

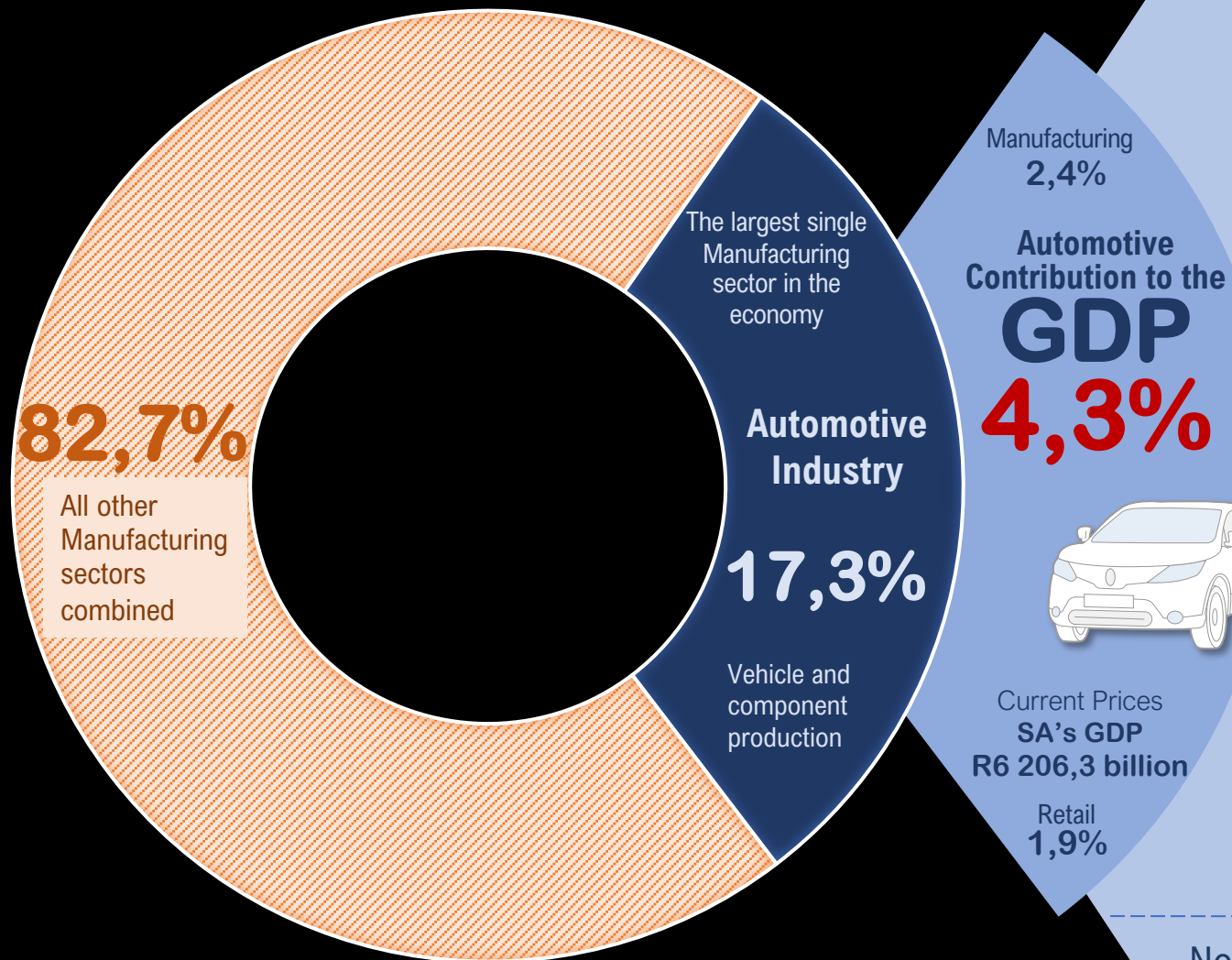
naamsa
THE AUTOMOTIVE BUSINESS COUNCIL



SOUTH AFRICAN VEHICLE MARKET
27th October 2022

OUR VALUE DRIVERS | AUTO CONTRIBUTION TO THE SA ECONOMY - 2021

SOUTH AFRICAN
AUTOS WEEK



PEOPLE | EMPLOYMENT | FAMILIES

30 697 people: Average monthly employment by OEMs

TOTAL DIRECTLY EMPLOYED: INFORMAL AND FORMAL = 490 296

Auto Manufacturing = 109 571

Auto Sales, Repair & Maintenance = 380,725

The auto sector accounts for **2.9%** share of **16.2 million** people employed in SA

CAPITAL EXPENDITURE | OEMs R8,8b | Components R5,7b

SA Vehicle Production | **499 087 units**

SA Vehicle Sales | **464 493 units**

SA's production as % of Africa's production | 53,6%

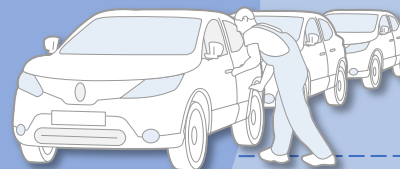
SA's global vehicle production ranking | **21st**

SA's global vehicle production market share | **0,62%**

No. of registered vehicles in SA | **12,96 million**

Total automotive export earnings | **R207,5 billion**

No. of export destinations | **152 Markets**



Current Prices
SA's GDP
R6 206,3 billion

Retail
1,9%

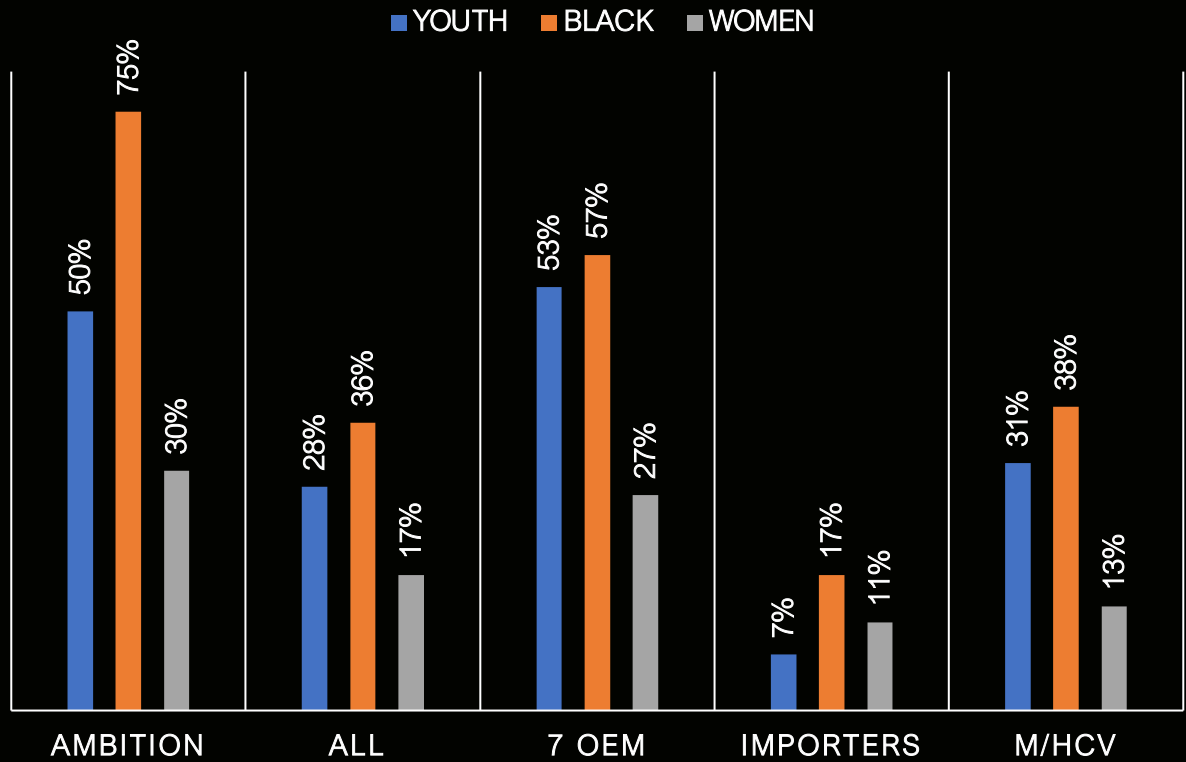
“Automotive industry's extraordinary contribution to South Africa's prosperity on a page”



