



naamsa
THE AUTOMOTIVE BUSINESS COUNCIL

AUTOMOTIVE TRADE MANUAL 2026

Transforming Tomorrow Today



South Africa



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ABBREVIATIONS and ACRONYMS

AAAM	African Association of Automotive Manufacturers
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
AI	Artificial Intelligence
AIEC	Automotive Industry Export Council
AIS	Automotive Investment Scheme
APDP	Automotive Production Development Programme
APDP2	Automotive Production Development Programme Phase 2
ASCCI	Automotive Supply Chain Competitiveness Initiative
BELN	Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia
BEV	Battery Electric Vehicle
CBU	Completely Built-up
CKD	Completely Knocked Down
CPI	Consumer Price Index
DTIC	Department of Trade, Industry and Competition
EPA	Economic Partnership Agreement
EV	Electric Vehicle
EU	European Union
FDI	Foreign Direct Investment
FOB	Free on Board
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HEV	Hybrid Electric Vehicle
ICE	Internal Combustion Engine
IDZ	Industrial Development Zone
MERCOSUR	Mercado Común del Sur – Common Market of South America
MIDP	Motor Industry Development Programme
NAACAM	National Association of Automotive Component and Allied Manufacturers
naamsa	The Automotive Business Council
NEV	New Energy Vehicle
OEM	Original Equipment Manufacturer (Vehicle Manufacturer)
OICA	International Organisation of Motor Vehicle Manufacturers
PGM	Platinum Group Metal
PHEV	Plug-in Hybrid Electric Vehicle
SA	South Africa
SAAM	South African Automotive Masterplan
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARS	South African Revenue Service
USMCA	US-Mexico-Canada Agreement
WTO	World Trade Organisation

AUTOMOTIVE TRADE MANUAL – 2026 – SOUTH AFRICA PUBLICATION

Author: Dr Norman Lamprecht

The *Automotive Trade Manual – 2026 – South Africa* publication is published by **naamsa** | The Automotive Business Council. Similar to the 19 annual publications since 2007, the 2026 publication serves as the acknowledged source of all key automotive data in South Africa. The publication provides a comprehensive overview of the export and import performance of the South African automotive industry under the Automotive Production Development Programme (APDP) and APDP Phase 2 (APDP2). Among the topics covered in the Manual are the top automotive export destinations, the major countries of origin, the main export trade blocs, the top automotive products being exported and imported, as well as the top growth markets and products. The Manual further explores the impact of the trade arrangements currently enjoyed by South Africa in the trade of vehicles and related automotive components.

Research serves as a vital bridge connecting current understanding to future possibilities, ensuring that the choices made today are informed, purposeful, and capable of shaping a better tomorrow. Data-led insight, therefore, serves as the link that connects today's strategies with tomorrow's innovation. It remains essential for the South African automotive industry to harness evidence-based solutions to inform government policies and strategies, ensuring that the country's automotive sector remains internationally competitive and resilient amidst global market challenges. Ultimately, research and data underpin trust, both internally and with stakeholders, ensuring that insights translate into actionable decisions.

This publication continuous to provide a wealth of market intelligence to support effective business decisions and to turn data into impact as relating to the multiple opportunities available in the South African automotive industry.



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SOUTH AFRICA AND ITS AUTOMOTIVE INDUSTRY

Globally, the year 2025 required the navigation of an extraordinary period of global transition, testing the resilience of governments, industries, and societies. Multipolar geopolitical tensions unsettled markets, inflationary pressures lingered, and rising global protectionism, most notably the imposition of the US “Liberation Day” tariffs on countries as well as the Section 232 tariffs on imported vehicles and automotive components, upended the global trading system; the latter setting in motion a range of broader economic consequences for international markets. The South African automotive industry consequently faced a complex interplay of international politics, economic pressures and internal dynamics that shaped the landscape, both with opportunity and adversity. US tariffs threatened jobs, global uncertainty created volatility, competition became fiercer, and climate change continued to create new barriers. However, successfully pivoting to new energy vehicles (NEVs), building regional trade, and strengthening domestic value-chains could create a huge window of opportunity for the domestic automotive industry, given its strong manufacturing base, established supplier networks and global integration.

The automotive industry in South Africa remains one of the country’s most strategically important and internationally linked sectors. It is central to national and regional economic growth and is a key sector in attracting investment and supporting employment. For it to remain competitive, adaptation is critical and, therefore, shifting toward NEV production, expanding export markets and increasing localisation are among the key priorities in reshaping the South African automotive industry’s future. The automotive industry’s role in supporting a green, sustainable future is paramount. The NEV transition will define the next chapter for the domestic vehicle manufacturing base. In this regard, a progressive automotive policy framework will play a critical role in determining future outcomes and, therefore, decisive alignment between government and industry is imperative for the country to become a creator of mobility rather than a consumer.

Manufacturing offers a proven path to sustainable growth and transformation of the whole economy. As the engine of industrial growth and largest manufacturing sector in the country, a substantial 23,8% of value addition within the domestic manufacturing output was derived from vehicle and automotive component manufacturing in 2025, while the broader automotive industry’s contribution to the GDP comprised 5,2% (3,3% manufacturing and 1,9% retail).

Amidst adversity, the domestic new vehicle market and vehicle exports have shown remarkable growth in 2025. Once again, automotive exports have remained a pillar of South Africa’s automotive industry, as the export value of vehicles and automotive components increased by R22,2 billion, or 8,3%, from R268,8 billion in 2024 to a record R291,0 billion in 2025, comprising a significant 15,6% of total South African exports. Vehicle exports increased by 23 143 units, or 5,9%, to a record 414 271 units in 2025, up from the 391 128 units exported in 2024. The vehicle export value increased by R24,4 billion from R205,4 billion in 2024 to a record R229,8 billion in 2025, however, automotive component exports reflected a decrease of R2,2 billion from R63,4 billion in 2024 to R61,2 billion in 2025. The domestic automotive industry exported to 154 countries in 2025, slightly down from the 155 destinations in 2024; with the export value more than doubling in the case of 29 of these countries from 2024 to 2025. South African automotive trade under the APDP2, amounting to a substantial R546,7 billion in 2025, comprised 15,3% of South Africa’s total trade GDP.

Foreign direct investment (FDI) is a key propellant of economic growth, promoting trade integration, technological advancement, improving the quality of businesses, fostering human capital development, and encouraging more companies to participate in the supply chain. Significant capital expenditure by

the seven original equipment manufacturers (OEMs) to modernise facilities and expand model lines, and in so doing, strengthening long-term capacity, amounted to R7,2 billion in 2025, while the component sector received investments of R5,8 billion. Four of the seven OEMs have already invested in hybrid and plug-in hybrid model manufacturing in the country. The following table highlights the significant social and economic contribution made by the domestic automotive industry to the South African economy for 2024 and 2025.

Key performance indicators under the APDP2 - 2024 to 2025

Indicator	2024	2025
Broader automotive industry contribution to GDP	5,2%	5,2%
Vehicle and component production as % of South Africa's manufacturing output	22,6%	23,8%
Average monthly employment by vehicle manufacturers	33 154	32 115
Automotive component sector employment	81 860	81 153
Capital expenditure – vehicle manufacturers	R7,3 billion	R7,2 billion
Capital expenditure – component sector	R2,95 billion	R5,8 billion
Total South African new vehicle sales	516 103 units	597 338 units
Total South African vehicle production	600 473 units	618 077 units
South Africa's vehicle production as % of Africa's vehicle production	50,9%	50,3%
South Africa's global vehicle production ranking	21st	21st
South Africa's global vehicle production market share	0,65%	0,64%
Vehicle ownership ratio per 1 000 persons	180	183
Vehicle parc (number of registered vehicles)	13,36 million	13,68 million
Total automotive export revenue	R268,8 billion	R291,0 billion
Automotive export revenue as % of total South African export revenue	14,7%	15,6%
Number of export destinations	155	154
Number of export destinations with export values more than doubling year-on-year	39	29
Top automotive export destination in Rand value terms	Germany	Germany
Total South African vehicle exports	391 128 units	414 271 units
Value of vehicle exports	R205,4 billion	R229,8 billion
Top vehicle export destination in volume terms	Germany	Germany
Total South African vehicle imports	304 175 units	391 287 units
Value of vehicle imports	R74,8 billion	R99,0 billion
Top country of origin for vehicle imports	India	India
Value of automotive component exports	R63,4 billion	R61,2 billion
Top automotive component export category in Rand value terms	Catalytic converters	Catalytic converters
Top automotive trading partner (imports and exports) in Rand value terms	Germany	Germany
Top automotive trading region (imports and exports) in Rand value terms	EU	EU
Top country of origin for total automotive imports in Rand value terms	Germany	Germany

Source: Econometrix, **naamsa**/Lightstone Auto, NAACAM, OICA, SARS, StatsSA

The global economy has proven more resilient than expected in 2025, despite acute strains from multiple shocks. However, challenges remain in the form of ongoing and unprecedented trade policy uncertainty, considering that the global economy thrives on predictability. While there are many bold predictions on how this may all unfold, the outcomes of transitions are very difficult to predict. Analysis has suggested

that the indirect impacts of prolonged policy uncertainty may be more severe than the direct impacts. The indirect impacts may materialise through several channels, including that the weaker growth of key trading partners may affect the demand for manufactured products and commodities. The transition will continue to define markets in 2026 as countries reshape supply chains, prioritise regional trade partners, and reassess strategic resources. For 2026, the International Monetary Fund (IMF) is forecasting that global growth will expand to 3,3%. The World Bank is more pessimistic, with a projected global growth of 2,6% for 2026. At the time of writing, the extent of the impact of the escalating conflict in the Middle East leading to supply shocks globally and higher oil prices, which may stoke inflation and pose a significant stagflationary threat to the domestic economy, was still unfolding.

The domestic narrative remains focused on resilience and positive momentum. Early indicators suggest that 2025 shaped up to be a turning point for South Africa's economy as well as its automotive industry, and prospects for 2026 appear cautiously optimistic as the sector continues adapting to global and regional shifts. The vehicle export performance is expected to stabilise as OEMs diversify markets and invest further in NEV capabilities. The industry is anticipating progressive policy support measures as part of the official review of the South African Automotive Masterplan (SAAM) 2035 and Automotive Production Development Programme Phase 2 (APDP2) in 2026. Expanded APDP2 incentives should attract further commitments to NEV production, which would strengthen long-term competitiveness, and drive deeper inclusion across the value chain. Overall, 2026 could mark a gradual recovery, especially if supported by strategic investment and automotive policy alignment, but only if ambition can be translated into execution.

**The domestic narrative
remains focused
on resilience and
positive momentum.**

naamsa - THE AUTOMOTIVE BUSINESS COUNCIL

naamsa plays an essential role as the Automotive Business Council representing vehicle manufacturers and independent importers in South Africa. It serves as a unified voice for the industry, engaging with government, regulators, and stakeholders to advocate for policies that support growth, competitiveness, and sustainability in the domestic automotive sector. In transforming its traditional role, **naamsa** has expanded its membership base since 2021 to also include associate members, whether an individual, a firm, a company or a corporate body, to forge stronger partnerships between its manufacturing and associate members.

In a significant development in 2025 at the Annual General Assembly of the International Organisation of Motor Vehicle Manufacturers (OICA), **naamsa** was elected as a Permanent Member of the OICA Council. This Permanent Seat on the OICA Council empowers South Africa to shape and influence vital automotive discussions that will define the global automotive industry's future trajectory. The OICA, based in Paris, France, was founded in 1919, and is a global industry association that represents the interests of vehicle manufacturers worldwide.

The year 2026 marks a pivotal chapter of purposeful growth and strategic ambition in **naamsa's** journey. **naamsa's** five-year strategy from 2021 to 2025 was themed "Re-imaging the future together". In 2026 the focus is shifting decisively from ambition to execution, as policy intent requires implementation, and **naamsa's** next five-year strategy turned to "Transforming Tomorrow Today" which could be summarised as follows:

Our **Ambition**

The most credible thought leader and a respected partner in a globally connected, competitive, and sustainable automotive industry.

Our **Strategic Objectives**



ADVOCACY

Shape and influence the operating environment.



INDUSTRIAL DEVELOPMENT

Invest in socio-economic transformation.



RESEARCH

Optimise data and the stock of knowledge.



SUSTAINABILITY

Grow and resource for success.

Our **Mission**

Play a transformative role and contribute to the sustainable development of the country's productive economy, add value to our members and partners while creating prosperity for the people of South Africa.

Our **Values**



PARTNERSHIP



CONSISTENCY



TRUST

naamsa provides valuable market intelligence, including monthly new vehicle sales and vehicle production statistics, assisting members and policymakers to make informed decisions. It facilitates collaboration across the value chain to address industry challenges such as skills development, local content enhancement, and compliance with international standards. By promoting industry transformation, innovation, and investment, **naamsa** supports South Africa's goal to remain a competitive automotive hub regionally and globally. Its advocacy for favourable trade agreements and incentives helps sustain export-oriented manufacturing, safeguarding jobs and economic growth. Overall, **naamsa's** leadership and co-ordination strengthen the resilience and future-readiness of South Africa's automotive industry.

In celebrating its 90th anniversary in 2025, **naamsa** has fulfilled its role as the voice of the vehicle manufacturing industry with distinction and will continue to play a pivotal role in shaping the automotive industry's future in South Africa. Building on this foundation, **naamsa** remains committed to advancing a business environment that fosters opportunity, competitiveness, and transformation for all South Africans by focusing on delivering service excellence and placing members at its core. The future of the country's automotive industry will be determined not only by manufacturers and policymakers, but by the strength of its partnerships.

naamsa's assets include the South African Auto Week, **naamsa** Dreams Academy, the Autolytics Bank, and the Automotive Trade Manual. More information on **naamsa** and its activities can be accessed at www.naamsa.net.

