



Q2 2025 Mobility Insights Report

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Welcome to the TransUnion South African Q2 2025 Mobility Insights Report



The latest data sourced from NAAMSA, SACRRA, eNaTIS with expert intelligence from TransUnion Automotive

Smarter data decisions that fuel future growth

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This icon prompts critical thinking in the report.



This icon indicates a key takeaway from the report.

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About The Mobility Insights Report

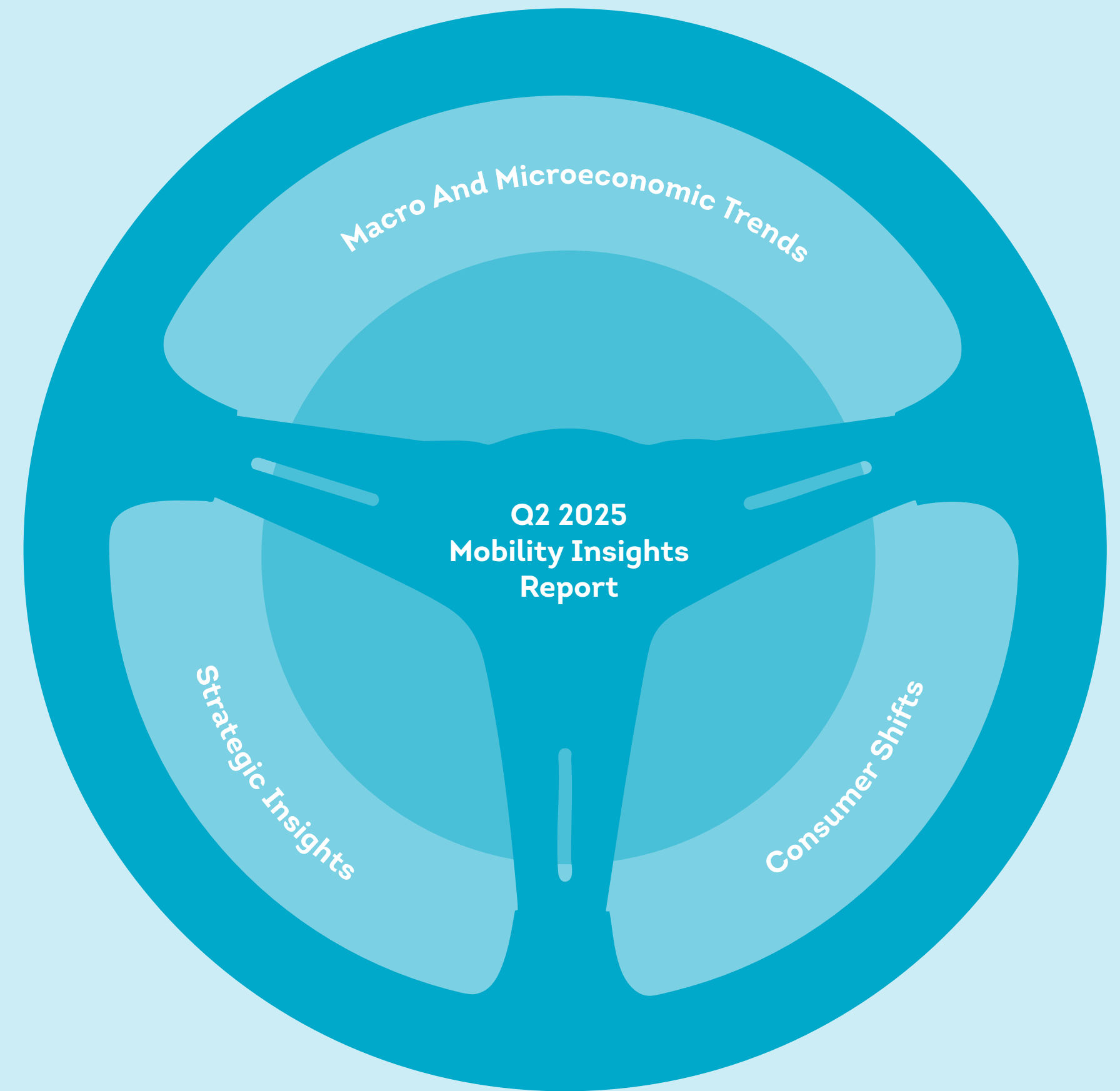
A sharper view of South Africa's mobility market

The Mobility Insights Report, now in its second edition, builds on the former Vehicle Pricing Index (VPI) to offer a deeper, more relevant perspective on the automotive landscape. It delivers quarterly insights into the forces shaping the market to help industry players act with clarity and confidence.

The report tracks macro- and microeconomic trends, sales shifts and consumer behaviours, giving OEMs, dealerships, financiers and insurers a clear view of market dynamics and emerging opportunities, including:

- **Market dynamics:** key environmental and economic drivers
- **Automotive sales data:** latest new and used vehicle trends
- **Sector in the spotlight:** a focused look at a topical market segment and shifts in consumer behaviour and preferences

For complementary credit and financial metrics, refer to **TransUnion® Industry Insights Report (IIR)** – together they provide a more robust view of the mobility market. Next expected release: December 2025.



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About The Mobility Insights Report

Who It's For

This report is for decision-makers across the mobility value chain, from OEMs and dealerships to vehicle financiers and insurance providers.

It supports functions including:

- Marketing and sales
- Finance and insurance
- Risk management
- Customer engagement and operations

Whether you're shaping strategy or making in-the-moment decisions, this report offers the insights to back confident action.

What's Inside

Drawing on a combination of industry-leading sources – including Naamsa, eNaTIS, expert commentary and TransUnion's own Consumer Pulse and Industry Surveys, the report delivers a high-level overview and detailed sectoral shifts.

Structured into four strategic sections:

- 1 Market Dynamics**
Overview of key environmental factors influencing the automotive industry
- 2 Automotive Sales Data**
Latest figures on new and used vehicle sales and registrations
- 3 Sector In The Spotlight**
A deep dive into a relevant and specific sector dynamic
- 4 Customer Perspective**
Important trends and shifts in consumer behaviour

What's Not Included

The Mobility Insights Report focuses on market and behavioural dynamics. For detailed credit and financial metrics, refer to the **Industry Insights Report (IIR)**.

These publications work in tandem to offer a complete market picture.

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A Message from Lee Naik CEO, TransUnion Africa

Dear Reader,

South Africans are redefining mobility – prioritising total cost of ownership, affordability and trust. I'm proud to present the second edition of the TransUnion Mobility Insights Report, our next step in providing a broader, deeper view of an evolving market. This report gives a robust view of the forces shaping mobility – from sales trends by brand to consumer behaviour and price dynamics to trends in new and used vehicle purchases.

In this Q2 2025 edition, we look beyond headlines to assess how liquidity from the September 2024 two-pot rollout, alongside easing interest rates and muted new-vehicle inflation, influenced deposit-led purchasing. While this coincided with a temporary lift in used-car registrations in late 2024, volumes in Q2 2025 declined, signalling the effect tapered as other affordability constraints reasserted themselves. We map how two-pot withdrawals appeared to flow through to registrations and sales, credit performance and affordability, and we frame three outlook scenarios around the persistence of repeat withdrawals and cost of living pressures. We also unpack the income, demographic and generational patterns behind demand.



For OEMs, dealers, lenders and insurers, the implications are practical: plan inventory, pricing and risk strategies around deposit-driven demand – especially in the used and entry-level segments; monitor policy-driven liquidity windows and use credit/registration data to identify high-propensity buyers; and align financing and protection (flexible terms, embedded or usage-based insurance) to support sustainable access.

The bottom line is the two-pot system coincided with a short-term, policy-induced boost to the vehicle market. While long-term structural impact is limited, evidence suggests it provided incremental liquidity that enabled some buyers – particularly in the used-car market – to act on existing demand. Our commitment remains the same: provide clarity you can act on – so you can sell smarter, lend responsibly and help consumers keep their credit healthy as mobility evolves.

Kind regards,
Lee Naik
CEO, TransUnion Africa

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Executive Summary

South African Automotive Market – Q2 2025

Key Macro Trends

South Africa's economic recovery is still fragile: Easing rates and low new-vehicle inflation offer some relief, but growth remains subdued and policy cautious. For the automotive industry, these macro tailwinds provide modest, near-term support; without faster reforms, momentum will likely fade in 2026.



Is your business aligned with changing consumer behaviours?

Domestic demand

New passenger car sales broke above their long-standing ceiling through mid-2025, aided by cheaper finance and record-low price inflation. The market is rotating toward affordability and value brands (with Chinese OEMs gaining share), while Toyota leads overall and Suzuki holds second.

Provincial patterns show new vehicles leading growth, even as used volumes remain elevated in several regions. Although dealer sentiment eased from its Q1 peak, it remains well above 2024 levels, signalling healthier trading conditions than a year ago.

Two-pot effect

The September 2024 reform coincided with a sharp cash pulse that peaked in October and then tapered. Monthly inflows now look steadier – small at a macro level but meaningful for liquidity-sensitive spend. Rising repeat withdrawals imply periodic, policy-linked “cash windows.” In the base case, they may provide a modest, persistent tailwind for entry-level and used segments; in the positive case, conditions normalise more quickly; and in the high-stress case, volumes remain elevated as household strain deepens.

External headwinds

Passenger-vehicle exports slumped on softer global demand and new US tariff shocks, heightening risks to production, investment and jobs – even as the domestic cycle improves.

What to do next

Align campaigns and inventory with anticipated two-pot withdrawal windows; prioritise affordability through value brands, certified pre-owned and SUV/crossover offerings with strong total cost of ownership; expand flexible finance and embedded insurance; and leverage TransUnion analytics to preapprove high-propensity cohorts while monitoring post-purchase risk.

TransUnion remains committed to helping mobility stakeholders navigate this evolving landscape – unlocking new growth, better managing risk and building a more inclusive future for South Africa's automotive industry.

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Key Macro Trends

Market Context and Dynamics

South Africa's Economic Outlook

South Africa's recovery remains fragile. GDP growth rose 1.1% YoY in Q2, supported by stronger mining, manufacturing, agriculture, and retail activity. However, full-year growth is projected at just 0.9% in 2025 (up from 0.5% in 2024), reflecting the weak Q1 performance, and is expected to edge up to 1.1% in 2026 as reforms and infrastructure improvements gradually take effect.

Lower interest rates and more stable energy help at the margin, yet structural bottlenecks, weak investment appetite and global uncertainty will keep growth below potential.

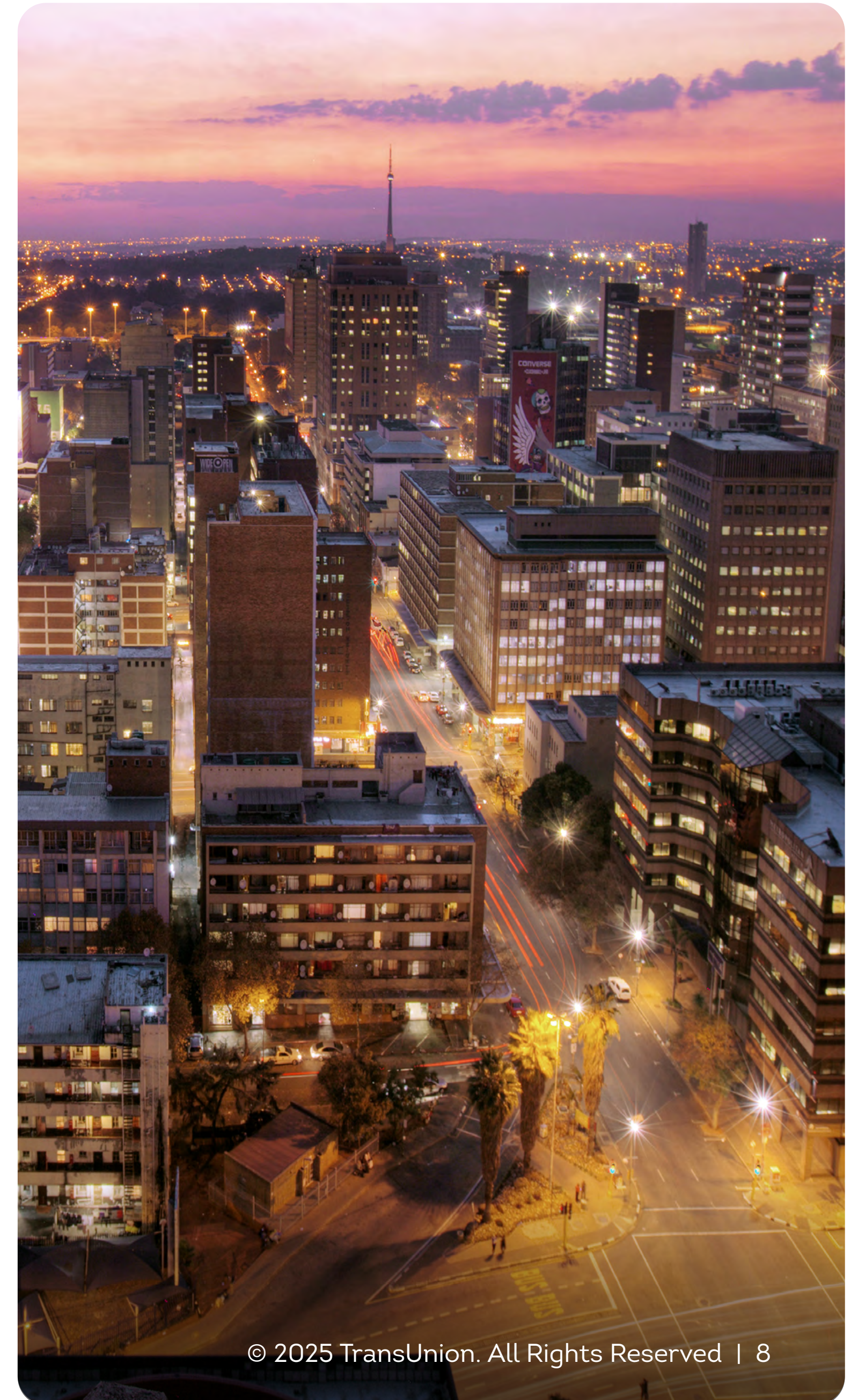


Macro tailwinds – lower rates, stable rand, low vehicle inflation – support vehicle sales in H2 2025.

Monetary conditions are easing. In July 2025, the SARB cut the repo rate 25 bps to 7.00% (prime 10.50%), its fifth cut since September 2024. With June inflation at 3.0% and the Bank aiming for the lower end of the 3%-6% band, there's room for additional easing over the next year, supporting households and capex.

Confidence has improved, if unevenly. The FNB/BER Consumer Confidence Index rebounded in Q2 2025 – stronger among middle- and higher-income groups – but remains weak for low-income consumers given food costs. Spending should hold up near term and then moderate into 2026 as the pension-withdrawal boost fades.

Headline CPI averaged 2.9% in Q2 compared with 3.0% in Q1, helped by a stable rand. July rose to 3.5% year over year (YoY) as fuel deflation narrowed, food inflation quickened (notably meat prices after the foot-and-mouth disease outbreak) and the 12.7% electricity adjustment filtered through. With the SARB signalling it wants inflation near 3%, policymakers are likely to move cautiously – keeping rates slightly higher for longer to help anchor expectations, especially under multiyear wage deals. A September cut looks unlikely, and the pace of easing into year-end will depend on fuel, food and wage dynamics.



