



the dtic Performance Report

Briefing by the dtic on the
implementation of the South
African Automotive Master Plan
(2035)

Progress Update on 27 January 2026



the dtic

Department
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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SA Automotive Masterplan



Production Volumes

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

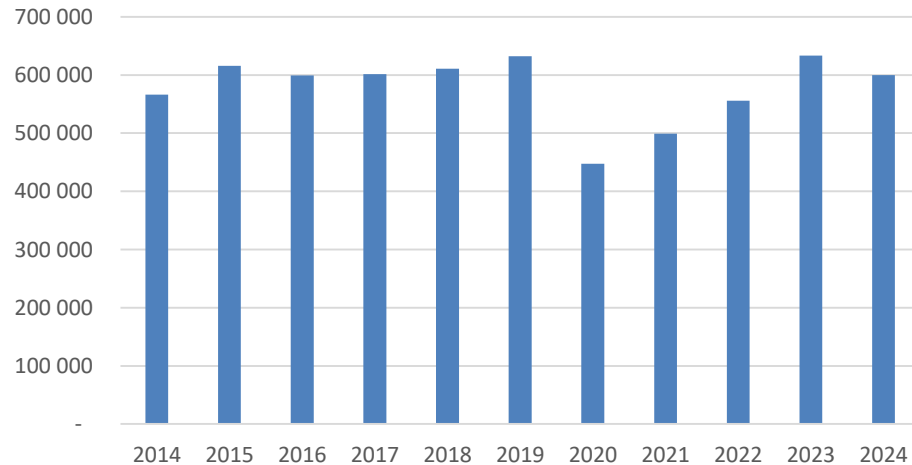
Key Objective

- Grow domestic car production to 1% of global output (projected to reach 1,4 million units annually by 2035)

Achievements in 2024

- 0.64% global production
- 50.9% Africa production

Total South African vehicle production (Units)



Local Content

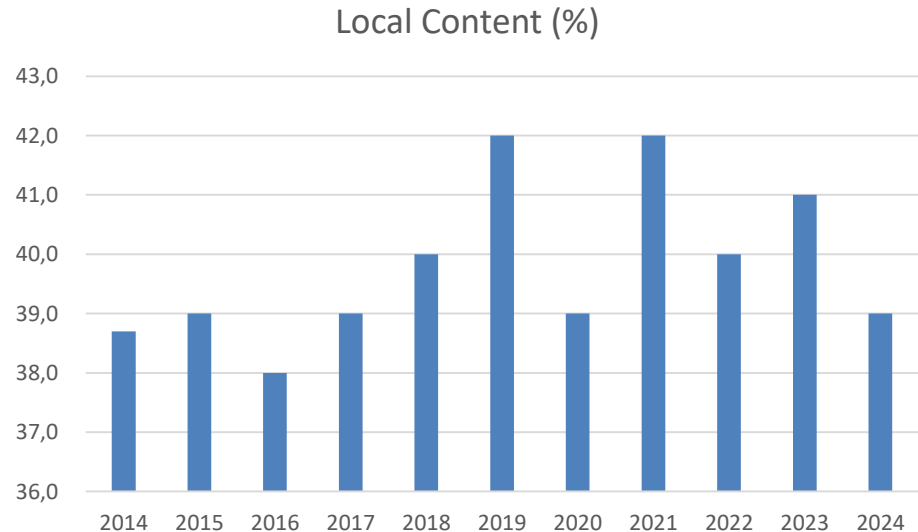
Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective

- Increase local content in South African assembled vehicles to 60% (from 39% in 2015)

Achievements

- Local content has been varying over the years between 40%-39.5%
- However, the declining trend from 2021 to 2024 is cause for concern. (39% in 2024)