**naamsa remains committed
to advancing a business
environment that fosters
opportunity, competitiveness,
and transformation for all
South Africans by focusing on
delivering service excellence
and placing members
at its core.**



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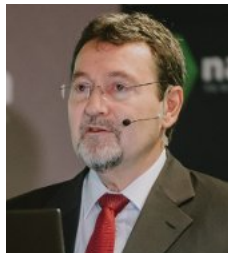


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SOUTH AFRICAN ECONOMY

The defining characteristic of 2025 was South Africa's ability to deliver an improved measure of stability and confidence as the economy proved its resilience to renewed global turbulence related to greater protectionism, fragmentation, and heightened policy uncertainty. Although below initial expectations, the economy showed notable improvement as real GDP growth increased from the subdued 0,6% in 2024 to 1,1% in 2025, marking the highest yearly economic growth rate since 2022. Activity rebounded strongly in the second and third quarters of 2025, driven by robust private consumption. The combination of favourable developments that enhanced business and investment sentiment included the improving growth outlook that moderated inflation and supported real wage gains and household consumption, the stabilising of electricity generation and reforms, in addition to stability in the new government of national unity (GNU). Households also enjoyed the benefits of cheaper fuel prices and lower debt servicing costs, owing to a total of 150 basis points in interest rate cuts since September 2024.

South Africa's GDP growth in 2026 is broadly expected to accelerate to 1,5%, in line with resilient consumption and investment driven by structural reforms. Growth is projected to reach 1,8% in the medium term, although growth of 3,5% by 2030 is actually required to meet socio-economic expectations. However, risks remain tilted to the downside, primarily stemming from trade tensions following new US bilateral tariffs, and gradual but slow domestic reforms. Infrastructure spending remains a key driver of growth, industrialisation, employment and competitiveness. In this regard, the Minister of Finance, in his 2025 Budget and Medium-Term Budget Policy Statement (MTBPS), focused on economic growth through structural reforms and infrastructure investment, announcing that public investment is expected to exceed R1 trillion over the next three years. During the same period, government strengthened macro-economic credibility by adopting a lower 3% inflation target with a ± 1 percentage point tolerance band.

The automotive industry is closely linked to the economy and acts as one of the barometers for a country's economic health, as the performance of domestic new vehicle sales is affected by economic factors such as interest rates, GDP growth rates, disposable income, and exchange rates. The following table highlights South Africa's key economic indicators for 2024 and 2025.

Key economic indicators – 2024 to 2025

Indicator	Performance	
	2024	2025
Population	63,02 million	63,10 million
South Africa's GDP (market prices)	R7 336,2 billion	R7 641,8 billion
GDP growth rate	0,6%	1,1%
Consumer Price Index (CPI)	4,4%	3,2%
Interest rate (Repo rate)	7,75%	6,75%
Prime interest rate	11,25%	10,25%

Source: South African Reserve Bank, StatsSA

The South African Reserve Bank (SARB) initiated its interest-rate cutting cycle in September 2024 with two 25 basis point cuts in 2024, continuing in 2025 with a further four 25 basis point cuts, bringing the repo rate down to 6,75% by November 2025. Correspondingly, the prime lending rate decreased to 10,25%, easing financial pressure on consumers whilst supporting economic activity. Economists anticipate another 50

basis points of interest rate cuts in 2026 and one more 25 basis point cut to follow in 2027. South Africa's improved macro-economic credibility has been reinforced by its exit from the Financial Action Task Force (FATF) grey list and subsequent removal from the European Union's list of high-risk third-country jurisdictions. These developments, together with a sovereign credit rating upgrade by S&P Global, the first in nearly two decades, have materially strengthened investor confidence and supported the broader investment outlook.

South Africa's consumer inflation averaged 3,2% in 2025 compared to 4,4% in 2024, marking the lowest annual rate in 21 years, with the decline primarily driven by falling fuel prices and moderating core inflation. Goods prices comprised 48% of the South African consumer price index, and services the balance. Services' inflation moves more slowly and is closely linked to domestic demand, while goods prices are largely set in international markets. The new 3% inflation target, with a one percentage point tolerance band, is expected to better anchor inflation expectations and reduce borrowing costs over the long term, marking a significant evolution in the monetary policy framework. The previous target range of 3% to 6% had been in place for 25 years. The Reserve Bank has been aiming to anchor inflation around the mid-point of this range at 4,5% since around 2017. With inflation near the floor of the central bank's previous target band for most of 2025, policymakers were able to initiate and sustain a measured interest rate cutting cycle. By reducing the inflation differential, the new target is designed to protect the country's competitiveness and mitigate the long-term depreciation of the Rand. Lowering the inflation target is expected to contribute to a cost reduction across the economy, provide policy and price certainty for investors, and create space for permanently lower interest rates, ultimately enhancing economic growth and job creation.

In the US, the Federal Reserve reduced interest rates three times in 2025 by implementing 25 basis point reductions. The Fed's interest rate cuts in 2025 reflected a shift toward economic growth support amid softer labour market data and inflation that remained above the 2% longer-run target, although it was moderating. Financial markets are pricing in potential slower interest rate cuts ahead, or a pause into 2026, as policymakers signal caution on further monetary policy easing. The Fed and its direction remain key, as they influence markets and the Dollar, as well as risk-on or risk-off sentiment in global markets. Lower US rates generally weaken the US Dollar and make emerging market assets more attractive. A stronger currency generally delivers wealth effects for households as the GDP per capita increases and positively affects all asset classes, while potentially bringing down import costs and assisting to control inflation.

The South African Rand, often trading as a proxy for emerging-market sentiment, had a strong year, and ended 2025 at 11,5% stronger against the US dollar than at the beginning of the year, marking its biggest annual gain in 16 years. This resilience was supported by South Africa's improved fiscal performance, soaring precious metals prices, particularly gold, and the implementation of a new 3% inflation target. The new 3% inflation target is likely to curtail long-term Rand depreciation by keeping South Africa's inflation closer to that of other nations, reducing the need for the currency to weaken to maintain purchasing power parity. A stable Rand is key to inflation and to support consumers' purchasing power. For currency comparison purposes, the following table reveals the movement of the Rand against the currencies of the South African automotive industry's main trading partners, namely, the EU, the UK, the US, Japan, and China from 2021 to 2025.



Currency indices for the Rand versus major trading partners (foreign currency: Rand – annual averages) - 2021 to 2025

Currency	2021	2022	2023	2024	2025
Euro	17,48	17,20	19,95	19,83	20,18
Index 2021	100	98	114	113	115
UK Pound	20,32	20,18	22,94	23,42	23,56
Index 2021	100	99	113	115	116
US\$	14,78	16,36	18,45	18,33	17,89
Index 2021	100	110	124	124	121
Japan (100 Yen)	13,47	12,47	13,15	12,12	11,97
Index 2021	100	93	98	90	89
Chinese Yuan	229,17	242,81	260,53	254,66	248,76
Index 2021	100	106	114	111	109

Source: South African Reserve Bank

As the first African country to host the Group of Twenty (G20) Presidency, South Africa showcased its potential and has been applauded for successfully hosting the G20 summit attended by a number of world leaders who were keen to revive multilateralism. The successful G20 for South Africa meant global leadership, African advancement, economic gains, and strengthened international standing.

The B20, which was the official G20 dialogue platform for the business community, was centred on four pillars, namely, unlocking inclusive growth, investing in human capital, driving industry reform for resilience, and empowering women and small and medium-sized enterprises in supply chains. Eight task forces have been established, each covering a major economic issue and tasked with developing policy recommendations submitted to the G20. The way forward is to convert diplomatic achievements into structural reforms, investment flows, and long-term partnerships that support South Africa's growth and development.

The global outlook has deteriorated in 2025 due to heightened policy volatility following effective tariff rates in the US that have leaped to levels not seen in a century. The protectionist tariff measures disrupted supply chains and undermined predictability, with trade policy uncertainty reaching a historical high. However, despite elevated trade tensions and uncertainty, the world economy still grew by 3,1% in 2025 as global inflation continued to ease, albeit with pauses in interest rate cuts by many central banks. Global economic growth is anticipated to remain muted in 2026.

For South Africa, continued commitment to the structural-reform agenda under Operation Vulindlela, focusing on electricity, logistics, and water sectors, remains critical to unlocking the economy's job-creation potential. The country has demonstrated that when business and government are aligned on the necessity for reform, along with its independent institutions and strong monetary policy framework, seemingly intractable challenges can be overcome, and global standing can be achieved.



The background of the entire poster features three cars floating in a dark, starry space. In the center, there is a bright, swirling energy burst or 'portal' with blue and orange light trails. The cars are positioned around this central point, with one at the top, one on the left, and one on the right. The overall aesthetic is futuristic and high-tech.

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AUTOMOTIVE EVENTS 2026

Automotive events play an essential role in driving industry growth by fostering networking, knowledge sharing, and business opportunities. Events unite OEMs, component suppliers, policymakers, technology innovators and investors to identify opportunities and address challenges, to explore collaborations, and to shape mobility from diagnosis to solutions. These events also enhance brand visibility, attract investment, and support market expansion. For South Africa, automotive expos and trade shows highlight world-class domestic capabilities, promote exports, and encourage skills development. They also assist in aligning the domestic industry with global shifts, such as electrification and sustainability, and for industry to navigate these complexities while focusing on its core business.

The future of South Africa's automotive industry will be determined by the strength of its partnerships, nationally and internationally. A balanced economic strategy that includes domestic market development along with export growth remains essential, particularly in the current context of the inevitable transition to NEVs. Overall, automotive events are catalysts for innovation, partnership, and competitiveness in a rapidly evolving sector. National and international events in the calendar of the domestic automotive community in 2026 include the following:

South Africa:

- The 9th annual Festival of Motoring, scheduled to take place from 28 to 30 August 2026 at the iconic Kyalami Grand Prix Circuit in Johannesburg (www.safestivalofmotoring.com).
- **naamsa's** fifth SA Auto Week, as the only B2B event of its kind on the continent, scheduled to take place from 13 to 16 October 2026 in Durban in KwaZulu Natal under the theme, "Transforming Tomorrow Today. Resetting Policy. Advancing the Energy Transition. Driving Investment & Inclusive Growth" (www.naamsa.net).
- The 11th edition of the Automechanika Johannesburg, scheduled to take place from 27 to 29 October 2026 at Gallagher Convention Centre, Midrand, Johannesburg (www.automechanika.za.messefrankfurt.com).

International:

- Automechanika Frankfurt in Germany, scheduled to take place from 8 to 12 September 2026 (www.automechanika.messefrankfurt.com).
- Automechanika Dubai in the UAE, scheduled to take place from 10 to 12 November 2026 (www.automechanikadubai.ae.messefrankfurt.com).





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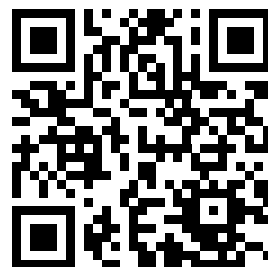
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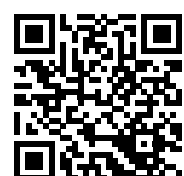
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THE SOUTH AFRICAN NEW VEHICLE MARKET

Driven by lower interest rates, record low vehicle price inflation and a broader model and price choice, new vehicle sales increased by a sound 15,7% to 597 338 units in 2025, compared to the 516 103 units sold in 2024. The South African new vehicle market in 2025 not only surpassed the pre-pandemic level for the first time in five years but also reached the highest sales performance since 2015, when 617 650 sales were recorded. Historically there has been a close correlation between the GDP growth rate in the country and new vehicle sales but the counter-cyclical trend in 2025 speaks volumes about shifting consumer preferences and market dynamism. Although improved business and consumer confidence, a firmer Rand, six interest rate cuts since 2024, pent up demand, and historically low new vehicle price inflation supported demand, the profound growth momentum of Chinese and value-oriented brands continued to establish a meaningful presence in the domestic market.

Sales of passenger cars and light commercial vehicles (LCVs) which contributed 70,7% and 24,1% to the total market, respectively, in 2025, increased year-on-year by a substantial 20,2% in the case of passenger cars and 7,9% in the case of LCVs. The South African truck and bus market, comprising 5,2% of the total market, decreased year-on-year by 0,8% in 2025. New vehicle sales through the dealer channel, which is representative of consumer activity, comprised 83,2% of total sales in 2025, followed by 11,5% attributed to the vehicle rental industry, 2,8% to industry corporate fleets, and 2,5% to government. The following table reveals the sales of passenger cars and commercial vehicles from 2021 to 2025.

Sales of passenger cars and commercial vehicles – 2021 to 2025

Year	Passenger cars	Light commercial vehicles	Medium and heavy commercial vehicles and buses	Total new vehicle sales
2021	304 338	133 078	26 906	464 322
2022	363 682	135 711	29 942	529 335
2023	347 372	151 490	32 690	531 552
2024	351 553	133 375	31 175	516 103
2025	422 463	143 964	30 911	597 338

Source: **naamsa**/Lightstone Auto

New light vehicle price inflation decreased to 1,1% in 2025, the lowest on record, down from 3,3% in 2024, and well below the headline inflation of 3,2% in the country in 2025. Total new vehicle revenue, based on the recommended retail prices, amounted to R317,4 billion in 2025, compared to R278,0 billion in 2024.