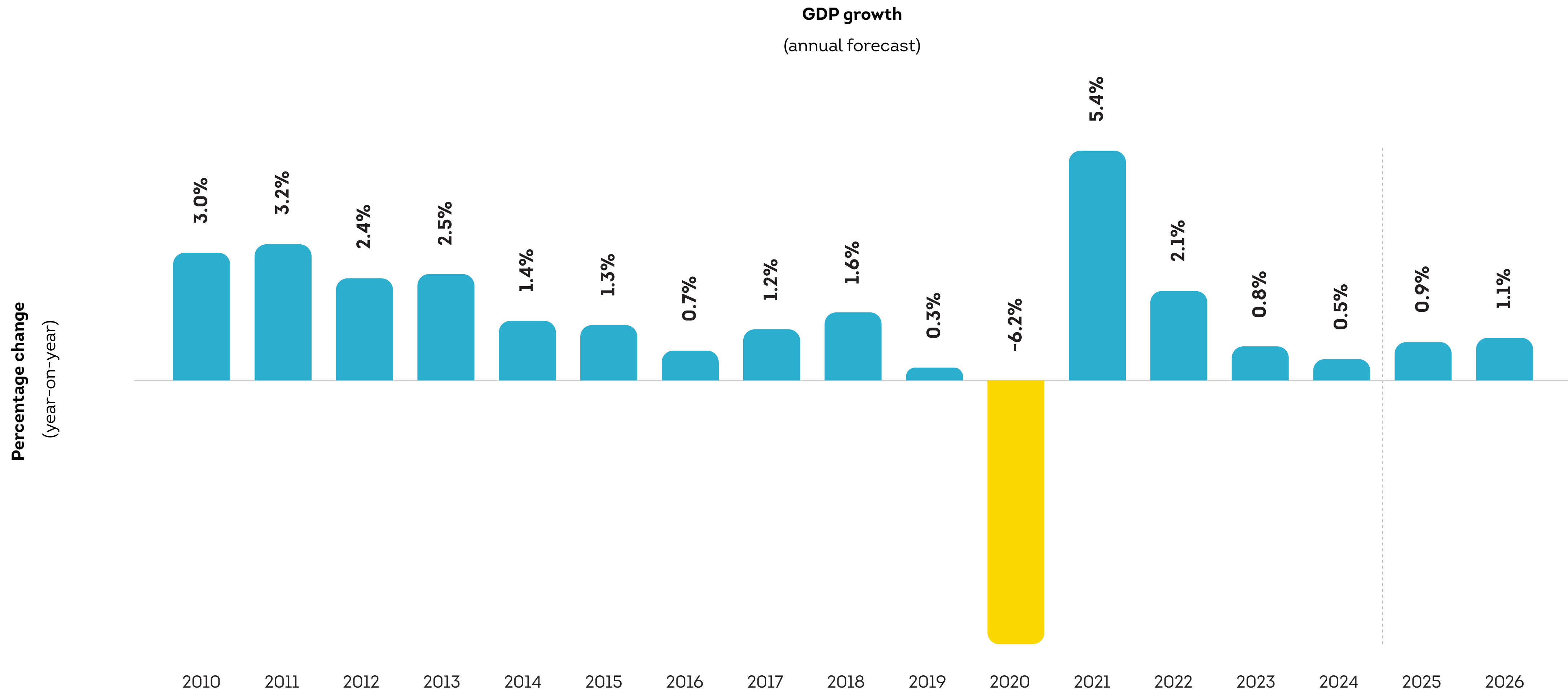


Figure 1

Automotive Sales: Strong Recovery Gains Momentum



New passenger car sales showed sustained recovery in Q2 2025

According to Naamsa, South Africa's new passenger vehicle market staged a strong recovery, with sales growth accelerating from 14.1% YoY in Q4 2024 to 22.5% in Q2 2025. Momentum carried into July with 36,248 units sold and in August with 36,914 units – the highest monthly total since January 2015. This marked a clear turnaround for an industry that, in recent years, struggled to break the 35,000-unit barrier amid weak economic conditions and pressure on household finances.

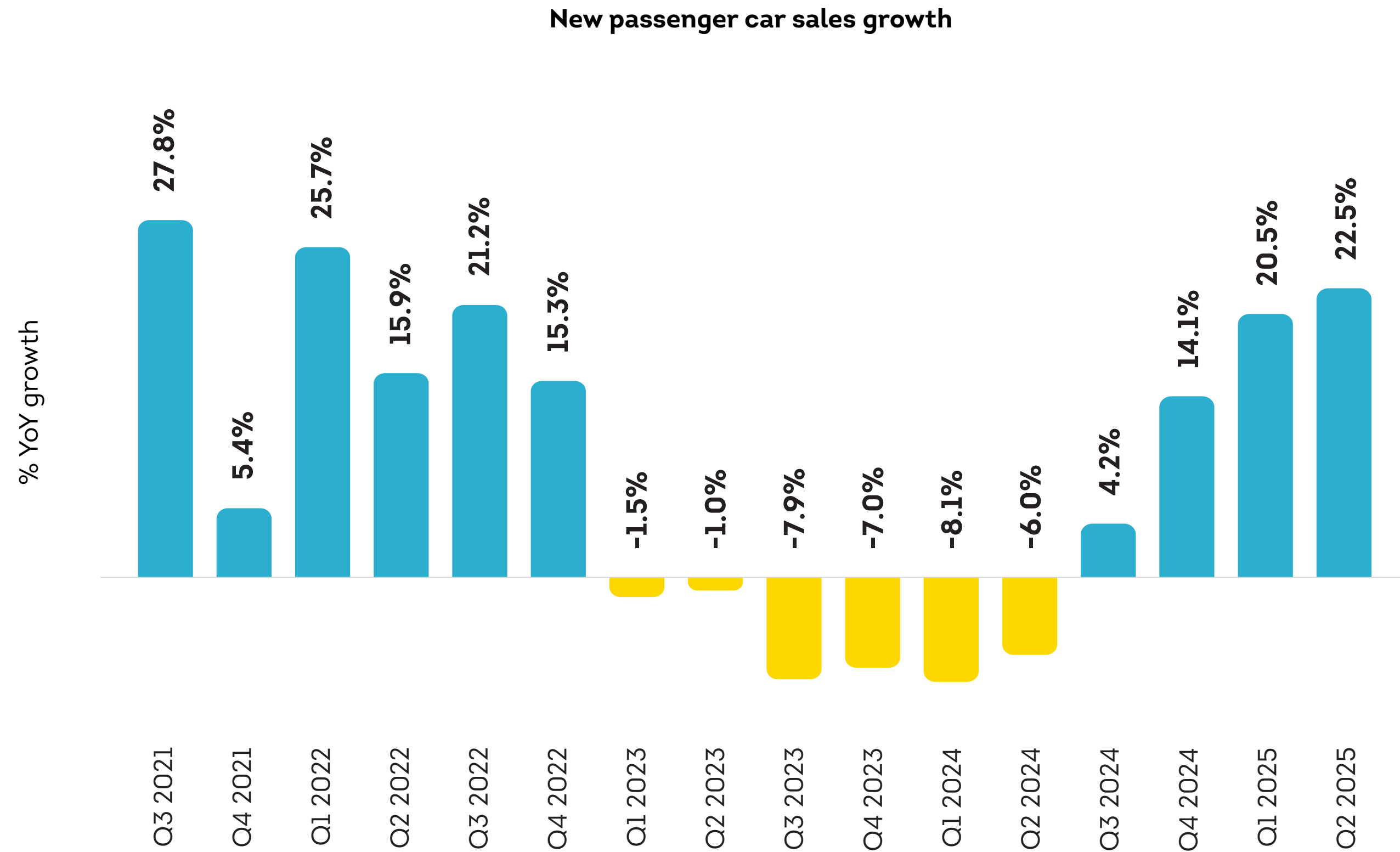


Figure 2

New passenger and light commercial vehicle (LCV) sales by brand

South Africa's car market is shifting from luxury marques to more affordable brands as household budgets tighten. Chinese automakers are at the forefront of this change, expanding share from 3.1% three years ago to 14.8% in Q2 2025. Over the same period, traditional OEMs' combined share fell from 68% to 51.6% as they struggled to match the pricing and feature levels offered by Chinese rivals.



Chinese automakers have nearly quadrupled their share of SA's car market over last five years.

Naamsa data shows Toyota continued to lead as the best-selling brand in Q2 2025. Suzuki secured a 13% share of new passenger and LCV sales, overtaking Volkswagen to remain second for a second consecutive quarter. Chinese brands Chery and GWM together held a 10% share (up from 8% in Q1), ranking sixth and seventh, respectively by sales volume.

Value-focused brands led growth: Suzuki rose 26% YoY, Mahindra 48%, GWM 57% and JAC 82% in Q2 2025. As a cohort, Chinese brands recorded around 82% YoY growth across passenger and LCV, while newer entrants like BAIC, Foton, Jetour, OMODA and JAECOO continued to expand their footprints.

While some established players, such as BMW, Ford, Toyota and Isuzu, achieved positive growth in Q1 2025, others like Mercedes-Benz, Volkswagen and Nissan recorded declines.

26%

Suzuki's YoY sales growth.



82%

Chinese brand YoY sales growth.



48%

Mahindra's YoY sales growth.





Chinese brands* vs OEM** brands: share in total passenger and LCV sales

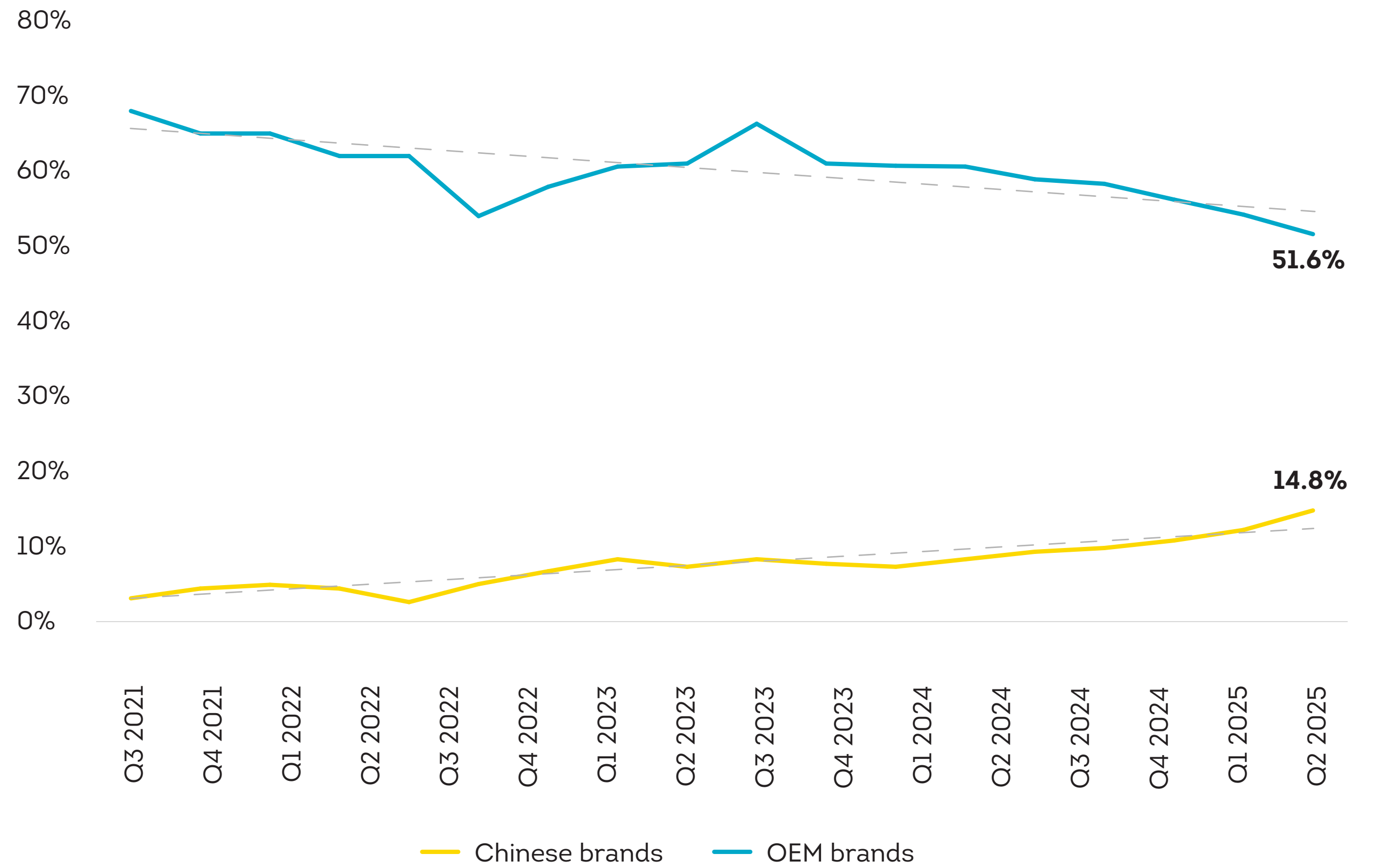


Figure 3

* BAIC, JAC, Foton, Jetour, Omodo, Jaecoo, Chery, GWM
 ** Toyota, Mercedes-Benz, Isuzu, BMW, Nissan, VW, Ford

Why Chinese car brands are surging in South Africa

South Africa's market is rotating toward affordability and value, which plays to the strengths of newer Chinese entrants.

- **Value for money:** lower prices with more features than legacy brands
- **SUV-heavy line-up:** aligned to South Africa's SUV boom
- **Tech-rich offering:** advanced infotainment, driver-assistance and comfort features at lower prices
- **Improved quality and design:** noticeable gains in styling, fit and finish
- **Aggressive market expansion:** growing dealer networks improve access to sales, service and parts
- **Fuel efficiency and new energy vehicles:** competitive consumption plus more PHEVs and EVs



Takeaway

Expect continued share gains for value brands; incumbents need sharper pricing, richer specs and faster model refreshes to defend.

Top 10 best selling passenger & LCV vehicle brands in SA - Q2 2025

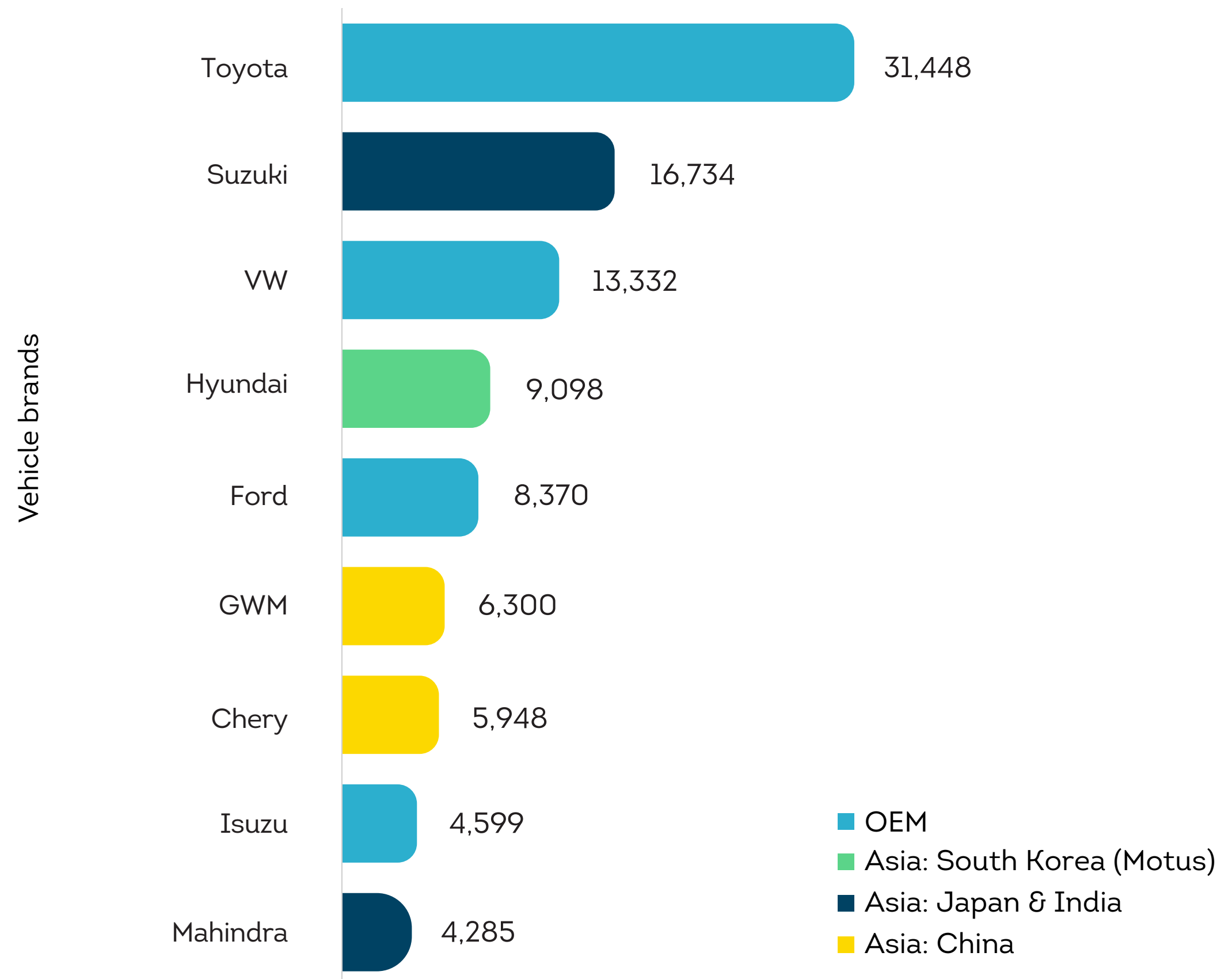


Figure 4

Implications for industry players

- **Legacy OEMs** should respond with sharper pricing, richer standard features and faster innovation cycles to defend share
- **Dealership networks** should adapt to the shifting brand mix, with consolidation or new franchise opportunities as Chinese brands expand
- **Consumers benefit** from more choice, better tech and competitive pricing, but should weigh long-term brand stability and resale values
- **Industry landscape** – potential local production by Chinese marques could shift investment flows, jobs and supply chains



New energy vehicles (NEVs)

NEV sales continue to grow, but the pace has cooled sharply from last year's surge as infrastructure, duties and affordability remain constraints.