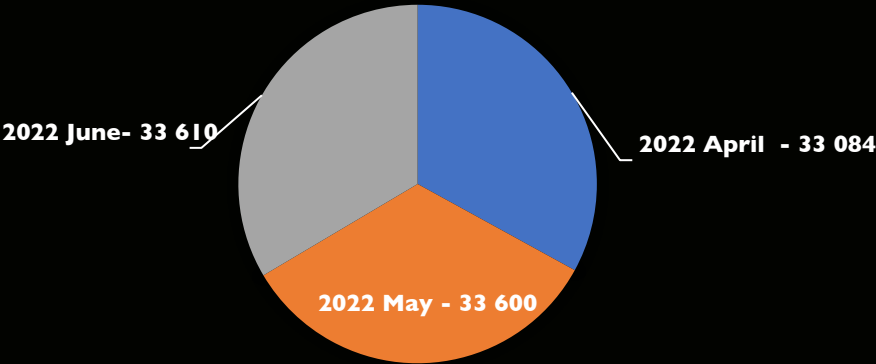
AUTOMOTIVE EMPLOYMENT



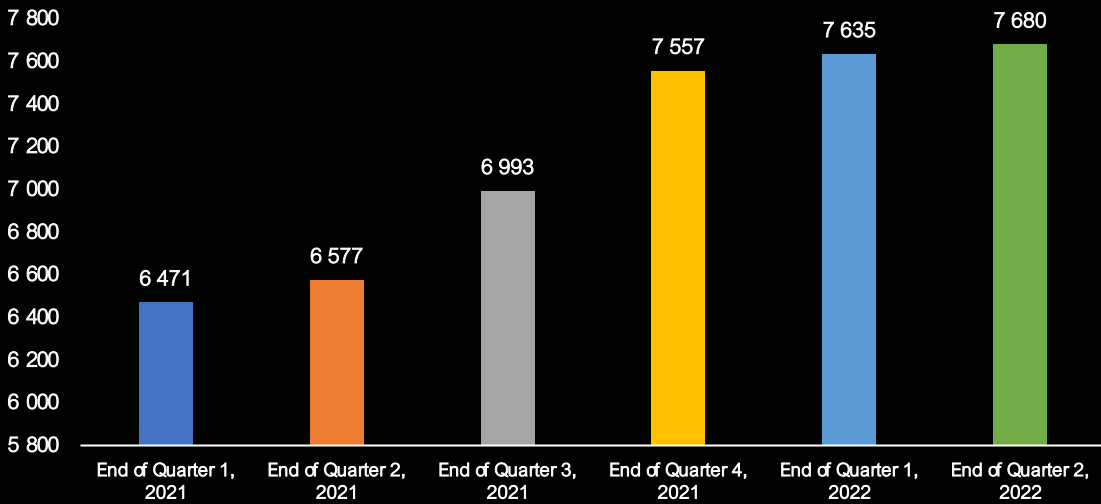
5,347 NEW JOBS ADDED BETWEEN JULY 2021 to JUNE 2022