The domestic new vehicle market has entered a period of recalibration, as affordability pressures, shifting consumer expectations and global competition are reshaping the rules of engagement. The most dramatic shift in 2025 has been the meteoric rise of imported Chinese brands in the domestic light vehicle market, offering modern technology, competitive pricing and long warranties which have assisted them to move into the mainstream. This is not regarded as a short-term surge, but a structural reset, as for decades the market was shaped by badge and prestige, but it is now being redefined by price-driven consumer choices

and tighter household budgets, with little brand affinity. The ongoing success of the new entrants will depend on commitment to dealer support and aftersales infrastructure.

Market activity continued to be driven by affordability in a sweet spot of between R350 000 and R400 000, as price-sensitive consumers leveraged the search for value. Emerging brands gained traction by selling high volumes of lower-priced models. This trend is evident in the weighted average price patterns, as 64,2% of light vehicles sold in South Africa in 2025 fell below the R500 000 price range, 49,8% below the R400 000 price range, and 30,1% below the R300 000 price range. Four of the six top-selling passenger cars had a starting price of below R300 000 in 2025.

Chinese brands expanded their passenger car market share from 11,2% in 2024 to 16,8% in 2025, with their affordable, technology-rich SUVs and expanding dealer networks reshaping competition. The light vehicle market, which includes passenger cars and light commercial vehicles, continued to be dominated by SUVs, hatchbacks, one-ton bakkies, and crossovers. SUVs comprised 40,6% of the passenger car segment in 2025. Innovative measures by brands and dealerships focusing on stimulating growth in the market included discount structures, incentives, trade assistance, interest rate reductions on loans, and a focus on monthly payments rather than gross prices. The domestic automotive industry's ability to adapt, enhance financial inclusion, and innovation are essential for sustainable growth.

Affordability and choice continue to redefine the domestic landscape in creating one of the most competitive trading environments. Compared to global standards, in 2025 there were no less than 56 passenger car brands and 1 995 model derivatives, the greatest selection of market-size ratio found globally. Similarly, in the light commercial vehicle segment, for the same period, there were 30 brands with 665 model derivatives to choose from. Competition breeds efficiency, and the key for dealership success lies in embracing changes and understanding that the power dynamics have shifted to modern consumers who are more informed, more price-conscious, and more willing to switch brands than ever before. The domestic automotive industry's success going forward depends on conforming to these new realities.

Car ownership can have a profound impact on society, the economy, and individuals, from social dynamics and economic growth to personal freedom and lifestyle choices. At the end of 2025, South Africa had a vehicle parc (number of registered vehicles) of 13,68 million, of which 8,18 million, or 59,8%, comprised passenger cars. The average age of the passenger car parc in 2025 remained similar to 2024 at 10 years and 11 months, the commercial vehicle parc increased to 11 years and one month, from 11 years in 2024, and overall, the age of the total vehicle parc increased to 11 years, from 10 years and eleven months in 2024. In South Africa, where vehicle ownership is often essential rather than optional, the vehicle ownership ratio was in the order of 183 vehicles per 1 000 persons in 2025.

South Africans continued to show their affinity for bakkies, as the Toyota Hilux remained the most popular choice among car buyers in 2025, with sales of 36 525 units, followed by the top-selling passenger car, the Volkswagen Polo Vivo, with sales of 26 067 units, and the Ford Ranger with sales of 25 463 units in third place. The Toyota Hilux has been the top-selling model for 13 straight years. Five out of the top 10 best-selling models in 2025 were South African-built passenger cars and light commercial vehicles. The leading domestically manufactured models were the Toyota Hilux, VW Polo Vivo, Ford Ranger, Toyota Corolla Cross and Isuzu D-Max, with the Chery Tiggo 4 Pro imported from China and the Suzuki Swift, Suzuki Fronx, Toyota Starlet and the Hyundai Grand i10 the most popular vehicles imported from India in 2025.

Despite the surge in imports, brand loyalty remained remarkably strong in certain cases. Toyota retained its long-standing overall market leadership position for the 46th consecutive year in 2025, with a market share of 24,8%, followed by Suzuki Auto and Volkswagen Group Africa. Toyota and Suzuki's global partnership that involves cost-sharing on vehicle development, continued to pay dividends in the domestic market. The following graph reveals the market shares of the top 10 OEMs/importers in the country in 2025.



South Africa's automotive sector is entering a new phase of transformation, and Chinese OEMs are emerging as a powerful force shaping its future.

Over the past few years, Chinese brands have moved from fringe entrants to established and fast-growing participants in the South African market. Brands such as Chery, GWM and BAIC have gained significant traction with local consumers, combining competitive pricing with rapidly improving product quality, design, and technology. Their rise reflects a broader global shift in the automotive industry, where Chinese manufacturers are expanding beyond their domestic market and establishing a presence across key international markets.

As these brands deepen their footprint in South Africa through distribution and sales, the next natural evolution increasingly being considered is local investment through manufacturing.

South Africa remains one of the most sophisticated automotive manufacturing hubs on the African continent. The country offers a well-developed industrial base, a mature supplier ecosystem and decades of manufacturing experience supporting global OEMs. Combined with South Africa's strategic position as a gateway to the African continent, a region with low vehicle penetration and significant long term growth potential, the case for deeper investment continues to strengthen.

Several leading Chinese OEMs are actively exploring the feasibility of establishing assembly operations in South Africa. Some are already present, including FAW and BAIC, while others such as Chery have recently signalled their intent to invest. In many cases, initial production may begin through semi knocked down (SKD) assembly, with the potential to evolve into fully localised manufacturing over time. This progression would unlock meaningful opportunities for supplier localisation, job creation, and broader industrial development.

These developments come at an important moment for South Africa's automotive sector. Global supply chains are being reconfigured as OEMs look to diversify production locations, improve resilience, and expand into new growth markets.

In this context, South Africa is well positioned to attract the next wave of automotive investment, while government continues to refine policy frameworks such as the Automotive Production and Development Programme (APDP 2), including incentives to support the transition toward New Energy Vehicle manufacturing.

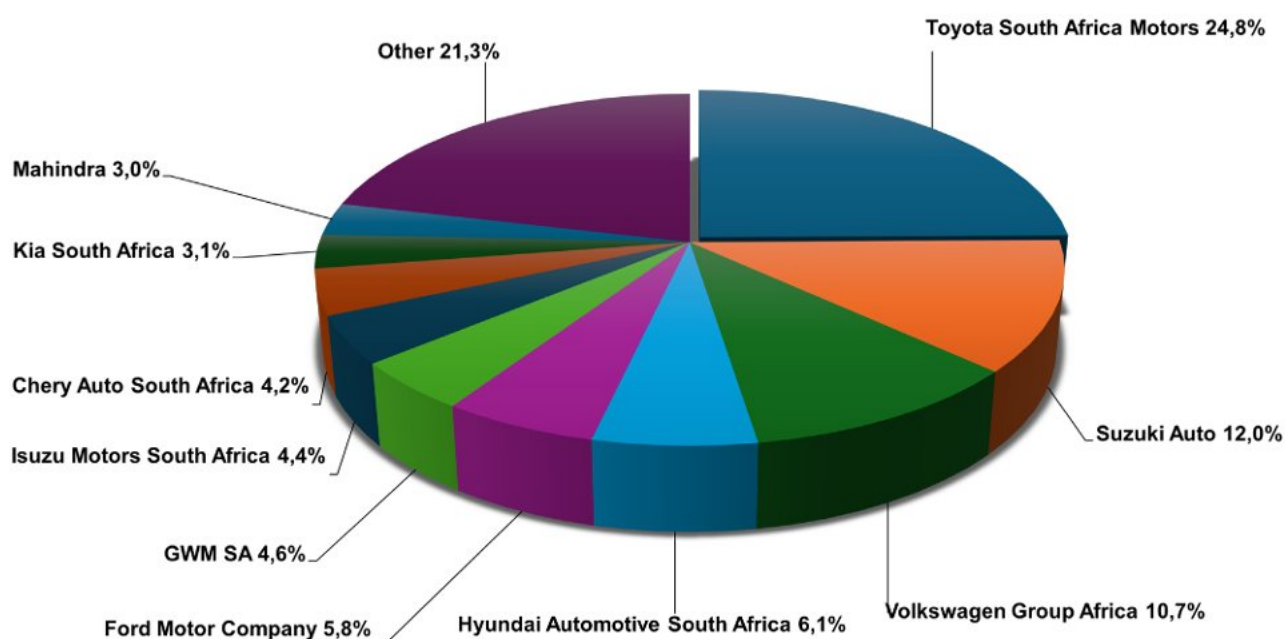
For Chinese OEMs, South Africa could serve not only as a domestic manufacturing base but also as a strategic export hub into Africa and potentially other global markets. With Africa's motorisation rate still among the lowest globally, the long-term growth opportunity across the continent remains substantial. The African Continental Free Trade Area (AfCFTA) further strengthens this proposition by reducing trade barriers and promoting intra-African trade, enabling OEMs to leverage South Africa as a manufacturing base to efficiently supply a broader and increasingly integrated continental market.

At Standard Bank, we partner with our clients to drive their next phase growth. We are uniquely positioned to support Chinese OEMs expanding in South Africa and across Africa with our deep sector expertise, longstanding relationships across the automotive value chain, an unrivalled footprint across the African continent and our strategic partnership with the Industrial and Commercial Bank of China (ICBC).

Our capabilities span the full investment lifecycle, from advisory services and financing capital expenditure for manufacturing facilities to providing working capital and tailored supply chain finance solutions that support the development of local supplier ecosystems. By connecting global investors with local opportunities and enabling sustainable industrial growth, Standard Bank continues to play a catalytic role in shaping the future of Africa's automotive industry.

As Chinese automotive manufacturers continue to expand their presence in South Africa, the potential for deeper industrial collaboration is clear. With the right investment, partnerships and policy alignment, the next chapter of South Africa's automotive sector could well be defined by a new generation of global players building their future on African soil.

New vehicle market share – 2025



Source: **naamsa**/Lightstone Auto

In 2025, new diesel passenger car and light commercial vehicle sales accounted for 29,9% of the market share of total light vehicle sales, down from 31,6% in 2024. However, South African diesel demand remains robust, fuelled by the enduring popularity of double-cab bakkies. NEV sales reflected an increase of 7,1% from 15 611 units in 2024 to 16 716 units in 2025, following the impressive year-on-year increase of 100,6% in 2024. NEV sales share, by 30 brands, as a percentage of total new vehicle sales, decreased to 2,8% in 2025, down from 3,0% in 2024. Sales of battery electric vehicles (BEVs) decreased to 1 088 units in 2025, down from 1 257 units in 2024, as the segment remained stymied by the lack of more affordable models.

Plug-in hybrid vehicle sales surpassed 1 000 units in a calendar year for the first time, soaring past that milestone to reach 2 808 units. Hybrid models remained the accessible choice for eco-conscious buyers and those prioritising fuel efficiency, while BEVs remained largely restricted to the early adopters with a typically higher socio-economic status due to their elevated prices, exacerbated by higher domestic luxury taxes on higher-priced vehicles. It is anticipated that the introduction of mid-range-priced BEV models will drive higher adoption rates between 2026 and 2030. MAN with its e-buses was the first manufacturer, across both passenger and commercial vehicles in the South African automotive industry, to localise the production of an electric vehicle.

At present, there is fierce competition among governments around the world to attract investments in the EV space, and South Africa must act decisively to secure its place in the evolving automotive landscape. The state of play of the domestic automotive market critically requires a shift in gears with well-targeted demand and supply policies and infrastructure investments to increase the adoption of emerging technologies, and to support the national ambitions for competitive industrial transformation. However, it is recognised that the NEV transition must be tailor-made for a South African context and cannot be a carbon copy of what other countries and regions have done. It remains imperative that policy measures should not only apply to vehicle manufacturing but should also focus on stimulating NEV sales in the domestic market, otherwise most of these vehicles will be imported. South Africa must set clear goals along with a supportive policy, aligned to global trends, to accelerate NEV adoption in support of the country's 2050

net-zero commitments and for the automotive industry not to lose its contribution to the economy as the country's largest manufacturing sector. The following table reveals the diversity of drivetrain sales in the South African NEV landscape from 2021 to 2025.

New energy vehicle sales – 2021 to 2025

	2021	2022	2023	2024	2025
Plug-in hybrids	54	126	368	738	2 810
Traditional hybrids	624	4 066	6 485	13 616	12 818
Battery electric vehicles	218	502	929*	1 257*	1 088*
Total	896	4 694	7 782	15 611	16 716

Source: **naamsa**/Lightstone Auto

*Including heavy commercial vehicles

Logistics is the economy in motion and is a critical driver of competitiveness, trade facilitation and a cornerstone of economic performance. The logistics sector's performance is inextricably linked to South Africa's economic health, as efficient logistics systems not only reduce the cost of doing business but also unlock trade opportunities, attract investment, and create jobs. The transport sector is therefore instrumental in the functioning of a society. Road freight on the country's 750 000 km road network, the 10th largest in the world, continues to dominate South Africa's freight landscape, carrying the vast majority of the country's freight payload. The road freight sub-sector, on average, accounted for 85,0% of total freight payload in South Africa in 2025, up from 83,1% in 2024, mainly due to rail inefficiencies and a shift in the commodities market.

Medium and heavy commercial vehicles are regarded as productive assets and essential capital inputs in the economy. There is therefore a strong focus on the total cost of ownership, given the intrinsic link between a country's logistics costs and its productivity, competitiveness, and sustainable economic growth. The way commercial vehicles are used on a day-to-day basis has far-reaching implications for a variety of factors, including fuel consumption, wear and tear, insurance cover, downtime and overall productivity. The sector is characterised by a large number of players in a relatively low-volume environment. In 2025, the medium commercial vehicle segment consisted of 18 brands with 149 model derivatives to choose from; in the heavy commercial vehicle segment there were 11 brands with 94 model derivatives; in the extra-heavy commercial vehicle segment there were 18 brands with 273 model derivatives; and in the bus segment there were five brands with 15 model derivatives.

