naamsa
THE AUTOMOTIVE BUSINESS COUNCIL

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Our Strategy: Re-imagining the future, TOGETHER

Tuesday, February 20, 2024

REPRESENTATIVES AT GENERAL MEETINGS
RECIPIENTS OF **naamsa** MEDIA RELEASES

RE: QUARTERLY REVIEW OF BUSINESS CONDITIONS: NEW MOTOR VEHICLE MANUFACTURING INDUSTRY / AUTOMOTIVE SECTOR: 4TH QUARTER 2023

Ladies and Gentlemen,

Attached is a copy of **naamsa**'s quarterly review of business conditions for the South African motor vehicle manufacturing industry, during the fourth quarter of 2023, as submitted to the Director-General, Department of Trade, Industry and Competition.

Industry vehicle sales, export, and import statistics for 2015 through 2023, together with current projections for 2024 and 2025, are reflected on the attachment to the submission.

KEY FEATURES: FOURTH QUARTER 2023

- Aggregate new vehicle sales during the fourth quarter 2023 recorded a decline of 5,4% compared to the corresponding quarter 2022 and a decline of 3,5% compared to the third quarter 2023;
- New energy vehicle [NEV] sales by 19 industry brands increased by 59,9% from 1,582 units in the fourth quarter 2022 to 2,529 units in the fourth quarter 2023;
- Fourth quarter 2023 aggregate industry employment as at 31st December 2023 totalled 33,379 reflecting a decline of 241 jobs compared to the 33,620 industry head count as at the end of September 2023;
- Average industry capacity utilisation levels during the fourth quarter 2023 reflected the supply chain disruptions caused by port congestion and container backlogs on vehicle production while the ongoing global semi-conductor shortage impacted OEMs differently.

- Aggregate capital expenditure by the major light vehicle manufacturers in 2023 amounted to R5,2 billion, linked to new generation model investments and associated model cycles;

- Vehicle exports increased by a sound 24,9% from the fourth quarter 2022 to the fourth quarter 2023, contributing to the record 399,594 units exported in 2023;

- The **naamsa** CEOs Confidence Index, as an in-house leading business confidence indicator of current and future developments in the domestic automotive industry, reflects the sentiment expressed by the **naamsa** CEOs for the fourth quarter 2023 compared to the fourth quarter 2022 as well as automotive business conditions and the country's economy in general for the next 6 months.

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Tuesday, February 20, 2024

Mme Malebo MABITJE-THOMPSON
Acting Director-General
Department of Trade, Industry and Competition
Private Bag X84
PRETORIA
0001

RE: QUARTERLY REVIEW OF BUSINESS CONDITIONS: NEW MOTOR VEHICLE MANUFACTURING INDUSTRY / AUTOMOTIVE SECTOR: 4TH QUARTER 2023

Dear Mme MABITJE-THOMPSON,

naamsa would like to submit the following report on business conditions in the South African new motor vehicle manufacturing industry and the automotive sector during the fourth quarter of 2023.

1. EMPLOYMENT LEVELS AND TRENDS

The number of persons employed by the South African new vehicle manufacturing industry - comprising the major new vehicle manufacturers and specialist commercial vehicle and bus manufacturers - during the fourth quarter of 2023 may be set out as follows:

PERIOD	INDUSTRY TOTAL
Last pay week October 2023	33,657
Last pay week November 2023	33,664
Last pay week December 2023	33,379

Industry employment levels and trends reflect employees on the payroll of vehicle manufacturers. Aggregate industry employment as at 31st December 2023 totalled 33,379 reflecting a decline of 241 jobs compared to the 33,620 industry head count as at the end of September 2023.

The average monthly vehicle manufacturing industry employment number for 2023 was 33,509 compared to the 33,321 in 2022. Employment in the vehicle manufacturing industry is generally linked to production and the increase in employment in 2023 was in line with the steady recovery in vehicle production to pre-pandemic levels as well as supported by the launch of new generation models by some OEMs for the period under review.

An addition to the quarterly review of business conditions is employment levels on the payroll of the independent vehicle importers, at their head offices and dedicated dealerships.

