



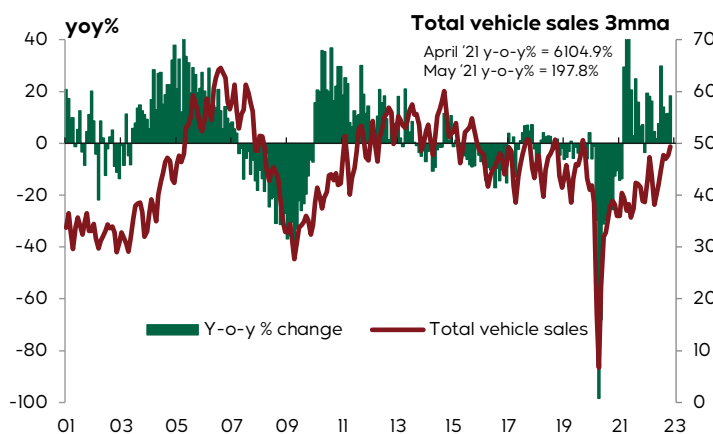
Vehicle Sales

ECONOMICS | SOUTH AFRICA

Vehicle sales and exports rebound after the disruption of the Transnet strike

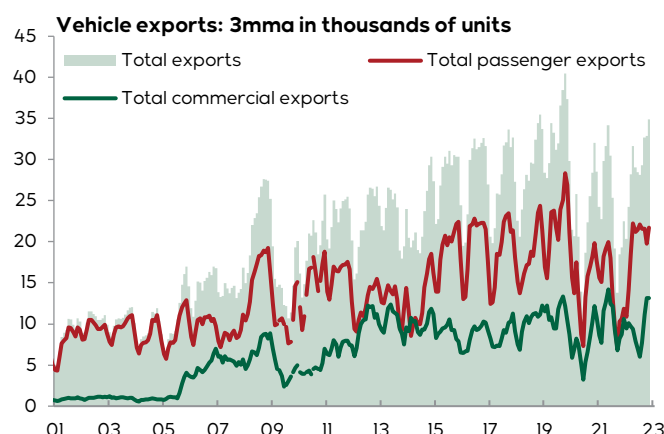
- The resumption of normal activity at the ports, following the Transnet strike in October, helped to normalise activity in vehicle production and exports. Total new vehicle sales grew by 7.5% mom, with passenger and commercial sales up by 7.4% and 7.7%, respectively. Out of the 49 413 vehicles sold, the rental industry’s contribution remained strong at 14.7%, as it continued to renew its fleet ahead of the year-end holiday season.
- Passenger vehicles totalled 32 859 units, a 16.9% yoy gain, with the rental industry accounting for 20% of the sales. The upward trend reflects improved sentiment related to continued recovery in tourism.
- Commercial vehicles were boosted by a 20.8% yoy jump in light commercials, while medium and heavy commercials were up 17.5% and 22.6%, respectively.
- Export volumes rose by a robust 19.1% mom to 34 310 units, as car terminals at the key ports reopened, facilitating a normalisation in trade. From a year ago, exports were up by 64.7%. Shipments of passenger cars were up by a robust 89.2% yoy, reflecting still strong demand in the key export markets of Europe and Asia. Exports of commercial vehicles were also relatively strong (up 28.4% yoy), following the 10.2% contraction in the previous month. Exported units totalled 331 912 for the year-to-date, 23.7% more than over the same period last year. While this points to easing global supply chain pressures, bottlenecks have not entirely cleared, and risks persist because of lockdowns associated with China’s Covid-19 policies and the war in Ukraine.
- The vehicle market will likely remain relatively buoyant in the first half of next year as pent-up demand is slowly met and dealers work through long waiting lists. The ongoing recovery in the travel, tourism and hospitality industries should continue to buoy the rental market. However, domestic sales will slow as the year progresses, hurt by sticky inflation and the rapid rise in interest rates. On the supply-side, regular and disruptive power outages and the continued risk of global supply chain disruptions will undermine vehicle production and sales.
- The Automobile Business Council expects single-digit growth in new vehicle sales for 2023, given the strong correlation between new vehicle sales and the GDP growth rate. Furthermore, high inflation and aggressive interest rate hikes in many advanced and developing countries pose downside risks to export sales.