Key figures

- Q2 2025 NEV sales fell 10.8% YoY to 3,678 units, down from Q1's 14.1% growth across 19 brands, reflecting a slowdown compared with 2024's 101% surge
- Hybrids dominate; electric vehicle (EV) uptake is limited by import duties, charging gaps and price points
- Model availability is improving – including lower-cost options from BYD and GWM – and finance partnerships, such as BYD's July 2025 agreement with Absa, aim to lower entry costs
- Naamsa is targeting NEVs at 20% of sales by 2025 and 40% by 2030; with NEVs currently around 3% of the market, progress depends on policy clarity, faster charging rollout, affordability and ongoing product and finance innovation



Takeaway

Growth is intact but off the boil; broader adoption hinges on policy, infrastructure and affordable models/finance.

NEVs sold in South Africa: total number

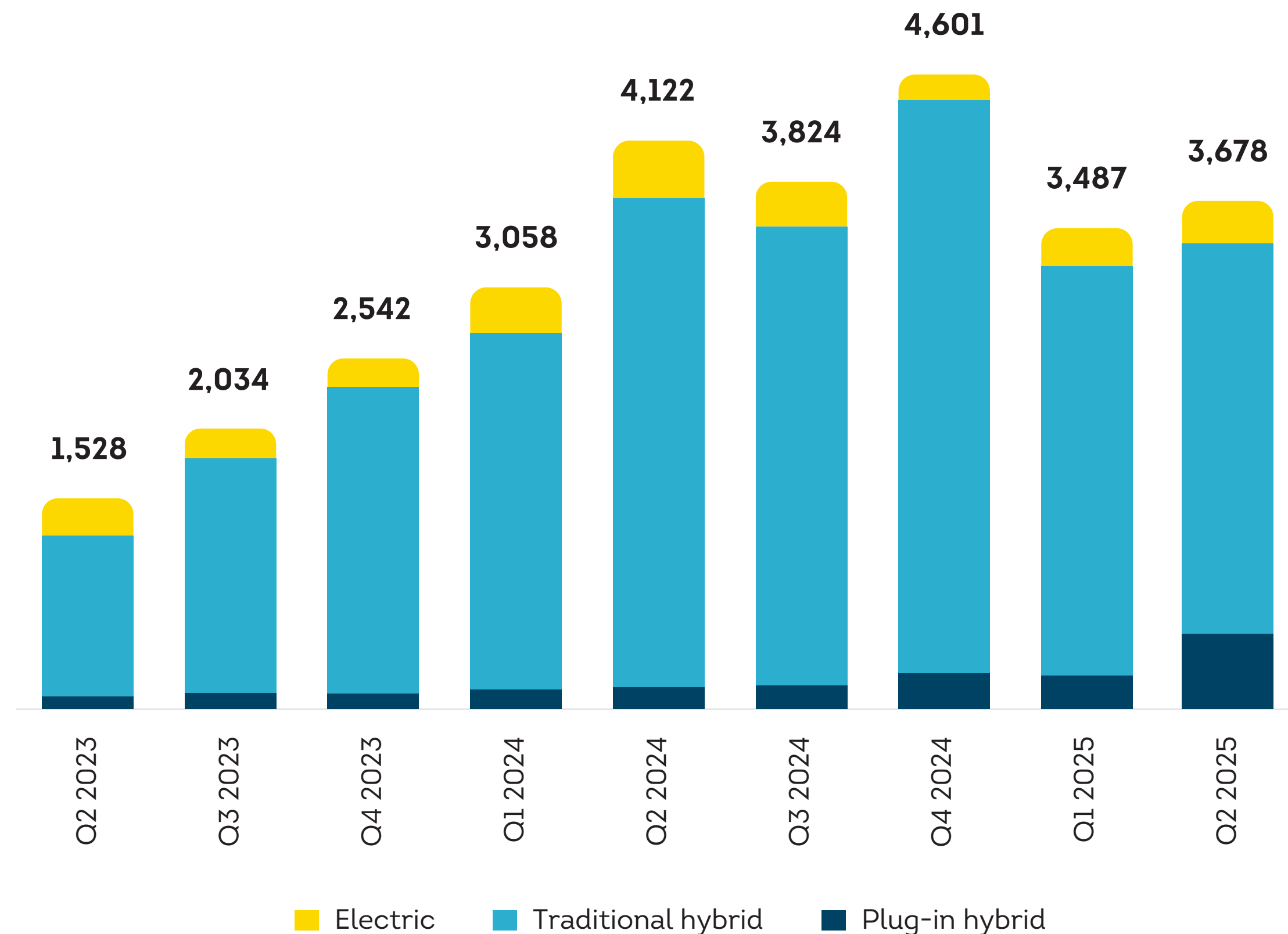


Figure 5



Share in total NEV sales in Q2 2025

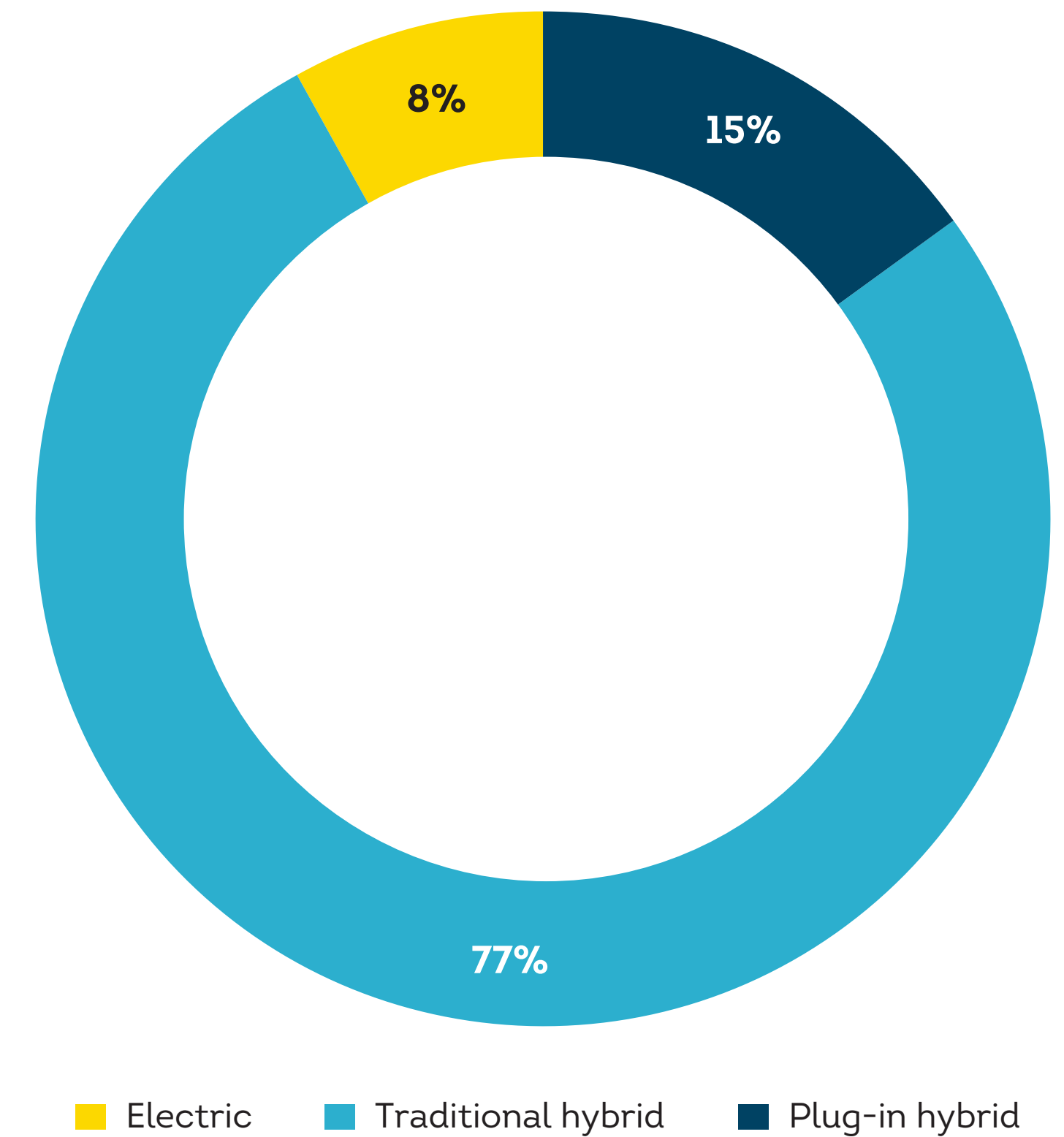


Figure 6

Drivers of faster growth in new car sales

Affordability tailwinds lifted momentum through Q2 2025, supported by policy and pricing dynamics.

Key figures

- Lower interest rates – five cuts since September 2024 – plus firmer consumer confidence and exceptionally low new-vehicle inflation (2.2% in Q1 2025, 1.7% in Q2, 1.5% in July, per Stats SA)
- Competitive pricing, OEM incentives and a favourable rand-import cost balance tempered prices, with hatchbacks at 1.1% and SUVs/MPVs at 1.4%
- Two-pot withdrawals and resilient disposable incomes provided additional liquidity for deposits
- Chinese automakers added momentum with competitively priced, feature-rich models



Takeaway

Tailwinds are real but cyclical – plan for moderation as rate support fades and liquidity effects normalise.

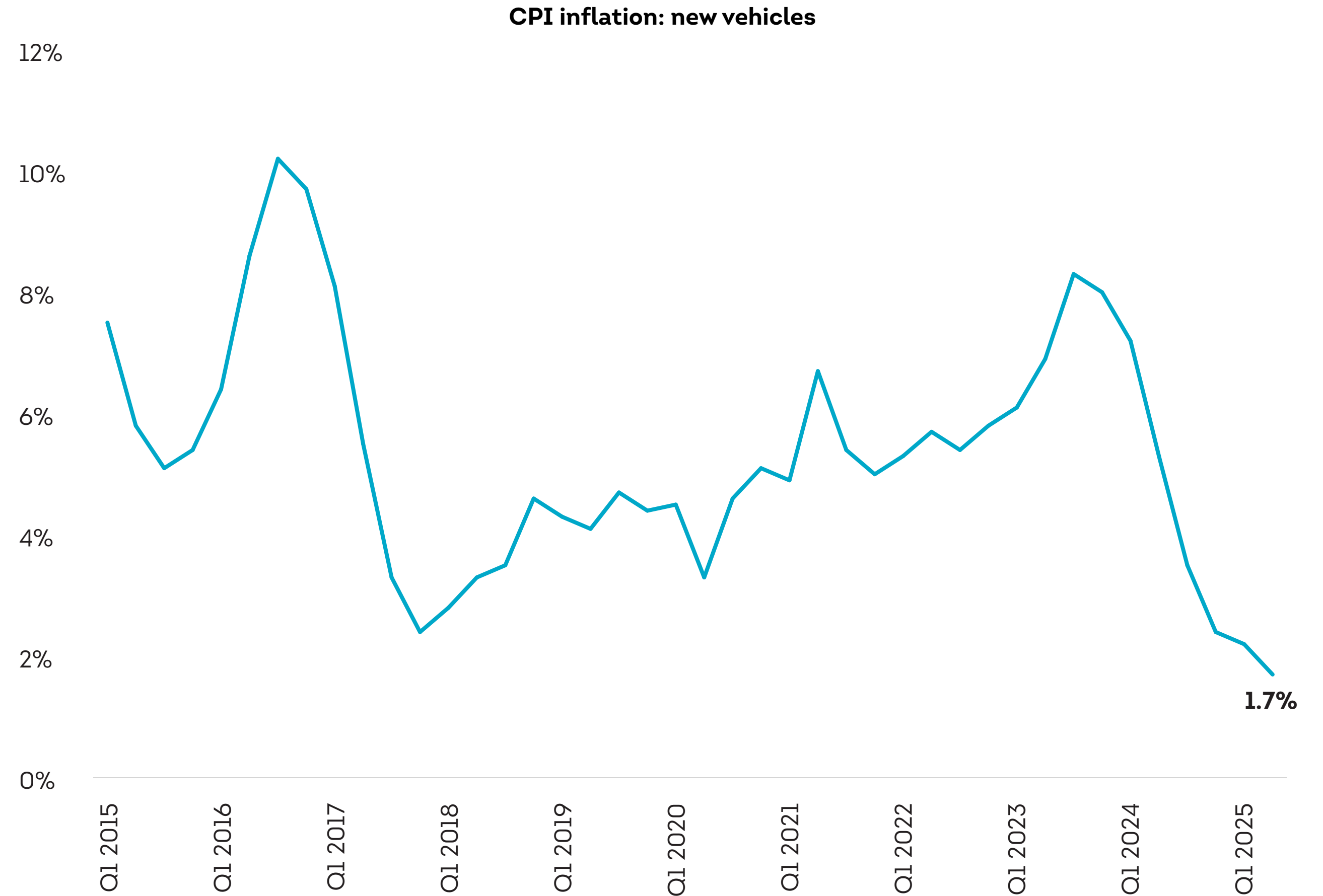


Figure 7

New passenger vehicle inflation by category

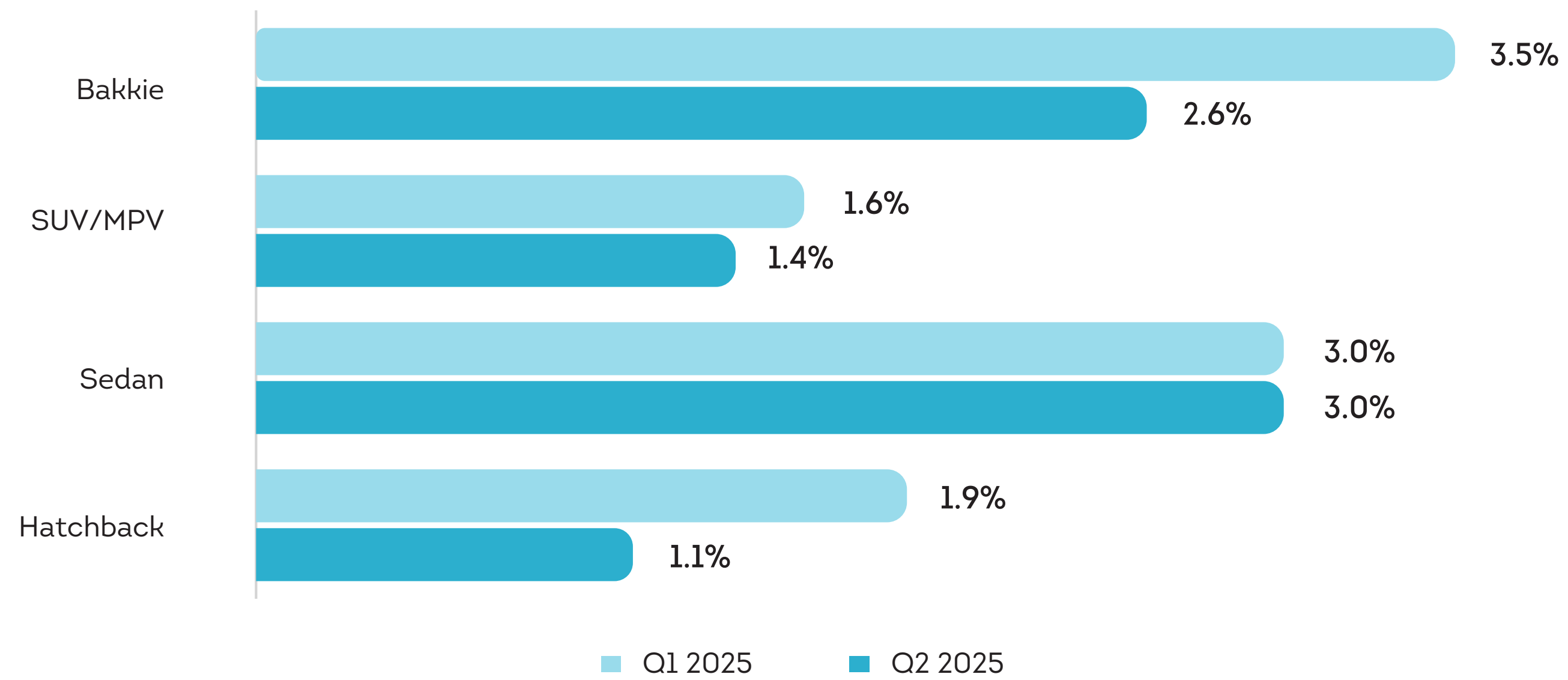


Figure 8



New and used passenger vehicle registrations by province¹

Market balance is shifting between new and used vehicles. In Q2 2025, 86,570 new passenger vehicles were registered compared to 273,081 used vehicles.

The used-to-new vehicle registration ratio rose to 3.2 in Q2 from 2.5 in Q1, reflecting a market that remains dominated by used vehicle registrations, though the share has shifted slightly back toward new compared to the higher ratios seen in 2024.