PERIOD	TOTAL
End of quarter 4, 2021	7,557
End of quarter 1, 2022	7,635
End of quarter 2, 2022	7,680
End of quarter 3, 2022	7,711
End of quarter 4, 2022	7,610
End of quarter 1, 2023	7,402
End of quarter 2, 2023	7,541
End of quarter 3, 2023	7,503
End of quarter 4, 2023	7,517

Aggregate independent vehicle importers employment as at 31st December 2023 totalled a head count of 7,517 reflecting an increase of 14 jobs, compared to the head count of 7,503 as at the end of September 2023.

An addition to the quarterly review of business conditions is capital expenditure on an annual basis by the independent vehicle importers, at their head offices and dedicated dealerships.

PERIOD	TOTAL
2019	R62.6 mil
2020	R53.3 mil
2021	R32.5 mil
2022	R54.3 mil
2023	R43.3 mil

The employment and capital expenditure data collection serve as important reference points, mainly to discern trends in the independent vehicle importers' landscape.

2. NUMBER OF SHIFTS

In line with the steady recovery in vehicle production to pre-pandemic levels, various vehicle manufacturers have returned to operations on a three-shift basis as well as multi-shifts in selected areas such as machining, press shops, paint shop operations and body shops. During the quarter, two vehicle manufacturers operated on a three-shift basis, two vehicle manufacturers operated on a combined single, double and three-shift basis, one manufacturer operated on a combined single- and double-shift basis, and two manufacturers on a single-shift basis.

3. AVAILABILITY AND PRICE TRENDS OF COMPONENTS AND RAW MATERIALS

3.1. Imported components and raw materials

The availability and price trends of imported components were affected by the ongoing global shortage of semi-conductors affecting some OEMs and in particular by the port delays and container backlogs affecting vehicle production during the quarter. Prices of imported components and raw materials remained subject to exchange rate movements and the global price index.

3.2. Local components and raw materials

Port delays and container backlogs, the ongoing global semi-conductor shortage, as well as the announcement by ArcelorMittal South Africa of the closure of its long-steel mills in Newcastle and Vereeniging, which will affect OE supply and jeopardies domestic value addition, caused disruptions and increased costs in the domestic supply chain. Raw material pricing trends remain a function of exchange rate movements and the global price index.

4. UTILISATION OF PRODUCTION CAPACITY: 2020 - 2023 Q4

Average motor vehicle manufacturing industry capacity utilisation levels, by sector and for the years/quarters indicated, may be illustrated as follows:

	Year 2020	Year 2021	Year 2022	Year 2023	1st Quarter 2023	2nd Quarter 2023	3rd Quarter 2023	4th Quarter 2023	4th Quarter 2023 range [High]	[Low]
Cars	69.9%	73.5%	75.5%	92.1%	91.5%	92.1%	96.3%	88.3%	100%	76.2%
Light Commercials	59.8%	58.3%	65.2%	77.9%	77.2%	77.7%	79.5%	77.2%	100%	33.3%
Medium Commercials	37.4%	47.0%	69.1%	58.5%	70.5%	55.5%	57.5%	50.6%	56.1%	45.0%
Heavy Commercials	50.0%	63.6%	83.8%	79.6%	84.7%	83.3%	72.7%	77.8%	100%	55.0%

Average industry capacity utilisation levels during the fourth quarter 2023 reflected the supply chain disruptions caused by port congestion and container backlogs on vehicle production while the ongoing global semi-conductor shortage impacted OEMs differently. Overall, production capacity levels have steadily improved in all segments since 2021 in line with the industry's recovery to pre-pandemic levels.

5. VEHICLE MANUFACTURING INDUSTRY CAPITAL EXPENDITURE: 2017 - 2023

naamsa reports the industry's aggregate capital expenditure on an annual basis. The aggregated data is based on capital expenditure details supplied by the major vehicle manufacturers. Details of actual industry CAPEX for 2017 through 2023, in Rand millions, are as follows:

CAPITAL EXPENDITURE	2017	2018	2019	2020	2021	2022	2023
Product/Local/Content/ Export Investment/ Production Facilities	7,144.6	5,779.5	6,705.8	7,296.2	4,910.8	6,443.9	4,393.3
Land and Buildings	301.4	1,202.4	234.5	1,558.1	3,641.4	203.8	215,3
Support Infrastructure [I.T., R&D, Technical, etc.]	724.6	265.0	334.0	377.4	248.5	464.6	561,6
Total	**8,170.6**	**7,246.9**	**7,274.3**	**9,231.7**	**8,800.7**	**7,112.3**	**5,170.2**

Capital expenditure amounted to R5,2 billion in 2023. The continued high levels in capital expenditure over recent years are due to investment projects by manufacturers in terms of the Automotive Production Development Programme [APDP] and APDP2, which are normally spread over multiple years and linked to new generation model investments, associated model cycles and higher levels of production for export markets.

