

South Africa's new car sales slump continues into February 2024

By  Imran Salie

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The numbers are in for South Africa's new car sales in February 2024 from Naamsa | The Automotive Business Council and it shows that the market has declined again, making it a seventh consecutive month of downturn. In February 2024, 44,749 new cars were sold compared to the 45,162 vehicles sold in February 2023, which is a decline of 413 units, or a fall of 0,9%.



Source: [Unsplash](#)

Dealer sales accounted for 84,7% of new vehicle sales in February, which is 37,913 units, while 9,6% are sales to the vehicle rental industry, 3,4% to the government, and 2,3% to industry corporate fleets.

"The February 2024 new passenger car market at 28,857 units had registered a decline of 925 cars, or a loss of 3,1%, compared to the 29,782 new cars sold in February 2023. Car rental sales accounted for 12,9% of new passenger vehicle sales during the month," Naamsa stated.

Medium and heavy truck segment sales have also decreased by 7,7% (645 sales registered) from the 699 units sold in February 2023.

Positive sales

A positive sign from the numbers is an increase of export sales of 8,526 units or 27,5%, to 39,517 units in February 2024 compared to the 30,991 vehicles exported in February 2023.

New light commercial vehicles, bakkies, and mini-buses recorded an increase of 328 units (13,306 in total and a 2.5% increase) compared to 2023.

Medium commercial vehicles, heavy trucks and buses saw an increase of 238 vehicles, or 14,0%, compared to the 1,703 units sold in the corresponding month last year.

Impeded growth

Brandon Cohen, chairperson of the National Automobile Dealers' Association (Nada), said economic pressure and political uncertainty continue to impede growth.

"The market, totalling 44,749 units, faced headwinds from the recent fuel price increase. The budget speech further strained consumer pockets, compounded by the looming general election. Reserve Bank Governor statements on maintaining high-interest rates have added to the prevailing negative sentiment," he said.

He also noted a trend of consumers downsizing. "We observe a trend of consumers downsizing and conducting extensive research into pricing and financing options. Affordability remains a crucial factor in purchasing decisions. South Africans are increasingly turning to more budget-friendly vehicles due to economic challenges, high-interest rates, and escalating fuel costs," Cohen commented.

Nada said the local market is becoming increasingly competitive thanks to a growing number of Asian manufacturers taking up market share.



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"Chinese brands are making a significant impact in both the passenger car and overall truck markets. Statistics from Naamsa highlight a shift towards Chinese-manufactured vehicles, driven by competitive pricing, quality, and high-tech specifications

"This trend is reshaping the competitive landscape, posing challenges for traditional premium dealerships. The premium segment is under pressure, with customers shifting from new vehicles to demos and pre-owned cars.

Some loyal premium brand customers extend maintenance plans, but the majority are either buying down, waiting or transitioning to pre-owned vehicles, leading to significant growth in the pre-owned car market compared to new cars," Nada said.

In terms of which was the most sold car in February 2024, the Toyota Hilux took first place (3,100) followed by the Ford Ranger (2,187) and the Toyota Corolla Cross in third place (1,959). Toyota still holds the number one position for car brands with the most sales at 11,524. Volkswagen came in second place with 5,333 units and Suzuki is right behind it with 5,221 units sold.

ABOUT IMRAN SALIE

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