

# 5 key trends in the automotive industry for 2024

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Over the preceding three years, the automotive sector has witnessed substantial transformations, instigated by a global pandemic that disrupted vehicle supply chains, the rapid evolution of new technologies, and the unpredictable ebb and flow of interest rates.



Billy Tom | image supplied

In 2024, it becomes imperative to cast our gaze forward and anticipate the potential developments the year may unfold. With the ascendancy of electric vehicle (EV) sales, the spectre of inflation, and the looming challenges posed by the economic downturn, the industry stands at a critical juncture, requiring sustained vigilance and adaptability to effectively respond to diverse market conditions and emerging trends.

## 1. Global automotive sector challenges

Economic conditions play a crucial role in shaping consumer behaviour, particularly in the automotive sector. Slow consumer spending indicates that potential buyers may be more cautious about making significant financial commitments, such as purchasing a new vehicle. This can be attributed to various economic factors, including income uncertainties, inflation, or overall economic slowdowns. When consumers are more hesitant to spend, it directly impacts the demand for new vehicles. The global automotive sector is expected to face challenges such as slow consumer spending, high interest rates, and the ongoing transition to electric vehicles.

## 2. Growth of EVs

Electric vehicles (EVs) are projected to be a bright spot in the market, with sales expected to rise by 21% to 14.9 million units. China is anticipated to account for over half of global EV sales and exports. This reflects the accelerating adoption of electric vehicles worldwide. This growth is driven by a combination of factors, including increasing environmental

awareness, government incentives, advancements in battery technology, and the expanding charging infrastructure. Consumers are becoming more inclined towards EVs as a sustainable and futuristic alternative to traditional internal combustion engine vehicles.

### **3. Focus on range anxiety**

Policymakers and automakers will work to address range anxiety among EV users through initiatives such as a switch in charging standards, deployment of fast-charging stations, and the introduction of new battery technologies.

### **4. Mobility as a service**

The shift towards subscription-based models heralds a new era of flexibility and freedom in car ownership. This innovative approach is not merely a global trend; it's a dynamic solution tailored to meet the diverse needs of South African drivers.

Embracing the essence of inclusivity, subscription models offer motorists the freedom to enjoy the open road without the weight of long-term commitments. Imagine the convenience of swapping between different models as life's adventures unfold – all without the financial constraints and limitations traditionally associated with vehicle ownership.

Moreover, subscription-based models empower drivers to stay at the forefront of automotive innovation. As new features, technologies, and vehicle models emerge, subscribers have the flexibility to upgrade seamlessly, ensuring that their driving experience remains cutting-edge and tailored to their evolving preferences.

### **5. Commitment to being – and staying - green**

The commitment to sustainability will remain at the forefront, ensuring that from manufacturing to disposal, vehicles leave a positive impact on the environment.

OEMs will prioritise eco-conscious practices throughout the vehicles' lifecycle. From the meticulous stages of manufacturing to the eventual disposal, every aspect is meticulously crafted to leave a positive imprint on the environment. Consumers are looking for OEMs that fosters a harmonious relationship between mobility and nature, championing responsible choices that echo a commitment to a greener, more sustainable future.

The automotive industry is subject to rapid changes driven by technological advancements, regulatory shifts, market demands, interest rates and global events. The past has shown that the world can change in an instant, underscoring the importance of resilience and staying well-informed as the automotive industry navigates the uncertainties of the coming year.

## **ABOUT BILLY TOM**

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