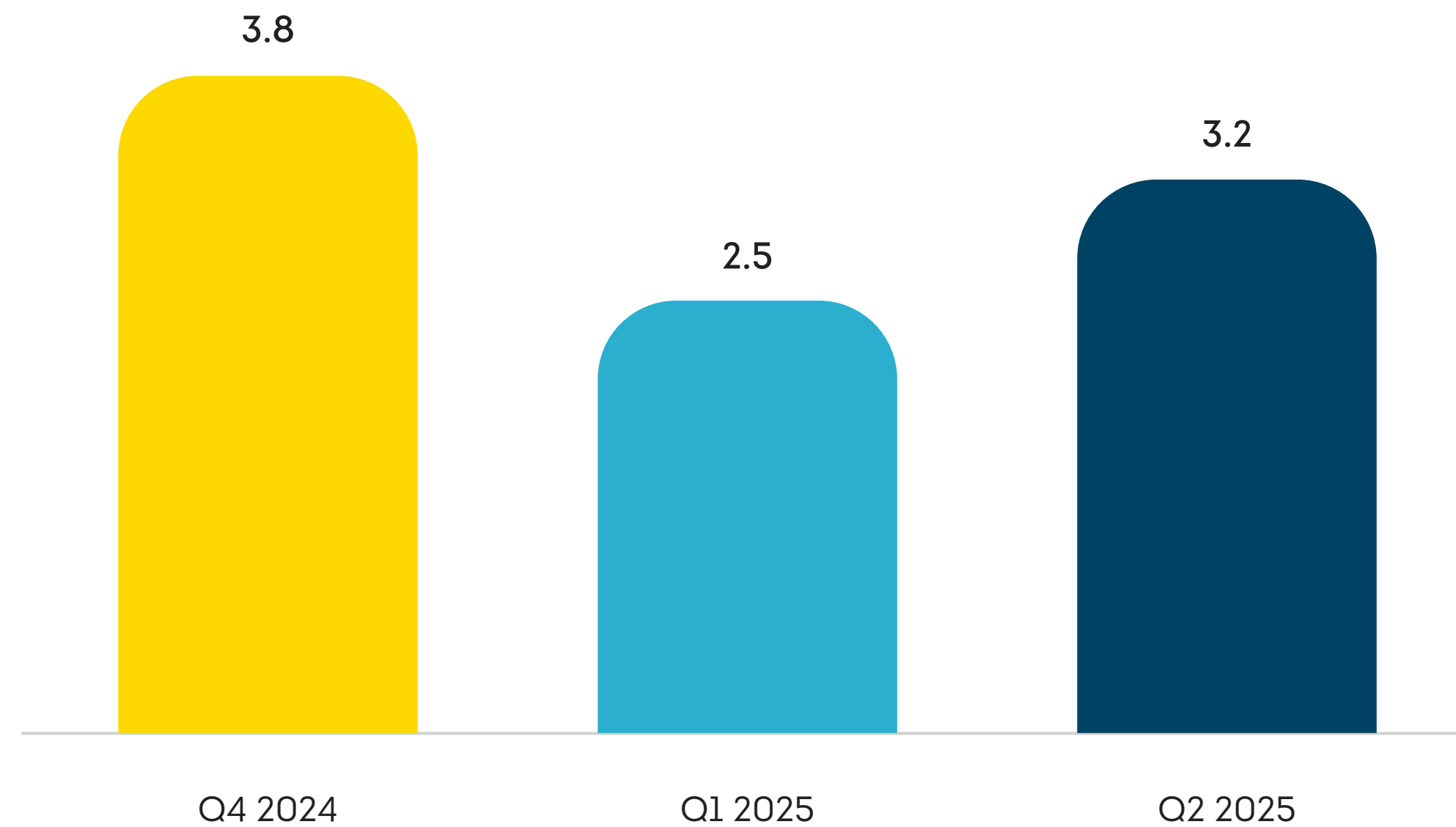
Diverging growth trends showed new registrations rose 20.0% YoY in Q2 2025, extending the double-digit growth seen since Q4 2024. Used registrations fell 1.4% YoY – the weakest result in the past year – signalling ongoing pressure in the used segment.



New Cars Regain Speed

Used still dominate, but new registrations surged 20% YoY in Q2 2025.

Used-to-new vehicle registrations ratio



How the Ratio Works

Lower ratio → new vehicles are taking a bigger slice of the total market.
 Higher ratio → used vehicles are taking a bigger slice of the total market.

Figure 9

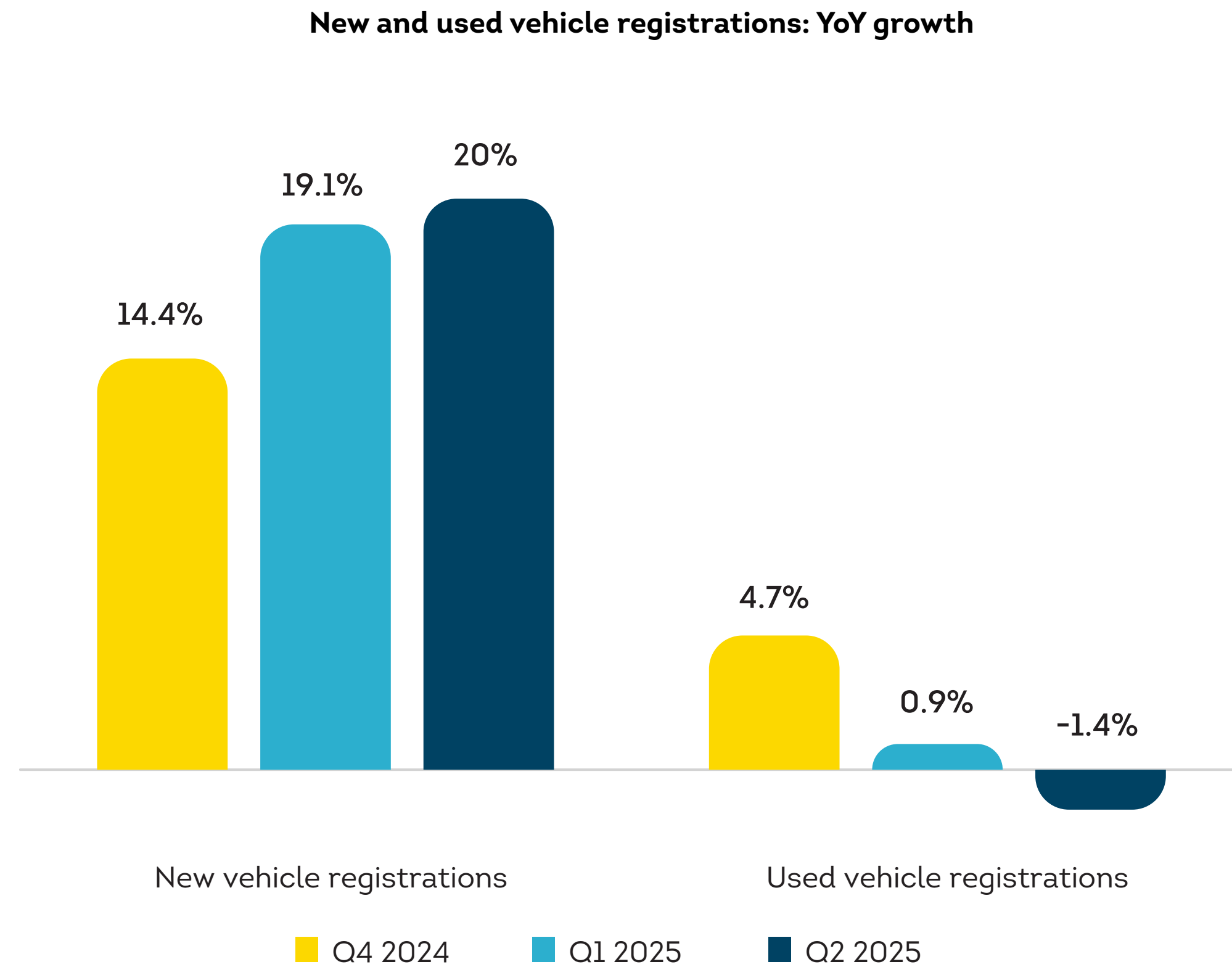


Figure 10

Top performers by province – new vehicles

- Northern Cape up 38.8% YoY
- Free State up 33.2%
- North West up 33.2%
- Western Cape up 16.7% and Gauteng up 18.0%, both below the national growth rate of 20.0%

Top performers by province – used vehicles

- Only Free State (+5.2% YoY) and Northern Cape (+1.9%) recorded growth in used registrations
- North West down 3.4% YoY, Mpumalanga down 3.2% and Eastern Cape down 3.0% – the steepest declines
- Both Free State and Northern Cape also grew in new registrations, pointing to firmer demand in these regions

YoY growth in new vehicle registrations by province - Q2 2025

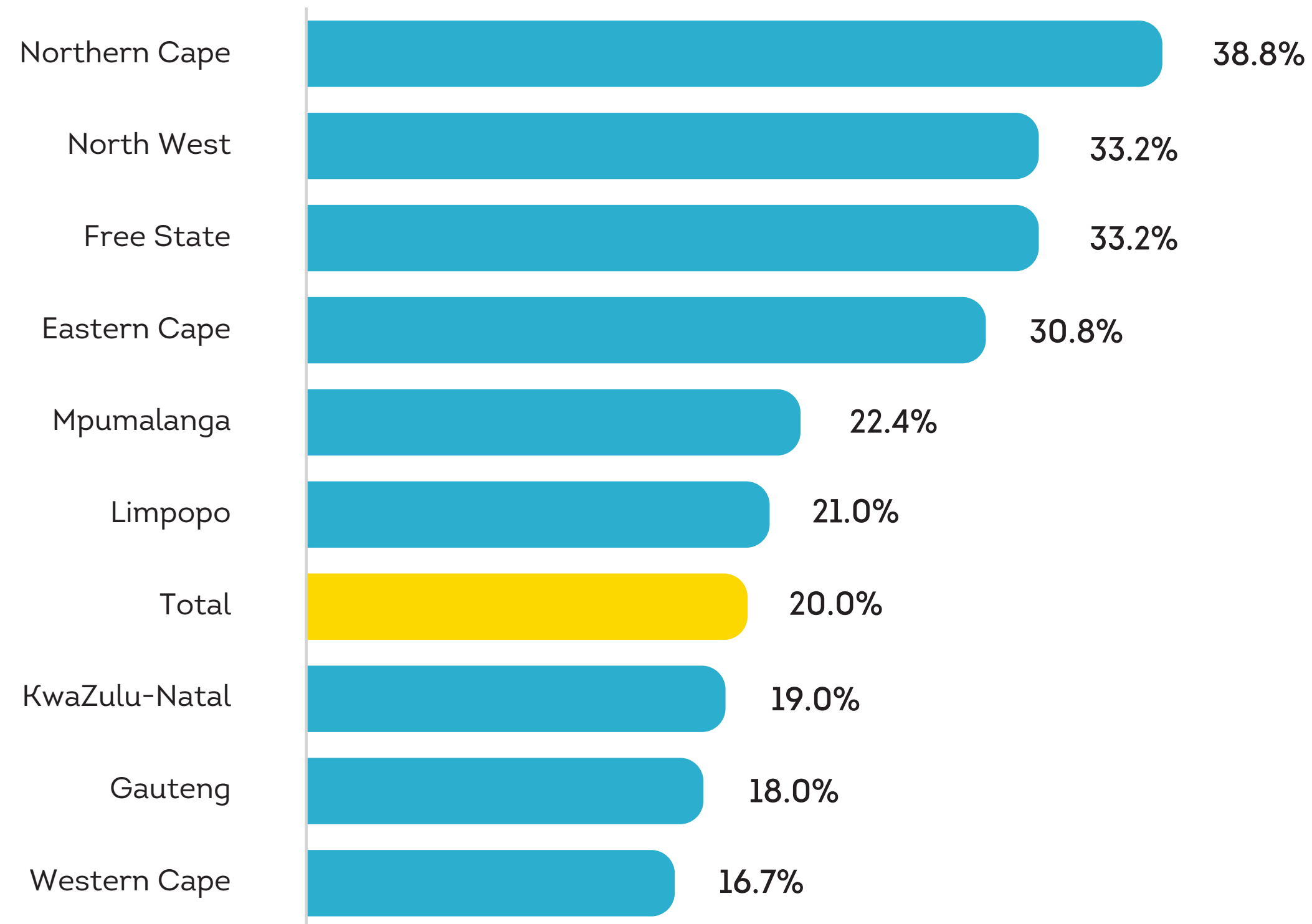


Figure 11

YoY growth in used vehicle registrations by province - Q2 2025

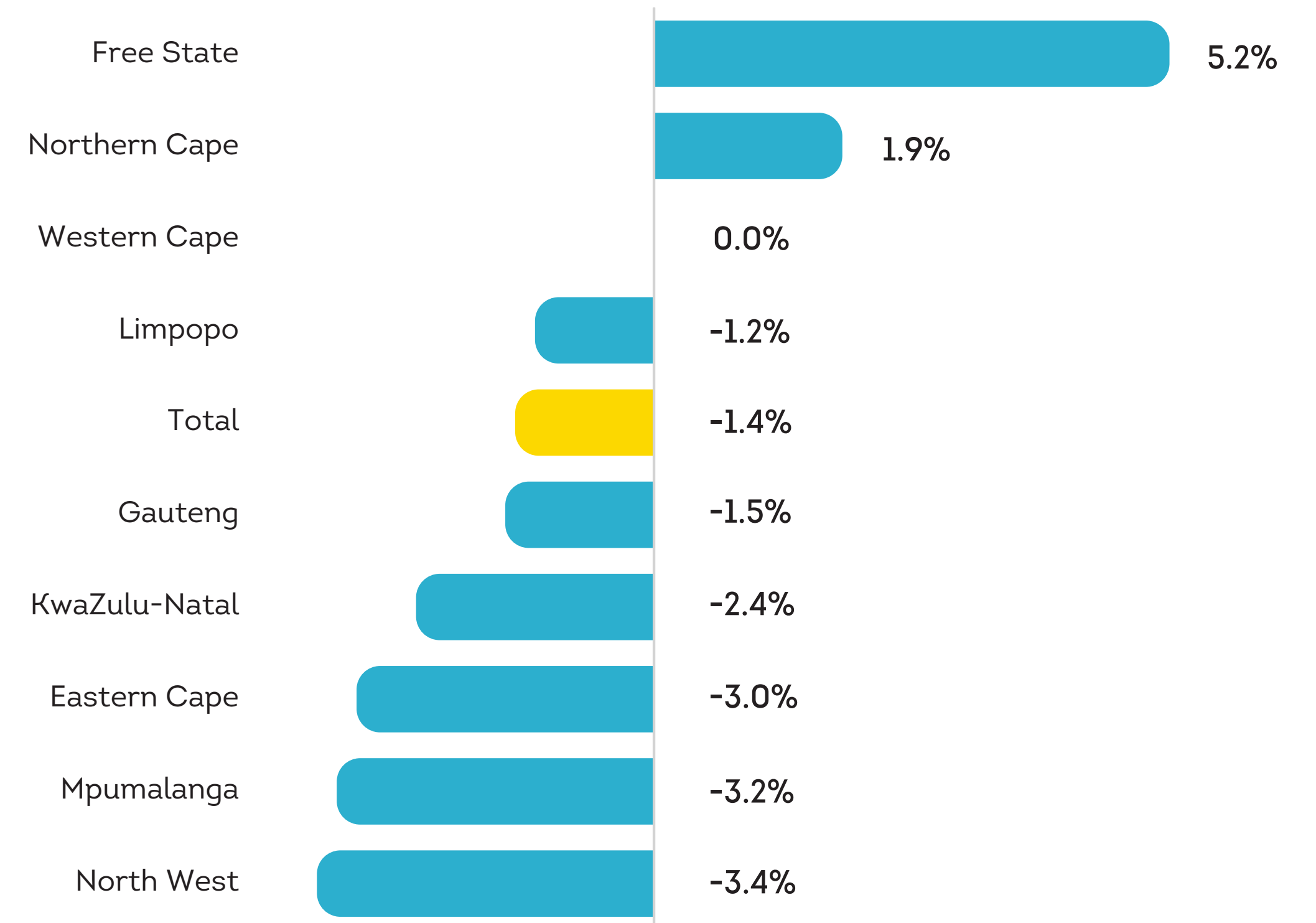


Figure 12

Vehicle dealer confidence remains elevated despite Q2 dip

The BER/RMB New Vehicle Motor Traders Confidence Index eased to 42 in Q2 2025 (down from 52 in Q1) but remains well above Q2 2024's 27.

This aligns with sustained double-digit growth in new-vehicle sales in Q2, indicating dealers are still optimistic even as momentum moderates from Q1 highs.

A further 25-basis-point policy rate cut later this year could add momentum to new-vehicle sales in the second half, partly offsetting higher personal tax burdens.

