiple technologies, supported by a broader range of product offerings and growing awareness of alternative propulsion technologies, confirms that South Africa is steadily progressing towards a more diversified and sustainable mobility future. Rather than a rapid transition to battery-electric vehicles, the domestic market is following a technology-diverse pathway, with hybrid technologies continuing to make the largest contribution to electrified vehicle uptake. The continued expansion of the NEV market reinforces **naamsa's** long-standing position that South Africa's automotive policy framework should remain technology neutral, enabling OEMs and consumers to adopt the most appropriate low- and zero-emission vehicle technologies as the market evolves. Such an approach will support investment, consumer choice and industrial competitiveness while advancing South Africa's transition towards a lower-carbon and globally competitive automotive industry. **naamsa** looks forward to the implementation of the SAAM 2035 and APDP2 review, which will provide a necessary roadmap for NEV production and domestic market growth while realigning the incentive framework to reflect changes in OEM capacity, driven by geopolitical factors.

South African Automotive Industry's Performance in a Global Context: 2020 - 2025 production data:
Following a year-on-year gain of 0,9% in 2024, global vehicle production increased by 3,5% in 2025 to reach 96,4 million vehicles, up from the 92,7 million units produced in 2024. Global vehicle sales increased by 4,7% to 99,8 million units in 2025, up from 95,3 million units sold in 2024.

The following table reflects SA's share of global vehicle production for 2020 to 2025 [in millions]

	2020	2021	2022	2023	2024	2025	% change 2025 / 2024
Global Production	77.71	80.21	84.83	93.45	92.72	96.38	+3.5%
South Africa Production	0.45	0.50	0.56	0.63	0.60	0.62	+2.9%
SA Share: Global Production	0.58%	0.62%	0.65%	0.67%	0.65%	0.64%	-1.5%

South Africa forms part of the group of global second-tier countries producing below one million vehicles per annum. The country's vehicle production increased by 2,9%, from 600 473 units in 2024 to 618 077 units in 2025, slightly below the year-on-year increase in global vehicle production of 3,5% in 2025. South Africa's global vehicle production market share thus decreased from 0,65% in 2024 to 0,64% in 2025, while its global vehicle production ranking remained at 21st. In terms of global LCV production, the country was ranked 15th, with a market share of 1,2% in 2025. South Africa remained the dominant market on the African continent and accounted for 50,3% of the total African vehicle production of 1,23 million vehicles in 2025.

Second quarter 2026 domestic vehicle production reflected a decrease of 3,0% compared to the corresponding quarter 2025. Production volumes in the passenger car segment benefitted from higher exports but in the LCV segment, lower exports as well as a new model changeover by a major OEM during the quarter, resulted in lower production volumes. Production volumes in the heavy commercial vehicle segments benefited from increased business activity and higher export volumes.

The following table reflects South Africa's domestic vehicle production for 2020 to 2026 Q2

	2020	2021	2022	2023	2024	2025	2025 Q2	2026 Q2
Passenger Cars	237,214	239,266	309,423	336,012	350,384	327,990	76,120	84,006
LCVs	185,691	232,166	215,472	262,646	217,562	255,807	61,891	48,196
MCVs	6,874	7,643	8,478	8,362	7,778	8,296	1,907	2,088
HCVs	4,208	5,151	6,269	5,719	5,653	6,767	1,689	1,999
XHCVs	11,484	14,175	15,498	18,841	17,799	16,597	4,105	5,008
Buses	745	685	745	782	995	1,009	207	217
TOTAL	**446,216**	**449,086**	**555,885**	**632,362**	**600,171**	**616,466**	**145,919**	**141,514**

At the end of 2025, South Africa had a vehicle parc (number of registered vehicles) of 13,68 million, of which 8,18 million, or 59,8%, comprised passenger cars. Car ownership can have a profound impact on society, the economy, and individuals, from social dynamics and economic growth to personal freedom and lifestyle choices.

In 2025, vehicle exports increased to a record 414,271 units, up 5,9% compared to the 391,128 units exported in 2024. The industry continued to benefit from preferential trade agreements, internationally competitive production capabilities and deep integration into global automotive value chains. The 414,271 left- and right-hand drive vehicles, comprising a substantial 70,5% of light domestic vehicle production, were exported to 109 countries around the world in 2025.

