








NADA

Business Unity South Africa
Weekly Economic Briefing
For w/e 16 May 2025

Factors Impacting the SA
Automotive Retail Industry

Summary Impact Assessment

Factor	Direction	Potential Impact
Economic Confidence (S&P)		Positive for financing and sentiment
Labour Market		Sustained pressure on sales volumes
Load Shedding		Disruption to business and consumers
Global Market Uncertainty		Mixed – import cost & financing risk
Trade/Export Weakness		Supply chain and parts availability risk

Positive Influences

- S&P Positive Outlook on SA (May 16) – Boosts investor confidence and financing stability
- China Vehicle Sales +9.8% y/y (April) – Supports global production and potential price stability
- Increased Gov-Business Engagement – Potential for faster economic and policy support

Negative Pressures

- Unemployment Stuck at 32.9% (Q1 2025) – Limits disposable income and new vehicle demand
- Trade Activity Index Drops (53 in April from 56) – Signals softening retail and trade sentiment
- Stage 2 Load Shedding (May 13) – Disrupts dealership operations and consumer confidence
- Container Exports ↓ 11.2% y/y (April) – May reflect supply chain or manufacturing challenges

Global Risk Factors

- US Credit Downgrade & Retail Weakness – Financial instability may impact imports and financing
- US Consumer Debt Delinquencies Rising – Indicates global caution, affecting capital markets