

PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, October 02, 2023

naamsa RELEASES SEPTEMBER 2023 NEW VEHICLE STATS

IMPORTANT NOTICE: Please note that **naamsa** uses a different naming convention, namely **naamsa** | The Automotive Business Council or **naamsa**. The National Association of Automobile Manufacturers of South Africa is no longer a legal entity, and we wish to advise all reporters to use the new naming conventions as advised above.

PRETORIA: Monday, October 02, 2023: After carefully considering the new vehicle sales statistics for the month of September 2023, **naamsa** has once again reaffirmed that various external business factors, including the higher fuel prices, ongoing challenges in transport logistics, Eskom's incapacity to meet industry's energy demands, the volatility in commodity prices, and the intricate external environment, have exerted significant pressure on the automotive industry's key performance indicators in September 2023. Despite these challenging market conditions, the industry has displayed a modest yet commendable resilience in year-to-date new vehicle sales and export performance for September 2023. This resilience can be attributed to the relatively low production volumes, emanating from the 2022 flood-induced halts.

Aggregate domestic new vehicle sales in September 2023, at 46,021 units reflected a decline of 1,963 units, or a fall of 4,1%, from the 47,984 vehicles sold in September 2022. Export sales recorded a decline of 5,217 units, or 12,6%, to 36,247 units in September 2023 compared to the 41,464 vehicles exported in September 2022.

Overall, out of the total reported industry sales of 46,021 vehicles, an estimated 37,149 units, or 80,7%, represented dealer sales, an estimated 6,241 units or 13,6% represented sales to the vehicle rental industry, 2,9% or 1 321 units to industry corporate fleets, and 2,8% or 1 310 units sales to government.

The September 2023 new passenger car market at 29,669 units had registered a decline of 2,723 cars, or a loss of 8,4%, compared to the 32,392 new cars sold in September 2022. The car dealer industry

supported the new passenger car market during the month and accounted for a sound 76,1% of sales in September 2023, while the rental sales accounted for 18,9% or 5 609 units of the new passenger vehicles sales.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 13,169 units during September 2023 had recorded an increase of 581 units, or a gain of 4,6%, from the 12,588 light commercial vehicles sold during September 2022.

Sales for medium vehicle volumes decreased by 44 units or a loss of 5,1% compared to the 871 medium vehicle units recorded the same period last year. The heavy truck segments of the industry reflected a positive performance during the month 2,356 units, which is an increase of 223 vehicles, or a gain of 10,5%, compared to the corresponding month last year.

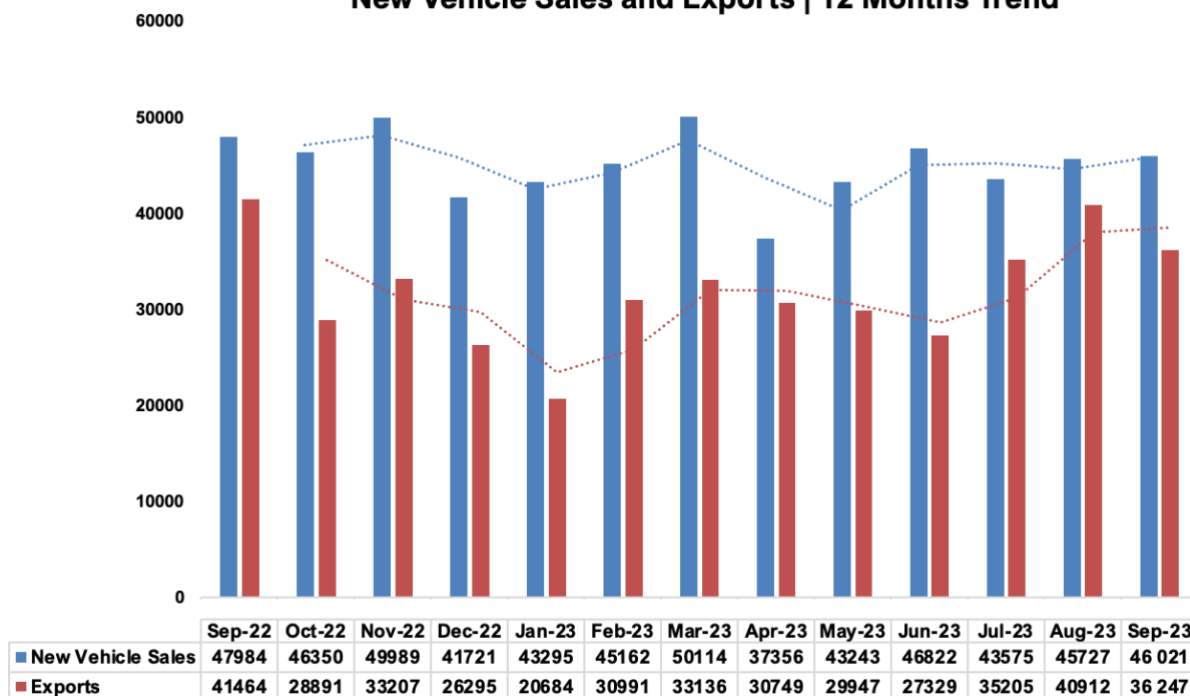
Vehicle exports for the year to date were now 8,3% ahead of the same period last year, at a total of 285,200 units. The new vehicle sales for the year-to-date were 2,5% ahead of the same period , recorded at 401,315 units.

Although the South African Reserve Bank (SARB) maintained the repurchase rate at 8,25% in September 2023, the automotive industry continues to grapple with concerns over consumer affordability. The most recent SARB report indicates a 0,3% contraction in household consumption expenditure, with household debt surpassing household disposable income by 62,5% in the second quarter of 2023. Additionally, the industry faces potential upward pressures stemming from an elevated inflation outlook, fluctuations in the exchange rate, rising fuel prices, and increased energy costs.

On the positive side, In September 2023, StatsSA reported that the manufacturing and finance industries were the core drivers of GDP growth in the second quarter of 2023, recorded at 0,6%. Motor vehicles, parts and accessories, and other transport equipment grew by 9,5%, contributing 1,0% to the GDP. This unequivocally demonstrates that, despite the less favourable economic prospects, the outlook for the South African vehicle market in 2023 remains distinctly optimistic. The year-to-date new vehicle sales volumes and exports have held their own, indicating a positive trajectory toward achieving **naamsa's** forecasts of 563,000 for the former and 380,900 for the latter.

In conclusion, **naamsa** will host the South African Automotive Week [SAAW] from 11-13 October 2023 at the Gallagher Convention Centre in Midrand. For 2023, the SA Auto Week will primarily be a Business-2-Business [B2B] event, which will be attended by automotive industry leaders around the globe and African countries with an interest in the development and growth of the sector. We will set up a conferencing experience with panel discussions, networking sessions, seminars, and an industry trade fair with speed-dating opportunities for potential industry beneficiaries to meet with our local OEMs and component suppliers. Members of the media and industry leaders are invited to Join us on the 11th of October for the delivery of the Expanded State Of The Auto Industry and for the rest of the conference on the 12-13 October 2023.

New Vehicle Sales and Exports | 12 Months Trend



STATEMENT 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, 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.

naamsa OFFICES: PRETORIA | Monday, October 02, 2023.