In 2025, there was mixed performance in the medium and heavy truck and bus segments but there were signs of recovery, although the uneven performance reflected variability in business demand, economic conditions, and fleet renewal cycles. Overall, the South African truck and bus market reflected a decrease of 264 units, or 0,8%, down from the 31 175 units in 2024 to 30 911 units in 2025. Of the four segments, three reflected year-on-year growth in 2025, with medium commercial vehicles increasing by 5,7%, heavy commercial vehicles by 19,1%, and bus sales by 1,5%, while the extra-heavy commercial market, the largest of the four, comprising 49,4% of overall sales, contracted by 10,3%. Extra-heavy commercial vehicle sales remain under pressure, largely due to subdued activity in the export-oriented mining sector, resulting in less demand for heavy vehicle transport.

The following table reveals the sales of medium, heavy, extra-heavy commercial vehicles and buses from 2021 to 2025. Toyota topped the medium commercial vehicle segment, FAW Trucks the heavy and the extra-heavy commercial vehicle segments, while MAN was the leader in the bus segment in the South African market in 2025.

Sales of medium and heavy commercial vehicles and buses – 2021 to 2025

Market					
Year	MCV	HCV	XHCV	Buses	Total
2021	7 520	4 960	13 761	665	26 906
2022	8 297	5 925	15 026	694	29 942
2023	8 252	5 447	18 254	737	32 690
2024	7 722	5 484	17 024	945	31 175
2025	8 159	6 529	15 264	959	30 911

Source: **naamsa**/Lightstone Auto

Commercial vehicle manufacturers are facing challenges on many fronts to ensure sustainability, such as the need for decarbonisation as dictated by legislation worldwide, and the optimisation of production techniques to obtain greater cost-efficiency. Companies need to position themselves for the future through customer-centric strategies, innovation and a focus on sustainability. Decarbonising transportation is an urgent priority in South Africa, driven by the country's commitments to reach net-zero emissions by 2050. Trucking, as the most significant commercial transport solution, supports the national economy but contributes significantly to greenhouse gas emissions. An encouraging trend is the increasing introduction of electric trucks in the domestic market since 2022, with 48 EV truck sales in 2025. Challenges remain the much higher upfront costs of these vehicles compared to equivalent ICE vehicles, the overweight and overlength dimensions, as well as the lack of public charging infrastructure development. Policy support is paramount to accelerate the transition, and the truck and bus sector has been actively engaging the authorities on the relevant NEV transitional requirements.

**Decarbonising transportation
is an urgent priority in
South Africa, driven by the
country's commitments
to reach net-zero
emissions by 2050.**

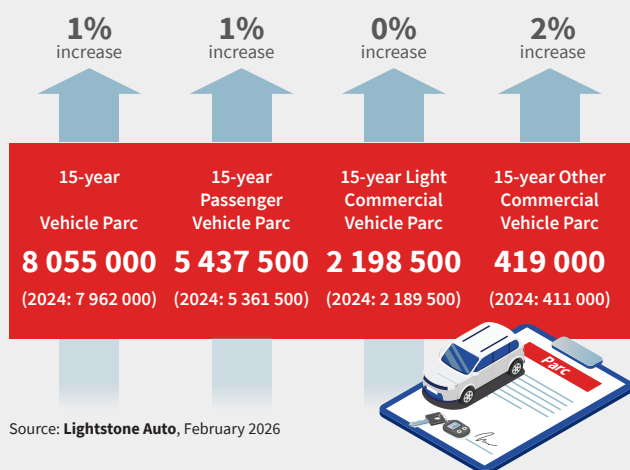
From factory to forecourt

Data drives success across SA's automotive value chain

Every player in South Africa's rapidly evolving automotive market needs to be connected to the right data at the right time.

From manufacturers and suppliers to dealers, analysts and global partners, informed decisions depend on clear, reliable insight. When the right intelligence connects the entire value chain, businesses can move faster, plan smarter and compete with confidence in an increasingly complex auto landscape.

15-year-old Vehicle Parc: 2025 vs 2024



Our powerful datasets connect the industry to a complete view of the market.



With **AutoStats**, you gain detailed visibility into new vehicle sales, tracking market share, segment performance, and regional trends as they unfold.



AutoParc, lets you see exactly what vehicles are on South Africa's roads – by age, model, and location – enabling smarter aftermarket strategies, better inventory planning, and targeted distribution.



Our **Forecasting solutions** help you look ahead with confidence, modelling future vehicle demand and market shifts before they happen.



With **Customer Satisfaction Index (CSI) insights**, you can understand the real driver of loyalty: customer experience.

Since 2025 Lightstone enhanced its vehicle data by:

Expanding on new vehicle sales data sources to cover more of the South African market.



* Disclaimer: Figures reflect data available up to February 2026 and may continue to change as additional information is published.

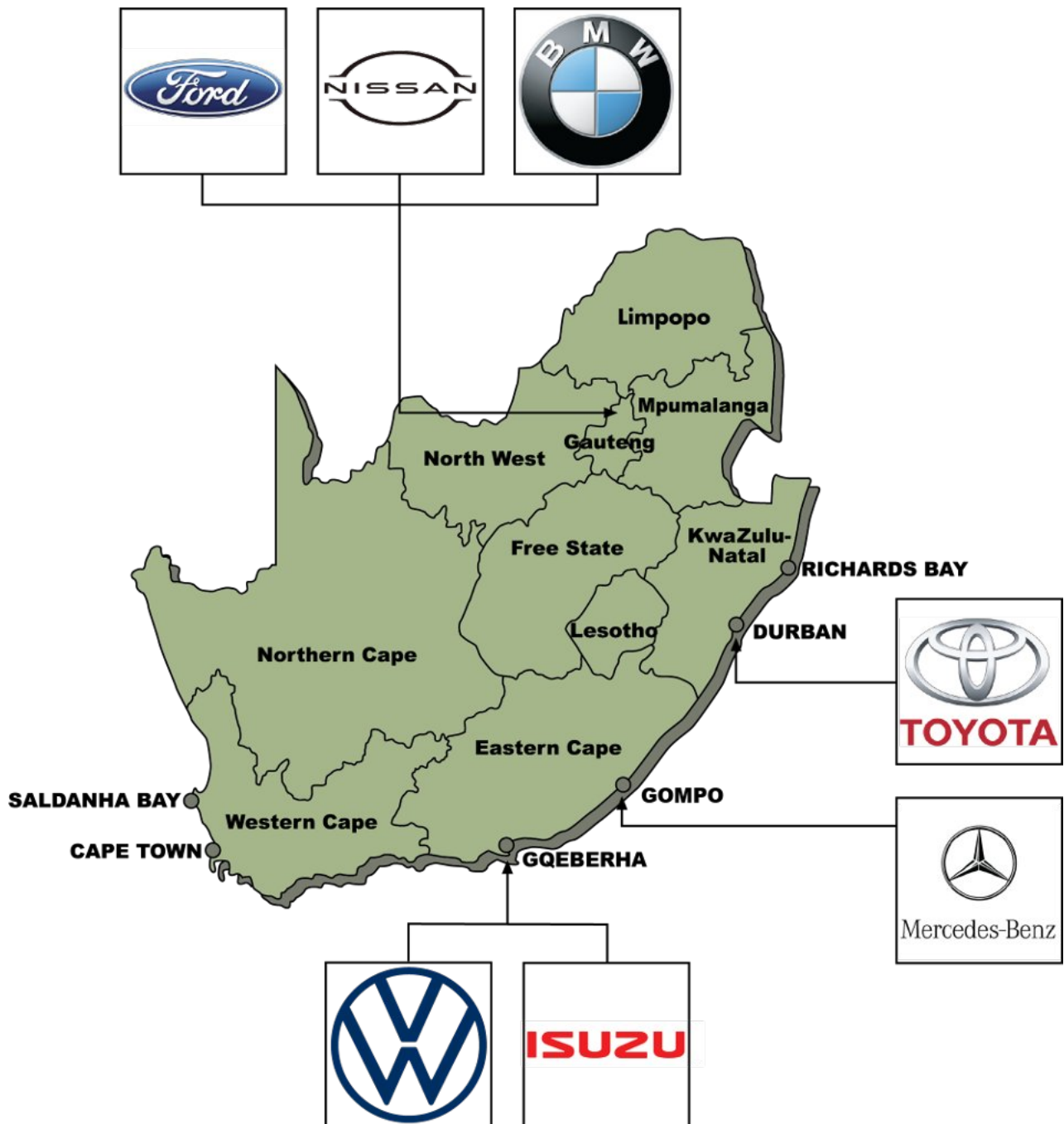
Connect to the intelligence driving South Africa's automotive market.
Contact Melissa van Rensburg – Head: Industry Insights melissavr@lightstone.co.za

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AUTOMOTIVE CLUSTERS



Africa is not just an investment destination; it is a strategic partner in the next wave of global technological and infrastructural transformation. For international investors willing to look beyond traditional markets, the continent offers a landscape of unprecedented opportunity, growth, and mutual economic prosperity. As the economic hub of the African continent, South Africa offers a mature industrial ecosystem, a skilled and experienced workforce, and a supply chain that has been tested and proven over decades. The country enjoys the status of having the largest electricity generation capacity and the longest and most extensive

rail network in Africa, as well as an unparalleled industrial capability and base to support this extensive infrastructure. Insofar the 21st century is being shaped by the global shift towards green industrialisation and decarbonisation, South Africa is endowed with a wealth of critical minerals, with 16 commodities ranked in the top 10 internationally. The country has the largest known reserves in the world of Platinum Group Metals (PGMs) with a market share of 88%. South Africa's growth is not just that of a country opportunity, it offers a global opportunity for growth.

South Africa's globally integrated and export-oriented automotive industry is geographically concentrated in three provinces, namely, Gauteng, the Eastern Cape and KwaZulu-Natal. These clusters enhance competitiveness by fostering efficient supply chains, knowledge sharing, and specialised skills development. This geographical advantage is imperative for suppliers, enabling advanced supply chain strategies such as Just-in-Time (JIT) and Just-in-Sequence (JIS) deliveries. In 2025, there were seven multinational OEMs with completely knocked down (CKD) manufacturing plants operating their global manufacturing footprints in South Africa, with two more on the horizon.

Attracting investment from new global OEMs and multinational component manufacturers will unlock more jobs, advance technology transfer, and increase the industry's export potential. The economic ecosystem around CKD manufacturing goes beyond the component suppliers, extending into the logistics and transport sectors, as well as to indirect suppliers to each plant, supplying everything from office supplies, workwear and tools to services such as banking, IT, cleaning, catering, security, maintenance, and marketing. Even beyond this, sectors such as tourism, hospitality, real estate, events and conferencing, retail, education, and personal services all benefit from the ripple effects of a strong domestic manufacturing base. Incentives, administered by the DTIC, are uniform throughout the country, while regional support mechanisms address the specific needs of industry in the various geographic areas.

Gauteng

Gauteng is South Africa's economic heartland and contributes nearly 34% of South Africa's national GDP and more than 10% of the total sub-Saharan region's GDP and is the country's economic powerhouse. The province is the smallest but most urbanised province being home to 16,10 million people, or 25,5% of the national population of 63,10 million. Gauteng increased its share of the total population by more than 6 million between 2002 and 2025. Despite being landlocked, the province's manufacturing sector thrives due to highly efficient transport and logistics systems that sustains both production and trade. The province is supported by major road and rail transport networks that connect it to other countries across the Continent. The province's road network includes the key corridors of the N3 (connecting Johannesburg to the Port of Durban), the N1 (connecting Johannesburg to Zimbabwe and further onwards to Zambia and East Africa), and the N4 (connecting Pretoria to Mozambique).

The City of Tshwane metropolitan area, which includes Pretoria, is home to many government departments and services. Pretoria is the administrative capital of South Africa and home to the Union Buildings. Johannesburg houses the Johannesburg Stock Exchange Limited, the largest securities exchange in Africa. This year marks the eightieth anniversary of the founding of South Africa's internationally-renowned Council for Scientific and Industrial Research (CSIR), arguably the country's premier science council in the areas of applied science and engineering. Among the province's five Special Economic Zones (SEZ), the OR Tambo International Airport SEZ stands out for its distinct value proposition, anchored in its proximity to one of Africa's leading air transport hubs. OR Tambo International Airport is Gauteng's main air cargo hub, handling 87% of South Africa's international airfreight. Strategically positioned SEZs, like the OR Tambo SEZ, are critical for supporting intra-Africa trade.

The Gauteng automotive cluster is based in the Johannesburg and Pretoria region, featuring a dense network of component manufacturers, logistics companies, and automotive service providers, supporting



Automotive Industry Development Centre

Your partner in becoming globally competitive

A subsidiary of the Gauteng Growth and Development Agency



PARTNER WITH THE MANUFACTURING CENTRE OF EXCELLENCE

A hub for advanced manufacturing skills and industry-driven training.

The Manufacturing Centre of Excellence, an initiative of the Automotive Industry Development Centre, invites skills development providers and industry partners to set up shop within the centre. Located at the Automotive Supplier Park in Rosslyn, the centre aims to strengthen South Africa's manufacturing ecosystem by connecting industry needs with relevant technical training.

Training focus areas include:



Robotics



Mechatronics



Artificial Intelligence (AI)



New Energy Vehicles



Smart manufacturing

The Trade Test Centre, also located within the Automotive Supplier Park, provides accredited trade testing and certification, supporting the development of qualified artisans for the manufacturing sector.

Join us in building a skilled workforce that drives localisation, industrialisation, and economic growth.