Employment

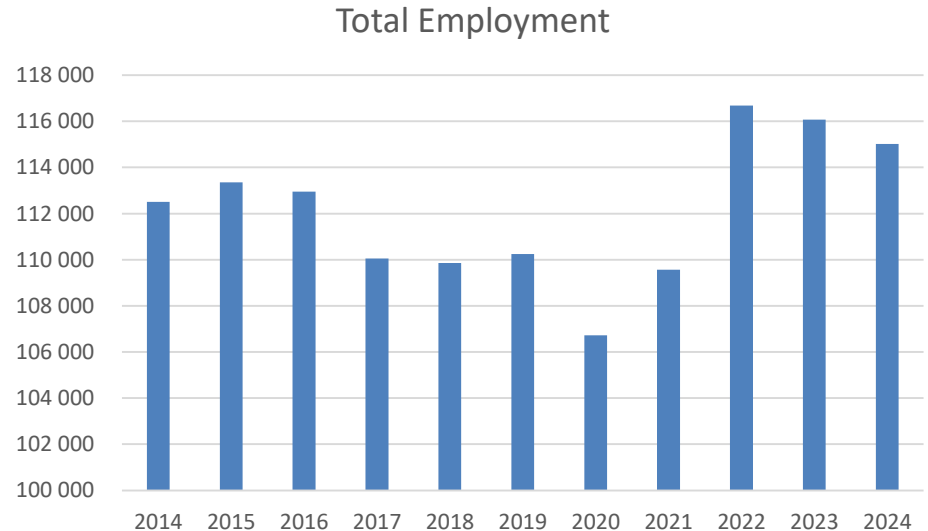
Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective

- Double employment in the automotive value chain (from 112 000 in 2015 to 224000)

Achievements

- Notable recovery from Covid-19 impact (2020)
- In 2024, the industry employed 115,000 down from 116000 in 2023



Competitiveness (Exports)

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

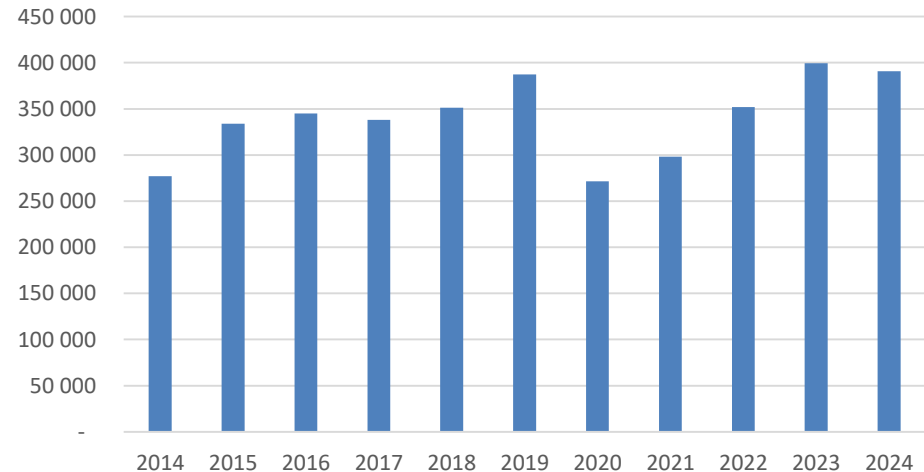
Key Objective

- Improve auto industry competitiveness to that of leading international competitors

Achievements

- Total Exports at 390 844 units in 2024 is a decline from the record 399,809 units exported in 2023,
- However, the value increased by R1,5 billion from R203,9 billion in 2023 to a record R205,4 billion in 2024.
- **2025 Exports at 408 224 units!!!**

Total South African vehicle exports (Units)



Competitiveness (Exports)

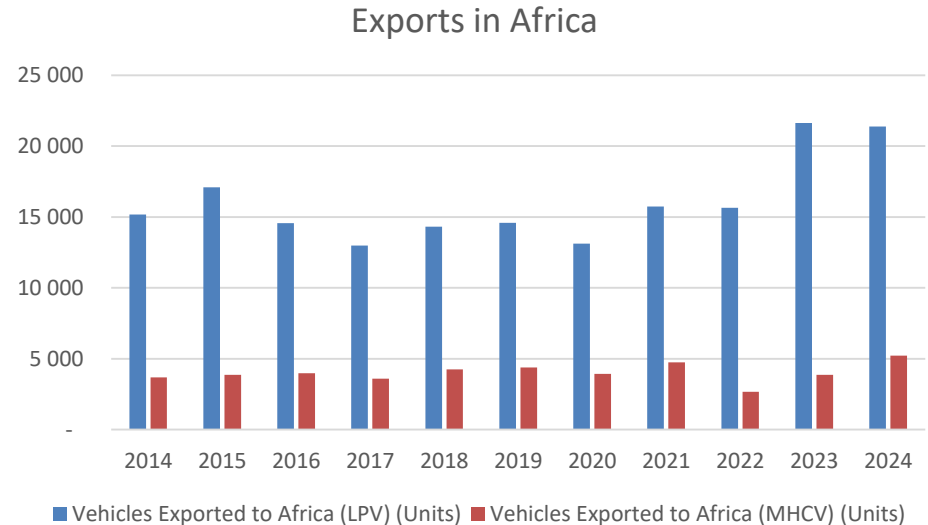
Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective

- Improve auto industry competitiveness to that of leading international competitors

Achievements

- Vehicle exports to African countries increased from 25 596 units in 2023 to 25 916 units in 2024,
- While the export value increased year-on-year by R1,1 billion, or 4,3% in 2024.



