

Sub Saharan Africa Automotive - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Sub Saharan Africa Automotive Market size is estimated at USD 21.59 billion in 2025, and is expected to reach USD 27.75 billion by 2030, at a CAGR of 5.15% during the forecast period (2025-2030).

The COVID-19 pandemic had a significant impact on the market, and demand is still lagging behind pre-COVID levels. Until 2018, the demand for new vehicles in the African region increased. However, governments across the region are taking initiatives to boost the automotive industry by implementing a ban on imported used vehicles. According to the data from the National Automotive Design and Development Council (NADDCC), Nigeria spends about NGN 2.88 trillion (USD 8 billion) on the importation of about 300,000 to 400,000 cars, yearly.

Over the medium term, some governments in Sub-Saharan Africa have begun to announce vehicle electrification targets and incentives for EV adoption, such as Rwanda's tax exemptions for EV sales. Furthermore, a burgeoning start-up ecosystem for EVs, with a focus on electric two-wheelers, is emerging in the region. According to automotive experts, there were more than 20 start-ups in the ecosystem at the end of 2021, with total funding of more than \$25 million that year.

Additionally, to discourage the importation of vehicles and encourage local vehicle production, Nigeria slammed 70% import duty and levied on imported vehicles. This resulted in increased volume of locally assembled and manufactured vehicles in the country and most of the local companies have seen developments in their manufacturing process and capacity. For instance,

Key Highlights

- Innoson Vehicles Manufacturing Limited (IVM) opened a new automated plant for manufacturing bus at Nnewi, Anambra State, in 2019. The automated plant reduced the cost of new 15-17-seater Hummer bus from NGN 16 million to NGN 9 million.

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However, Due to low disposable income and very high cost associated with new vehicles, used vehicles dominate some of sub-saharan countries automotive retail sector. These vehicles are mainly imported from regions with low resale or residual values of used vehicles like Europe, Japan, and the United States. This might hamper the target market during the forecasted timeperiod.

Africa Automotive Market Trends

Rising Other Alternative Fuel to Drive Demand in the Market

Transport currently accounts for 10% of Africa's total greenhouse gas (GHG) emissions, and this figure is expected to rise as Sub-Saharan Africa's vehicle park expands. The vehicle parc is expected to grow from 25 million vehicles today to an estimated 58 million by 2040 in the six countries that account for roughly 70% of Sub-Saharan Africa's annual vehicle sales and 45 percent of the region's population (South Africa, Ethiopia, Rwanda, Uganda, Kenya, and Nigeria), driven by urbanization and rising incomes. As its vehicle park expands, Sub-Saharan Africa's challenge will be to push for more sustainable mobility while avoiding becoming a dumping ground for the world's unwanted used ICE vehicles.

While momentum is building, Sub-Saharan Africa faces some unique challenges in its electric mobility transition, including unreliable electricity supply in some cases, low vehicle affordability, and reliance on used vehicles. Many countries have made significant progress toward improving electricity access (all six countries mentioned have urban electricity access rates above 70%, with some exceeding 90%); however, electricity reliability remains a concern. Furthermore, the 2020 System Average Interruption Disruption Index (SAIDI) for Sub-Saharan Africa was reported to be 39.30, compared to 0.87 for OECD high-income countries.

Africa's infrastructure is also improving, which will help the region's automotive market. Some countries are expected to drive growth until 2023, with countries such as Ghana playing key roles.

- Ghana aspires to be a developed nation by 2030. If the country meets even half of its target, the Ghanaian automotive market is expected to expand at a rapid pace, as economic growth is directly proportional to the growth of automotive markets.

Various companies are also either launching or planing to launch their electric vehicle in the region to witness a considerable market share in the upcoming years. For instance,

- The recently launched Eleksa CityBug is the most affordable EV to hit South African roads. The new Eleksa costs R230 000 at the point of sale. In the country, the CityBug is still proving its roadworthiness.

South Africa is Expected to be the Continent's Largest Automotive Industry

The vehicle interest rates have been fluctuating across the Sub-Saharan African countries annually and it is highly dependent on the economic growth of the individual country. The South African automotive industry is still adapting to market forces. The increasing number of imported vehicles and the aftereffects of the global economic crisis, particularly the uncertainty regarding European markets and the impact on local exports, are affecting manufacturing.

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These forces have also required the automotive aftermarket to respond. Both areas are further impacted by rising electricity and raw material prices, as well as rising labor rates, low productivity, and a lack of flexibility. Automotive companies must continuously develop and maintain customer relationships, achieve technical excellence and retain skilled labor pools, and manage significant risks in order to survive and grow.

Auto sales in South Africa in 2022. Toyota sold 7,086 units (18.4% share) of passenger vehicle sales in June, VW sold 5,652 units (14.7% share), and Suzuki sold 4,622 units (12.0% share). Daimler Trucks and Buses sold 387 units (14.9%), Toyota 353 units (13.6%), and Isuzu 322 units (12.4%) of commercial vehicle sales in June.

Africa Automotive Industry Overview

The automotive industry in the region is dominated by leading manufacturers such as Volkswagen, Toyota, Nissan, Hyundai, and Suzuki. A few of the recent developments include:

- In July 2022, the South African variant of Creta's cosmetic upgrades is shared with the new iteration sold in Indonesia. This includes the new generation Tucson's 'Parametric Jewel' design theme for the grille and split LED headlights. The Interior remains largely unchanged, with the addition of an 8-inch touchscreen. It comes with up to six airbags, electronic stability control (ESC), and ABS with EBD.
- In August 2022, Maruti Suzuki also launched its new compact SUV Grand Vitara in foreign markets. The Grand Vitara SUV was recently showcased in South Africa by India's largest carmaker ahead of its official launch. Grand Vitara, which will take the place of the S-shaped cross.
- In the MoU signed in Nigeria, Volkswagen has committed itself to expanding manufacturing/production operations on a step-by-step basis and to turning Nigeria into an automotive hub on the western coast of Africa, over the long term.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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