

PRESS RELEASE

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naamsa RELEASES JULY 2025 NEW VEHICLE SALES STATS DOMESTIC NEW VEHICLE SALES REMAIN IN FULL THROTTLE INTO SECOND HALF OF THE YEAR BUT VEHICLE EXPORTS LOST GROUND

PRETORIA: Friday, August 01, 2025 | As the curtain rises on the second half of 2025, South Africa's new vehicle sales narrative continues to be marked by unwavering domestic momentum while vehicle exports are navigating global uncertainty. The July new vehicle sales reaffirm the automotive industry's central role as a strategic anchor of the real economy - both reflecting and shaping the country's industrial and macroeconomic trajectory.

In this environment, the July data signal not only the continuation of earlier gains but also the emergence of a more adaptive and agile industry, positioning itself for long-term sustainability and competitiveness. The South African new vehicle market continued its winning streak, with July delivering the highest monthly total sales figure reported since October 2019. Aggregate new vehicle sales increased to 51,383 units in July 2025, up 6,931 units, or **15.6%**, from the 44,452 units sold in July 2024. This strength has been driven by improving consumer confidence, favourable credit conditions, and a steady recovery in disposable incomes.

Overall, out of the total reported industry sales of 51,383 vehicles, an estimated 42,700 units, or 83.1%, represented dealer sales, an estimated 11.1% represented sales to the vehicle rental industry, 3.1% to government sales, and 2.7% to industry corporate fleets.

The July 2025 new passenger car market at 36,248 units, the highest monthly passenger car sales performance since January 2017, had registered an increase of 6,072 cars, or a gain of 20.1%, compared to the 30,176 new cars sold in July 2024. Car rental sales accounted for a sound 14.0% of new passenger vehicle sales during the month. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 12,356 units during July 2025 had recorded an increase of 800 units, or a gain of 6.9%, from the 11,556 light commercial vehicles sold during July 2024.

Sales for medium and heavy truck segments of the industry reflected a mixed performance in July 2025 and at 703 units and 2,076 units, respectively, recorded an increase of 86 units, or 13.9% from the 617 units sold in July 2024 in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decrease of 27 vehicles, or 1.3%, compared to the 2,103 units sold in the corresponding month last year.

The much-welcomed decision by the South African Reserve Bank in July to further reduce the repo rate by 25 basis points to 7.00% - its third cut this year - will further inject much-needed stimulus into the economy. The move reflects a proactive monetary stance aimed at reinforcing real sector growth without compromising price stability. Although headline inflation rose modestly to 3.0% in June, from 2.8% in May, core inflation eased slightly to 2.9%, affirming that underlying price pressures remain subdued. Inflation is expected to average 3.5% in 2025 and rise to 4.2% in 2026, remaining within the target range.

Encouragingly, household credit extension has continued to improve, while consumer sentiment is rebounding - especially among middle- and upper-income groups. The implementation of pension reforms has also unlocked additional liquidity for big-ticket purchases such as vehicles. This positive trend is further reinforced by improved logistics performance, a more stable electricity supply, and a sustained demand for high-spec, cost-effective vehicles across market segments.

"We are encouraged by the sustained positive momentum in new vehicle sales, which clearly underscores the resilience of South African consumers and the strategic importance of a stable macro-economic policy environment. This performance reflects more than short-term consumption - it signals the sector's confidence in the country's broader economic trajectory," said **naamsa** CEO Mikel Mabasa.

Despite the effects of the United States 25% automotive tariffs imposed in April 2025, vehicle exports have displayed notable resilience. Export volumes for July 2025 decreased by 677 units, or 1,9% from the 36,056 units exported in July 2024 to 35,379 units exported in July 2025. Encouragingly, for the year-to-date vehicle exports were still 2,5% ahead of the same period 2024, bolstered by diversified destination markets, strong bilateral demand, and effective supply chain adjustments by OEMs.