OEM EMPLOYMENT

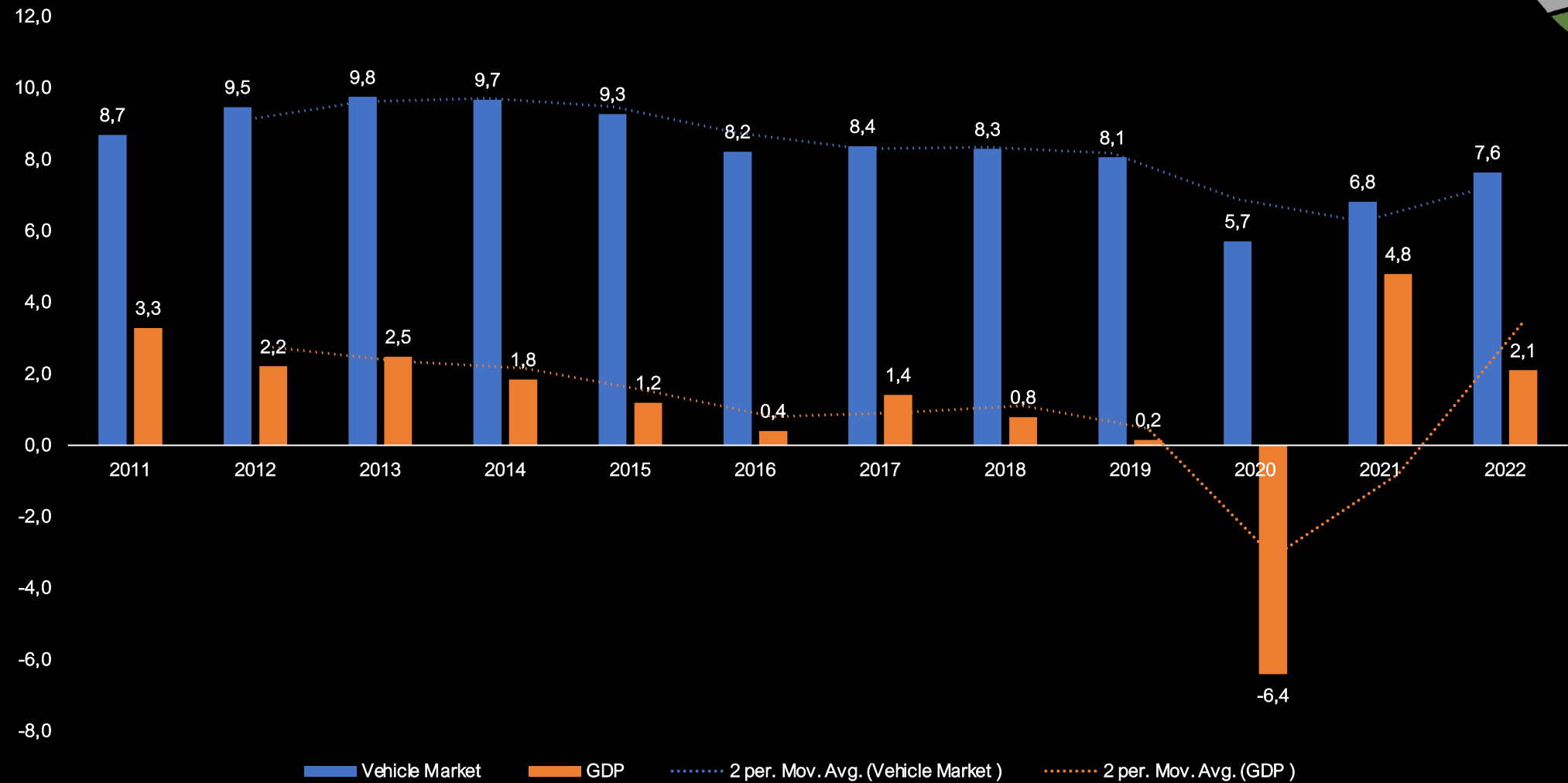


INDEPENDENT IMPORTERS



SA's VEHICLE MARKET SHARE COMPARED TO GDP TRENDS

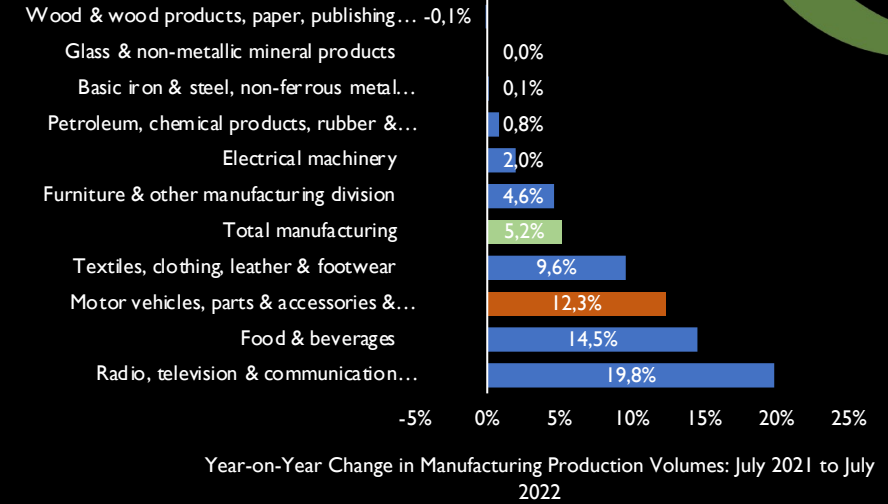
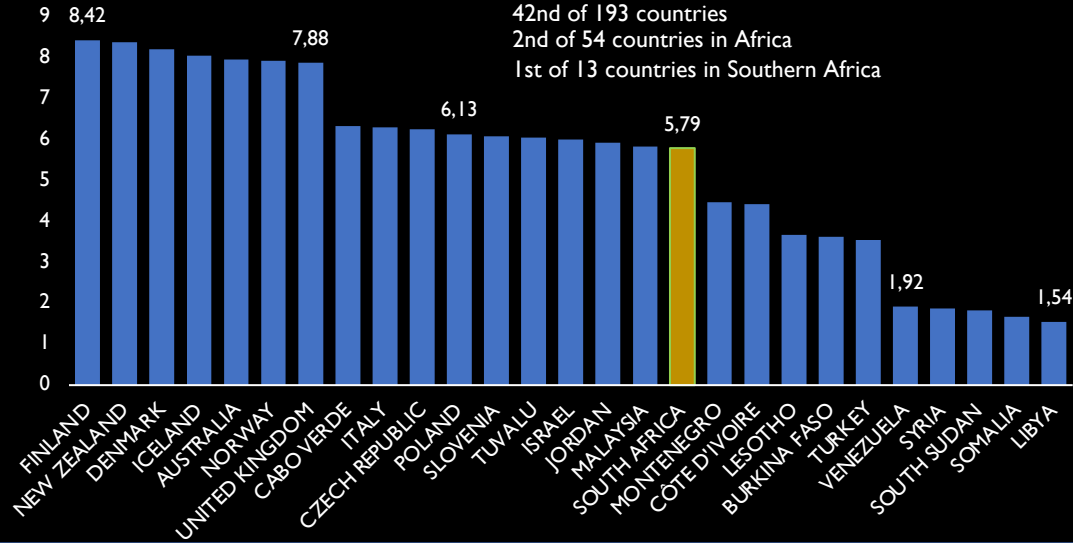
SA VEHICLE MARKET SHARE vs. GDP GROWTH TRENDS



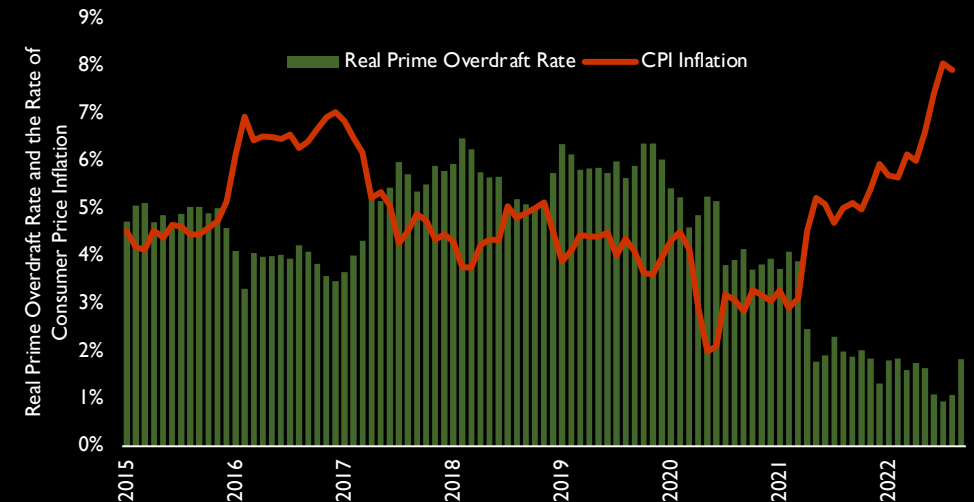
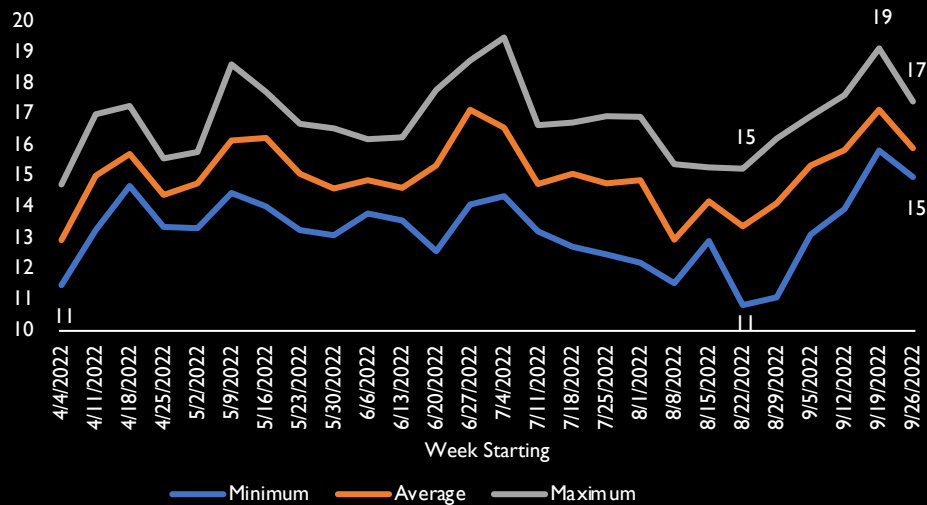
MACRO-ECONOMIC INDICATORS



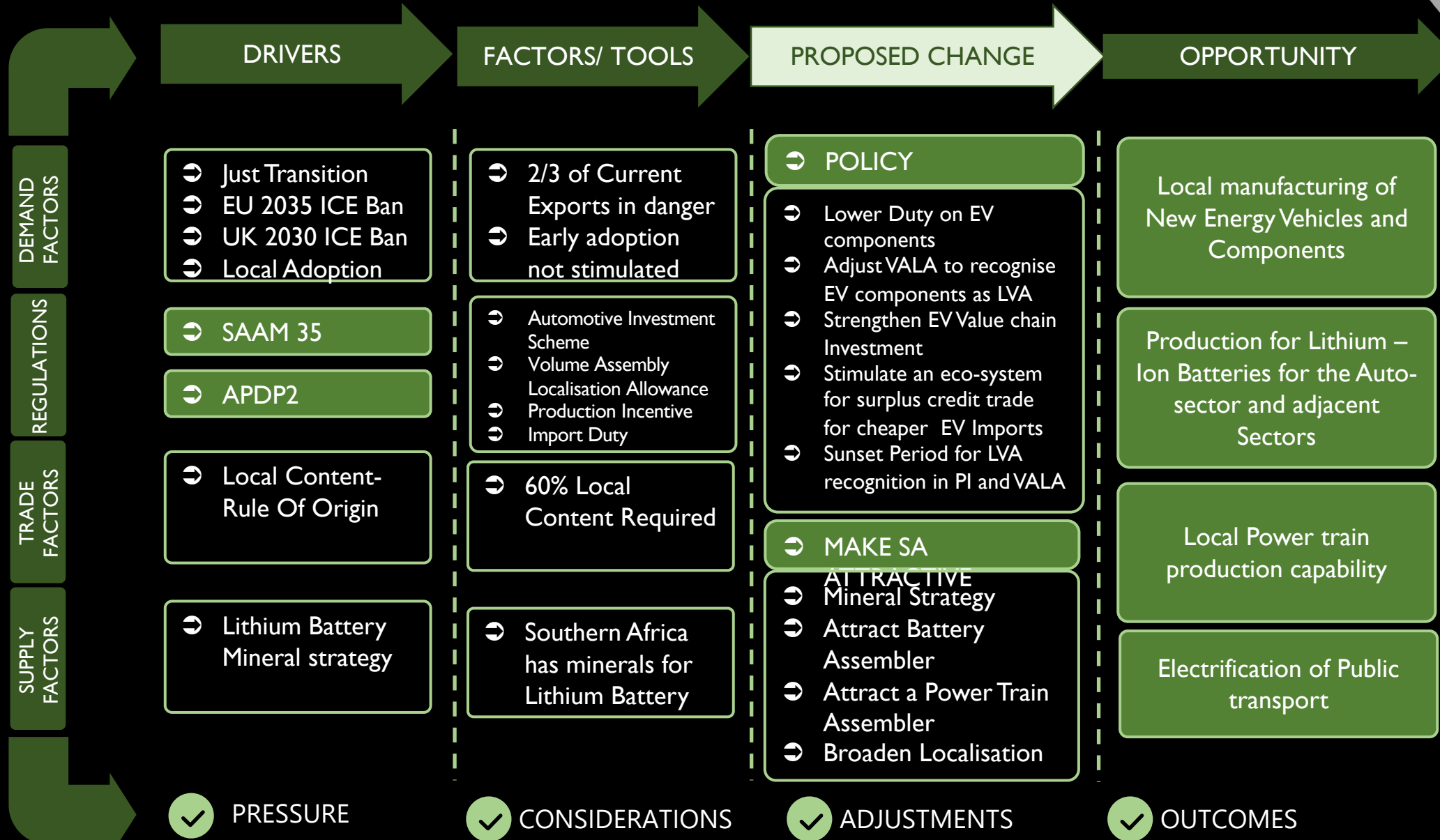
Resilience Index Score, 2021 | vehicle theft concerns