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major OEM plants and aftermarket industries. The automotive industry is a vital contributor to job creation, technological innovation, and export growth in the province, housing three OEMs and the majority of the first- and second-tier automotive component suppliers in the country. The establishment of the Tshwane Automotive City (TAC), to be delivered and operated by the Automotive Industry Development Centre (AIDC), will serve as an industrial ecosystem focusing on the inland ports and manufacturing hubs linked to the rail corridors linking Tshwane with strategic ports in South Africa and the Southern African Development Community (SADC). The AIDC also manages the Automotive Supplier Park in Rosslyn, Pretoria, in close proximity to BMW and Nissan. The Tshwane Automotive Special Economic Zone (TASEZ) is adjacent to the Ford Motor Company of Southern Africa's Silverton vehicle plant in Pretoria.

KwaZulu-Natal (KZN)

KwaZulu-Natal has the second largest economy after Gauteng and is also the second most populated of South Africa's provinces, with a share of 19,4%, or 12,23 million, of the country's 63,10 million population. The N3 corridor links Durban to Gauteng, creating a critical supply chain route for the automotive industry, along with durable rail connectivity support. As a key destination for international tourism, visitors can enter the province through the state-of-the-art King Shaka International Airport at La Mercy, north of Durban or use the extensive national road network to the province. In connecting continents, and constantly evolving, Durban ensures unparalleled access to global supply chains.

The Dube TradePort SEZ, adjacent to King Shaka Airport, supports high-value logistics and technology-linked manufacturing and is Africa's first purpose-built aerotropolis. It is the only facility in Africa that brings together an international airport, a cargo terminal, warehousing, offices, a retail sector, hotels, and an agricultural area, all enhancing South Africa's manufacturing and export capabilities. The SEZ is specifically designed to attract FDI, stimulate technology transfer, and promote export-oriented industries, particularly in the logistics and automotive sectors, and initiatives are ongoing to strengthen supplier localisation, and expand automotive component exports.

The KwaZulu-Natal automotive cluster is concentrated around Durban, supporting OEMs like Toyota and their suppliers. Durban is home to Africa's premier port, and the country's primary import and export hub for most OEMs and independent vehicle importers. It plays a critical link in South Africa's automotive ecosystem, making the province indispensable for both domestic manufacturing stability and global export competitiveness. The KwaZulu-Natal Automotive Supplier Park, aimed at centralising production, assembly, sequencing and warehousing, is located in close proximity to the Toyota SA Motors plant. In 2025, Toyota SA Motors launched the Durban Automotive Cluster (DAC) SME Accelerator, a public-private partnership between the eThekweni Municipality and the regional automotive cluster. The programme is a strategic initiative aimed at strengthening South Africa's automotive supply chain through the development of high-potential, Black-owned Small and Medium Enterprises (SMEs). The DAC SME Accelerator is a sound platform to empower Black-owned businesses, strengthen the domestic supply chain, and ensure that transformation is embedded in the DNA of the domestic automotive industry.

Eastern Cape (EC)

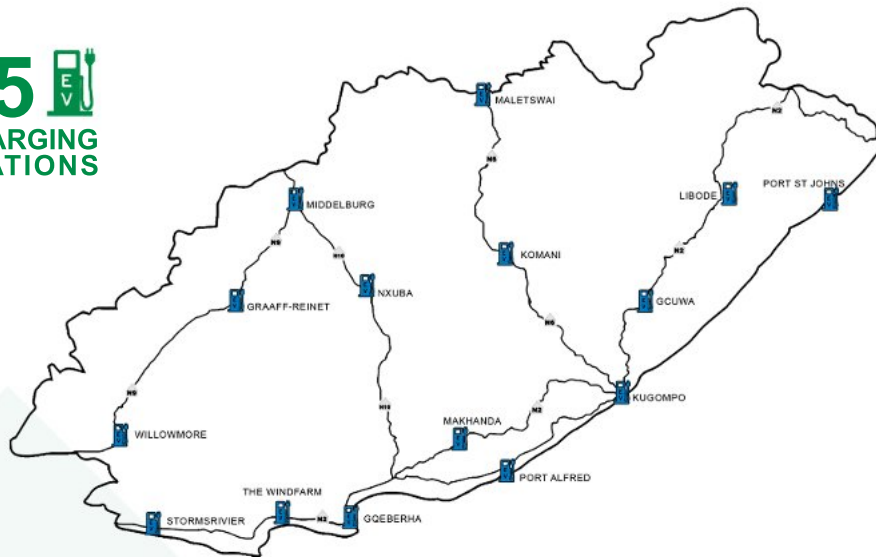
The Eastern Cape is the fourth most populous province with 7,09 million, or 11,2% of the country's 63,10 million population. The province is well served logistically with airports situated in Gqeberha, Gomo, Mthatha and Bisho, and with access to deep-water ports for exports situated in Gqeberha, Coega and Gomo. The AIDC Eastern Cape is an implementing arm for the Eastern Cape Provincial Government's development plan that provides dynamic and outcomes-driven skills.

The Coega Industrial Development Zone (IDZ) is the largest IDZ in the country and is the main catalyst for socio-economic development in the Eastern Cape, while the East London IDZ, one of the country's leading



AIDC-EC Electric Vehicle Charging Infrastructure.

15 
CHARGING STATIONS



The Automotive Industry Development Centre Eastern Cape (AIDC-EC) is spearheading a multi-phased charging station infrastructure rollout to ensure the Eastern Cape remains a global competitor in the New Energy Vehicle (NEV) era.

In collaboration with technical leader Rubicon, AIDC-EC has established a robust network of 15 public charging stations. Featuring 150kW and 47kW ultra-fast chargers, the AIDC-EC provides a reliable, high-speed charging experience that meets international standards for NEV motorists.

The strategic placement of the chargers aims to link the Eastern Cape to the Western Cape, Free State and KwaZulu-Natal. Key strategic sites include the Coastal Route, Inland and the Garden Route. By creating an NEV-ready environment, the Eastern Cape is set to attract global investment, drive economic inclusion for rural communities, thus boost sustainable tourism across the Eastern Cape's world-class nature reserves.

AIDC-EC continues to lead the NEV journey and enabling seamless e-mobility in the Eastern Cape.

150kW - AC Wallbox



47kW - DC Autel



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specialised industrial parks, has also established an Automotive Supplier Park. Coega SEZ's standing as a strategic hub for automotive manufacturing in South Africa was reaffirmed in 2024 with the establishment of the R3 billion greenfield vehicle manufacturing facility by Stellantis, the world's third biggest OEM by volume and South Africa's eighth OEM. Located within the Eastern Cape's established industrial corridor, the ELIDZ provides easy access to logistics nodes, including major port and road infrastructure, ensuring efficient connectivity to domestic and international markets. The ELIDZ offers a technology-enabled industrial ecosystem integrating world-class infrastructure, innovation networks, and institutional support. Investors benefit from a cost-efficient, digitally enabled, and export-ready platform that accelerates product development, industrial scalability, and market expansion.

The Eastern Cape automotive cluster is centred around Gqeberha, Coega and Gompo, hosting three major OEMs, as well as the Ford engine plant, supported by numerous component suppliers, with strategic port access facilitating exports. The automotive industry represents the anchor of the province's manufacturing sector value chain. The Eastern Cape OEMs once again accounted for the biggest proportion of light vehicle production, as well as light vehicle exports in 2025. A current project on the Southern Corridor, Project Ukuvuselela, aims to create a high-capacity, cost-effective rail link between the Gqeberha port and Gauteng for the transport of cars and related automotive goods. Investing in and unlocking the Southern Corridor has tangible benefits for both the OEMs and broader economic development in the region.

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Tshwane Automotive Special Economic Zone

A catalytic platform for inclusive automotive growth

Infrastructure investment, localisation, and community integration are interdependent pillars of sustainable growth for South Africa.

And, at the Tshwane Automotive Special Economic Zone (TASEZ), these elements are being brought together in a single, coordinated platform that is helping to reshape the country's automotive landscape.

As a purpose-built Special Economic Zone, TASEZ has been developed to unlock investment, accelerate industrialisation, and deliver measurable socio-economic impact. Positioned at the heart of South Africa's automotive hub in Tshwane, the zone provides a globally competitive, investor-ready environment

designed to support both original equipment manufacturers (OEMs) and component suppliers.

But what distinguishes TASEZ is not only its infrastructure or strategic location, it is its role as a catalytic project for broader economic reform.

Enabling the Automotive Masterplan

South Africa's automotive sector is guided by the South African Automotive Masterplan (SAAM) 2035, which sets ambitious targets for increased production, deeper localisation, and expanded employment. TASEZ serves as a practical implementation platform for these goals.

By enabling the co-location of manufacturers and suppliers, the zone reduces logistics costs, improves efficiency, and strengthens value chain integration. This ecosystem approach directly

supports localisation by making it easier for component manufacturers to operate competitively within South Africa.

In turn, this creates new entry points for black-owned businesses and medium, small, and micro enterprises (MSMEs), helping to diversify and transform the sector while building resilience into local supply chains.

Infrastructure that drives competitiveness

A defining feature of TASEZ is its focus on world-class infrastructure. Through coordinated investment by national, provincial, and local government, the zone offers serviced industrial land, modern utilities, and streamlined logistics access tailored to the needs of advanced manufacturing.

This infrastructure is not only about attracting investment, but about sustaining it. Reliable energy, efficient transport linkages, and high-quality facilities enable manufacturers to operate at global standards while remaining anchored in South Africa.

The result is an industrial environment that enhances productivity, reduces operational risk, and positions the country as a competitive destination for automotive investment.

A platform for inclusive industrialisation

TASEZ reflects an evolving understanding of industrial development that places equal emphasis on economic performance and social impact.

The zone's development model actively integrates surrounding communities into its growth trajectory. This includes prioritising local procurement, supporting enterprise development, and facilitating skills development initiatives aligned with industry needs.

By embedding these elements into its operations, TASEZ ensures that industrial expansion translates into tangible benefits: jobs, business opportunities, and improved livelihoods.

This approach aligns with the broader mandate of South Africa's Special Economic Zones programme, which seeks to move beyond incentive-driven investment attraction towards long-term structural transformation.

Partnership at the core

The progress achieved at TASEZ is underpinned by strong collaboration between government, industry, and local stakeholders. This multi-level partnership enables coordinated planning, efficient execution, and accountability in delivery.

Such alignment is critical in an environment where policy certainty, infrastructure readiness, and investor confidence must work in tandem. TASEZ demonstrates how these elements can be successfully integrated to create a high-impact industrial platform.

Scaling a proven model

While the zone continues to evolve, it already offers valuable lessons for South Africa's broader industrial strategy. It shows how targeted infrastructure investment, aligned with clear policy frameworks like SAAM 2035, can unlock new growth pathways.

Looking ahead, TASEZ remains focused on expanding supplier networks, deepening localisation, advancing transformation, and sustaining meaningful job creation. These priorities are central to ensuring that the benefits of industrialisation are widely shared.

As South Africa works to revitalise its economy, TASEZ stands out as a blueprint for a more inclusive, effective model of industrial development – one that connects global investment with local opportunity, and policy ambition with real-world outcomes.



Automotive clusters – key automotive features – 2025

Key automotive features	Gauteng	KZN	EC
Number of OEMs (manufacturing plants)	BMW SA, Nissan SA, and Ford Motor Company of Southern Africa	Toyota SA Motors	Volkswagen Group Africa, Mercedes-Benz SA, Isuzu Motors SA, and Ford Motor Company of Southern Africa engine plant
Medium, heavy, extra-heavy commercial vehicles and bus companies	Babcock, Ford, Hyundai Automotive, Iveco, JMC, MAN Truck & Bus, MarcoPolo, Powerstar SA, Scania, Shacman, Stellantis, Tata, UD Trucks, and VECH South Africa	Bell Equipment, MAN Truck & Bus, Toyota, and Volvo Group Southern Africa	FAW Trucks, Isuzu Motors SA, Daimler Truck Southern Africa, and Volkswagen Group Africa
naamsa 2025 employment of 32 115 persons as % by province	43,6%	30,1%	26,3%
Number of automotive component suppliers	200	80	150
Motor vehicle parc as % of South Africa's total vehicle parc of 13,68 million vehicles	38,5%	13,7%	6,4%
Passenger car sales as % of total 2025 passenger car sales of 422 463 units	35,1%	13,8%	3,7%
LCV sales as % of total 2025 LCV sales of 143 964 units	32,2%	12,1%	4,8%
MCV/HCV sales as % of total 2025 MCV/ HCV sales of 30 911 units	38,7%	13,7%	3,6%
Light vehicle production by OEMs in the province as % of total 2025 light vehicle production of 585 408 units	33,8%	25,2%	41,0%
Light vehicle exports by OEMs in the province as % of total 2025 light vehicle exports of 412 513 units	38,7%	17,2%	44,1%

Source: AIEC, **naamsa**/Ligtstone Auto



AUTOMOTIVE POLICY REGIME

The automotive industry is one of the most significant sectors in any modern economy in view of its wide-ranging economic, industrial and social impacts, driving significant GDP, fostering employment directly and indirectly, and acting as a primary driver for innovation and research and development (R&D). It accelerates industrialisation, spurs technological advancements in materials and electronics, and creates extensive supply chain, logistics, and retail networks. Government policies that balance protection, competitiveness and global integration play a decisive role in shaping and sustaining a successful automotive industry. Since the sector is capital-intensive, technology-driven and globally integrated, long-term policy certainty is essential for investor confidence. A clear and predictable policy environment enables businesses to take a long-term perspective on growth and development.