Chart 1: Trends in new vehicle sales



Source: Automotive Business Council

Chart 2: Trends in export sales



Source: Automotive Business Council

Table I: New Vehicle Sales

	Total domestic sales			Passenger			Commercial			Exports		
	Actuals	mom%	yoy%	Actuals	mom%	yoy%	Actuals	mom%	yoy%	Actuals	mom%	yoy%
		qoq%			qoq%			qoq%			qoq%	
2020	380206		-29.1	246541		-30.6	133665		-26.3	352435		6.0
2021	505658		33.0	334201		35.6	171457		28.3	387092		9.8
Q1 21	115431	0.4	-1.6	74475	-2.9	-7.9	40956	6.9	12.5	76731	142.7	-33.5
Q2 21	112080	-2.9	148.6	71345	-4.2	153.0	40735	-0.5	141.2	85612	11.6	-4.3
Q3 21	117992	5.3	14.7	77752	9.0	27.8	40240	-1.2	-4.3	89474	4.5	15.7
Q4 21	118825	0.7	3.4	80603	3.7	5.1	38222	-5.0	-0.2	91349	2.1	189.0
Q1 22	135923	14.4	17.8	93375	15.8	25.4	42548	11.3	3.9	41312	-54.8	-46.2
Q2 22	117283	-13.7	4.6	82600	-11.5	15.8	34683	-18.5	-14.9	65712	59.1	-23.2
Q3 22	138594	18.2	17.5	94864	14.8	22.0	43730	26.1	8.7	84627	28.8	-5.4
Jan-21	34639	-7.0	-14.3	23732	-3.3	-18.4	10907	-14.2	-3.8	21051	17.3	29.1
Feb-21	37369	7.9	-13.7	24144	1.7	-18.5	13225	21.3	-3.3	29277	39.1	-8.9
Mar-21	43423	16.2	29.4	26599	10.2	20.1	16824	27.2	47.5	39146	33.7	35.5
Apr-21	35591	-18.0	6100.5	22729	-14.5	21546.7	12862	-23.5	2642.4	26540	-32.2	2845.6
May-21	38358	7.8	197.9	24119	6.1	169.0	14239	10.7	264.4	36799	38.7	209.2
Jun-21	38131	-0.6	20.5	24497	1.6	28.0	13634	-4.2	9.0	28010	-23.9	48.9
Jul-21	33312	-12.6	2.8	20938	-14.5	11.0	12374	-9.2	-8.7	11252	-59.8	-55.5
Aug-21	41533	24.7	24.9	27277	30.3	41.1	14256	15.2	2.4	18260	62.3	-20.7
Sep-21	43147	3.9	15.9	29537	8.3	30.4	13610	-4.5	-6.7	11800	-35.4	-58.4
Oct-21	41251	-4.4	6.6	27716	-6.2	3.9	13535	-0.6	12.7	25407	115.3	-24.9
Nov-21	41630	0.9	6.7	27934	0.8	9.8	13696	1.2	0.9	19133	-24.7	-43.4
Dec-21	35944	-13.7	-3.5	24953	-10.7	1.7	10991	-19.8	-13.5	21172	10.7	18.0
Jan-22	41330	15.0	19.3	30026	20.3	26.5	11304	2.8	3.6	18966	-10.4	-9.9
Feb-22	44128	6.8	18.1	29561	-1.5	22.4	14567	28.9	10.1	32553	71.6	11.2
Mar-22	50465	14.4	16.2	33788	14.3	27.0	16677	14.5	-0.9	33108	1.7	-15.4
Apr-22	37168	-26.3	4.4	25708	-23.9	13.1	11460	-31.3	-10.9	29197	-11.8	10.0
May-22	39063	5.1	1.8	27348	6.4	13.4	11715	2.2	-17.7	24907	-14.7	-32.3
Jun-22	41052	5.1	7.7	29544	8.0	20.6	11508	-1.8	-15.6	31216	25.3	11.4
Jul-22	43264	5.4	29.9	31266	5.8	49.3	11998	4.3	-3.0	28273	-9.4	151.3
Aug-22	47346	9.4	14.0	31206	-0.2	14.4	16140	34.5	13.2	28410	0.5	55.6
Sep-22	47984	1.3	11.2	32392	3.8	9.7	15592	-3.4	14.6	41464	45.9	251.4
Oct-22	45981	-4.2	11.4	30611	-5.5	10.4	15370	-1.4	13.6	29508	-28.8	16.1
Nov-22	49413	7.5	18.2	32859	7.3	16.9	16554	7.7	20.9	34310	64.7	19.1

Source: Automotive Business Council, the Department of Trade and Industry and Nedbank calculations

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