Transformation

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective

- Achieve industry transformation across the value chain by ensuring that 25% Black Owned involved in Tier 2 Tier 3 component manufacturer levels, dealership networks and authorised repair facilities

Achievements

- Automotive Industry Transformation Fund(AITF) since inception:

Total Approved since inception	Amount	%	Disbursement	%
Investment	R607 943 258	91%	R421 477 363	69%
Grants	R59 883 188	9%	R54 992 069	92%
Total	R667 826 446	100%	R476 469 431	71%

- Total number of beneficiaries: 75 and number of jobs created: 2754. Women ownership: 55
- Market Access: R5 582 281 629
- OEMs at B-BBEE levels 1 to 3

Value Addition

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective

- Deepen value addition across selected commodities/technologies

Achievements

- *Appears to be limited progress on this area of work.*
- *Work-in-Progress:*
 - *Discussion on the new approach being developed through the establishment of an Industrial Development Council by **naamsa***
 - *Opportunities to localise EV Battery manufacturing being explored*
 - *Involvement of AITF to drive localization through ASCCI.*
- *Target Value Chains proposed: Steel, Copper, Resin, Aluminium*

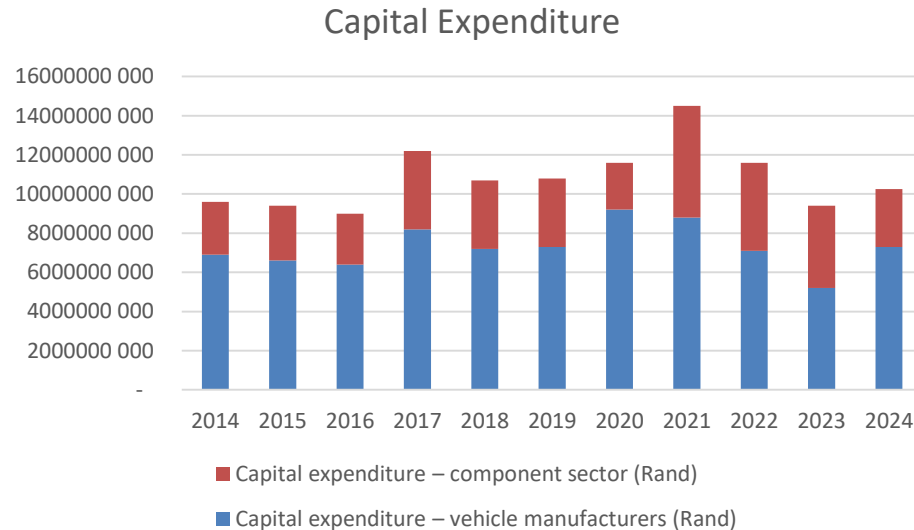
Investment

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”

Key Objective: Support investments to propel growth and create jobs in the domestic economy

Achievements

- Total Investment of about R 68,1 billion since 2019.



Skills

Vision: Achievement of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society

Key Objective: To establish adequate programmes to develop and enhance scarce and critical skills in alignment with the long-term requirements of the automotive manufacturing industry

Achievements

- 83 participants and 70 companies have been trained on Quality & Productivity Improvement (Kaizen) to enhance the competitiveness of the lower-tier component suppliers.
- Automotive Supply Chain Competitiveness Initiative (ASCCI): 34 World Class Manufacturing (WCM) to enhance shop floor competitiveness of the component suppliers.

Governance update

- The EOC meeting held on 28 February 2025 resolved to reconfigure the governance of the EOC owing to the past challenges relating to governance, mandate, performance tracking and policy implementation oversight.
- To enhance its effectiveness, it was decided that the EOC should become a focused, high-level oversight body with balanced representation from key stakeholders.
- The seven workstreams ceased to exist, and their function will be carried out by the newly established Technical Task Team.
- The AITF has assumed the secretariat function of the EOC.

