

## Driving Forward: How Data and Trust Will Shape South Africa's Automotive Future

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South Africa's auto industry is pivoting decisively. For decades, the market was shaped by badge, prestige and predictable supply chains. Today, it is being redefined by value-driven consumer choices, tighter household budgets, and rapidly evolving mobility models from leasing and subscriptions to usage-based insurance. In this transition, trusted data and consumer-centric strategies must be our compass. And in South Africa, that compass must also account for our realities: grid reliability, policy shifts on new-energy vehicles, and the affordability gap that households feel every month.

### A Market in Rebound and in Transformation

At SA Auto Week 2025, the message was clear: the market isn't just recovering, it's evolving. Domestic new-vehicle sales rose 14% year-on-year in the first half of 2025, driven by demand for affordable models and a 30% surge in imports, largely from newer entrants especially Chinese brands. The trajectory is clear: the market is on pace to exceed pre-pandemic levels for the first time in five years. September cemented the trend with 54,700 units sold, the strongest single month in a decade.

Yet beneath the rally sits a tension: while consumers are leaning toward more affordable, import-driven offerings, their ability to finance these vehicles is under strain. According to ABSA, monthly vehicle instalments now consume 16.1% of average household income, and the average financed vehicle is now approximately R401,000, pushing buyers into longer terms and tighter budgets. In short: this is the battleground shaping product mix, pricing, and finance design.

### What This Means for OEMs, Financiers and Stakeholders

South Africa's automotive sector is entering a period of recalibration, where affordability pressures, shifting consumer expectations, and global competition are reshaping the rules of engagement. As vehicle instalments consume a growing share of household income, traditional measures of creditworthiness are being tested, demanding more agile, data-driven approaches to assessing consumer risk.

At the same time, trust has emerged as the true differentiator in a market flooded with new entrants, buyers are no longer persuaded by badge and prestige alone, but by transparency, predictable payments, and the assurance that ownership will remain sustainable over time.

The industry's future will also hinge on collaboration: connectivity, shared mobility, and usage-based insurance can only succeed if automakers, lenders, insurers, and technology partners operate as a unified ecosystem. And underpinning all of this is policy, particularly around supply-chain resilience, and investment in new-energy manufacturing. Without decisive alignment between government and industry, South Africa risks remaining a consumer of mobility rather than a creator of it.

The National Automobile Dealers' Association (NADA) represents South African business owners managing new vehicle dealerships and qualifying used vehicle outlets.

## TransUnion's Role in Powering This Transition

At the intersection of credit, consumer data, and mobility, TransUnion plays a pivotal role in shaping the industry's next chapter. Our advanced analytics and alternative data give a more holistic view of financial capacity – which is vital as affordability tightens, and informal-income patterns rise.

As digital channels become the new showroom floor, we are also reinforcing trust through sophisticated identity verification and anti-fraud solutions that safeguard every transaction. Beyond credit, our market intelligence capabilities allow us to pinpoint emerging microsegments, from first-time buyers and younger consumers to those engaging with flexible mobility models helping lenders and manufacturers design products that truly meet evolving needs.

And by forging deep partnerships with OEMs, insurers, FinTechs, and dealerships, TransUnion is building the connective data infrastructure that will underpin new ownership and usage models such as leasing, pay-per-mile insurance, and telematics-driven mobility services. Together, these capabilities position TransUnion not only as an information provider, but as a catalyst for a more inclusive, transparent, and resilient mobility ecosystem.

## Data, Trust and Inclusion

South Africa's auto industry is at a critical juncture. Growth is there but its quality and sustainability will be determined by how well the system adapts.

- OEMs must redefine their go-to-market strategies with consumer affordability top of mind, not just in vehicle pricing but in financing and ownership models.
- Financiers must adopt forward-looking risk models that lean on alternative data and scoring.
- Policy makers must continue to incentivise localisation and ensure that regulation supports rather than constrains digital innovation.
- And industry players must come together to forge data trusts and standards that protect consumer privacy while unlocking collective value.

If 2025 is remembered as the year that South Africa's auto industry broke past pre-pandemic volumes, let it also be remembered as the year we laid the foundation for inclusive, resilient, and trust-driven mobility – with data working for consumers, not against them. At TransUnion, we are ready to partner with the ecosystem to build that future - with rigor, insight, and integrity.

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