

# PRESS RELEASE

**FOR IMMEDIATE RELEASE | Monday, July 03, 2023**

**ENCOURAGING HALF YEAR NEW VEHICLE MARKET FIGURES AND  
BMW R4,2 BILLION INVESTMENT ANNOUNCEMENT SHOULD BE CELEBRATED**

## naamsa releases June 2023 New Vehicle Stats

**PRETORIA: Monday, July 03, 2023: naamsa** | The Automotive Business Council said that the upbeat new vehicle market performance was encouraging given the multiplicity of negative considerations which still outweighs positive ones during the month of June 2023. Aggregate domestic new vehicle sales in June, at 46,810 units reflected an increase of 5,758 units, or **14,0%**, from the 41,052 vehicles sold in June 2022. Export sales recorded a decline of 3,920 units, or 12,6%, to 27,296 units in June 2023 compared to the 31,216 vehicles exported in June 2022.

Overall, out of the total reported industry sales of 46,810 vehicles, an estimated 39,086 units, or 83,5%, represented dealer sales, an estimated 10,0% represented sales to the vehicle rental industry, 3,5% sales to government, and 3,0% to industry corporate fleets.

The June 2023 new passenger car market at 29,795 units had registered an increase of 251 cars, or a gain of 0,8%, compared to the 29,544 new cars sold in June 2022. The car rental industry supported the new passenger car market during the month and accounted for a sound 13,4% of sales in June 2023. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 13,945 units during June 2023 had recorded a substantial increase of 5,070 units, or a gain of 57,1%, from the 8,875 light commercial vehicles sold during June 2022.

Sales for medium and heavy truck segments of the industry reflected a positive performance during the month and at 743 units and 2,327 units, respectively, showed an increase of 56 units, or 8,2% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 381 vehicles, or a gain of 19,6%, compared to the corresponding month last year.

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**National Office Bearers:** President: **Neale HILL** | Managing Director | Ford Motor Company  
Vice-President: Manufacturing OEMs | **Billy TOM** | President and Chief Executive Officer | Isuzu Motors South Africa  
Vice-President: Retailing OEMs | **Gary SCOTT** | Chief Executive Officer | Kia South Africa  
Vice-President: Heavy Commercial OEMs | **Filip VAN DEN HEEDE** | Managing Director | UD Trucks  
Immediate Past President: **Andrew KIRBY** | President and Chief Executive Officer | Toyota South Africa Motors

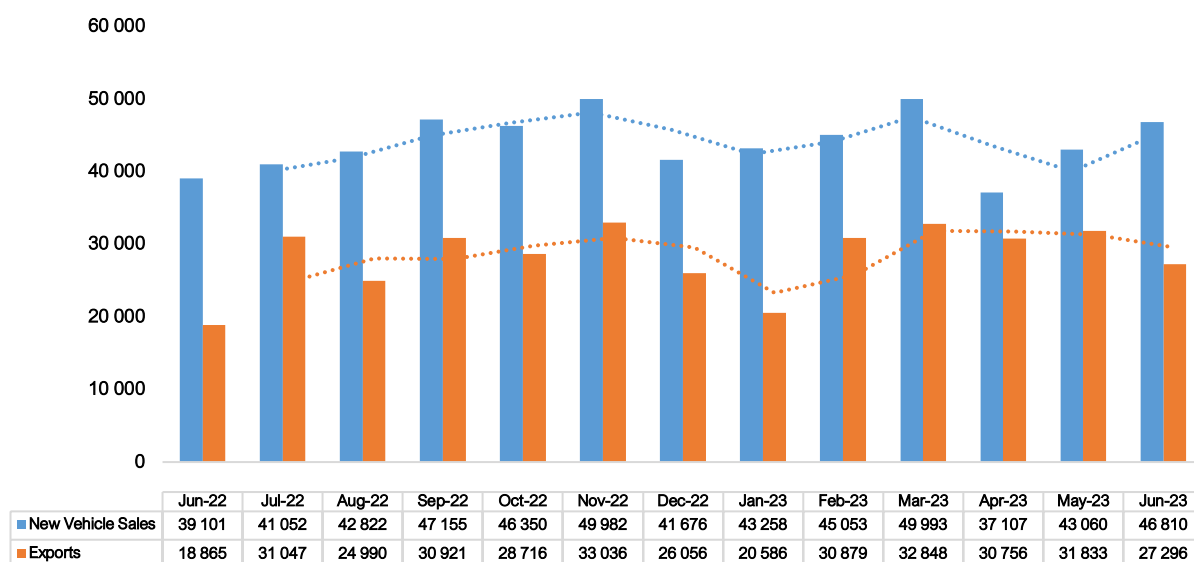
**Executive Director:** Chief Executive Officer: **Mikel MABASA**

**Registration Details:** naamsa NPC: 2021/358607/08 | VAT No.: 4070109972 | PBO No.: 930/023/609

The June 2023 exports sales number at 27,296 units reflected a decline of 3,920 vehicles, or 12,6%, compared to the 31,216 vehicles exported in June 2022.