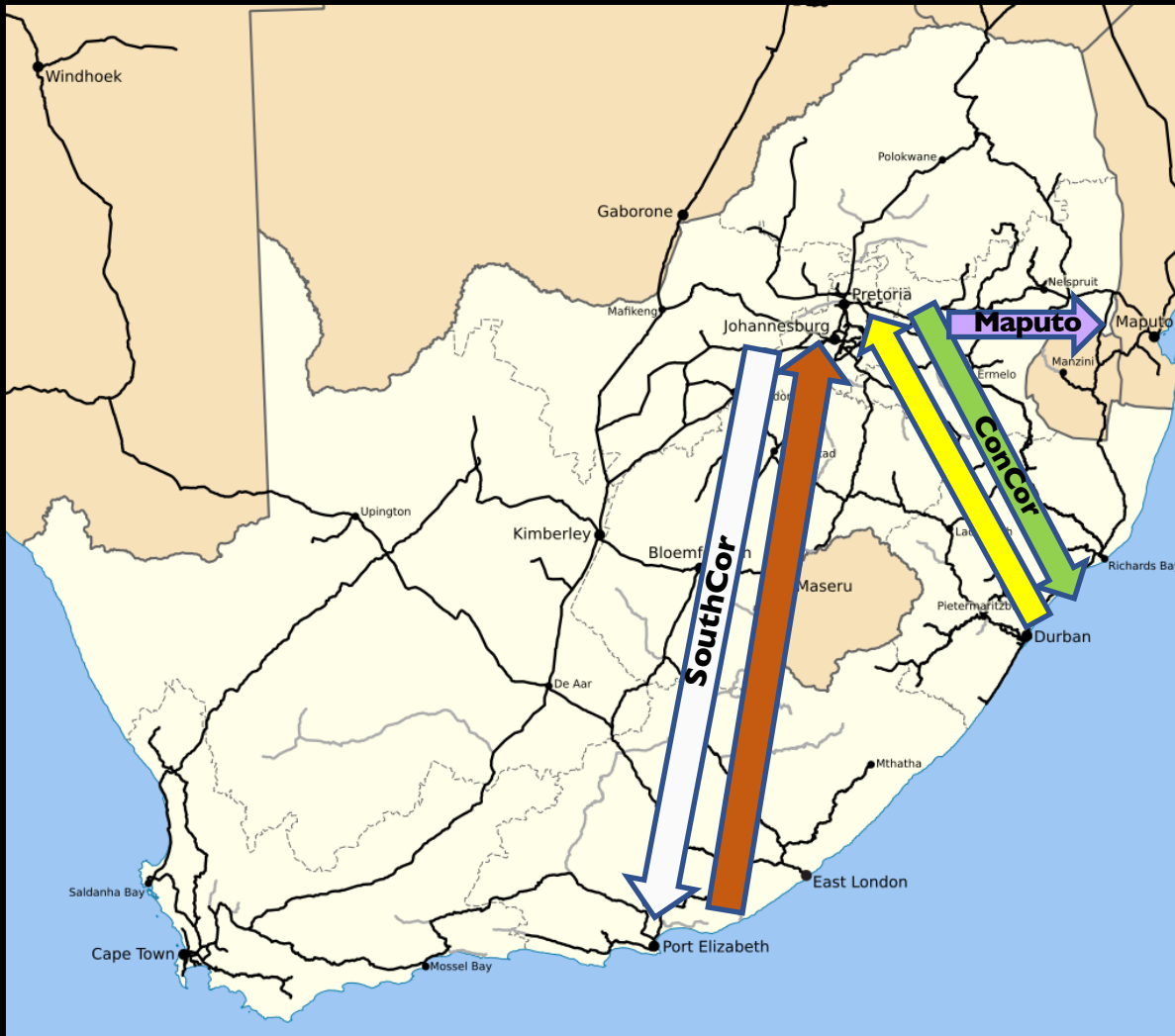
Eskom Unplanned Outages per Week (GigaWatts)



THEORY OF CHANGE | SOUTH AFRICA EV PREPAREDNESS



LOGISTICS CORRIDORS ACTIONS



Immediate action:

- TFR Durban to Kaalfontein – Imbalance – Volume available
- Rail / Ramp for smaller vehicles – clarify reason as well as why rail not used to balance traffic to Gauteng

Trial 1 - Rail

SOUTHCOR

- Balance PE Based OEM Volume with Gauteng Based Volume
- One rail slot per day using only High Profile Wagons
- Investigate Road Haul to Kroonstad – Rail Haul to PE Port

Trial 2 - Rail

CONCOR

- Balance DBN Based OEM Volume with Gauteng Based Volume
- 2 slots per day – using only High Profile Wagons
- Road Haul to Kaalfontein – Rail Haul to Durban Port (directly)

Trial 3 – Back of Port

CONCOR

- Road Haul from Gauteng OEM to Umlaas Rd Storage
- Shuttle Imports & Exports into & out of Port Durban to Umlaas
- Road Haul from Umlaas Rd Storage to Gauteng

Investigation required:

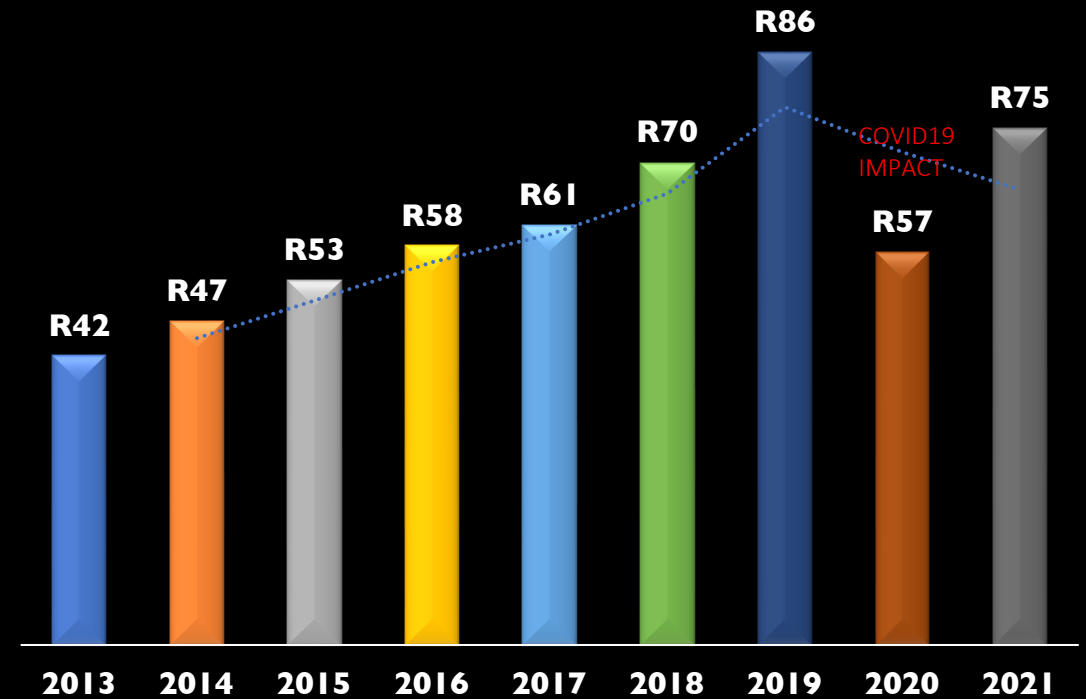
- Maputo Port Export and Import Opportunities
- Develop Independent Rail Siding at Umlaas Rd.
- 3rd Party rail – leases Transnet Automotive Wagons and implements a service on CONCOR or Gauteng to Maputo

