

PRESS RELEASE

FOR IMMEDIATE RELEASE | Wednesday, March 01, 2023

naamsa NEW VEHICLE STATS RELEASE FOR FEBRUARY 2023

“RESILIENCE IN A MONTH OF FISCAL and MONETARY POLICY UNCERTAINTY”

PRETORIA: Wednesday, March 01, 2023: As naamsa reflects on new vehicle sales performance for the month of February 2023, it is fitting to briefly consider how monetary policy amendment and the Budget Speech influenced the automotive industry. The South African Reserve Bank's decision to increase interest rates for the eighth time in a row is a reminder that South Africa, like much of the world, is still in the midst of an increased cost-of-living predicament caused by global geo-political events such as the Russia/Ukraine conflict, lingering effects of the COVID-19 pandemic, and a global inflationary environment. In addition, consumer spending and household discretionary income continues to shrink with increases in fuel costs, electricity costs and many other basic costs that impacts directly on vehicle sales decisions of our motorists. National Treasury's disappointing posture not to announce any support programme for the manufacturing of NEVs and NEV components in the country has also dampened the spirits within the sector.

New vehicle sales had a firm and momentum-building second month to the year. The total domestic new vehicle sales increased by 1,128 units, or 2,6%, to 45,352 units, compared to the same period last year. However, year-on-year vehicle exports declined by 11,5%, from 34,352 units in February 2022 to 30,409 units in February 2023. Overall, of the 44,224 vehicles that were reported as having been sold across the industry, an estimated 37,091 units, or 83,6%, were dealer sales. Another estimated 9,0%, 5,1%, and 2,3%, respectively, were sales to the vehicle rental industry, government, and corporate fleet.

When compared to the 29,657 new passenger vehicles sold in February 2022, the new passenger car market in February 2023 saw a gain of 319 vehicles, or 1,1%, totalling 29,976 units. The automobile rental business in February 2023 saw a healthy 12,2% of sales come from the brand-new passenger automobile market throughout the month. Domestic sales of new light commercial vehicles, including bakkies and minibuses, increased by 683 units, or 5,5%, from the 12,289 light commercial vehicles sold in February 2022 to 12,972 units in February 2023.

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

Executive Director: Mikel MABASA [Chief Executive Officer]

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During the month and at the end of it, sales for the medium heavy truck segment had a negative year on year comparative growth from 517 units in February 2022 to 435 in February 2023. The extra heavy truck segments of the industry showed a favourable performance year on year from 1,186, in 2022 to 1,244, in 2023.

The number of automobiles exported in February 2023 were recorded at 30,409 units, a decrease of 3,943 or 11,5% from the 34,352 vehicles exported in February 2022. While momentum for the new vehicle market has been slow, **naamsa** forecast that both domestic sales will grow by 6,3% [at 563,000 units] for 2023 and export sales will grow by 8,3% [380,900 units]. As far as vehicle for the year go, this year is riddled with a combination of challenges from logistic infrastructure to power security and pressures on business and household spending, however historic resilience by the industry is a safe compass driving industry aspiration.

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;
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