

The P-AIS is a sub-component of the AIS and provides a non-taxable cash grant of between 20% and 35% of the value of qualifying investment in productive assets approved by **the dtic**.

Qualifying projects will be evaluated on the following economic benefit requirements:

- Tooling
- Research and development (R&D) in South Africa
- Employment creation/retention
- Strengthening the automotive supply value chain
- Empowerment

The approved P-AIS grant is to be disbursed over a period of three years and, in all cases, grant payment is subject to an evaluation by **the dtic** to determine whether the project achieved the stipulated performance requirements.

Objectives

The P-AIS is designed to stimulate a growth path for the people-carrier-vehicle industry through investment in new and/or replacement models and components that will result in new jobs or the retention of employment and/or strengthen the automotive vehicle value chain.

Benefits

- **Complete-Knocked-Down (CKD) vehicle assembler**
 - CKD investments that started production from 1 January 2012 to 31 March 2015 may qualify for a grant of 25% of the qualifying investment costs.
 - CKD investments with a start production from 1 April 2015 onwards may qualify for a grant of 20%.
 - For an additional 5%, the project must demonstrate that the investment will result in the maintenance of base-year employment levels throughout the

incentive and model phase-out periods.

- For a second additional 5% bonus grant (cumulative 10%), the project must meet the set economic benefit criteria.

- **Component manufacturers**

- Component manufacturers may qualify for a grant of 25% of the qualifying investment costs.
- For an additional 5%, the project must demonstrate that the investment will result in the maintenance of base-year employment levels throughout the incentive period and achieve at least two of the set economic benefit criteria.
- For a second additional 5% (cumulative 10%) P-AIS grant, the project must meet the set economic benefit criteria.

Eligible enterprises

Complete Knocked Down (CKD) vehicle assemblers

- People carriers for the transport of between 10 and 35 people, including the driver, with a vehicle mass exceeding 2 000kg.
- Floor panels, body sides or roof panels are not permanently attached to each other; the engine and transmission assemblies, axles, radiators, suspension components, steering mechanisms, braking or electrical equipment or instrumentation are not fitted to such floor pans or chassis frames; the bodies/cabs are not fitted to floor pans or chassis frames.

Component manufacturers

- A component manufacturer that can prove that a contract is in place or has been awarded or a letter of intent has been received for the manufacture of components

to supply the medium and heavy commercial vehicle manufacturer supply chain locally and/or internationally

- A component manufacturer that can prove that after this investment it will achieve at least 25% of total entity turnover or R10 million annually by the end of the first full year of commercial production, as part of the automotive (medium and heavy commercial vehicle) manufacturer supply chain locally and/or internationally.

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PEOPLE-CARRIER AUTOMOTIVE INVESTMENT SCHEME (P-AIS)