LOCALISATION OPPORTUNITIES

Localisation Opportunities and Challenges



OEM Local Content from Vehicle Production in Rbillions



AUTOLYTICS KEY PERFORMANCE INDICATORS | FROM MIDP TO SAAM 2035

LOCAL PRODUCTION 1994 - 2021

MIDP 1995 - 2012

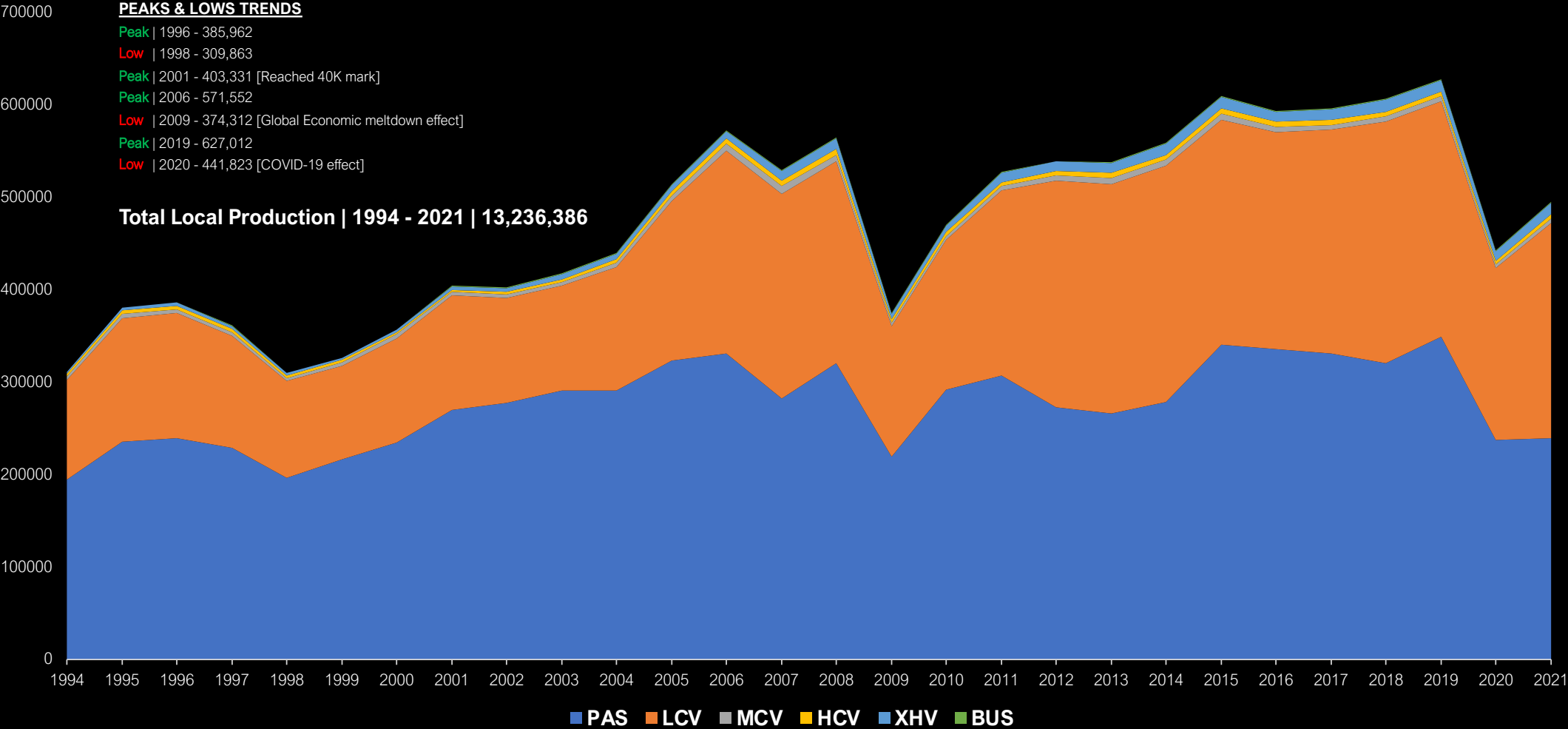
APDP 2013 - 2020

SAAM 2021 - 2035

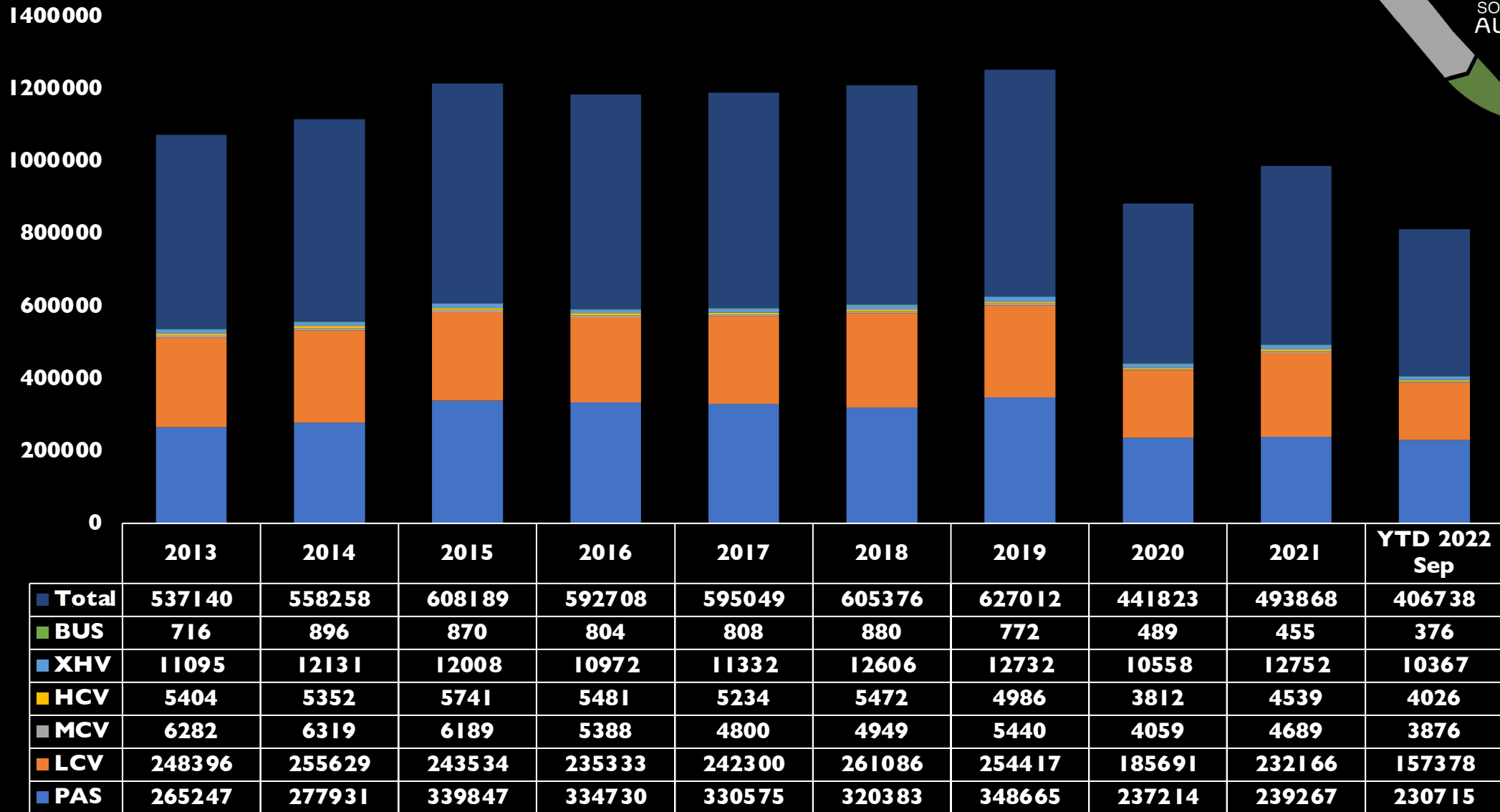
PEAKS & LOWS TRENDS

- Peak | 1996 - 385,962
- Low | 1998 - 309,863
- Peak | 2001 - 403,331 [Reached 40K mark]
- Peak | 2006 - 571,552
- Low | 2009 - 374,312 [Global Economic meltdown effect]
- Peak | 2019 - 627,012
- Low | 2020 - 441,823 [COVID-19 effect]

