

# PRESS RELEASE

**FOR IMMEDIATE RELEASE | Wednesday, February 01, 2023**

## naamsa releases January 2023 **NEW VEHICLE STATS** “Loadshedding slows down the auto industry”

PRETORIA: Wednesday, February 01, 2023: naamsa has expressed serious concern about the current loadshedding schedule and confirmed that January 2023 was by far the worst month in terms of the cumulative amount of loadshedding the country has ever experienced in a period of a month. Undoubtedly, the destructive higher stages of loadshedding have amplified the negative impact on vehicle production and component manufacturing in South Africa. “Loadshedding is the biggest inhibitor to drive the industry’s localisation ambitions, create sustainable jobs within the auto sector and to further attract investment opportunities into the country to grow the South African economy”, said Mikel Mabasa, naamsa CEO.

“We welcome government’s intent announced recently to declare loadshedding a national state of disaster so that urgent resources and solutions can be mobilised to assist the country to recover from the current energy crisis”, Mabasa said. Reflecting on the new vehicle sales statistics for the month of January 2023 naamsa said that the new vehicle market had started the year on a positive but weak note. Aggregate domestic new vehicle sales in January 2023, at 43,509 units reflected an increase of 2,006 units, or 4,8%, from the 41,503 vehicles sold in January 2022. Export sales recorded a decline of 367 units, or 1,8%, to 20,536 units in January 2023 compared to the 20,903 vehicles exported in January 2022.

Overall, out of the total reported industry sales of 43,509 vehicles, an estimated 36,353 units, or 83,6%, represented dealer sales, an estimated 12,1% represented sales to the vehicle rental industry, 2,2% sales to government, and 2,1% to industry corporate fleets.

The January 2023 new passenger car market at 31,072 units had registered an increase of 873 cars, or a gain of 2,9%, compared to the 30,199 new cars sold in January 2022. The car rental industry supported the new passenger car market during the month and accounted for a sound 16,2% of sales in January 2023.

Page 1 of 2

Non-Executive Directors: Neale HILL [President] | Billy TOM [Vice-President: Manufacturing OEMs] | Gary SCOTT [Vice-President: Retailing OEMs] | Filip VAN DEN HEUDE [Vice-President: Heavy Commercial OEMs] | Andrew KIRBY [Immediate Past President]

Executive Director: Mikel MABASA [Chief Executive Officer]

Registered Information: **naamsa** NPC, trading as The Automotive Business Council  
Registration No.: 2021/358607/08 | VAT No.: 4750308951 | PBO No.: 930/023/609

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,622 units during January 2023 had recorded an increase of 998 units, or a gain of 10,4%, from the 9,624 light commercial vehicles sold during January 2022.

Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 461 units and 1,354 units, respectively, showed an increase of 13 units, or 2,9% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 122 vehicles, or a gain of 9,9%, compared to the corresponding month last year.

The January 2023 exports sales number at 20,536 units reflected a decline of 367 vehicles, or 1,8%, compared to the 20,903 vehicles exported in January 2022.

The weak performance of the new vehicle market during the first month of the year is in line with expectations of a depressed economy along with ongoing structural problems and cost of living increases. The same challenges that confronted the economy and the automotive industry in 2022, such as persistent loadshedding, high inflation and interest rates, and currency depreciation have been carried over into 2023. During the month, the South African Reserve Bank has raised interest rates for the eighth consecutive time since November 2021 and adjusted the country's GDP growth rate for 2023 down to only 0,3% due to extensive load-shedding and other logistical constraints. The Bank estimated that loadshedding would deduct as much as 2 percentage points from growth in 2023. A close correlation exists between new vehicle sales and the country's GDP growth rate. It is expected that unpredictability in the new vehicle market will prevail but that sales would exceed the pre-COVID-19 level in 2023.

Vehicle exports performed weaker in January 2023 compared to the corresponding month 2022 but the export momentum remains upward. Notwithstanding the impact of the economic downturn as well as the ongoing geopolitical conflict risks, there are signs of the European economy avoiding a near-term recession while the re-opening of the Chinese economy would provide a further boost to global demand in general. Prospects for vehicle export growth remain optimistic on the back of further new model introductions by major exporters in the domestic market.

**ENDS**

#### NOTES FOR EDITORS

- **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).

**naamsa OFFICES: PRETORIA | Wednesday, February 01, 2023**