For the first half of the year the new vehicle market was now 12,284 units or 4,8% ahead of the corresponding period 2022 while vehicle exports were 7,857 units or 4,7% ahead of the first half of 2022. The knock-on effects of the devastating KZN floods impacting on vehicle production and exports during May 2022 were visible in the June 2023/June 2022 monthly comparisons, especially in the case of the light commercial vehicle segment.

New Vehicle Sales and Export |12 months



Source: **naamsa** 2023

The unexpected extent of the upswing in the new vehicle market during June 2023, for the second month in a row, exceeded expectations, despite ongoing increases in the total cost of ownership. Challenges confronting the economy and the automotive industry such as high interest rates, high inflation, and currency depreciation continue to strain consumers' budgets and affordability appears to be driving new vehicle sales, underlined by the top selling models in the market. In addition to an easing in inflation by more than expected as well as an improvement in significantly less daytime loadshedding during the month, another welcome development was the renewed collaboration between business and government to urgently tackle key current challenges relating to energy, infrastructure and transport logistics, as well as combating crime. If successful, the collaboration efforts could assist to reduce policy uncertainty and promote a more predictable economic environment which would enable much higher levels of investment, growth and job creation and to break out of the current low economic growth trap.

Vehicle exports performed weaker in June 2023 compared to the corresponding month 2022 but the export momentum remains upward on the back of further new model introductions by major exporters in the domestic market. Growing concerns about global stagflation, the economic impact and disruption of supply chains resulting from the protracted geopolitical conflict, and the pace of tighter monetary policy in major markets potentially posing the risk of a potential global recession, remain.

**naamsa** has also congratulated BMW Group SA on its 50<sup>th</sup> anniversary in South Africa. “We are particularly pleased that the BMW Rosslyn plant is going electric next year with the R4,2 billion investment for the new-generation X3 sports-utility vehicle, including a plug-in hybrid electric vehicle [PHEV]. What is significant is that the local BMW SA plant will be the exclusive global supplier of the X3 PHEV, said Mikel Mabasa, **naamsa** CEO. “The investment announcement by BMW SA is a very strong vote of confidence and reaffirms the company’s commitment to the country and the domestic automotive industry and is especially significant in view of the lack of a solid commitment and policy guarantees by government for the production and sale of new energy vehicles [NEVs] in South Africa”, said Mabasa.

BMW SA was the European premium car maker’s first wholly owned plant outside Germany and has manufactured more than 1,6 million vehicles at its Rosslyn plant over the past 50 years. Around 20,000 people are directly and indirectly employed at BMW SA’s facilities and within its supply chain. The company has also announced a donation of R30million to support a United Nations Children’s Fund (Unicef) programme targeted at thousands of South African primary and secondary school learners to extend and deepen their knowledge in science, technology, engineering, arts and mathematics. “Our industry’s commitment to South Africa and her people is not artificial and we will continue to do the right thing in order to preserve and create jobs and protect livelihoods. We are determined to contribute meaningfully towards the sustainable development of South Africa”, Mabasa concluded.

## ENDS

### ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 4.9% to GDP [2.9% manufacturing and 2.0% retail];
- in 2022, the export of vehicles and automotive components reached a record amount of R227,3 billion, equating to 12.4% of South Africa’s total exports;
- the industry accounts for 21.7% of the country’s manufacturing output;
- vehicles and components are exported to 152 international markets;
- the manufacturing segment of the industry presently employs in the order of 110,000 people across its various tiers of activity [from component manufacturing to vehicle assembly];
- combined with the industry’s strong multiplier effect, the industry is responsible for approximately 457,000 jobs across the South African economy’s formal sector.

### NOTES FOR EDITORS

- Since 2021 **naamsa** introduced associate membership that offers tangible benefits such as access to information, visibility to key industry issues, business exposure, as well as related discounts.
- **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, [mike@naamsa.co.za](mailto:mike@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 | Monday, July 03, 2023