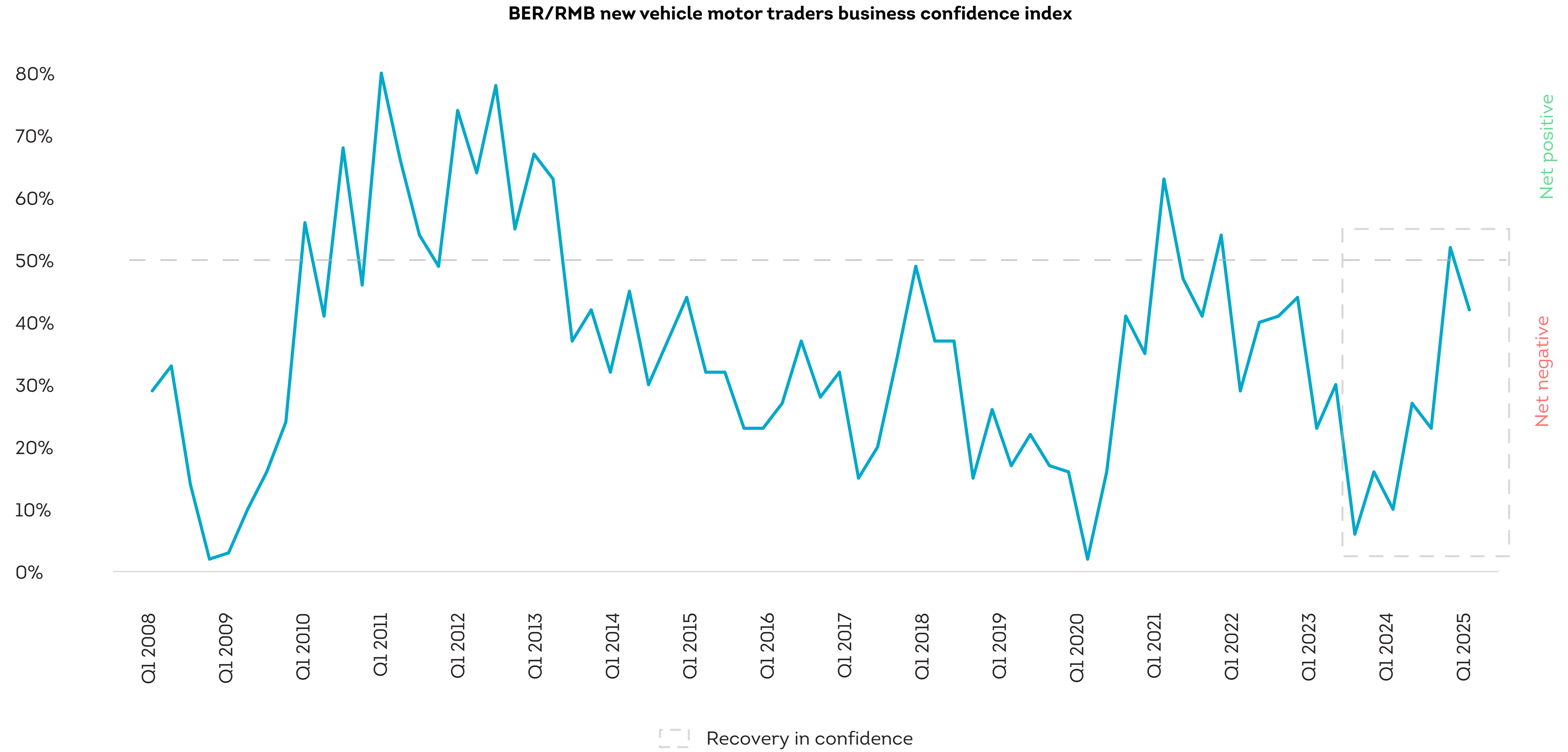


Figure 13

Forecast of passenger vehicle sales

Monthly passenger vehicle sales held up better than expected in 2025. Without stronger underlying growth, this momentum is unlikely to last.

Passenger vehicle sales are expected to rise 13.5% in 2025 (after 1% in 2024) before easing to around 1% in 2026 as rate support fades and the two-pot cash effect normalises.

A run of monthly sales consistently above 35,000 in coming months would confirm a broader upswing; if volumes drift back toward trend, a softer 2026 becomes more likely.



Takeaway

A sustained run of more than 35,000 passenger sales per month would confirm a broader upswing; a drift back toward trend would signal a softer 2026 path.

Why 2025 holds up

- Cumulative rate cuts, exceptionally low new-vehicle inflation and firmer consumer confidence have lifted affordability
- Aggressive OEM pricing and incentives, plus a more favourable rand-import cost balance have all tempered price growth
- The shift toward value brands – including fast-growing Chinese OEMs – supports demand
- Two-pot withdrawals provide a modest liquidity tailwind for deposits and debt clean-ups
- Stable vehicle-finance arrears have helped keep monthly sales above recent norms

Why momentum eases in 2026

- Policy is likely to stay cautious as the SARB aims to anchor inflation nearer 3%, limiting further rate cuts
- Inflation risks are tilted up, squeezing disposable incomes
- The two-pot effect normalises as eligibility windows space out and repeat-withdrawer pools thin
- Tighter credit vetting and larger deposit requirements continue to cap conversions in the new-car segment
- Export-side headwinds and possible rand volatility may pressure pricing and supply



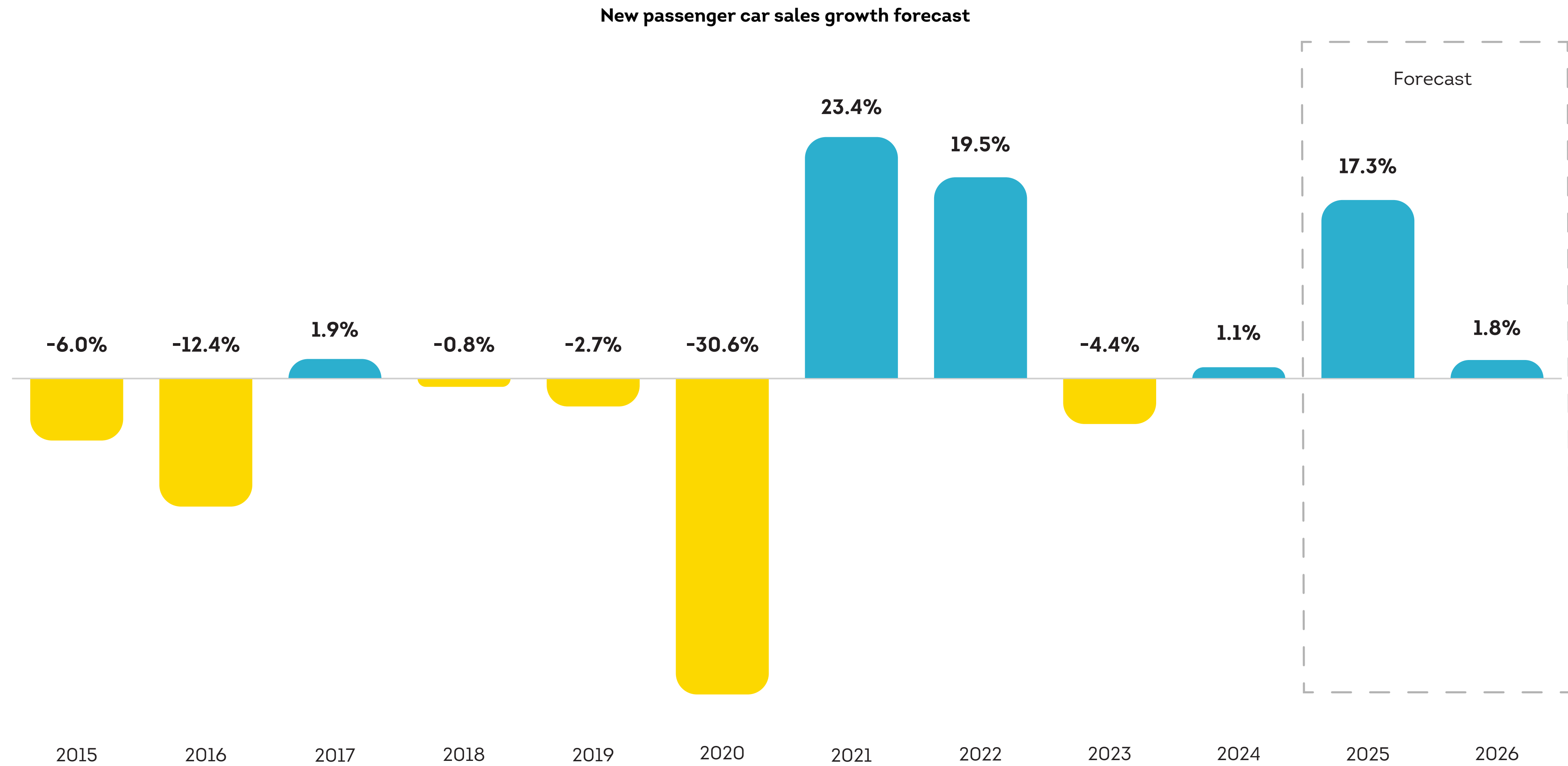


Figure 14

5

Passenger Vehicle Exports

Tariffs and Trade Shocks Test South Africa's Automotive Export Resilience

South Africa's passenger vehicle exports fell 24.6% YoY in Q2 2025, with July down 20.7% and year-to-date volumes 15% lower. This reflects softer global demand and acute trade headwinds, notably from the United States – historically a top-four market for South African-built vehicles.

The reimposition of a 30% tariff on general exports to the US (effective 7 August 2025) on top of the 25% Section 232 automotive tariff introduced in April undermined price competitiveness. Higher landed costs make South African exports less attractive than those from peers with preferential or zero-duty access under agreements like USMCA.

The US – alongside Germany, the UK and France – forms the backbone of South Africa's export portfolio, with premium models like VW's Polo GTI relying heavily on this channel. OEMs now face difficult decisions on production, employment and investment, with knock-on effects across components and logistics.

While committed to exports, the industry is accelerating efforts to grow African and Asian market share and fast-track the NEV transition to protect capacity. Policy support for component makers and urgent trade engagement will be important to avoid long-term erosion of the industrial base.



Key Insights

The Q2 slump is more than a short-term dip – it highlights the vulnerability of South Africa's export-led automotive model to tariff politics. Without swift policy support, market diversification, competitive repositioning and market diversification, the sector risks losing share in high-value export markets.

SA passenger vehicle exports

(% YoY growth)

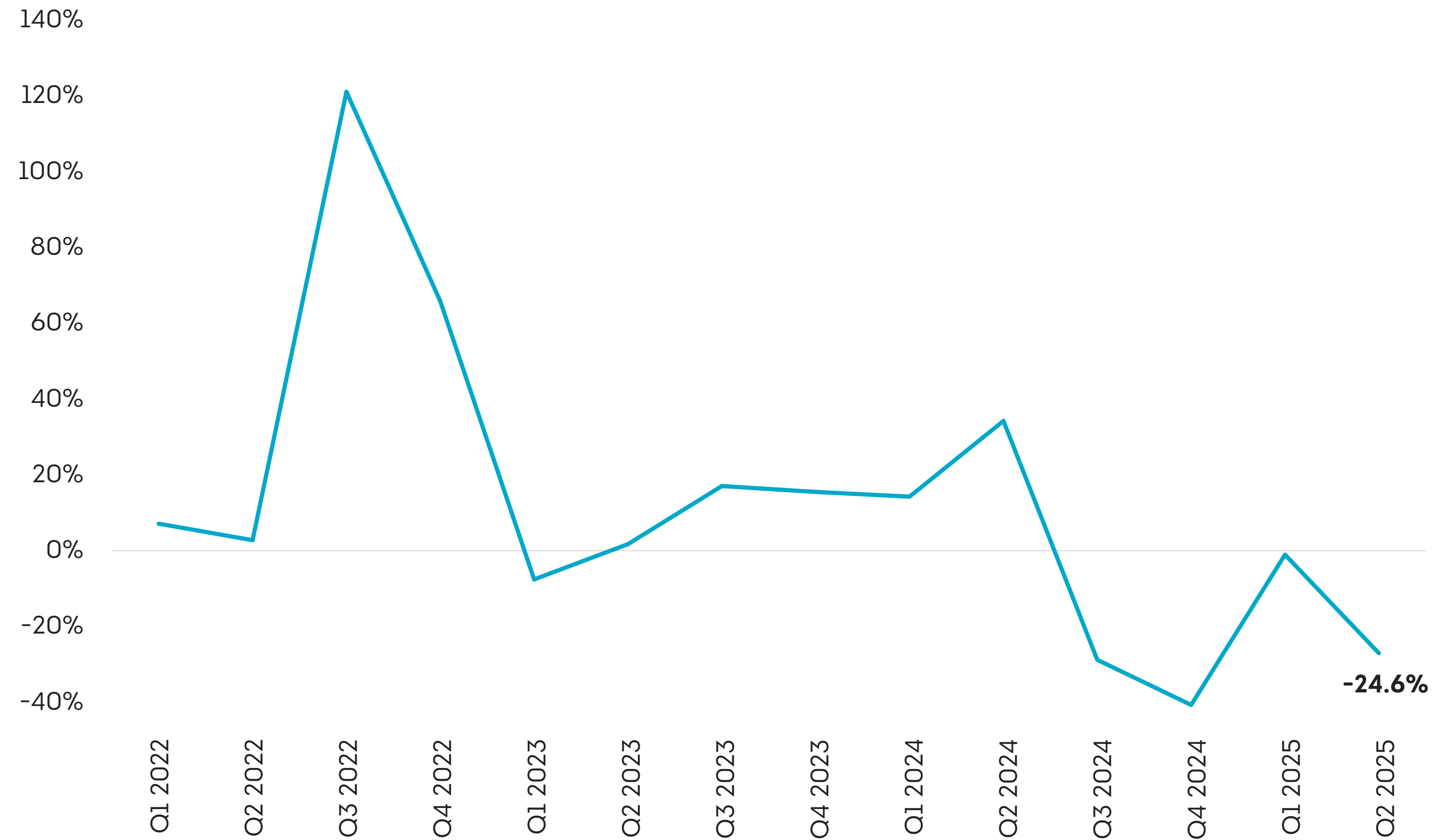


Figure 15

6

Two-Pot, One Market

Consumer Behaviour and Vehicle Purchasing Trends

Overview: The Two-Pot Impact on Mobility

The September 2024 two-pot retirement reform injected liquidity into households, and evidence suggests this supported mobility demand, particularly in the used car market.

While new vehicle demand saw only a brief lift – as withdrawals were insufficient to cover deposits – the effect was more visible in affordability-driven used purchases. The reform provides short-term financial relief rather than long-term wealth extraction, with withdrawals typically funding deposits, consumption, or debt clean-ups. Survey data suggests generational differences: Millennials and younger Gen X, balancing mortgages, school fees and household debt, are the most active, while Gen X often prioritises debt repayment and Baby Boomers withdraw minimally.

Repeat withdrawals are becoming more common – signalling ongoing financial strain and the emergence of a recurring source of liquidity likely to influence demand in entry-level and mid-market segments, particularly where deposit requirements are a barrier.

The timing, scale, and claimant profile suggest that two-pot withdrawals were a meaningful catalyst for incremental used-car purchases.

Two-Pot Effect: Mobility Boost
 Withdrawals gave households a liquidity boost, driving affordability-led used car demand.

