

PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, December 02, 2024

naamsa RELEASES NOVEMBER 2024 NEW VEHICLE SALES STATISTICS

PRETORIA: Monday, December 02, 2024: Reflecting on the new vehicle sales statistics **naamsa** said that a second consecutive increase in the monthly new vehicle sales could signal the start of the long-awaited upward trend in the new vehicle market. Aggregate domestic new vehicle sales in November 2024, at 48,585 units, reflected an increase of 3,658 units, or a gain of 8,1%, from the 44,927 vehicles sold in November 2023. Export sales decreased by 12,210 units, or 28,6%, to 30,431 units in November 2024 compared to the 42,641 vehicles exported in November 2023.

Overall, out of the total reported industry sales of 48,585 vehicles, an estimated 39,450 units, or 81,2%, represented dealer sales, an estimated 14,6% represented sales to the vehicle rental industry, 2,4% to government sales, and 1,8% to industry corporate fleets. The November 2024 new passenger car market at 35,101 units had registered an increase of 5,849 cars, or a gain of 20,0%, compared to the 29,252 new cars sold in November 2023. Car rental sales accounted for a sound 19,5%, or one out of five new passenger vehicles sales during the month.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 10,827 units during November 2024 had recorded a decrease of 2,110 units, or a loss of 16,3%, from the 12,937 light commercial vehicles sold during November 2023. Sales for medium and heavy truck segments of the industry reflected a weak performance in November 2024 and at 699 units and 1,958 units, respectively, recorded a decrease of 71 units, or 9,2% from the 770 units sold in November 2023 in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decrease of 10 vehicles, or 0,5%, compared to the 1,968 units sold in the corresponding month last year.

The November 2024 exports sales at 30,431 units reflected a decrease of 12,110 vehicles, or a loss of 28,6%, compared to the 42,641 vehicles exported in November 2023. For the first 11 months of the year, vehicle exports were now 23,9% below the corresponding period 2023.

Robust new passenger car sales once again stood out as a shining beacon in a new vehicle market reflecting a mixed performance during November 2024. Along with sound seasonal sales to the vehicle rental industry and five consecutive months of lower consumer inflation, a second interest rate cut of 25 basis points by the South African Reserve Bank during the month sparked positive sentiment. In view of the stronger year-end performance, new vehicle sales were now only 3,5% below the corresponding period 2023, but unlikely to return to the pre-pandemic level after four years in 2024. Further interest rate cuts in the new year would support vehicle affordability across all the various segments.

The ABSA Purchasing Manufacturers' Index measuring expected business conditions in six months' time remained steady in November 2024, indicating that manufacturers remain positive about business conditions going forward. The Central Bank stated that risks to the country's growth outlook are assessed to be balanced, but that growth could be higher from next year, given ongoing reforms. These include structural reforms, especially in the network sectors, such as electricity and transport. Furthermore, the recent positive outlook on South Africa's credit rating, from Standard and Poor's, points to an improving country risk premium.

Vehicle exports continued to decrease during the month compared to the record 2023 performance levels. Although the European Central Bank has cut interest rates by 25 basis points in October 2024 with the Bank of England and the US Federal Reserve doing the same in November 2024, the global macro-economic context has become more challenging. The US dollar has appreciated against most currencies, including the Rand. Monetary policy in major economies will remain restrictive with new inflation pressures and heightened uncertainty over the past two months suggesting diminished policy space. Domestic vehicle exports will remain a function of the direction and the economic performance of global markets in the new year.

Best wishes for 2025 to the media and all automotive industry stakeholders!

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.3% to GDP [3.2% manufacturing and 2.1% retail];
- in 2023, the export of vehicles and automotive components reached a record amount of R270.8 billion, equating to 14.7% of South Africa's total exports;
- the industry accounts for 21.9% of the country's manufacturing output;
- vehicles and components are exported to 148 international markets;
- the manufacturing segment of the industry presently employs in the order of 116,000 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 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;
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- More information can be found on www.naamsa.co.za.

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