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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 216

Mr T Loate (Cope) to ask the Minister of Trade, Industry and Competition:

1. Whether, in view of the fact that major importers of South African manufactured vehicles, such as the United Kingdom and Europe, will no longer allow the importation of internal combustion engine vehicles by 2030, and that funders, including banks, are ready right now to support the transition to electric vehicles (EVs), and considering that Morocco is stepping into the EV arena with plans for an African-designed EV set to debut in 2026, the Government has been galvanised into action to get manufacturers to modify their manufacturing plants for hybrid and EV production as swiftly as possible; if not, why not; if so, what steps has the Government taken to remain ahead of the curve;
2. what steps has he taken to ensure that the Republic's status as an exporter of motor vehicles remains secure, both in the interest of job preservation and economic growth;
3. whether he provided the motor vehicle manufacturing industry with a clear plan of action and a roadmap; if not, why not; if so, what are the relevant details?
[NW227E]

REPLY:

South Africa currently exports around 63% of its vehicle production, making it imperative to consider global developments in the auto industry. Major export markets such as the EU and the UK have announced bans on internal combustion engine (ICE) vehicle sales

by 2035, accompanied by incentives for electric vehicle (EV) adoption. This global shift towards environmentally friendly transportation is expected to reduce demand for vehicles manufactured in South Africa.

Following extensive work undertaken both with industry and within government, a White Paper was finalised by Cabinet, setting out the policy framework for the technology, production, export and domestic market adoption of electric vehicles, as well as a detailed roadmap and plan of action. The White Paper was publicly released in December 2023.

Subsequently, the Minister of Finance released details of tax benefits that will be available to the industry to facilitate the transition. In addition, discussions have been held with auto-producers not yet in the SA market to encourage new investment in the sector.

While existing policies like the Automotive Production Development Programme and the Automotive Investment Scheme provide a good framework for developing EV productive capacity, including in assembly and component manufacture, additional action will be required. The White Paper thus identifies 10 policy goals with a set of 16 specific and distinct policy actions to be implemented over specified timelines between 2023 and 2035 with 10 actions in support of the development of cost-competitive EV productive capacity in South Africa; and 6 actions in support of the development of a cost-effective local market for EVs.

A copy of the White Paper may be accessed at <http://www.thedtic.gov.za/wp-content/uploads/EV-White-Paper.pdf>

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