The automotive industry remains a cornerstone of the South African economy due to its scale, linkages, and global integration. South Africa's automotive policy regime is designed to support industry growth, competitiveness, and transformation through a combination of incentives, regulations, and strategic frameworks. Central to this is the Automotive Production and Development Programme (APDP), which has been in place since 2013, and replaced in 2021 by the APDP2 under the South African Automotive Masterplan (SAAM) 2035. This programme provides a structured set of tariffs, incentives and duty rebates to encourage domestic vehicle and automotive component manufacturing and export growth. The APDP2 aims to increase local content, promote export diversification, and stimulate investment in new technologies to align with the global shifts towards greener mobility. The policy also supports industrial transformation by encouraging Black economic empowerment (BEE) participation and skills development within the sector.

In addition, South Africa leverages trade agreements, such as the African Continental Free Trade Area (AfCFTA), and preferential access to key markets like the European Union (EU) and the United Kingdom (UK) under trade deals, to enhance automotive exports. The Department of Trade, Industry and Competition (DTIC) plays a pivotal role in policy formulation and implementation, working closely with industry role-players to address challenges such as infrastructure bottlenecks and supply-chain inefficiencies. Overall, South Africa's automotive policy regime balances protection, incentives, and transformation goals to maintain the country's position as a leading automotive hub in Africa, and to prepare the industry for the transition to sustainable, future-ready manufacturing.

The SAAM 2035 was implemented on 1 July 2021 and provides the incentive framework for the industry for the period 2021 to 2035. The SAAM 2035 vision is the 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". The APDP2 operates within the framework of the SAAM, which provides the incentive framework for the industry up to 2035. The APDP2 is a Trade-Related and Investment Measure (TRIM) which allows for safe and secure FDI, and awards duty rebates for the localisation of activities (Local Value Addition – LVA). To qualify for these benefits, OEMs in South Africa must be registered with the International Trade Administration Commission of South Africa (ITAC) and the South African Revenue Service (SARS) and comply with Broad-based Black Economic Empowerment (B-BBEE) requirements.

A key summary of the SAAM 2021-2035 objectives is as follows:

- Grow South African vehicle production to 1% of global production by 2035;
- Increase local content in South African manufactured vehicles to 60%;
- Double automotive employment in the supply chain;

- Improve automotive industry competitiveness levels to that of leading international competitors;
- Transform the South African automotive value chain; and
- Deepen value-addition within South African automotive value chains.

The automotive sector recognises that the SAAM vision can only be realised if the above six development objectives are met. Achieving the SAAM objectives will require careful co-ordination and a close working relationship between government, the private sector and organised labour. Six industry development pillars have been identified as critical to the realisation of the SAAM. The six pillars relate to:

- local market optimisation,
- regional market development,
- localisation,
- infrastructure development,
- industry transformation, and
- the development of industry-required technologies and skills.

The SAAM 2035 was approved by Cabinet in November 2018, with the first Executive Oversight Committee (EOC) meeting chaired by the Minister of Trade, Industry and Competition, sitting in December 2019 to oversee the implementation of the Masterplan. Seven workstreams were established, with the industry-required technologies and skills pillar divided into two separate workstreams. In 2025, the Automotive Industry Transformation Fund (AITF) assumed the role of EOC Secretariat to track the implementation of the SAAM 2035. The AITF's new role will see the Fund co-ordinate and deliver on SAAM's key pillars by means of a dedicated SAAM delivery office.

The APDP2 contains many elements similar to the previous APDP policy regime. The APDP2 consists of the following four pillars that drive the programme:

- Import duty (domestic industry protection);
- Volume Assembly Localisation Allowance (VALA) (duty rebate mechanism);
- Production Incentive (PI) (duty rebate mechanism); and
- Automotive Investment Scheme (AIS) (cash grant).

The four key elements of the APDP2 may be described as follows:

Tariffs: There is a set tariff regime on vehicles and automotive components imported into South Africa. Import duties on vehicles and automotive components will remain at 25% on light vehicles and 20% on original equipment components through 2035. A preferential agreement under the SADC-EU EPA and SACUM-UK EPA has resulted in imported vehicles from the EU and UK paying only 18% duty. These tariffs are meant to provide adequate protection to justify continued domestic vehicle manufacturing. The purpose of the tariff structure under the APDP2 is to incentivise industry by creating LVA and earning duty rebates, and not to generate revenue.

Volume Assembly Localisation Allowance (VALA): This support is based on LVA. The VALA is set at 35% of local value-add for OEMs above 10 000 vehicles produced annually per plant from 2026 onwards. Transition was set at 40% in 2021 and was reduced annually to 35% by 2026. This will provide a support level of 3,2% at 40% local content but it could increase to 4,2% if local content increases to 60%.

Production Incentive (PI): Government decided to adjust its incentives to ensure the development of automotive component suppliers, as well as to support those suppliers exporting into automotive supply chains elsewhere in the world. The APDP2 also supports the export of semi-knocked down (SKD) kits to regional markets, provided that the kit comprises a complete vehicle. The production incentive benefit on components has been increased from 20% to an effective 25% by increasing the benefit factor for



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Our Driver:

To activate and expand industrial capacity in the automotive sector by offering flexible funding solutions. This includes providing support to Original Equipment Manufacturers (OEMs) through all tiers of their component supply chains.

Who Can Apply:

- New projects: Debt or equity funding to support project development for start-ups.
- Existing businesses: Debt funding applications for expansions and funding of existing businesses.
- Any Automotive OEM aiming to establish itself as a local manufacturer.
- Automotive Component Manufacturers (Tier 1 to Tier 3, accessories, aftermarket, vehicle conversions).

Application Process:

1. Submit a Business Plan
2. Basic Assessment of Business Plan (High level desktop analysis)
3. Due Diligence Investigation (In-depth analysis: Market, Technical, Financial, Environmental, Legal)
4. Credit Committee (Approve / Reject)
5. Legal Agreements
6. Disbursement

Targeted Outcomes:

- Increased vehicle production volume in South Africa.
- Deeper and wider localisation of automotive components in South Africa.
- Developmental outcomes (job creation, youth and women involvement, B-BBEE).
- Support for organisations in the transition towards New Energy Vehicle (NEV) manufacturing/supply, including electric last mile delivery vehicles and e-mobility.

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components from 50% to 62,5%. This results in a 3% to 5% support level at 20% duty (depending on domestic material used). For OEMs manufacturing vehicles, the PI remains at 50% at a duty rate of 25%.

“Local Value-added” has been defined in simple terms as the manufacturer’s selling price less the value of all non-qualifying material and imported components in the supply chain. The OEM production incentive is calculated through the supply chain and is earned by the OEM who pays the suppliers’ import duty via a quarterly duty account that is submitted to SARS. In the case of suppliers, the component manufacturer earns the rebates for component exports and/or the manufacture of replacement parts.

Automotive Investment Scheme (AIS): The AIS is designed to grow and develop the automotive industry through investment in new and/or replacement models and automotive components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain, and comply with B-BBEE requirements. The AIS represents the only industry support that is a physical cost to the fiscus, in the form of a non-taxable cash grant of 20% of the value of qualifying investment in productive assets by light motor vehicle manufacturers (OEMs), as approved by the DTIC (25% for component manufacturers). Investments in EV projects can earn a cash grant of 35% for productive asset investments by component, tooling and battery assemblers. This support is available to encourage investments by OEMs and component manufacturers in a manner that supports productive capacity upgrading. For an OEM to claim the AIS, a minimum annual volume of 50 000 units per plant is required.

The total investment approved since the inception of the AIS until the end of 2025 amounted to R122,2 billion, of which R81,4 billion for the OEMs and R40,8 billion for automotive component suppliers, while the sum total of incentives approved since inception amounted to R31,8 billion. Since inception, 789 projects have been approved under the AIS, creating 31 600 additional jobs. The DTIC implemented a change to the AIS guidelines in 2017, applicable to all new applications approved from 1 September 2017, which requires applicants to maintain base-year employment levels throughout the entire incentive period, from the application stage until the claim period.

On 24 December 2024, President Cyril Ramaphosa signed the Taxation Laws Amendment Bill into law. Of particular interest to EVs is the amendment of section 12 of the Income Tax Act, with section 12V inserted, and set to take effect on 1 March 2026. Section 12V provides a 150% tax deduction of the cost of certain parts and assets used by OEMs in the production of electric battery-powered or hydrogen-powered vehicles in South Africa. The incentive will apply to all qualifying equipment and buildings, including any additions or improvements, that are put into use for the first time between 1 March 2026 and 1 March 2036. The tax break enables a 150% tax deduction on investment in electric- and hydrogen-powered vehicle production. Equally important is securing EV component production in South Africa, as well as domestic beneficiation of the metals and minerals required in the EV value-chain. Government has committed R1 billion over the medium term, aiming to attract an additional R30 billion in private sector investment. The inclusion of alternative vehicle technologies, such as hybrids and plug-in hybrids alongside subsidies for consumers, remain as a crucial step towards the widespread adoption of cleaner, more sustainable vehicles in the country.

A competitiveness improvement cost grant of 15% of qualifying costs will also be available for automotive component manufacturers. The objective of this benefit is to enhance the competitiveness of component manufacturers through the improvement of processes, products, quality standards, and related skills development through the use of business development services. The grant is a function of the expenditure incurred by component suppliers to improve competitiveness and must be linked to a new or replacement model of a light vehicle manufacturer.

The SAAM 2021-2035 also covers medium and heavy commercial vehicles, but VALA and PI incentives do not apply to the MCV/HCV assembly operations, as these kits are imported duty free. The APDP2 applies to only light vehicles (passenger cars and light commercial vehicles), although components produced for

heavy commercial vehicles also qualify for the PI, as does the manufacture of local tooling. A PI, under the same regulations applicable to light vehicles, can be earned on components produced for trucks. The PI, however, is earned by the component manufacturer, and is not passed through to the heavy commercial vehicle manufacturer, as is done for light vehicles. The level of protection on heavy commercial vehicles has been set at 20% import duty, which is lower than the level on light commercial vehicles and passenger cars, which attracts an import duty of 25%, as well as a maximum ad valorem duty of 30%, depending on the free on board (FOB) value. Domestic assembly operations of trucks and buses, based on a SKD definition, receive the benefit of the duty-free importation of all driveline components, which include the engines, transmissions, drive-axles and gearboxes. However, tyres that are manufactured domestically, attract a duty of 15% if imported.

Considering that transport in South Africa is the third-largest emitting sector, with more than 90% of emissions stemming from road transport, a number of truck and bus new energy vehicle transitional requirements have been submitted to relevant government departments relating to legislative amendments to accommodate overweight and overlength dimensions, the introduction of cleaner fuels, import duty concessions before localisation, and local procurement, amongst others. South Africa's future transport sector needs to be decarbonised, while simultaneously managing demand and improving the efficiency, reliability, and affordability of transport as a service.

An official review of the SAAM 2035, including the APDP2, is scheduled for 2026. Industry's request for an early review to be brought forward to 2025 did not realise. The SAAM 2035 objectives were developed in 2018 before the impact of the global COVID-19 pandemic as well as before the bans on fossil-fuelled ICE vehicles in the EU and UK were announced, which consequently resulted in the inevitable transition to NEVs in South Africa in order to safeguard the country's vehicle exports. At present there is fierce competition between governments around the world to attract investments in the EV space. It is, therefore, important that South Africa's automotive industry not only defends and protects its market but also moves into offensive mode.

It is critically important for both the SAAM 2035 and the APDP2 to be reviewed and updated for the continued health and competitiveness of South Africa's automotive industry and to ensure that policy keeps pace with shifting global markets, supports localisation and transformation, strengthens industrial resilience, and ultimately assists the industry meet its economic and employment objectives in a sustainable way. These frameworks were designed to guide the sector's growth through to 2035, but economic conditions, global market shifts and internal structural challenges have changed significantly since they were first adopted. Sustainable growth can only be realised through a constructive collaborative approach by all automotive industry stakeholders.



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GLOBAL NEW VEHICLE MARKET ENVIRONMENT

The year 2026 celebrates the 140th anniversary of the first true, practical, petrol-driven automobile which was the Benz Patent-Motorwagen, built by German engineer Karl Benz in 1885 and patented in January 1886, marking the birth of the modern car and ushering in an era of personal mobility. Fast forward to today, technologies such as electrification, artificial intelligence (AI), connected vehicles, and smart manufacturing are no longer the future, they are here and now. These technologies are redefining how vehicles are designed, how supply chains are managed, how customers experience mobility, and how the industry is preparing its workforce. OEMs are increasingly adopting sustainable production methods, including renewable energy-powered factories, circular supply chains, and recycling of components. This reflects growing regulatory and consumer pressure for more environmentally responsible manufacturing that has sustainability as a strategic imperative.

Research suggests that the biggest differentiator for the automotive industry in the coming decade will not be the power source, but software, which will represent over half of OEMs' revenue. AI is already embedded in the industry's software strategy, from advanced driver assistance to autonomous driving to cybersecurity. AI would significantly accelerate the development process for new vehicle models and technologies, as AI is the key to greater speed, quality and competitiveness along the entire value chain, from vehicle development to production. Companies in the fast-paced and globalised world need to continuously adopt new technologies to enhance their competitiveness.

Global vehicle production in 2025 increased by 3,9% to reach 96,4 million vehicles, up from the 92,7 million units produced in 2024. Global passenger car production increased by 5,0%, from 67,9 million units in 2024 to 71,3 million units in 2025. Light commercial vehicle production consolidated at 20,9 million units in 2024 and 2025, heavy commercial vehicle production reflected a gain of 6,0%, from 3,6 million units in 2024 to 3,9 million units in 2025, while bus production reflected a gain of 8,3%, from 295 244 units in 2024 to 319 682 units in 2025.