Total Local Production | 1994 - 2021 | 13,236,386

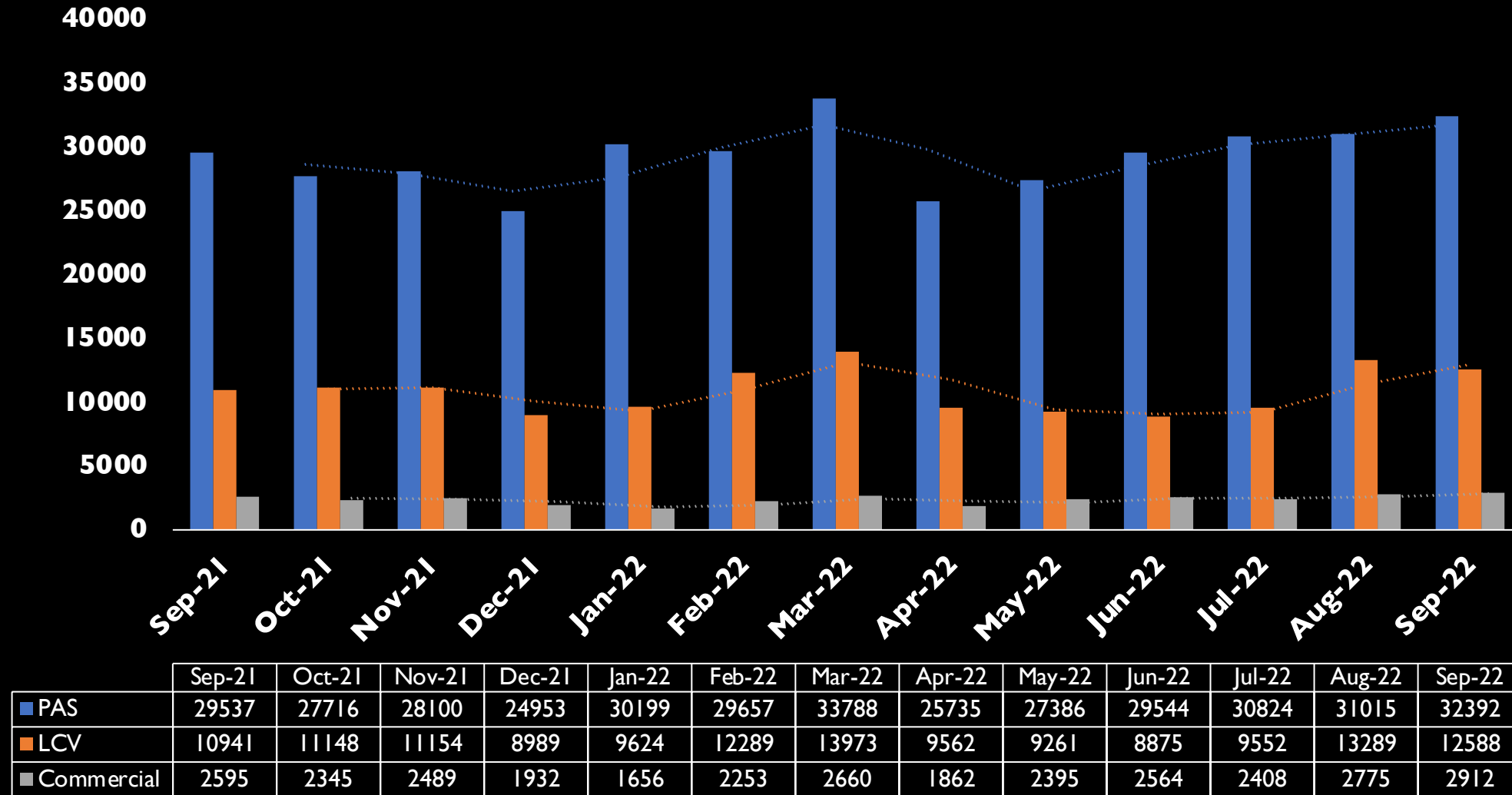


AUTOMOTIVE INDICATORS | LOCAL PRODUCTION



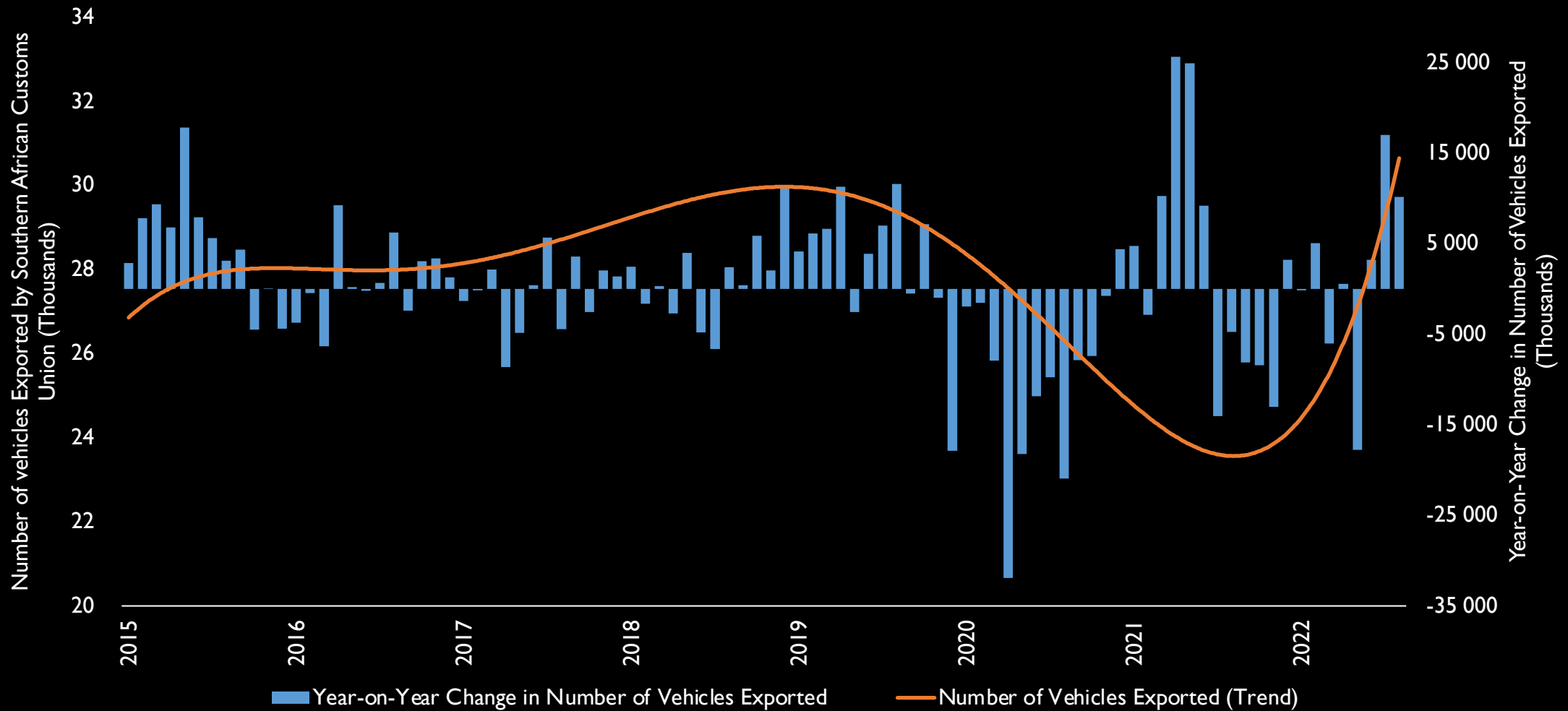
AUTOMOTIVE INDICATORS | NEW VEHICLE SALES

SOUTH AFRICAN
AUTOWEEK
an asset of naamsa NPC



AUTOMOTIVE INDICATORS | VEHICLE EXPORTS

SOUTH AFRICAN
AUTOWEEK
an asset of naamsa NPC



VEHICLE PRODUCTION AND EXPORTS 2017 TO 2021

Country	2017	2018	2019	2020	2021
Total (R billion)	110,9	123,2	143,4	117,0	133,2
UK	98 358	119 578	101 401	67 798	60 260
Germany	10 423	25 513	37 152	25 736	42 671
France	19 055	23 400	25 629	13 956	22 130
Italy	5 088	8 870	14 624	10 546	18 295
Japan	42 492	44 027	33 435	23 645	15 765
Belgium	6 902	6 338	11 379	10 048	11 752
Spain	5 770	10 833	11 217	7 345	10 876
Australia	23 336	21 594	16 284	13 041	9 676
Hungary	3 833	5 334	8 012	6 341	7 793
Austria	2 105	2 749	12 675	6 376	7 429
Other	119 743	81 767	114 457	85 898	90 794
Total (units)	337 105	350 003	386 265	270 730	297 441
Light vehicle production	574 075	581 469	603 082	422 905	471 433
% of production exported	58,7%	60,2%	64,0%	64,0%	63,1%
Number of base models produced	12	11	11	11	10
Average volume per model produced	47 840	52 861	54 826	38 446	47 143

SOUTH AFRICAN NEW ENERGY VEHICLES (NEV) LANDSCAPE 2017- 2022/9

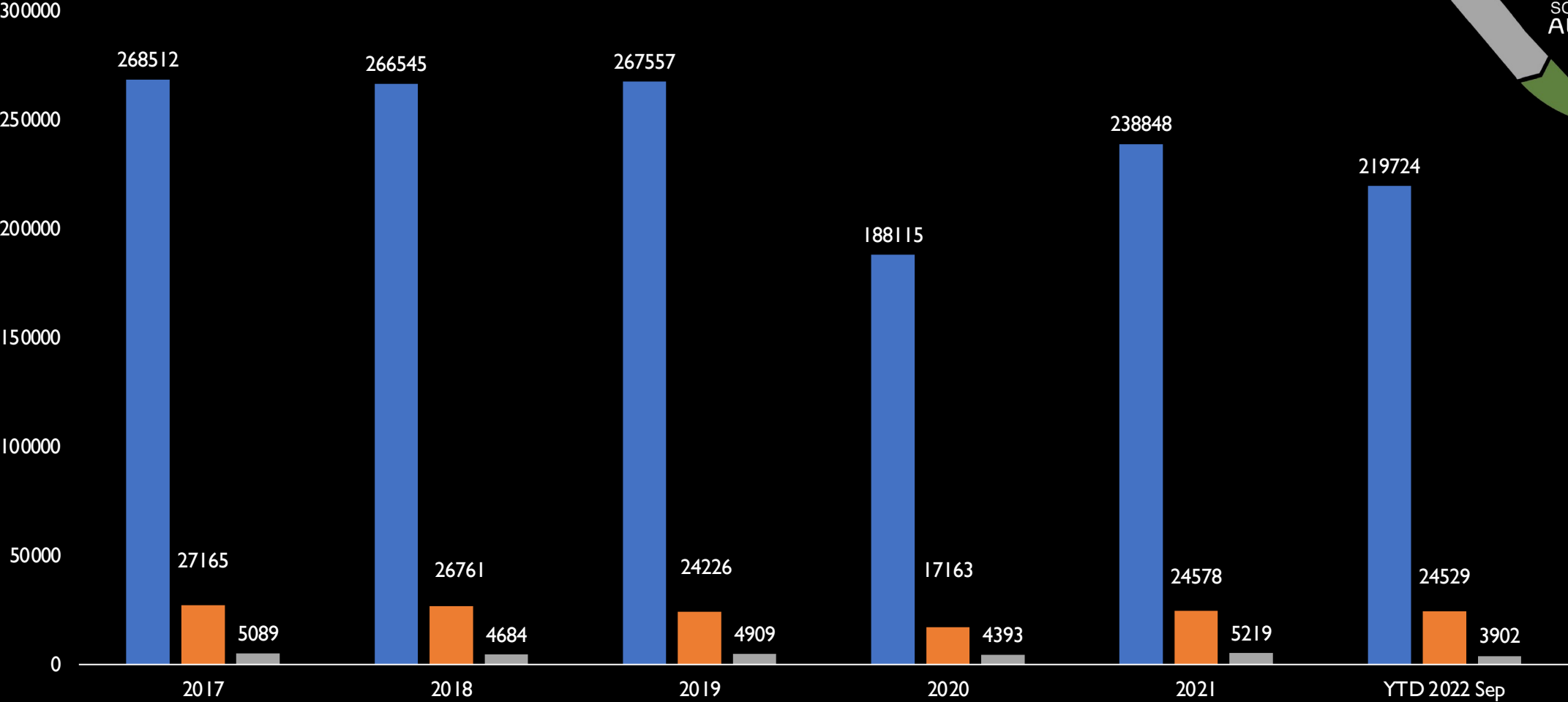
	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	9 MONTHS 2021	9 MONTHS 2022	9 MONTHS 2022 vs. 2021 %change
Plug-in hybrid	121	89	72	77	51	41	104	+153,7%
Traditional hybrid	182	55	181	155	627	197	2 638	+1239,1%