Estimated cumulative two-pot withdrawals^{2,3}

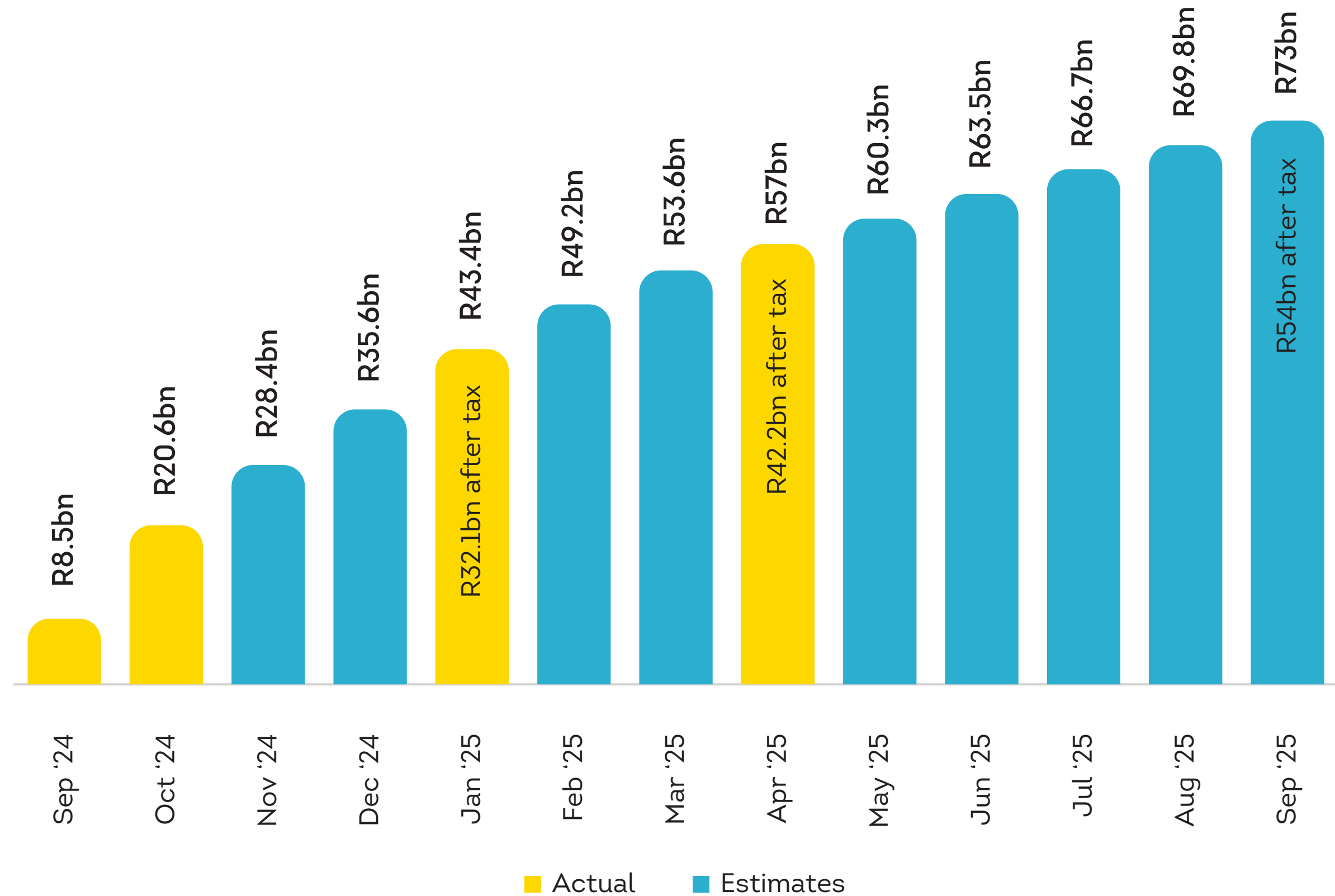


Figure 16



Income profile of early claimants

Early two-pot activity skewed toward lower-to-mid incomes, which helps explain the stronger response in the used-vehicle market. Withdrawals were meaningful at the household level but generally small enough to fund deposits or clean up debt rather than transform balance sheets.

Key figures

- About 3 million early claimants (15%–20% of members) were mostly earners of R5,000–R10,000 per month⁴
- Only 26% withdrew more than R20,000; most took R5,000–R20,000
- Typical use was bills, school fees, debt repayments and vehicle deposits rather than home purchases
- For someone earning R7,500 per month, a R20,000 withdrawal is nearly three months' pay – substantial but not transformative, signalling liquidity stress and budget gap plugging
- Alexforbes⁵ reports 59% of claims from members with fund credits below R250,000 and 94% from earners under R550,000, which reflects short-term financial strain and household survival needs



Takeaway

The pattern points to liquidity relief rather than wealth extraction – cash amounts suited to deposit-led, affordability-driven purchases, with the most visible impact in used vehicles.

⁴ Financial Sector Conduct Authority (FSCA)
⁵ Source: Alexforbes; Moonstone Information Refinery. Alexforbes reports R7 billion in two-pot system withdrawals.
<https://www.moonstone.co.za/alexforbes-reports-r7-billion-in-two-pot-system-withdrawals/>

Generational insights of claimants

Overall, two-pot withdrawals appear to function as a financial lifeline – not a wealth drawdown – with clear generational differences.

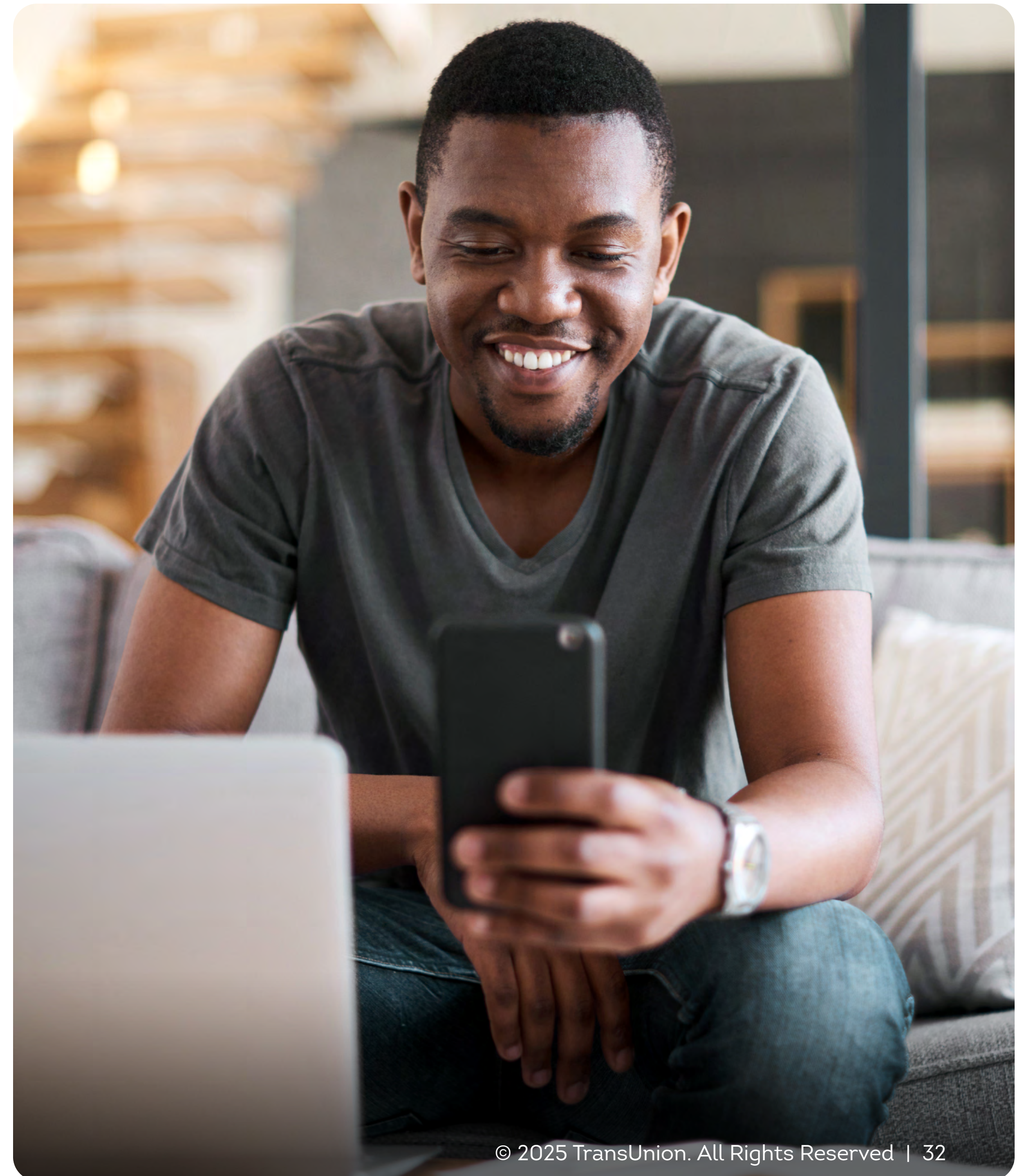
Key figures





















- 76% of claims came from ages 31-51 (Millennials and younger Gen X) – cohorts juggling mortgages, school fees and household debt⁶
- Gen Z and Millennials are often funding consumption and mobility
- Gen X more often prioritises debt repayment and household stability
- Baby Boomers withdraw minimally given retirement proximity and caution
- International evidence (Brazil and India) shows a similar pattern: Millennials are the most frequent repeat users and mid-career members tend to prioritise immediate needs over long-term preservation – pointing to a recurring lifeline rather than a once-off release

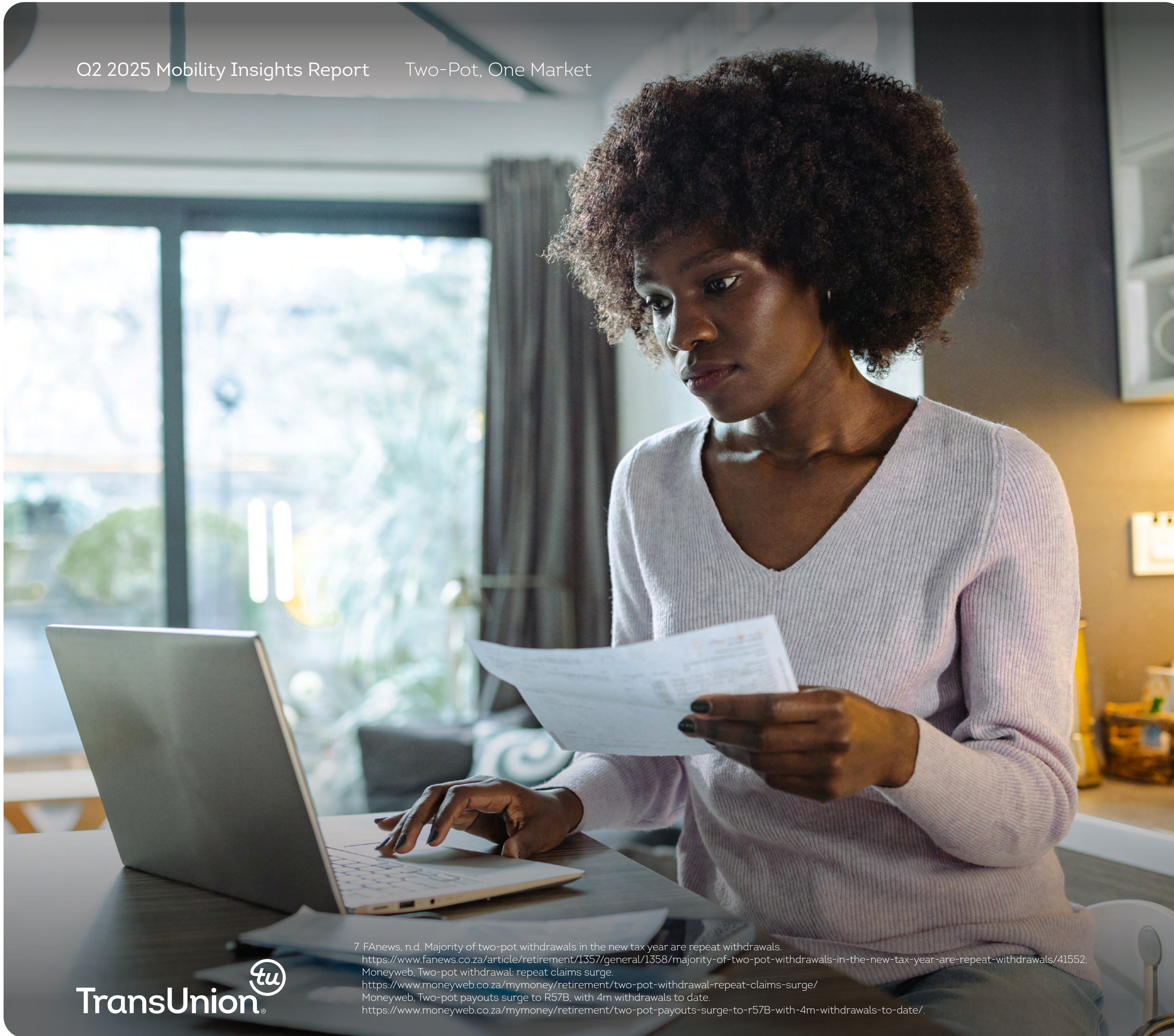


Takeaway

Expect demand signals to show up most clearly among mid-career households; target affordability and deposit support while monitoring repeat-use risk.



Generation	Age Range	Share of Claims	Main Uses of Withdrawals	Key Behaviour Pattern
 <p>Gen Z</p>	 <30	 Small share	 Consumer goods, lifestyle spending and deposits on entry-level vehicles	 Smaller fund balances; withdrawals are often discretionary
 <p>Millennials</p>	 31-40	 Largest share	 School fees, household expenses, deposits on used cars, debt payment	 Facing peak financial pressure – balancing families, housing costs, and debt, the highest repeat withdrawal rates
 <p>Gen X</p>	 41-55	 Large share	 Debt repayment, mortgage/rent support, stabilising household finances	 Withdrawals are treated as an income supplement, as mid-career members prioritise survival over preservation
 <p>Boomers</p>	 55+	 Minimal	 Limited withdrawals; cautious approach	 Closer to retirement, more substantial balances to protect



Repeat withdrawals rising sharply

Evidence points to repeat use becoming an indicator of ongoing household strain rather than once-off relief:

- Around three-quarters of post-1 March 2025 withdrawals were by prior users; client data shows 65%–88% repeat rates⁷
- SARS reported roughly 478,000 repeat withdrawals in April 2025 alone, out of nearly 4 million total withdrawals



Repeat Withdrawals Increasingly Frequent, Highlight Persistent Household Strain.



Takeaway

Plan for recurring “cash windows” that support deposits – particularly in used and entry-level segments – while monitoring post-purchase risk.

⁷ FAnews, n.d. Majority of two-pot withdrawals in the new tax year are repeat withdrawals. <https://www.fanews.co.za/article/retirement/1357/general/1358/majority-of-two-pot-withdrawals-in-the-new-tax-year-are-repeat-withdrawals/41552>. Moneyweb, Two-pot withdrawal: repeat claims surge. <https://www.moneyweb.co.za/mymoney/retirement/two-pot-withdrawal-repeat-claims-surge/> Moneyweb, Two-pot payouts surge to R57B, with 4m withdrawals to date. <https://www.moneyweb.co.za/mymoney/retirement/two-pot-payouts-surge-to-r57B-with-4m-withdrawals-to-date/>.

Forecast: Monthly after-tax withdrawals – scenario outlook

Early expectations were for withdrawals to taper as pent-up demand cleared. Instead, rising repeat use points to an ongoing behaviour pattern rooted in persistent financial strain.

Key figures

- Withdrawals have not faded as expected; repeat behaviour appears to be a defining feature
- SARS data – nearly 500,000 repeat withdrawals in a single month – tilts the outlook toward the base or pessimistic case
- Many members seem to treat withdrawals as a recurring cash source, reshaping volume assumptions and spillovers to discretionary spend



Takeaway

Plan for recurring “cash windows” rather than a once-off surge; use the base or pessimistic scenario as the working assumption and adjust campaigns, inventory and risk monitoring to that cadence.