In 2025, 17 countries exceeded the one million vehicle production mark, which is regarded as the international benchmark. China's automotive industry continued to set new records in 2025, with vehicle production reaching 34,5 million units, up 10,4% year-on-year, marking the 17th consecutive year China has led global vehicle output, followed by the US with 10,2 million units, Japan with 8,4 million units and India with 6,5 million units. In 2025, China exported 8,32 million vehicles, a year-on-year increase of 29,7%, of which 7,1 million were passenger cars, including 2,62 million NEVs; the latter doubling its 2024 export volume and underscoring China's growing global footprint. China's total production capacity is in the order of 50 million vehicles per annum.

South Africa forms part of the group of global second-tier countries producing below one million vehicles per annum. The country's vehicle production increased by 2,9%, from 600 473 units in 2024 to 618 077 units in 2025, slightly below the year-on-year increase in global vehicle production of 3,9% in 2025. South Africa's global vehicle production market share thus decreased from 0,65% in 2024 to 0,64% in 2025, while its global vehicle production ranking remained at 21st. In terms of global LCV production, the country was ranked 15th, with a market share of 1,2%. South Africa remained the dominant market on the African continent and accounted for 50,3% of the total African vehicle production of 1,23 million vehicles in 2025. Under the SAAM 2035, the objective is to produce 1% of global vehicle production, or 1,4 million vehicles, per annum by 2035. Vehicle production levels above one million units annually should substantially improve the country's status, global vehicle production ranking and prospects to attract bigger investments in new generation models.

The following table reveals global vehicle production by country for 2024 and 2025. In 2025, Germany improved its ranking from number 7 to number 5 ahead of South Korea and Mexico, while France improved its ranking from number 14 to number 10 moving ahead of Thailand, Czech Republic and Turkey. The shifts in rankings by country illustrate the evolving global economic landscape and the changing dynamics of automotive manufacturing across different nations.

Global vehicle production by country – 2024 to 2025

Country	Total units produced 2024	Total units produced 2025	Passenger cars 2025	Commercial vehicles 2025
1. China	31 281 592	34 530 738	30 269 903	4 260 835
2. USA	10 522 394	10 243 844	1 279 247	8 964 597
3. Japan	8 234 645	8 410 232	7 207 025	1 203 207
4. India	6 016 764	6 490 810	5 379 099	1 111 711
5. Germany	4 069 222	4 148 836	4 148 836	-
6. South Korea	4 128 242	4 102 200	3 844 338	257 862
7. Mexico	4 202 724	4 092 448	901 331	3 191 117
8. Brazil	2 553 869	2 644 054	1 990 031	654 023
9. Spain	2 377 091	2 274 026	1 810 331	463 695
10. France	1 357 701	1 463 991	1 061 720	402 271
11. Thailand	1 468 997	1 455 569	539 807	915 762
12. Czech Republic	1 458 892	1 452 776	1 445 776	7 000
13. Turkey	1 365 296	1 419 464	872 538	546 926
14. Indonesia	1 196 664	1 147 600	983 474	164 126
15. Canada	1 339 288	1 237 075	240 355	996 720
16. Iran*	1 077 839	1 188 000	1 080 000	108 000
17. Slovak Republic	993 000	1 070 000	1 070 000	-
18. Russia	979 283	853 897	701 920	151 977
19. UK	905 233	764 715	717 371	47 344
20. Malaysia	790 347	747 780	704 603	43 177
21. South Africa	600 473	618 077	329 600	288 477
Global	92 723 280	96 383 650	71 331 960	25 051 690

Source: **naamsa**/Lightstone Auto, OICA

*Estimates

The global automotive industry is undergoing a profound reconfiguration, driven by changing consumer behaviour, rising price sensitivity, and a technological transition that is unfolding unevenly across regions. Furthermore, the return of protectionist trade policies, particularly the imposition of US automotive import tariffs, significantly altered global supply chains in 2025. OEMs were forced to reassess localisation strategies, pricing structures, and capital allocation. Geopolitics has become as influential as technology in determining vehicle costs and market competitiveness.

However, demand for vehicles continued to rise despite economic shifts, marking the first year to surpass the 2019 pre-pandemic level as global new vehicle sales in 2025 increased by 4,7% to 99,8 million units, up from the 95,3 million units in 2024. Passenger car sales increased by 5,2%, from 67,5 million units in 2024 to 71,0 million units in 2025 while commercial vehicle sales increased by 3,5%, from 27,8 million units in 2024 to 28,8 million units in 2025. Key 2025 trends included rapid market share gains for Chinese

brands in Europe and other international markets, ongoing margin pressures faced by traditional OEMs, portfolio rationalisation, restructuring, and leadership changes. Software-defined vehicles, AI integration, cybersecurity, and advanced driver assistance systems are increasingly becoming central in the competitiveness race. The following table reveals that all major regions, with the exception of Europe, reflected growth from 2024 to 2025.

Global vehicle sales by region – 2024 to 2025

Region	Total sales 2024	Total sales 2025	% change 2025/2024
Europe	18 714 406	18 630 198	(0,4%)
North America	19 802 978	20 173 981	+1,9%
South America	4 365 650	4 690 636	+7,4%
Africa	1 053 734	1 285 408	+22,0%
Asia	51 393 882	55 018 183	+7,1%

Source: OICA

Asia has consistently held the largest share of global vehicle sales, accounting for 55,1% of the total sales volume in 2025. Growth in the region continued to be driven primarily by China's immense manufacturing capacity while India has also emerged as another high-growth market. In contrast, Europe experienced a moderate year-on-year contraction of 0,4% in 2025, reflecting economic headwinds, high energy costs, and regulatory pressures. North America showed remarkable stability, with an increase of 1,9%, despite the impact of the US's protectionist policies. South America expanded year-on-year by 7,4%, while Africa increased year-on-year by a substantial 22,0% in 2025, albeit from a low base.

China sold 34,4 million vehicles in 2025, up 9,4% from the 31,4 million units in 2024 and remained by far the largest single-country new vehicle market in the world, selling almost as many vehicles as the European and US markets combined. Domestic brands now command 20,94 million, or 69,6% of the 30,1 million Chinese passenger car market, while NEVs have become the default choice. According to research firm Jato Dynamics, 93 of the 169 OEMs operating in China have market shares below 0,1%. In 2024, for the first time, Chinese EV OEMs invested more in overseas EV supply chains and manufacturing than domestically, and this trend continued in 2025. Driven by fierce price wars, overcapacity at home, and foreign trade barriers, Chinese OEMs are actively shifting capital to establish production facilities in Europe, Southeast Asia, and Latin America to secure global market share.

Toyota Motor Corporation confirmed its dominance as the world's leading manufacturer for a sixth consecutive year since 2020, underscoring the resilience and scale of its multi-brand, multi-powertrain strategy, and sold 11,32 million vehicles in 2025 units, ahead of Volkswagen AG with 8,98 million vehicles, followed by the Hyundai Motor Group, comprising the Hyundai, Kia and Genesis brands, with sales of 7,27 million vehicles. Toyota's figures include Hino trucks and those of minicar manufacturer Daihatsu, while the VW Group includes MAN and Scania trucks, and a commercial vehicle division. The Toyota RAV4 was the best-selling new car model in 2025.

The year 2025 turned out to be another record year for EVs, with worldwide sales surging by 21% to 20,7 million units, up from 17,1 million units in 2024, with China producing 71% of EVs sold globally. Chinese EV sales increased by 17% to 12,9 million units year-on-year in 2025, while including hybrids and plug-ins, surged year-on-year by 28,2% to 16,49 million units, lifting their domestic car market share to 47,9%, as government trade-in subsidies tilted demand decisively toward electrified models. Europe saw a 33% year-on-year increase in EV sales, amid easing EU emissions targets and rising price competition from Chinese brands. In the US, EV sales were flat at 1% growth year-on-year in 2025, underscoring that the next phase of

electrification will be shaped less by technology than by geopolitics, regulation and affordability. BYD led the global EV market with 2,25 million units, followed by Tesla with sales of 1,64 million units in 2025.

Emerging markets are no longer catching up, they are leading the shift to electric mobility with 39 countries reaching an EV sales share larger than 10% in 2025, a third of which are outside Europe. In 2019, there were only four countries that had reached this milestone, all within Europe. The Association of Southeast Asia Nations (ASEAN) region emerged as a new leader in EV adoption, with Vietnam overtaking the UK and EU for EV sales penetration, while Singapore, Thailand and Vietnam all reached higher battery-electric vehicle sales shares than the EU average. One of the big drivers for growth in these markets was that Chinese OEMs started exporting their EV models *en masse*, capturing sales from the big legacy players in those markets still pursuing ICE vehicles.

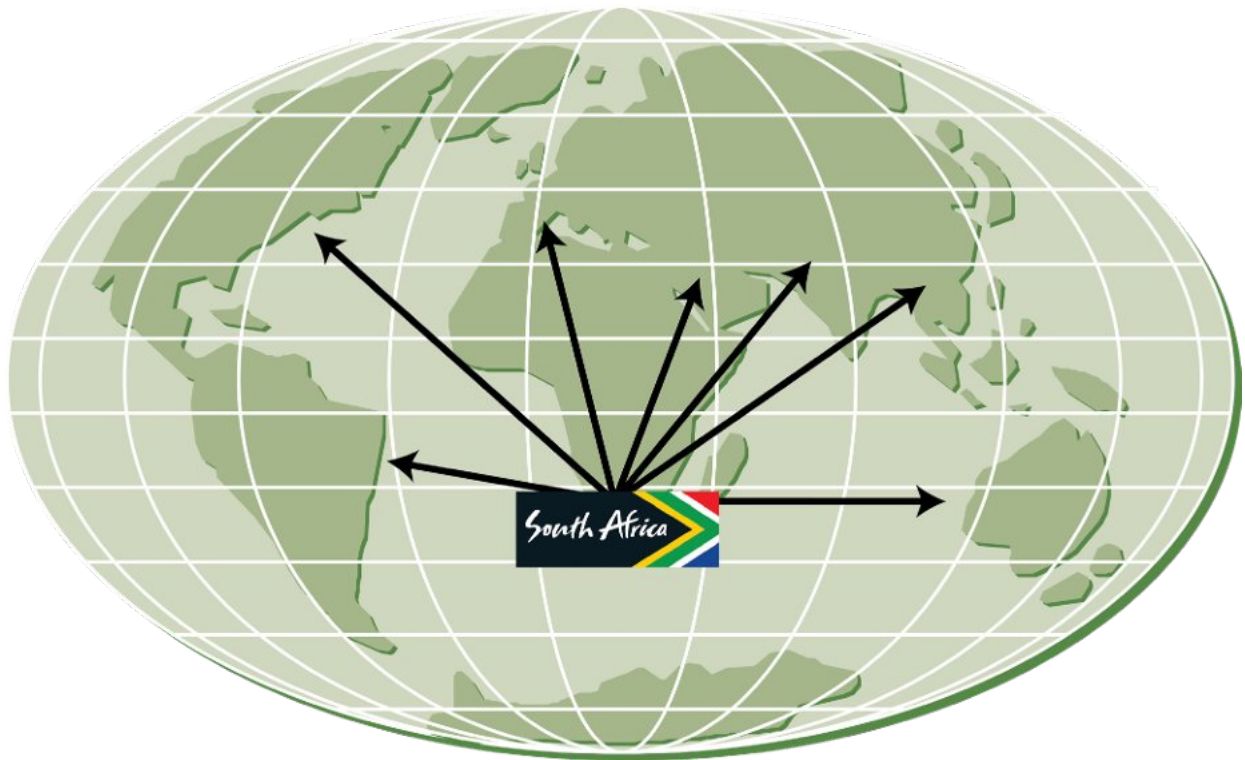
While the US was curtailing federal consumer incentives, governments elsewhere largely continued a transition to electric vehicles. Europe softened its goal for all vehicles to have zero emissions by 2035 at the urging of OEMs, but its new target is still a 90% cut in vehicles' carbon dioxide emissions by 2035. Germany launched a programme offering subsidies worth €1 500 to €6 000 per vehicle, aimed at small- and medium-income households. In developing economies, EV policy has largely been sustained through industrial policies. In Brazil, the Mover programme offers tax credits explicitly linked to domestic EV production, research and development, and efficiency targets. South Africa is introducing a 150% tax investment allowance for EV and battery manufacturing, providing a tax break starting in March 2026, while Thailand has implemented subsidies and a reduced excise tax tied to mandatory domestic production and export commitments.

The future of electric mobility will increasingly be played out on the terrain of batteries, the element most related to the obstacles that still limit the spread of vehicles, namely, cost and range. According to the International Renewable Energy Agency (IRENA), by 2030, the number of EVs on the roads will have to grow from around 44 million in 2023 to 359 million, if the climate targets of the Paris Agreement are to be met. This is an unprecedented expansion and will require the annual production of five times more batteries than being produced today. China which accounts for more than two-thirds of global EV sales, produces 70% of the world's lithium-ion battery packs, and processes over 90% of rare earths, with six of the top 10 EV battery manufacturers globally being Chinese companies, giving it a commanding grip on supply chains. However, battery prices continue to plummet, making EVs more affordable worldwide. Analysts view the trend as a catalyst in the mass-level decarbonisation of road transport worldwide. Three main drivers resulting in significantly lower battery cost in China include declining raw-material prices, overcapacity, and shrinking margins. Battery companies are also improving battery technology and manufacturing processes, and these enhancements contribute to falling prices.

The rare earth minerals and PGMs that feed the batteries powering vehicles is a sector that was estimated at US\$8 trillion in 2025, set to reach US\$46 trillion by 2050. Africa is still at an early stage in the e-mobility transition, but its rich deposits of critical minerals and potential markets are a definite pathway to the continent's industrial development, social upliftment and economic prosperity. The African continent is home to vast resources of minerals that are critical for various energy technologies, and African nations are forging partnerships to create inward-looking value chains. EV batteries use significant quantities of minerals such as lithium, cobalt, manganese, nickel and graphite. The global energy transition and exponential growth of the EV sector can provide African countries with an opportunity to develop regional electric mobility value chains while speeding up the continent's economic integration. In this regard, African countries, such as South Africa, should adopt a co-ordinated approach to fully harness the potential of the continent's critical minerals.