Electric	68	58	154	92	218	107	350	+227,1%
Total NEVs	371	202	407	324	896	345	3 092	+796,2%
% of total market	0,07%	0,04%	0,08%	0,09%	0,19%	0,10%	0,79%	+690%

TOP COUNTRIES OF ORIGIN FOR VEHICLE IMPORTS 2017 TO 2021

Country of origin	2017	2018	2019	2020	2021	2021
Total (R billion)	57,7	57,1	60,6	36,6	50,9	Import Rand value %
India	89 724	98 585	106 199	88 699	129 364	29%
Japan	37 795	36 386	34 351	21 491	24 152	11%
China	3 145	3 201	11 443	10 427	21 517	9%
Germany	55 480	41 791	36 760	21 660	19 801	15%
South Korea	32 643	27 458	26 828	14 854	17 478	5%
Spain	10 387	9 439	11 946	10 129	11 135	5%
Indonesia	5 476	7 928	7 882	3 697	7 782	2%
UK	10 591	10 314	8 125	4 776	4 413	3%
Portugal	51	0	0	174	3 555	3%
USA	6 690	4 523	4 191	2 757	2 416	5%
Other	41 283	52 572	42 929	24 908	20 668	13%
Number of light vehicle imports	293 265	292 197	290 654	203 572	262 281	100%
Total light vehicle market	531 431	524 772	508 600	357 453	437 418	
% of new vehicle market imported	55,2%	55,7%	57,2%	57,0%	60,0%	
Passenger car imports as % of total	72,4%	72,8%	75,1%	75,7%	78,3%	
LCV imports as % of total	16,5%	16,6%	15,6%	15,3%	18,1%	

Source: **naamsa**/Lightstone Auto, SARS

VEHICLE SALES IMPORTS



Total Import Market	2017	2018	2019	2020	2021	YTD 2022 Sep	Total
	300766	297990	296692	209671	268645	248155	1621919

NEW VEHICLE SALES BELN COUNTRIES 2017- 2022/09

Market	2017	2018	2019	2020	2021
Botswana	5 813	6 171	6 682	5 354	5 167
eSwatini	1 661	1 348	1 324	1 106	1 37
Lesotho	826	877	736	525	497
Namibia	13 049	11 906	10 415	7 612	9 427
Total	21 349	20 302	19 157	14 597	16 468