Monthly after-tax two-pot withdrawals: scenarios

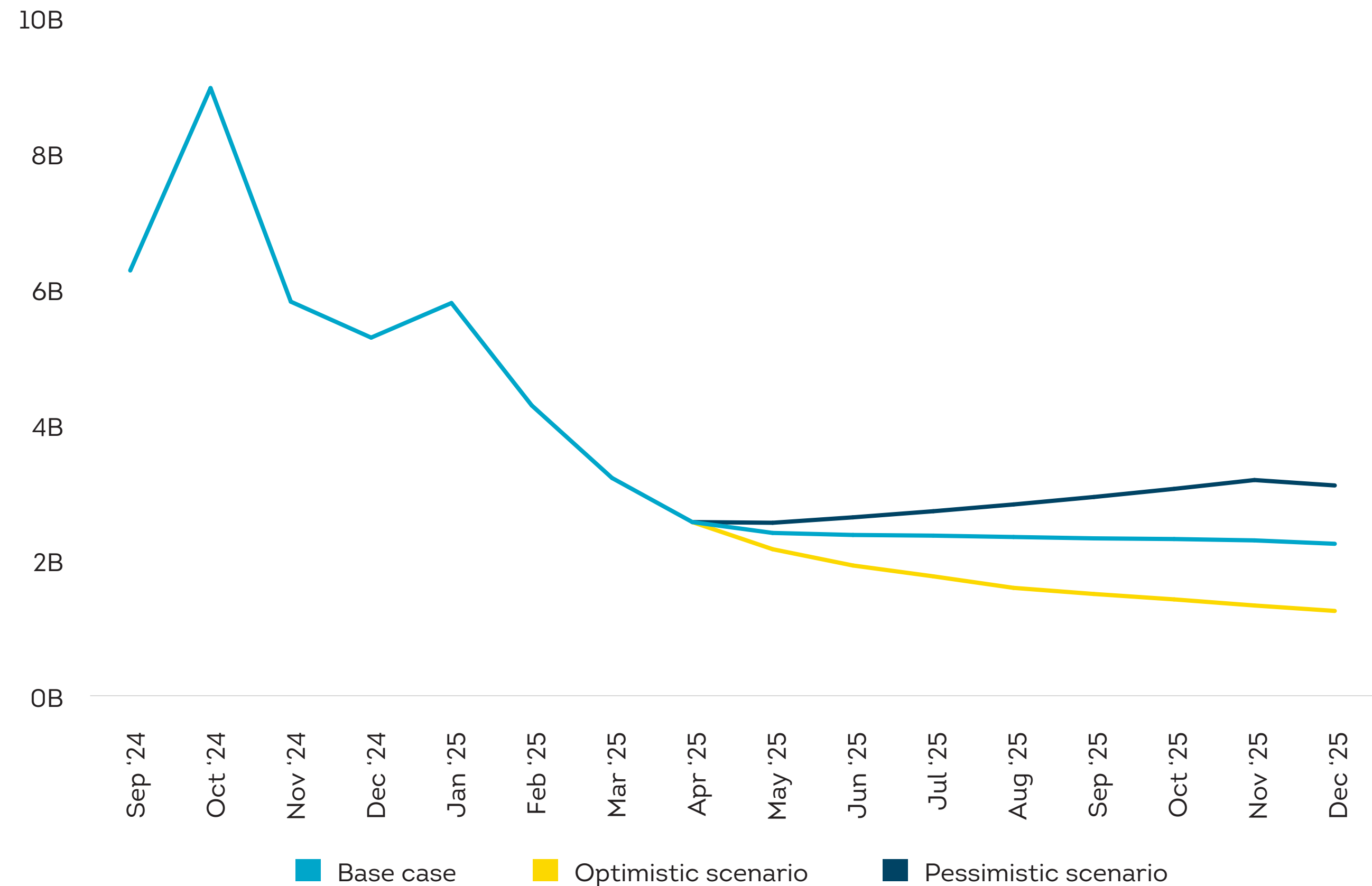


Figure 17

Scenario	Outlook and Key Drivers	Vehicle Market Implications
<p>● Base case (the new normal)</p>	<p>● Repeat behaviour appears to establish a steady floor; after-tax liquidity may stabilise around R2.2-R2.3B per month; this could provide a recurring tailwind for deposits and big-ticket purchases while deepening reliance on early pension access</p>	<p>● Liquidity boosts appear sufficiently regular to be timed to promotions and model launches, helping to support sales in used and entry-level segments</p>
<p>● Optimistic scenario – fading distress</p>	<p>● Repeat withdrawals could wane as macro conditions improve and financial literacy strengthens; after-tax liquidity may trend down to around R1.25 billion per month by year end; household pressure would then ease, reducing the supplemental boost to big-ticket spending</p>	<p>● Initial sales momentum may fade within a few quarters; new-car demand could cool faster as supplemental deposit funding diminishes</p>
<p>● Pessimistic scenario – deepening distress</p>	<p>● If unemployment, inflation and cost of living pressures rise, withdrawals may remain elevated or increase, potentially exceeding around R3 billion per month after tax by December; in this case, the system risks shifting from emergency relief to a chronic income top-up, eroding retirement savings</p>	<p>● Withdrawals help sustain essential transport purchases, though demand appears driven more by distress than by underlying economic activity</p>

Bottom line for industry planning

- **Deposits and down payments:**
Two-pot cash appears to be funding vehicle deposits, suggesting it may serve as a useful signal for entry-level and mid-market sales
- **Debt consolidation channel:**
Some households use withdrawals to improve credit scores, which can indirectly supporting finance approvals
- **Planning assumption:**
The base case (about R2.2-R2.3 billion per month after tax) remains a prudent basis for strategy – best approached as a recurring liquidity source, though still subject to policy and household strain dynamics

Two-pot impact on the used car market

- **Used registrations** reached 109,684 in October 2024 – the highest since 2012 and about 13,600 above the pre-launch baseline of roughly 96,115
- **The surge followed** peak withdrawals of about R558 million per day, indicating some consumers likely channelled funds into deposits on used vehicles; Bureau of Market Research findings⁸ were consistent with deposit-funded purchases without full financing
- **Incremental uplift:** October and November 2024 combined were about 17,600 units above the pre-two-pot baseline – a reasonable estimate of additional sales linked to withdrawal-funded deposits
- **Who bought:** Alexforbes data⁹ showed among more than 1 million members, 13% of claimants used withdrawals for major purchases such as vehicles; the profile – 76% aged 31–51, 59% with fund credits below R250,000 and 94% earning under R550,000 per year – aligns to deposit-led used demand
- **Small-to-medium withdrawals** can fund deposits or balloon payments on second-hand cars but are generally insufficient for outright new-vehicle purchases
- **Persistence beyond launch:** NaTIS data revealed November 2024 (100,122) and January 2025 (101,299) remained above the pre-launch baseline; May 2025 and July 2025 also exceeded it
- **Why used outperformed new:** Despite recent rate cuts, borrowing costs remain elevated and credit standards tighter; lower entry prices and smaller deposits keep demand for used vehicles stronger
- **Timing and liquidity:** While rate cuts helped, the October–November 2024 surge aligned with the peak withdrawal period, and the ongoing lift is supported by roughly R2.2–R2.3 billion per month after tax in two-pot liquidity



Takeaway

The durable liquidity appears concentrated in the used segment; plan campaigns and inventory around expected cash windows, pair pre-approvals with deposit support and monitor post-purchase risk carefully.

Used vehicle registrations

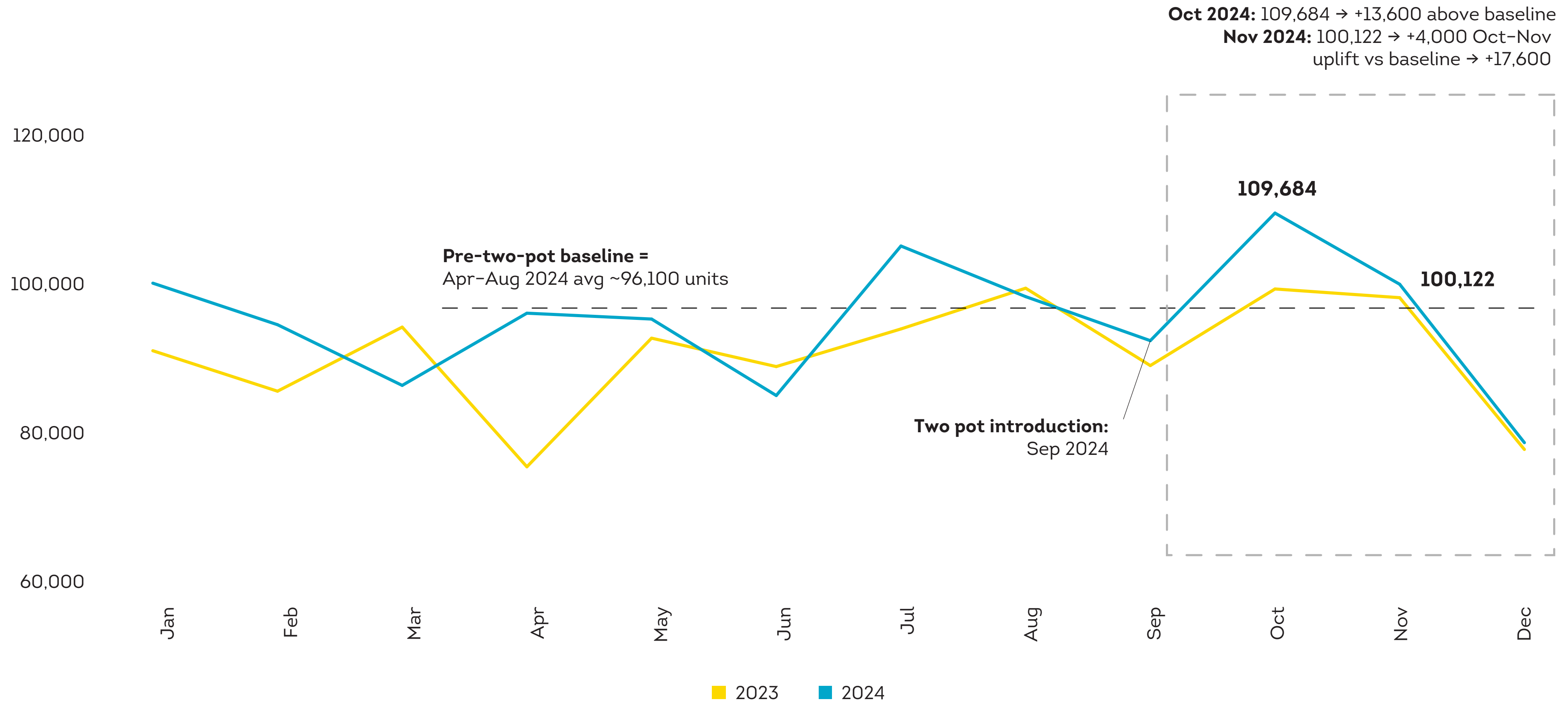


Figure 18

New vehicle registrations: A muted, short-lived response¹⁰

New-car volumes lifted around launch, then quickly reverted to trend as broader affordability constraints reasserted themselves.

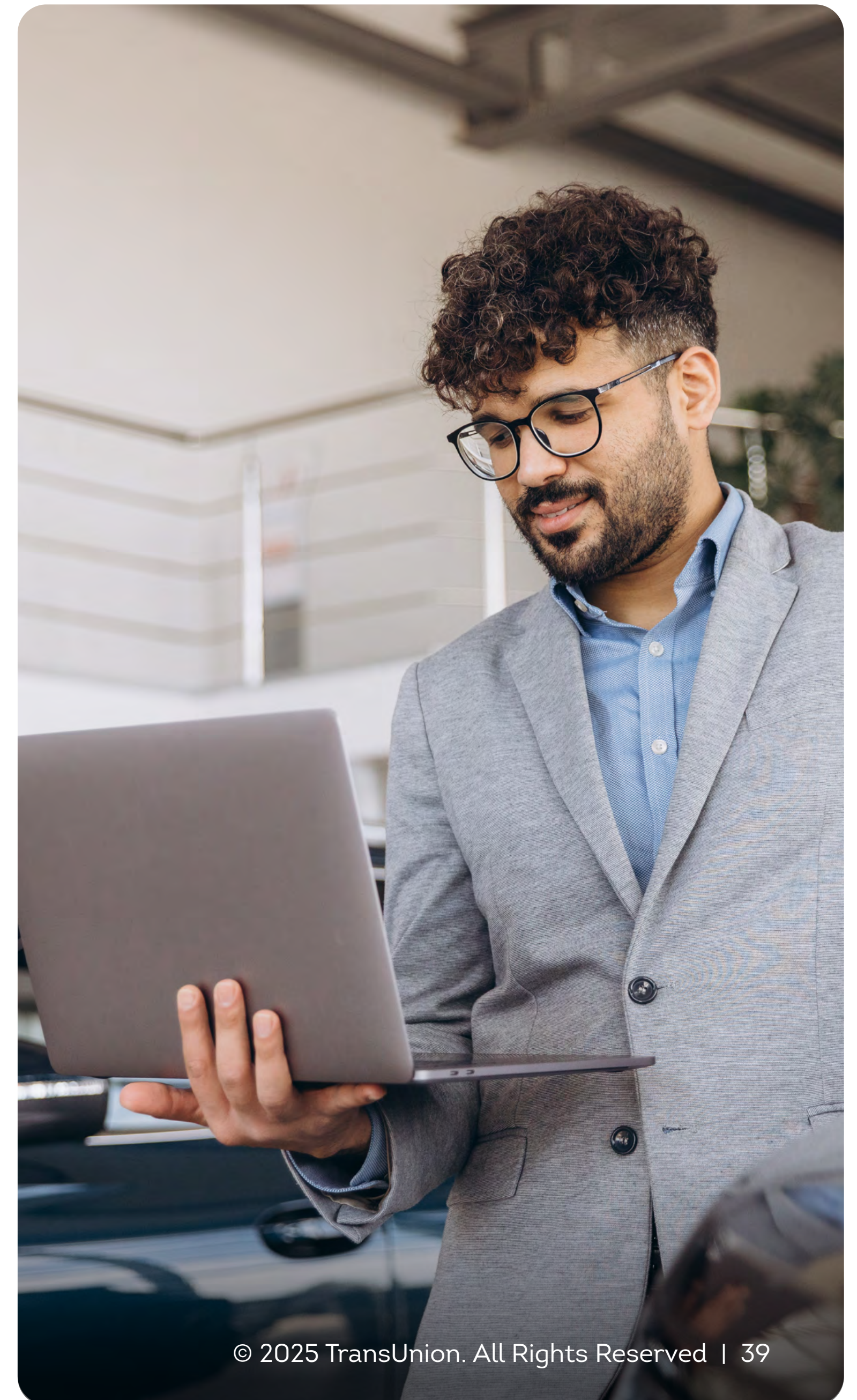
Key figures

- October 2024 recorded 35,562 new registrations – about 9,600 above the pre-launch baseline (April–August 2024 average about 25,911)
- Quick reversion: by November, volumes were 25,984 – only 73 above baseline
- January 2025 spike wasn't two-pot driven: 54,884 registrations (around 28,973 above baseline) were largely seasonal (year-end stock clearances, incentives and model-year changeovers)
- Attribution remains complex: Concurrent tailwinds – rate cuts in September and November 2024, very low new-vehicle inflation (1.7% in Q2 2025) and firmer consumer sentiment – complicate separation of two-pot effects; BMR noted a conventional pattern of an October rise followed by stabilisation
- Affordability and stricter credit vetting: Small-to-medium withdrawals seldom meet larger deposit requirements for new cars, so they more often fund used-car deposits or debt consolidation



Takeaway

Evidence points to a modest, short-lived uplift in new-car sales around the launch window, with the enduring liquidity effect most evident in the used segment.





New vehicle registrations

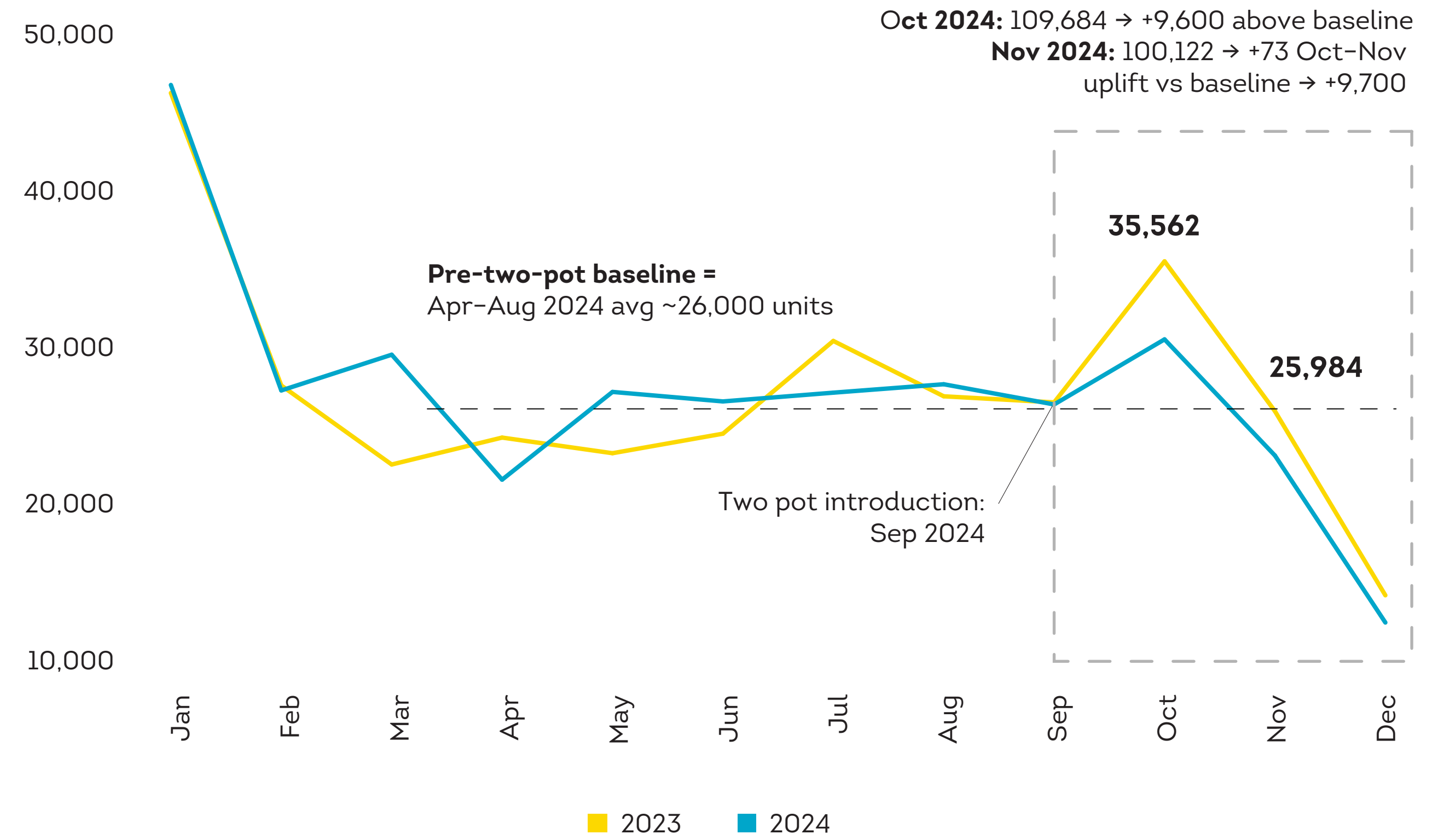


Figure 19

Credit dynamics and purchasing behaviour – deposit-led, affordability-driven

TransUnion data showed a brief spike in new vehicle asset finance (VAF) originations in October 2024 that coincided with the initial two-pot withdrawals and lift in registrations. Activity remained somewhat elevated in November, eased in December and returned to pre-launch levels by January–February 2025 – consistent with a short-term policy-related boost that then normalised.