At present, the international trading environment is undergoing significant transformation. Rising geopolitical tensions, increasing protectionism, supply chain realignments and an expanding range of regulatory requirements are fundamentally changing how automotive companies trade, invest and compete. Governments are increasingly using tariffs, local content requirements, investment incentives and trade measures to protect domestic industries and secure critical manufacturing capabilities. For South Africa, these developments present both risks and opportunities. The country's automotive industry relies heavily on exports to Europe, Africa and other international markets. Via the EPAs with the EU and the UK, the region dominated and accounted for a substantial 80,3%, or four out of every five vehicles exported in 2025, with 56,8% of light vehicle production destined for the region. Maintaining preferential market access while adapting to evolving trade rules and the transition to electric vehicles will be essential to sustaining production volumes, attracting investment and protecting employment. Equally important is ensuring that South Africa remains an attractive location within increasingly competitive global automotive value chains.

Industry export performance by major region - 2020 to 2026 Q2

	2020	2021	2022	2023	2024	2025	Q2:2025	Q2:2026
Europe	197,355	229,672	255,709	301,639	295,762	332,695	79,588	74,767
Africa	17,127	21,994	22,769	25,596	26,200	35,728	7,890	10,857
North America	9,463	7,981	21,684	20,910	25,554	6,530	1,562	3,086
Australasia	13,698	10,620	12,389	12,483	10,875	13,104	4,199	2,173
Central America	3,156	3,045	2,759	2,952	2,593	5,816	1,429	1,867
Asia	29,440	24,170	35,154	35,015	29,265	19,827	4,638	1,511
South America	1,188	706	1,527	1,214	879	568	159	238
TOTAL	**271,427**	**298,188**	**351,991**	**399,809**	**391,128**	**414,268**	**99,465**	**94,499**

Vehicle exports decreased by 5,0% in the second quarter 2026 compared to the corresponding quarter 2025 due to decreasing exports to all major regions, with the exception of Africa and the America's. Notable increases were noted to Zimbabwe, Zambia and Togo as far as exports to Africa were concerned. Vehicle exports to North America remained affected by the Section 232 protectionist automotive tariff imposed by the US in 2025, but exports to Canada and Mexico increased during the quarter. Exports to the United Arab Emirates, as part of the Asia region, was affected by the conflict in the Middle East. Overall, for the first half of 2026 compared to the corresponding period 2025, vehicle exports were down by 7,6%. Although passenger car exports increased by 4,4% for the first half of 2026 compared to the first half of 2025, light commercial vehicle exports decreased by 30,4% over the same period, the latter which could be attributed to a model changeover by a major OEM, a more challenging global economic environment as well as increased competition in international markets.

8. CONFIDENCE INDEX

The **naamsa** CEOs Confidence Index is an in-house leading business confidence indicator of current and future developments in the domestic automotive industry. The **naamsa** Confidence Index is built to enhance the quarterly reporting with opinions canvassed anonymously from each of the **naamsa** CEOs. The questions focus on views related to automotive business conditions in particular as well as the country's economy in general.

8.1. Quarter 2 of 2026 vs Quarter 2 of 2025

PERFORMANCE INDICATOR	UP	SAME	DOWN
Domestic new vehicle sales	77%	15%	8%
Vehicle export sales	27%	55%	18%
Vehicle production volumes	55%	36%	9%
Vehicle import volumes	73%	27%	0%
Employment - vehicle manufacturing	8%	58%	34%
Capacity utilisation	45%	45%	10%
Investment expenditure	31%	46%	24%
General new vehicle business conditions	67%	23%	8%
Index	**48%**	**38%**	**14%**

The sentiments expressed by the CEOs of the **naamsa** automotive companies during the second quarter of 2026 continued to reflect the resilience in the domestic new vehicle market, despite fuel prices reaching historic record highs during the quarter, resulting in broader financial pressures and a hike in interest rates. Government has tried to cushion the fuel price shock via a temporary relief on the fuel levy as a crucial lifeline for consumer resilience during the quarter. The CEOs generally viewed domestic new vehicle business conditions during the quarter as favourable, in particular the CEOs of imported brands with affordable models. However, the escalating conflict in the Middle East had a marked impact on escalated costs throughout the supply chain, with a pronounced effect on inflation globally, negatively affecting trading conditions in international markets. Lower vehicle production and capacity utilisation were mainly linked to lower vehicle exports during the quarter, but the performance remained uneven across the various light vehicle and heavy commercial vehicle OEMs.