This resilience reflects the sector's expanded global reach to over 109 markets for vehicle exports in 2024 - leveraging long-standing trade relationships, amongst others. However, pressure is mounting as other export-oriented nations begin to redirect their product volumes toward South Africa's established markets. *"South Africa's automotive industry has long relied on the strength of its export engine to drive production, attract investment, and create high-value employment. The current environment has tested that model - but our ability to maintain solid export volumes amid escalating trade uncertainty demonstrates the commitment of our OEMs to South Africa's industrial base,"* added Mabasa.

The July new vehicle sales are released as the sector absorbs confirmation of the reimposition of a 30% tariff on general South African exports to the United States, set to take effect from 07 August 2025. This follows the initial implementation of the 25% Section 232 tariffs on automotive products in April 2025. While most other trading partners have secured reduced tariff treatment, South Africa finds itself at a relative disadvantage, having been unable to secure preferential terms over months of negotiations.

For South Africa's automotive sector - already bearing the brunt of a sharp export contraction to the US market in the first half of 2025 - this latest development cements a competitiveness blow, and a relative loss of competitiveness as peer countries retain or negotiate lower rates. Although some sectors, such as base metals, will remain largely exempt, the automotive industry stands exposed, both in immediate volumes and long-term market access.

Vehicle exports to the US - South Africa's second-largest trading partner and historically a key destination for domestically manufactured premium models - have plummeted by 82,2% in the first half of the year compared to the first half 2024, dealing a significant blow to production volumes and supplier networks. *"The reimposition of these tariffs is deeply disappointing and has far-reaching implications. Without urgent trade remedy, the socio-economic fallout could be severe,"* said Mabasa.

*"As **naamsa**, we have continued to lead intensive engagements with government to advocate for a fair and reciprocal trading relationship - one that recognises the deep and long-standing automotive ties between the two nations. However, with the new tariffs now formalised and taking effect within days, this has issued a rather disappointing blow. We are not giving up on the US market - but we must now also look to deepen regional trade, expand market access in Africa and Asia, and accelerate the rollout of South Africa's NEV transition strategy to attract new investment and safeguard production capacity,"* Mabasa added.

The year 2025 marks a critical juncture for South Africa's automotive industry as it prepares for the review of the South African Automotive Masterplan 2035 [SAAM35] and the Automotive Production and Development Programme Phase 2 [APDP2]. These reviews are intended to align the sector's policy framework with shifting global market dynamics and to reset performance goals in light of both domestic and export challenges.

"We must seize this moment. With positive domestic fundamentals and export volumes holding firm, now is the time to intensify policy co-ordination, deepen localisation, and invest boldly in the technologies of the future. Our sector has proven its resilience - what we now need is the strategic will to transform that resilience into long-term industrial competitiveness," added Mabasa.

As the industry enters the second half of the year, attention now turns to the upcoming **SA Auto Week 2025**, to be held from **01 - 03 October in Gqeberha, Eastern Cape Province**. The Eastern Cape is not only the birthplace of **naamsa** 90 years ago; it remains the province at the heart of South Africa's automotive industrial capacity.

With the threat of US tariffs potentially disrupting thousands of jobs, eroding hard-won industrial capabilities, and destabilising automotive-export-reliant communities such as East London, **naamsa** remains steadfast in its commitment to South Africa's economic growth and industrial development. Hosting **SA Auto Week 2025** in Gqeberha is both a strategic and symbolic choice - bringing together global stakeholders to chart the next chapter of South Africa's mobility journey.

Under the theme “***Reimagining the Future, TOGETHER: Cultivating Inclusive Growth and Shared Prosperity***”, the gathering will serve as a platform for forging bold industrial alliances, recommitting to trade diplomacy, and accelerating South Africa’s just energy transition within the automotive ecosystem.

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.2% to GDP [3.2% manufacturing and 2.01% retail];
- in 2024, the export of vehicles and automotive components reached a record amount of R268.8 billion, equating to 14.7% of South Africa’s total exports;
- the industry accounts for 22.6% of the country’s manufacturing output;
- vehicles and components are exported to 155 international markets;
- the manufacturing segment of the industry presently employs in the order of 115,000 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 498,000 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 42 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;
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