Key figures

- New accounts rose 20.9% month on month (MoM) to 44,510 (about 7,300 above the March–August 2024 baseline)
- Total exposure granted increased 21.1% MoM to R18 billion – roughly R3.1 billion above baseline
- Arrears in retail categories like clothing and furniture declined, suggesting some withdrawals went to debt repayment, while vehicle-finance arrears remained low and stable¹¹
- Alexforbes¹² reported 80% of claimants used funds for debt or essential costs, improving approval odds by cleaning credit files and lowering debt-to-income ratios – effects most visible in used-car purchases where modest deposits go further



Takeaway

The evidence indicates a targeted liquidity injection that appears to have accelerated deposit-driven purchases – especially in used vehicles – without a rise in riskier credit expansion. As the initial wave passed, originations reverted to trend, suggesting underlying demand rather than sustained credit loosening was driving the market.

Number of new vehicle asset finance accounts

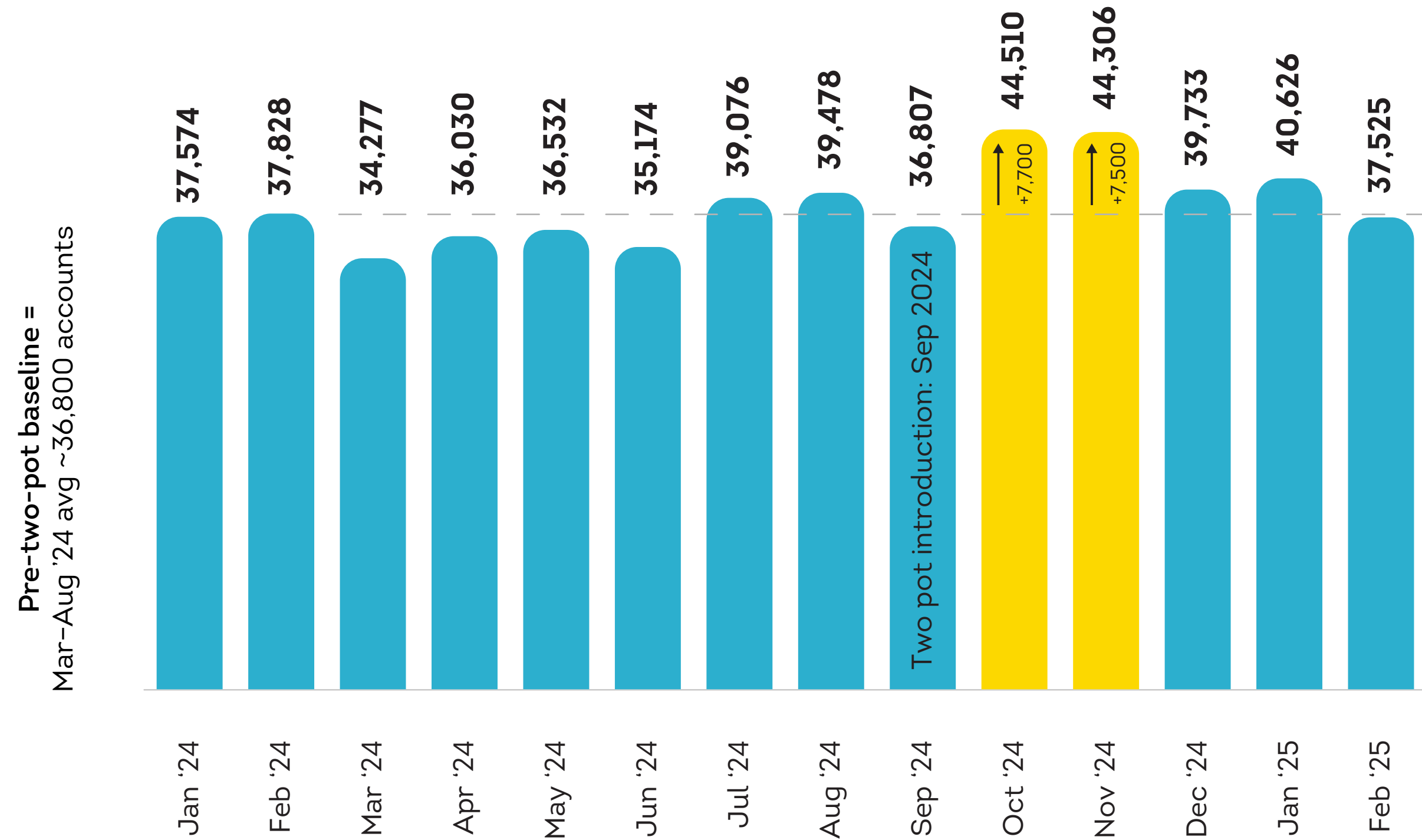


Figure 20

¹¹ Bureau of Market Research (BMR, Unisa, Personal Finance Division), Two Pot Claims: Impact on Credit Repayments and Spending Patterns (Pretoria: 2025) <https://bmr.co.za/wp-content/uploads/2025/03/Two-pot-claims-and-credit-data-FINAL.pdf>

¹² Alexforbes: Moonstone Information Refinery, n.d. Alexforbes reports R7 billion in two-pot system withdrawals. Available at: <https://www.moonstone.co.za/alexforbes-reports-r7-billion-in-two-pot-system-withdrawals/>

Turning two-pot liquidity into measurable mobility gains

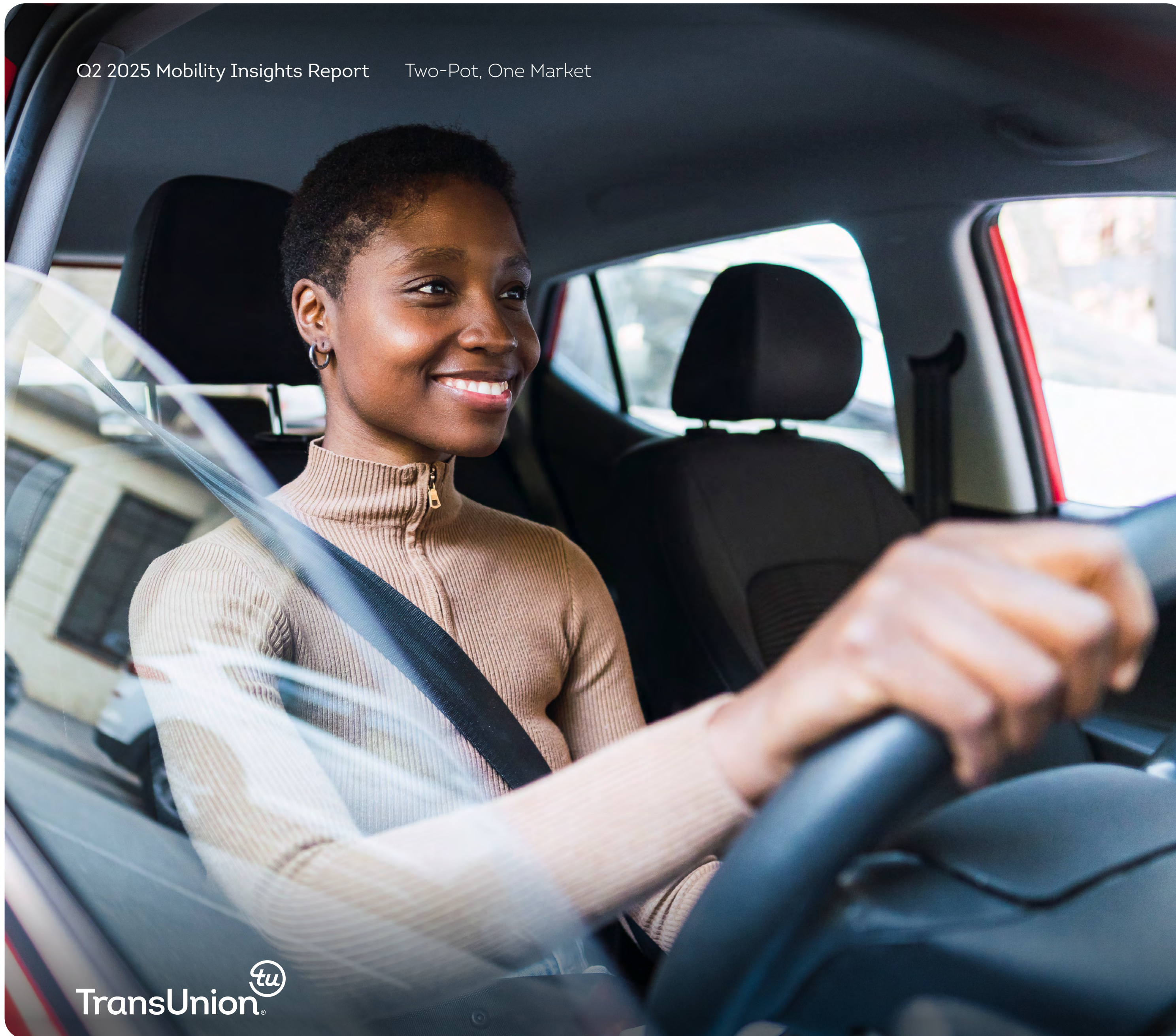
The two-pot system introduced a rare, policy-driven liquidity pulse that helped lift demand – most visibly in the used-vehicle segment. Its muted effect on new vehicles is consistent with persistent affordability and credit constraints.

Survey evidence indicates repeat withdrawals are becoming common, with roughly one third of prior claimants intending to draw again. That points to recurring policy-linked liquidity windows you can align with campaigns and model launches. We recommend treating this as a repeatable catalyst that favours data-led execution.

Industry implications

- **OEMs and dealers** – align inventory and promotions to likely withdrawal windows; emphasise offers that reduce upfront cash, such as deposit support or flexible terms
- **Lenders** – plan for possible short-term origination lifts but monitor post-withdrawal repayment performance, especially among buyers aged 31–51 earning under R550,000 per year
- **Insurers** – work to close protection gaps with bundled cover at point of sale





Leverage data-driven intelligence

By combining credit and registration data, TransUnion can help you identify liquidity-sensitive buyers, score thin-file consumers and flag early risk – enabling targeted offers before withdrawal windows and proactive risk management after.

The two-pot system should be seen as a tactical demand accelerator rather than a long-term solution. Those who use data to target the right buyers, time offers and manage risk will be better placed to capture policy-driven upside without importing unnecessary credit risk.

TransUnion recommends using integrated data to:

- Identify liquidity-sensitive segments
- Time offers to policy-linked cash pulses
- Monitor post-purchase behaviour to pre-empt risk

7

Challenges and Opportunities

Plan for recurring, policy-linked cash windows while protecting against affordability constraints and export uncertainty.

Opportunities

- **Time campaigns to liquidity windows.** Align inventory, pricing and marketing with likely two-pot withdrawal dates; focus on used and entry-level segments where deposits matter most.
- **Prioritise affordability.** Emphasise value brands, certified pre-owned vehicles and models with strong total cost of ownership; sharpen specifications and pricing to compete with fast-growing Chinese brands.
- **Innovate financing offers.** Expand programmes (such as deposit support, trade-in boosters and balloon structures) and pair with clear, long-term cost messaging.
- **Leverage data for targeted acquisition.** Use integrated credit and registration data to help identify and preapprove high-potential customers ahead of liquidity pulses; continue to monitor risk after the sale.
- **Develop new energy vehicle pathways.** Partner on green-finance products and promote lower-cost hybrid options as infrastructure develops.
- **Diversify export markets.** Accelerate growth in Africa and Asia, increase local content and build flexible supply chains to hedge tariff and currency volatility.

Challenges and Risks

- **Policy-driven market volatility.** Withdrawal-linked demand spikes may fade quickly, risking mistimed inventory, price cuts and unsold stock.
- **Persistent affordability barriers.** Even with larger deposits, high total costs and strict credit vetting limit new-car conversions.
- **Credit and insurance gaps.** Some households use withdrawals for essentials instead of cars; lack of cover at point of sale raises financial risk.
- **Export headwinds.** Tariff changes and softer global demand could threaten volumes, utilisation and investment.
- **Slow NEV adoption.** High import duties, limited charging infrastructure and premium price points constrain widespread EV uptake.

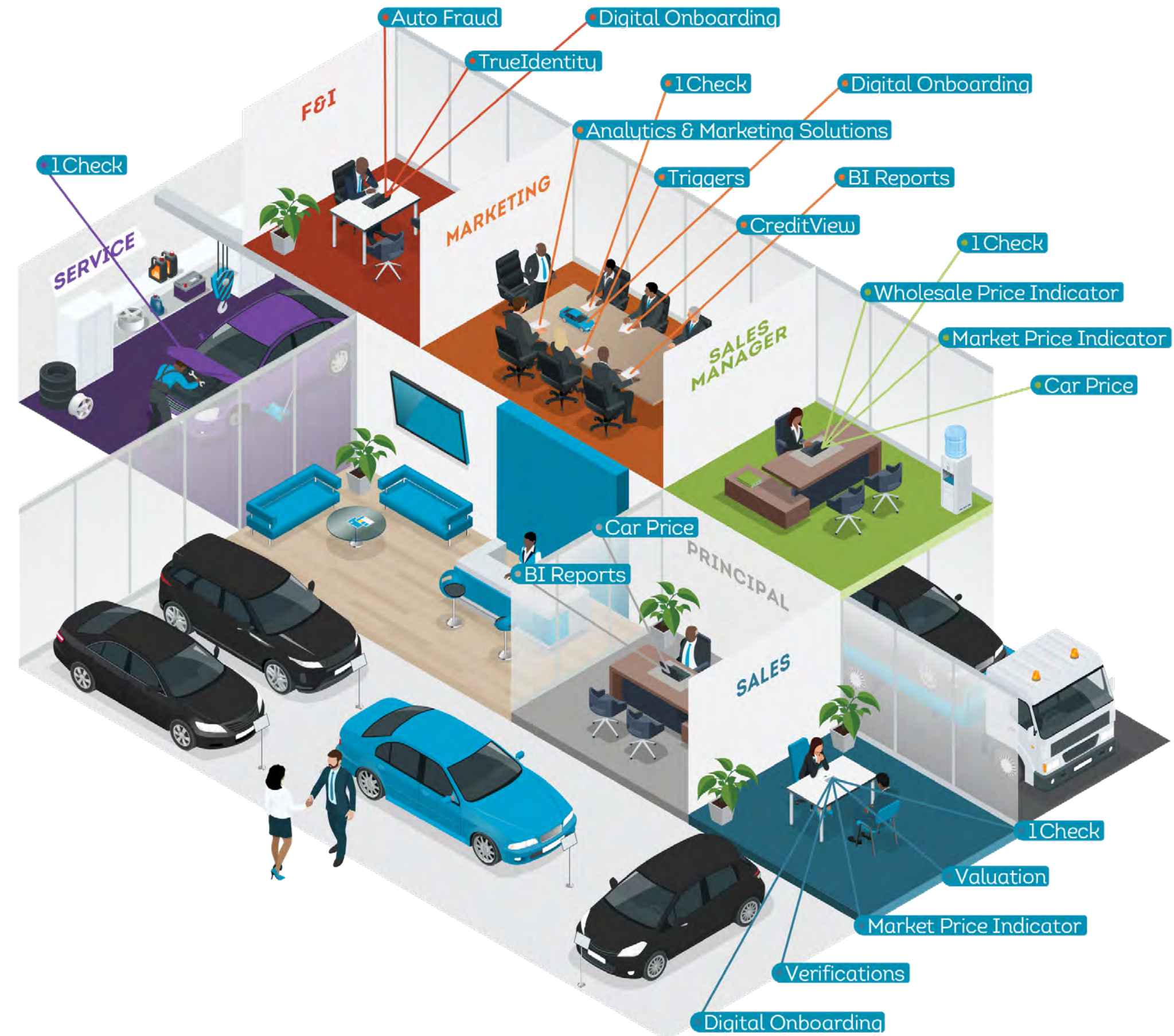
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 Kulani.Makaringe@transunion.com

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Additional Resources

To further explore these dynamics and support strategic decision-making, consider delving into TransUnion's suite of intelligence tools:

Consumer Pulse Survey:

Insights into consumer financial behaviours and sentiment

Industry Insights Report (IIR):

Cross-sector credit trends to inform risk assessment

Insurance Industry Solutions:

Tools to enhance underwriting and customer engagement

Market Discovery:

Regional deep dives for targeted strategy development



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Key takeaway

Use data to target the right buyers, time offers to cash windows and manage post-purchase risk – that’s how to best capture policy-driven upside without importing unnecessary credit risk.

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