6. INDUSTRY TRANSFORMATION - ROYAL ACADEMY OF ENGINEERING FUNDS A PIONEERING ELECTRIC DRIVE TRAIN ENGINEERING CURRICULUM IN SOUTH AFRICA

In a significant leap towards advancing electric vehicle [EV] technology and engineering education in South Africa, **naamsa** working in collaboration with three prominent academic institutions - Tshwane University of Technology [TUT], Durban University of Technology [DUT], and Cape Peninsula University of Technology [CPUT] - have secured funding from the prestigious Royal Academy of Engineering for the 2024 academic year.

The collaboration aims to develop a cutting-edge Battery Electric Drive Train Engineering Curriculum, fostering innovation and expertise in electric vehicle technologies. This development comes at an opportune time, with the announcement strategically timed just a month after the publication of the Policy White Paper for Electric Vehicles by the Department of Trade, Industry, and Competition [**the dtic**].

6.1. BACKGROUND

The Royal Academy of Engineering, renowned for its commitment to promoting excellence in engineering, has allocated funding to support this ground-breaking initiative. The partnership between industry leaders and academic institutions underscores the importance of preparing the workforce for the evolving landscape of electric mobility.

6.2. OBJECTIVE

The primary goal of this initiative is to design and implement a curriculum that equips engineering students with the skills and knowledge required to excel in the field of electric drive train technology. With the burgeoning interest and demand for electric vehicles globally, South Africa aims to position itself as a leader in sustainable transportation and innovation especially given the production capacity within the country to manufacture BEV units.

6.3. SIGNIFICANCE OF THE CURRICULUM

The curriculum will cover a range of topics, including battery technology, electric motor systems, power electronics, and vehicle control systems. This comprehensive approach ensures that graduates possess the expertise needed to contribute to the development, maintenance, and advancement of electric vehicles.

6.4. COLLABORATIVE EFFORT

The collaboration between **naamsa** | The Automotive Business Council, and the academic institutions demonstrates a commitment to bridging the gap between industry needs and academic offerings. By aligning educational programmes with the evolving requirements of the automotive sector, the initiative aims to produce a skilled workforce ready to tackle the challenges and opportunities presented by the electric vehicle revolution.

6.5. STRATEGIC TIMING

The announcement strategically coincides with the publication of the Policy White Paper for Electric Vehicles by **the dtic**. This synchronicity is reflective of an alignment from lagging processes that have left South Africa behind in the evolution to NEVs. Thus as industry gears itself toward NEV production, national systems are being mobilised in preparing its workforce and infrastructure for the inevitable shift towards electric mobility.

6.6. FUTURE PROSPECTS

As electric vehicles become increasingly prevalent globally, South Africa's investment in specialised education aligns with the country's ambitions to be at the forefront of sustainable technology. The curriculum development initiative is expected to have a lasting impact, contributing to the growth of the electric vehicle industry and positioning South Africa as a hub for electric drive train engineering expertise.

In conclusion, the funding from the Royal Academy of Engineering marks a pivotal moment for South Africa's automotive and academic sectors. The collaborative effort to develop a Battery Electric Drive Train Engineering Curriculum reflects a forward-thinking approach to address the challenges and opportunities presented by the electric vehicle era.

7. BUSINESS CONDITIONS, PERFORMANCE INDICATORS AND COMMENT

Business Conditions: Fourth Quarter: 2023

2023 Fourth quarter aggregate industry new passenger car sales at 86,709 units recorded a decline of 6,440 units, or a fall of 6,9% compared to the 93,149 new passenger cars sold during the corresponding quarter of 2022. Aggregate industry commercial vehicle sales during the fourth quarter of 2023, at 43,931 units, recorded a decline of 972 units, or a loss of 2,2% compared to the 44,903 units sold during the fourth quarter of 2022.