TRANSITION TO EVs

1. **APDP Amendments:** Amendments of the Automotive Production and Development Programme Phase 2 Legislative Framework for the Inclusion of Electric Vehicles and Associated Components have been completed. The inclusion of Plug-in Hybrid Evs (PHEVs) and Range Extender EVs (REEVs) in the transitional support is in progress.
2. **AIS Guidelines:** The relevant amendments to the existing Automotive Investment Scheme (AIS) guidelines are being finalised to align with APDP 2 amendments and the EV legislative framework.
3. **Tax Incentives (National Treasury):** The Taxation Laws Amendment Act, gazetted on 24 December 2024, introduces a 150% capital allowance for qualifying investments in EV and hydrogen vehicle production. It covers assets such as buildings, plant, and equipment brought into use between 1 March 2026 and 1 March 2036. This incentive followed public consultation processes conducted by National Treasury and SARS in Q3.
4. **Battery Value Chain Development:** A national Critical Minerals Strategy and Battery Value Chain Master Plan developed in collaboration with the DMRE, the dtic, and World Bank.
5. **Skills Development & Certification:** Curricula and certification programmes are now being developed with TUT, CPUT, DUT, and UNISA. A pilot project involving 100 students is expected to be rolled out in 2026 once the academic materials are finalised.

1. Stagnant Localisation

- In the past 10 years, local content has remained flat starting at 38.7% in 2014 and ending at 39% in 2024.
- Overall, despite fluctuations, localisation progress has significantly fell below the SAAM2035 target of 60% (estimated to be at 48.2% by 2025).
- Limited localisation growth constrains employment creation, supplier competitiveness, and long-term sector resilience.

CHALLENGES

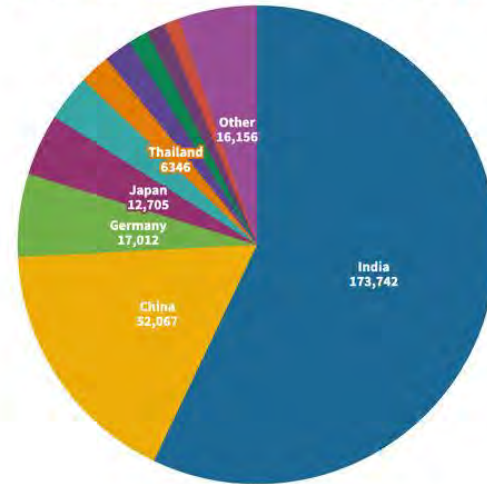
2. Rising Import Penetration

- Imported light vehicles account for 55% of national sales, reflecting extensive consumer choice and strong import competitiveness.
- With 304,355 light vehicles imported in 2024 (57.1% from India and 17.1% from China), the domestic manufacturing base faces increasing pressure, more especially that recently imports from China offer advanced technology laden products at very competitive prices across all vehicle segments.



Top 10 countries of origin for imported light vehicles in 2024
Using Naamsa data, Cars.co.za shows the top 10 countries of origin for light-vehicle imports into South Africa in 2024.

India China Germany Japan Spain Thailand South Korea Portugal USA France Other



3. Export Market Risks

- The United States is South Africa's third-largest automotive export destination, with R28.7 billion in exports recorded in 2024. New US tariff measures and uncertainty regarding AGOA eligibility for the possible 2028 extension threaten the country's export position.
- These risks extend across the value chain, from component manufacturers to OEM export programmes.
- The rise of China as a competitive producer of high-tech but more affordable vehicles is also leading to intensifying competition for South African produced vehicles in export markets.

WORK UNDERWAY

Project	Status
Comprehensive Automotive Policy Review	Multi-pronged approach: <ul style="list-style-type: none">• Facilitated comprehensive review• Internally (the dtic) led review focusing on localization• Intergovernmental engagements on Tax matters to commence soon following development of a business case
EV White paper implementation	Ongoing
Localisation of EV Battery Manufacturing Policy Framework	Ongoing: first draft due end February 2026
Transformation	Process for EEIP participation by CMs and MHCVs to contribute to AITF underway
Kaizen and ASCCI to enhance industry competitiveness (Component Suppliers)	Ongoing