the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5727

Mr J A Mngxitama (MKP) to ask the Minister of Trade, Industry and Competition:

Whether his department has a plan to manufacture a South African motor vehicle; if not, why not; if so, what are the relevant details? NW6204E

REPLY:

The Department of Trade, Industry and Competition (**the dtic**) is actively developing and implementing policies that encourage and support the local manufacturing of mass production vehicles for the domestic and export markets. In this endeavour the transformation of the automotive industry to the extent of inclusion of previously excluded persons, development of local capacity and capability to produce vehicles and their components are important considerations and focus areas. Therefore, initiatives of developing and producing local components and vehicles are and will continue to be supported within the approved policy frameworks and instruments.

Through the Industrial Development Corporation (IDC) instruments, we are supporting partnerships that may result in the evolution of local vehicle brands and automotive components. Lessons from other markets indicate that developing local vehicle brands stands a better chance of success through collaboration or partnership with existing global brands who already have the technology and experience in building vehicles. Starting a vehicle brand requires large sums of money (billions of rands) in upfront capital, rapid technological agility and intense global competitiveness.

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