Industry domestic sales growth: Direction and extent of change [previous quarter's percentage changes are reflected in brackets]				
	Qtr. ended 31 December 2023 compared with previous Qtr. ended 30 September 2023		Qtr. ended 31 December 2023 compared with corresponding Qtr. ended 31 December 2022	
Passenger Cars	-0.1%	[+6.1%]	-6.9%	[-7.9%]
Light Commercial vehicles	-10.1%	[+5.7%]	-3.3%	[+11.5%]
Medium Commercial vehicles	-1.1%	[+17.6%]	-11.6%	[-6.4%]
Heavy Commercial vehicles	-11.9%	[+15.0%]	-8.7%	[+0.4%]
Extra Heavy Commercials	-9.5%	[+7.9%]	+16.0%	[+22.5%]
Buses	+11.1%	[+13.7%]	-0.4%	[+0.5%]

Aggregate new vehicle sales during the fourth quarter 2023 recorded a decline of 5,4% compared to the corresponding quarter 2022 and a decline of 3,5% compared to the third quarter 2023. Amidst a depressed economy, elevated cost of living increases as well as lower seasonal sales to the car rental industry, new vehicle sales also yielded to the pressure of the major logistical challenges at the country's ports during the quarter. Year-on-year, the extra heavy commercial vehicle sector continued to benefit from the reliance on road transport due to rail inefficiencies.

New energy vehicle [NEV] sales by 19 industry brands increased by 59,9% from 1,582 units in the fourth quarter 2022 to 2,529 units in the fourth quarter 2023. Following a significant year-on-year increase of 421,7% from 896 units in 2021 to 4,674 units in 2022, NEV sales registered a further year-on-year increase of 64,6% to 7,693 units in 2023. NEV sales breached the 1% share of the new vehicle market for the first time in 2023 comprising 1,45% of total new vehicle sales, compared to 0,88% in 2022.

The following table reveals the diversity of drivetrain sales in the South African NEV landscape from 2019 through to 2023 Q4.

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	4th Quarter 2022	4th Quarter 2023
Plug-in hybrid	72	77	51	122	267	18	95
Traditional hybrid	181	155	627	4,050	6,495	1,412	2,223
Electric	154	92	218	502	931	152	211
Total NEVs	**407**	**324**	**896**	**4,674**	**7,693**	**1,582**	**2,529**

The long-awaited EV White Paper was unveiled by **the dtic** in December 2023 and signals the government's commitment to the widespread adoption of electric vehicles and other eco-friendly modes of transport. The policy supports investments in the development and expansion of new and existing manufacturing plants to support the production of electric vehicles in the country. The details for this policy would only be announced in the 2024 Budget Speech with considerations to domestic market demand stimulus measures, establishment of renewable energy-based charging infrastructure, and production support. Part of the broader strategy includes collaborating with other African countries to develop battery production capacity on the continent, by pooling the critical-mineral resource base that Africa was endowed with.

naamsa maintains that driving a meaningful NEV transition in South Africa will require a careful balance between incentivising a sustained shift in domestic market demand to NEVs; establishing an appropriately aligned, renewable energy-based charging infrastructure; and supporting a shift in South African vehicle production, away from ICE vehicles to a mix of hybrid electric vehicles [HEVs], plug-in hybrid electric vehicles [PHEVs], and battery electric vehicles [BEVs]. The **naamsa** NEV Thought Leadership Paper can be accessed at naamsa.net/nevs-thought-leadership-discussion.

South African Automotive Industry's Performance in a Global Context: 2016 - 2022 production data.

Although global vehicle production increased by 6,0% to reach 85,02 million vehicles in 2022, up from the 80,21 million units produced in 2021, it was still 7,7% below the pre-pandemic level of 92,12 million vehicles in 2019. For the first nine months of 2023, vehicle production totalled 66,9 million units, 9,9% ahead of the same period 2022, but was still 0,5% below the pre-pandemic level of 2019.

The following table reflects South Africa's share of global vehicle production for 2017 to 2022 [in millions].

	2017	2018	2019	2020	2021	2022	% change 2022 / 2021
Global Production	96,67	96,87	92,18	77,71	80,21	85,02	+6.0%
South Africa Production	0,601	0,61	0,63	0,45	0,50	0,56	+11.4%
SA Share of Global Production	0.62%	0.64%	0.69%	0.58%	0.62%	0.65%	+4.8%

South African vehicle production increased by 11,4%, from 499,087 units produced in 2021 to 555,885 units produced in 2022, exceeding the global year-on-year increase in global vehicle production of 6,0% in 2022. The country's global vehicle production market share thus increased to 0,65%, but its global vehicle production ranking declined to 22nd as Malaysia, ranked at number 20, surpassed South Africa's in the global rankings. In terms of global LCV [bakkie] production, South Africa was ranked 16th with a market share of 1,1%. South Africa remained the dominant market on the African continent and accounted for 54,4% of Africa's total vehicle production while Morocco, with 464 864 units, accounted for 45,5% of the total.