GREY IMPORTS CHALLENGE

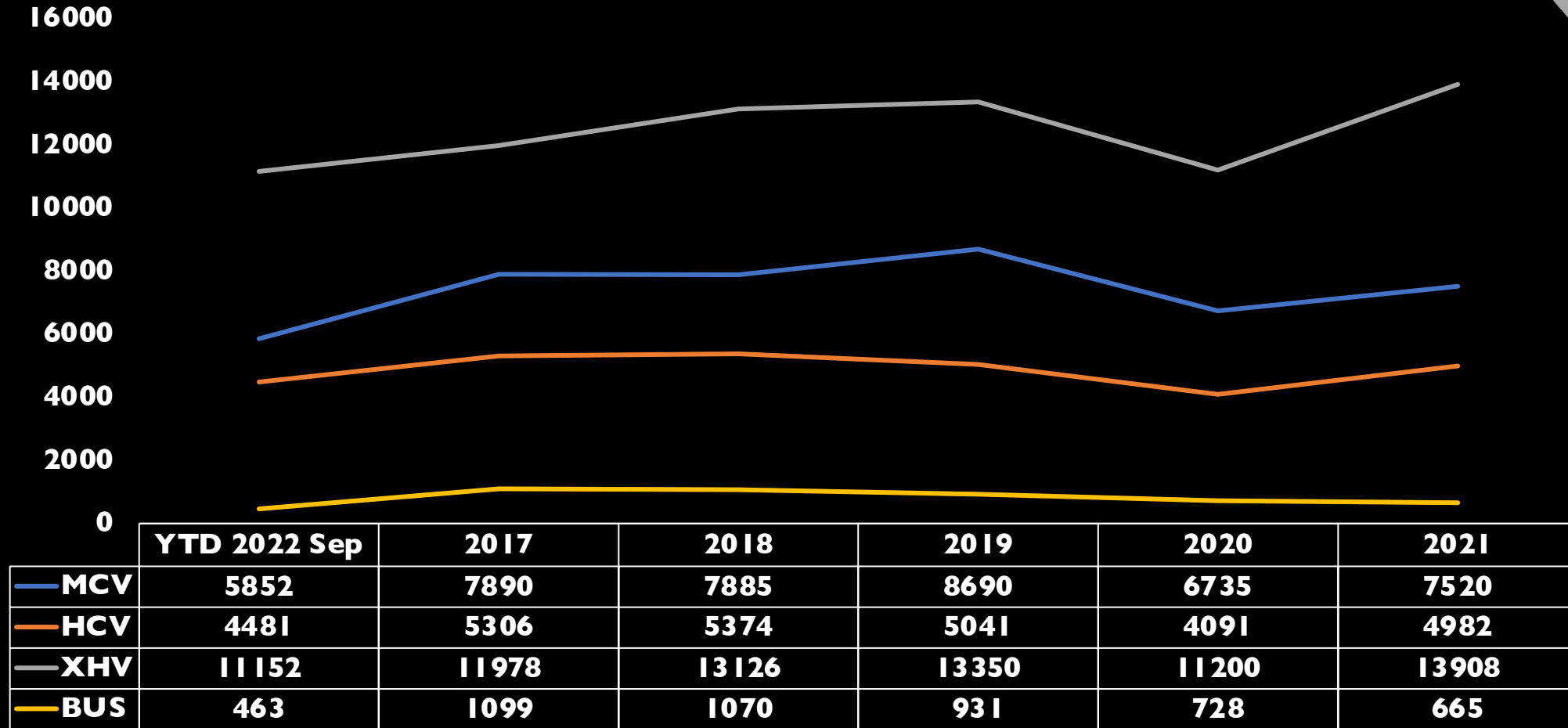
Grey import vehicles are new or used motor vehicles imported from another country through channels other than the maker's official distribution system.

South Africa's neighbouring countries in SACU, which is a common Customs, area subject to the same Customs and Excise Act, but allow for used vehicle imports to be registered in these countries. Of these, over 300 000 grey imports permanently resident on South African roads. The number of grey imports is growing at 30 000 vehicles per annum. Grey imports represent an extra month's sales per annum, which represents 7.5% of total market and would be the third largest brand in South Africa by volume. This has the impact of displacing new car sales.

Grey imports have a massive negative impact on the automotive ecosystem in South Africa and based on the suite of taxes applicable to new car sales locally, naamsa estimated that this is costing the fiscus R3,8 billion per year in uncollected taxes. Unquestionably, the growth of grey imports in South Africa and across the region displaces new car sales and harms the country's economy.

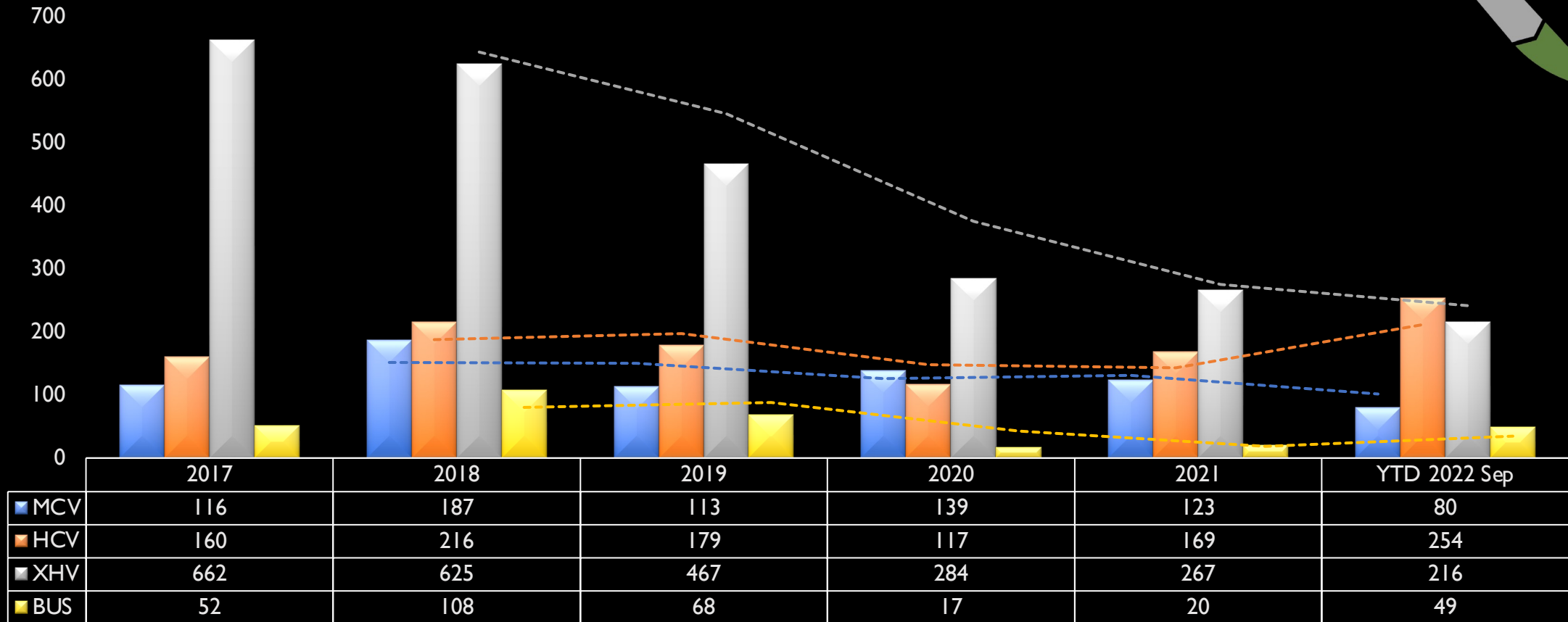
Grey imports within the automotive industry do not only rob the fiscus of the much-needed revenue, but they also hurt job creation prospects for many young people who are currently unemployed in South Africa. The importation of these illegal secondhand vehicles also aids criminal activity in the country and undermines road safety initiatives.

HCV SALES VOLUMES | 2017 TO YEAR TO DATE 2022



Total Commercial Market	2017	2018	2019	2020	2021	2022 09	Total
Total	26273	27455	28012	22754	27075	21948	153517

HCV EXPORT VOLUMES | 2017 TO YTD SEPT 2022



Commercial Export Market	2017	2018	2019	2020	2021	YTD 2022 Sep	Total
Total	990	1136	827	557	579	599	4688



SOUTH AFRICAN
AUTOWEEK
an asset of naamsa NPC

END OF PRESENTATION!!