8.2. Next 6-months

PERFORMANCE INDICATOR	UP	SAME	DOWN
Domestic new vehicle sales	58%	42%	0%
Vehicle export sales	20%	60%	20%
Vehicle production volumes	27%	55%	18%
Vehicle import volumes	64%	36%	0%
Employment - vehicle manufacturing	9%	73%	18%
Capacity utilisation	27%	55%	18%
Investment expenditure	50%	33%	17%
General new vehicle business conditions	42%	50%	8%
Index	**37%**	**51%**	**12%**

The CEOs of the **naamsa** companies expressed a cautious view as far as the business outlook as well as a number of the industry's key performance indicators over the next six months are concerned. Instead of declining, as initially projected during the first quarter of 2026, interest rates have now risen and could rise further. The continued uncertainty surrounding the global energy crisis and its consequences for growth, inflation, interest rates and business confidence are anticipated to continue impacting domestic and global economic activity over the next six months. In this uncertain environment, businesses need to manage cost pressures and weaker demand conditions while still investing in future growth. A key priority for the domestic automotive industry remains the SAAM 2035 and APDP2 review, to ensure the policy and regulatory landscape stay agile in the face of external pressures on the domestic automotive industry, and to support the realisation of SAAM 2035 objectives.

8.3. Brief Comment on business conditions and the medium-term outlook

The new vehicle market during the second quarter 2026 continued its upward momentum with June 2026 reflecting a 21st consecutive month of growth along with the best overall half year performance since 2013. The market showed exceptional resilience as consumers navigated the increasingly challenging economic environment, with the rising cost of living and broader financial pressures all influencing purchasing decisions. This resulting from the ongoing severe tensions and conflicts in the Middle East which disrupted shipping lanes through the Strait of Hormuz, spiking international oil costs. South Africa's inflation rate for 2026 reached 5,0% in June, its highest level in two years, mainly due to the increase in transport-related CPI at 12,7%, arising from record fuel prices in May 2026. Consequently, the South African Reserve Bank increased the repo rate by 25 basis points to 7,00%, resulting in the prime lending rate increasing to 10,50%. Despite the global shocks, South Africa's fiscal discipline brought further credit rating upgrades during the quarter, with Moody's revising its outlook from stable to positive while Fitch upgraded the country's long-term credit rating, the first upgrade in 21 years. The favourable reports on South Africa's investment rating and economic outlook indicate that the country has the potential to lift its economic growth rate higher and reduce public debt faster if the correct economic policies are pursued. While the country operates as part of the global economy and is impacted by factors outside of it control, it must focus on those domestic issues that it has control over. Easing geopolitical tensions, lower global oil prices and improving business and consumer sentiment could help moderate inflationary pressures and would support the new vehicle market in the months ahead.

The industry's export performance deteriorated further during the quarter, negatively impacted by geopolitical uncertainty, weak export demand as well as the launch of a model changeover at a major OEM. Global shocks such as the conflict in the Middle East have once again stunted growth and driven inflation upwards. Instead of declining, interest rates have now risen and could rise further. However, prospects for vehicle export growth for the balance of the year remain optimistic on the back of further new model introductions by major exporters in the domestic market.

FUEL FOR THOUGHT FLASH

As the engine of industrial growth and largest manufacturing sector in the country, a substantial 23,8% of value addition within the domestic manufacturing output was derived from vehicle and automotive component manufacturing in 2025, while the broader automotive industry's contribution to the GDP comprised 5,2% (3,3% manufacturing and 1,9% retail).

The standard attached schedule reflects updated industry sales, production, export and import numbers. Projections include forecasts for 2026 and 2027.

Kind regards,

Shinny GOBIYEZA
Int. Chief Executive Officer
naamsa | The Automotive Business Council