Fourth quarter 2023 domestic vehicle production reflected an increase of 15,4% compared to the corresponding quarter 2022 on the back of higher export sales during the quarter. Total vehicle production of 632,972 units in 2023 exceeded the pre-pandemic level of 631,921 units of 2019, after three years, which could mainly be attributed to the strong performance in the light commercial vehicle segment due to new model introductions as well as the extra heavy commercial vehicle segment due to the higher reliance on road transport as a result of rail transport inefficiencies. The passenger car segment was still lagging the pre-pandemic 2019 vehicle production level in 2023.

The following table reflects South Africa's domestic vehicle production for 2019 to 2023 Q4.

	2019	2020	2021	2022	2023	2022 Q4	2023 Q4	% change Q4 2023/ Q4 2022
Passenger Cars	348,665	237,214	239,267	309,423	336,615	78,708	87,886	+11.7%
LCVs	254,417	185,691	232,166	215,472	262,651	58,094	71,155	+22.5%
MCVs	8,803	6,874	7,643	8,478	8,361	2,546	2,195	-13.8%
HCVs	5,220	4,208	5,151	6,269	5,721	1,534	1,401	-8.7%
XHCVs	13,817	11,484	14,175	15,498	18,841	4,133	4,741	+14.7%
Buses	999	745	685	745	783	233	240	+3.0%
	631,921	446,216	449,087	555,885	632,972	145,248	167,618	+15.4%

South Africa had a vehicle parc [number of registered vehicles] of 13,0 million at the end of 2022, of which 7,7 million, or 59,2%, comprised passenger cars.

Vehicle exports, a crucial element of the domestic OEMs' financial viability and sustainability remained robust and continued their upward momentum in 2023, despite slowing global growth owing to geo-political tensions, supply chain disruptions, inflationary pressures and multi-year high interest rates in major export markets. A significant 66,6% of domestic light vehicle production was exported in 2023.

The trade arrangements enjoyed by South Africa remain essential for the country's export-oriented automotive industry as they continue to enhance exports to the EU, the UK, SADC and the US. Europe continued to dominate as a region and with 301,640 units of the total 399,594 units exported in 2023 comprised 75,5% of total vehicle exports.

The legislation to ban the sales of new internal combustion engine [ICE] vehicles in the EU by 2035, and 2030 in the UK, in favour of new energy vehicles, limit a slow transition approach given the high export exposure of the domestic automotive industry and the required timeframe to respond.

The transition to NEVs is therefore not merely a strategic option but a necessity and an urgent imperative. To maintain and grow South Africa's production base and secure export markets, the country must therefore actively participate in the global shift toward cleaner transportation solutions.

Industry export performance by major region - 2019 to 2023 Q4

	2019	2020	2021	2022	2023	Q4 2022	Q4 2023	% change Q4 2023 / Q4 2022
Europe	285,599	197,355	229,672	255,709	301,640	64,733	81,824	+26.4%
Asia	39,879	29,440	24,170	35,154	35,015	8,727	8,594	-1.5%
Africa	23,382	16,987	21,825	22,563	25,380	5,877	6,816	+16.0%
North America	13,540	9,463	7,981	21,684	20,910	4,429	7,971	+80.0%
Australasia	17,350	13,698	10,621	12,389	12,483	3,498	3,407	-2.6%
Central America	5,651	3,156	3,045	2,759	2,952	757	1,386	+83.1%
South America	1,691	1,188	706	1,527	1,214	372	398	+7.0%
Total	387,092	271,287	298,020	351,785	399,594	88,393	110,396	+24.9%

Vehicle exports increased by a sound 24,9% from the fourth quarter 2022 to the fourth quarter 2023, contributing to the record 399,594 units exported in 2023, up by 47,809 units, or 13,6% from the 351,785 units exported in 2022.

Sustained pressure from growing global challenges such as weak economic growth, growing economic divergences, and new protectionism affected the vehicle export performance to the various regions in 2023.

8. CONFIDENCE INDEX

The **naamsa** CEOs Confidence Index is an in-house leading business confidence indicator of current and future developments in the domestic automotive industry. The **naamsa** Confidence Index is built to enhance the quarterly reporting with opinions canvassed anonymously from each of the **naamsa** CEOs. The questions focus on views related to automotive business conditions in particular as well as the country's economy in general.

4th Quarter 2023 vs 4th Quarter 2022

PERFORMANCE INDICATOR	UP	SAME	DOWN
Domestic new vehicle sales	30%	20%	50%
Vehicle export sales	22%	56%	22%
Vehicle production volumes	22%	45%	33%
Vehicle import volumes	20%	20%	60%
Employment - vehicle manufacturing	22%	56%	22%
Capacity utilisation	18%	36%	46%
Investment expenditure	10%	50%	40%
General new vehicle business conditions	18%	18%	64%

The sentiment expressed by the **naamsa** CEOs reflected unfavourable market conditions and an overstocked situation by most brands during the quarter under review. The new vehicle market continued its declining trend as the financial strain on consumers, due to high interest rates and a sluggish economy, impacted negatively on new vehicle demand, although the upward momentum in vehicle exports supported vehicle production in the case of some light vehicle OEMs. The supply chain disruptions caused by the port challenges on vehicle production and sales during the quarter exacerbated the dampened consumer and business confidence further due to the cost impact on the economy.

Next 6-months

PERFORMANCE INDICATOR	UP	SAME	DOWN
Domestic new vehicle sales	36%	28%	36%
Vehicle export sales	11%	65%	23%
Vehicle production volumes	30%	40%	30%
Vehicle import volumes	20%	20%	60%
Employment - vehicle manufacturing	20%	50%	30%
Capacity utilisation	0%	73%	27%
Investment expenditure	9%	45%	46%
General new vehicle business conditions	9%	36%	55%

The views of the **naamsa** CEOs generally reflect a negative, cautious and uncertain outlook for all of the industry's key performance indicators over the next six months. Influencing factors such as the upcoming National and Provincial elections in the country, the persistent threat of load-shedding and logistics constraints, oil prices, and currency fluctuations along with geopolitical conflicts pose significant risks to the overall economy. A notable improvement in South Africa's economic growth outlook is unlikely for 2024, but at a projected 1,2% by the SA Reserve Bank it would still be stronger than 2023 in line with the expected start of an interest rate cutting cycle, as well as lower inflation on average. CEOs of selected imported brands as well as some CEOs in the heavy commercial vehicle segment expressed more upbeat prospects for their companies over the next six months.

Brief Comment on business conditions and the medium-term outlook

Economic headwinds continued to shape the new vehicle market's performance during the quarter, including highly indebted consumers, the lingering effects of high interest rates, high food and fuel inflation, load shedding, and port backlogs and delays. Disappointingly, as a result of a weak fourth quarter 2023 performance, the new vehicle market has not been able to out-perform the 2019 pre-pandemic levels yet, after three years, despite being on track for most of the year.

South Africa's economic weak growth outlook for 2024, at 1,2%, remains a key challenge for the new vehicle market going forward in view of the close correlation between new vehicle sales and the GDP growth rate. The year is also marked by elections, not just in South Africa but also in other major markets, introducing an element of economic uncertainty. A start of an interest rate cutting cycle, likely to commence during the second half of the year, accompanied by easing core and food inflation, and improvements in the country's energy and logistics infrastructure could provide some relief for consumers and subsequently stir up some momentum in the new vehicle market.

It is anticipated that the NEV regulatory framework details to be announced in the 2024 National Budget Speech on February 21, 2024, by the Minister of Finance, would provide a much-needed injection of confidence for the South African automotive industry to accelerate its inevitable transition towards electric vehicle and associated component production.

Vehicle exports ended 2023 at a record high following an exceptional performance during the fourth quarter 2023. Several global externalities remain persistent, creating an uncertain backdrop for the year ahead. While headline inflation continues to ease in much of the world, core inflation remains sticky and high. Both advanced and emerging economies are likely to see modest economic growth in 2024, which would support the South African automotive industry's export performance.

FUEL FOR THOUGHT FLASH

The trading environment in South Africa is extremely competitive compared to global standards and in 2023 there were no less than 46 passenger car brands and 2,172 model derivatives, the greatest selection of market-size ratio found globally.

The standard attached schedule reflects updated industry sales, production, export and import numbers. Projections include forecasts for 2024 and 2025.

Kind regards,

Mikel M. MABASA
Chief Executive Officer
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