EXPORTS



Exports remain a critical driver of economic growth, enabling countries to access larger markets, increase production scale, and earn foreign exchange. Exports support job creation, enhance industrial development, and improve competitiveness by exposing domestic businesses to global standards. For South Africa, exports, especially in sectors like the automotive industry, are vital for economic resilience and the country's trade balance. Diversifying export markets reduces vulnerability to regional downturns, while value-added exports help advance the economy up the global value chain. Strategic trade agreements and improving logistics infrastructure further enhance export potential, making exports a cornerstone of sustainable economic development.

Global economic growth in 2026 is expected to remain modest, yet broadly stable and resilient amid lingering challenges. According to the International Monetary Fund (IMF), global GDP growth is forecast to rise to 3,3 % in 2026. Protectionist policies and tariff differences at present are reshaping procurement strategies and gradually shifting trade flows. The rebalancing of global trade dynamics has wide-ranging consequences for international business. Volatility is no longer a temporary disruption, it is a structural condition leaders must plan for.

For the South African automotive industry, adapting to this new landscape requires strategic foresight, optionality and ecosystem co-ordination. Companies and countries that build these capabilities in tandem will be best positioned to attract investment, secure supply and sustain growth in an increasingly fragmented global economy that now views resilience as a main driver of growth. The way forward for the domestic automotive industry is to balance global export ambitions with regional integration. By strengthening intra-Africa trade links, while strategically engaging with both traditional and emerging global partners, the industry can navigate the cross-roads and emerge stronger on the other side.

REGIONAL EXPORTS AND TRADE ARRANGEMENTS

The world has, over the last few years, faced an unrelenting series of challenges and trials, from inflationary pressures and uneven recovery globally stemming from the COVID-19 pandemic, to supply chain fragility, geopolitical fragmentation and regional conflicts. In 2025, the world witnessed further seismic shifts in global trade that presented both challenges and opportunities in the re-ordering of the global economy. This was marked by intensifying global competition and growing geopolitical tensions. In the face of this, South Africa, as a small, open economy, remained firm that the rule-based multilateral trading system with the World Trade Organisation (WTO) and the United Nations (UN) at their core, must be preserved until all member States are able to reach their developmental goals. Established on 1 January 1995, the WTO, with 166 members and representing about 98% of global trade, celebrated its thirtieth anniversary in 2025. Developing countries that account for most of the WTO's membership remain locked in the lower end of global value chains. South Africa's influence in the WTO will depend not only on its defence of development, but on its credibility as a constructive and solutions-oriented actor.

As the global order has shifted from rules-based multilateralism to strategic protectionism in 2025, South Africa is pursuing a broader export-diversification strategy, expanding trade outreach beyond the traditional Western markets. In this regard, the "Butterfly Strategy" represents the country's most comprehensive approach to market diversification amid ongoing uncertainty over the future of trade relations with the US, and concerns about the potential impact of the EU's Carbon Border Adjustment Mechanism (CBAM) on exports to the bloc. Like a butterfly with its body rooted in Africa, the strategy prioritises the implementation of the African Continental Free Trade Area (AfCFTA) and unlocking opportunities in the rest of Africa as the foundation of its global engagements, with the wings representing additional export initiatives in the rest of the world focusing on leading and established markets as well as new and emerging market opportunities. This strategy aims to diversify exports geographically and by product category, increase value-added manufacturing, and leverage trade agreements and diplomatic efforts to enhance market access and competitiveness, all the while fostering inclusive, regionally integrated, and globally connected export growth. The country's future prosperity depends by and large on its export success.

Trade agreements are important tools in the competitive battle for global market share. Trade agreements also need to evolve to address 21st-century challenges, including e-commerce, digital services, environmental standards and labour rights. For the automotive industry, in particular, trade agreements underpin South Africa's role as an export hub. They allow domestic automotive industry exports to compete in key markets, supporting production volumes and economies of scale, and enhancing long-term investment decisions by global OEMs. Trade agreements also anchor the domestic automotive industry into global value chains. Predictable trade rules, clear rules of origin and dispute-settlement mechanisms give multinational manufacturers confidence to locate production, tooling and component sourcing domestically. This supports employment, skills development and technology transfer across the automotive value chain.

South Africa's trade negotiations are conducted alongside its country partners in the Southern African Customs Union (SACU), comprising Botswana, eSwatini, Lesotho, and Namibia, following the renewed SACU Agreement in 2004 that requires SACU to negotiate all trade agreements as a bloc. SACU, at present, enjoys free trade agreements (FTAs) with the 27-country EU, the UK, as well as the European Free Trade Association (EFTA), and has a preferential trade agreement (PTA) with the Common Market of South America (Mercosur). South Africa also enjoys duty-free and quota-free entry into the US market under the African Growth and Opportunity Act (AGOA), a unilateral trade preference programme.

Europe

Up to 2016, trade with the EU was governed by the trade chapter of the Trade, Development and Co-operation Agreement (TDCA) which became effective on 1 January 2000. The automotive part of the TDCA was only concluded on 15 December 2006. As a result, the 3% and 4,5% import duty on original equipment components and aftermarket parts, respectively, were reduced to duty-free on 15 December 2006, while the 10% import duty on passenger cars was reduced to 3,5% on 15 December 2006, further reduced to 1,5% on 1 January 2007, and was reduced to zero in January 2008. South Africa, in turn, granted the EU a 7% preference on passenger cars and light commercial vehicles, and an 8% preference on medium and heavy commercial vehicles and buses. Original equipment components received no preference, but a large number of aftermarket automotive parts qualified for lower import duties. In order to qualify for zero tariffs into the EU and the UK, South African vehicles and automotive components must contain at least 60% local content with respect to the rules of origin. The definition of local content includes South African raw materials, labour, parts, transport, manufacturing costs and profit margins, as well as the value of components and sub-components originally sourced from the EU or the UK.

The TDCA was replaced by the Southern African Development Community - European Union Economic Partnership Agreement (SADC-EU EPA), a development-oriented free trade agreement (FTA) between the EU and six Parties of the Southern African Development Community (SADC), namely, Botswana, eSwatini, Lesotho, Mozambique, Namibia and South Africa. The Agreement was signed on 10 June 2016, and while it had been provisionally applied since October 2016, provisional application for Mozambique commenced in February 2018. The EPA provides asymmetric access with 100% duty-free access to the EU for BELN countries (Botswana, eSwatini, Lesotho, and Namibia) and 98,7% for South Africa. The EPA also contains a Trade and Sustainable Development (TSD) Chapter which covers social and environmental matters. To allow for the continuation of preferential trade between South Africa and the UK after Brexit, and to avoid trade disruption, the SADC-EU EPA was replicated into a new agreement with the UK that entered into force on 1 January 2021. The new trade agreement with the UK is called the SACUM-UK EPA.

The built-in five-year review of the SADC-EU EPA formally commenced in November 2021, and parties exchanged indicative lists of issues of interest for the review. South Africa sought improvements to the rules of origin, export tax provisions and market access. The EU's interests included rule-making in areas such as investment, competition and sustainable development. A SADC-EU EPA Trade and Development Co-operation meeting took place on 8 and 9 February 2024, and the Parties agreed to pursue the process in terms of Article 116, "Revision Clause" of the Agreement which provides for the review of the Agreement in its entirety. The Parties agreed to undertake the review in three thematic areas, which include trade in goods, trade-related issues and institutional matters. A second EU-SADC EPA Joint Council is expected to be scheduled in the second half of 2026.

To progress the harmonisation of trade relations with Western Europe, SACU signed an FTA with the European Free Trade Association (EFTA) which came into force on 1 May 2008. The SADC-EU EPA has been largely replicated in an agreement with the EFTA group of countries, namely, Iceland, Lichtenstein, Norway and Switzerland. The EFTA offered South Africa full duty- and quota-free access for industrial products. For its part, South Africa offered the EFTA what it had already offered the EU and the UK on both processed agricultural products and industrial products, with some marginal adjustments. The FTA has a number of benefits for South African exporters, which include duty-free market access for SACU products, including vehicles and automotive components, to EFTA markets.



Africa

The current longstanding regional integration initiatives between the countries of southern Africa include SACU, with its member states of Botswana, eSwatini, Lesotho, Namibia and South Africa, and a free trade area among the 16 SADC countries. The SADC includes the following countries: Angola, Botswana, Comoros, Democratic Republic of Congo, eSwatini (formerly Swaziland), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. South Africa joined the SADC in August 1994. The SADC Protocol on Trade was signed on 24 August 1996, and amended in 2000, 2007 and 2008, with the specific simplification of rules of origin and other matters. The SADC protocol on trade was implemented in 2000, and 98% of tariff lines have been fully liberalised since 2012. To date, Angola, the Democratic Republic of Congo (DRC) and the Comoros had been excluded from the trade protocol, but Angola has been seeking accession. The objective of the SADC Trade Protocol is to liberalise intra-regional trade. South Africa favours high rules of origin thresholds across key sectors to promote regional value chains. The current rules of origin for SADC in terms of vehicles is a maximum of 60% non-originating material (40% originating material or local content), expressed as a percentage of the ex-works price, plus a completely knocked down (CKD) assembly rule. For automotive components, the rule is a maximum of 50% imported content.

The African Continental Free Trade Area (AfCFTA) represents a landmark trade agreement that aims to create a unified market across 54 of Africa's 55 countries (Eritrea is yet to join), and to date, 50 State Parties have ratified and deposited their instruments of ratification. It is the largest free trade area globally by the number of participating countries. The AfCFTA was signed in Kigali, Rwanda on 21 March 2018, and entered into force on 30 May 2019, with the operational phase launched on 7 July 2019. Trading under the AfCFTA commenced on 1 January 2021, committing countries to eliminate 90% of tariffs on goods, to progressively raise trade and services, and address a host of non-tariff barriers. Once a country starts to trade, subject to the finalisation of the necessary legal requirements on products where the rules of origin have been agreed to, its commitments will apply retrospectively from 1 January 2021. South Africa, along with 24 other countries, including 14 non-SADC countries, has already started implementing preferential trade under the AfCFTA.

The final implementation of the Schedules of Tariff Concessions will be undertaken when the remaining 10% category of the tariff books (7% sensitive products subject to a longer period of liberalisation and 3% excluded products) have been finalised. The AfCFTA will be reviewed every five years after its entry into force by State Parties, to ensure effectiveness, achieve deeper integration, and adapt to evolving regional and international developments. May 2024 marked the fifth year since the Agreement entered into force on 30 May 2019. Work towards the review of the Agreement is expected to commence in due course.

SACU achieved a common offer covering 90% of its tariff book in February 2023. The offer was formally submitted to the AfCFTA Secretariat for verification. The Extra-Ordinary Session of the AfCFTA Council of Ministers held on 31 May 2023 in Nairobi, Kenya, endorsed SACU's Tariff Offer that was verified to be compliant with the modalities for tariff liberalisation. South Africa gazetted the SACU Provisional Schedule of Tariff Concessions on 26 January 2024 and launched the start of preferential trade under the AfCFTA on 31 January 2024. South Africa and SACU Member States were part of the 25 countries in 2025 that finalised the necessary domestic legislation to trade preferentially under the agreement. On 20 October 2025 the AfCFTA Council of Ministers agreed on the outstanding automotive rules of origin for vehicles and automotive components as follows: "Manufacture in which the value of all the non-originating material used does not exceed 60% of the ex-works price of the product subject to review after 5 years". The rules are scheduled to be adopted at the next Ordinary Session of the African Union (AU) Summit in February 2026, after which automotive products will be able to formally start trading under the AfCFTA. Rules of origin are rules and regulations that determine the economic nationality of a product and specify the conditions that a product needs to fulfil to be considered as originating in the free trade area.

A Tripartite Free Trade Area (TFTA) Agreement that was launched in 2015 sought to improve the economic and social welfare of the SADC, the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) region by promoting regional economic growth and creating an enabling environment for regional trade. The three regional blocs collectively account for over 60% of the continent's GDP and have a combined population exceeding 800 million, with a collective GDP surpassing US\$1,88 trillion. Up to the end of 2025, of the 29 TFTA Member States, 23 had signed the TFTA, while 14 countries, including SACU countries, had ratified the TFTA Agreement, which was the minimum threshold number for the Agreement to enter into force on 25 July 2024. The EAC and SACU have been engaged in tariff negotiations under the TFTA, but no trade has taken place under the TFTA yet. The rules of origin for automobiles along with textiles and apparel still remain outstanding. The TFTA was initially recognised as one of the stages towards the establishment of the AfCFTA, however, the AfCFTA occurred at such a speed that it overtook any progress that had been made under the TFTA. However, the full implementation of the TFTA is expected to facilitate the development of regional infrastructure programmes, stimulate industrial development by creating value chains, and increase cross-border flows of investment.

North America

The United States-Mexico-Canada Agreement (USMCA) that came into force on 1 July 2020 is regarded as one of the most comprehensive and highest standard trade agreements ever negotiated. It updated, modernised, and rebalanced the North America Free Trade Agreement (NAFTA) which entered into force on 1 January 1994, to meet the challenges of the 21st-century economy. The USMCA is sometimes characterised as “NAFTA 2.0”, or “New NAFTA”, since it largely updates the provisions of its predecessor with respect to intellectual property and digital trade. The USMCA modernised the former NAFTA by creating more balanced, reciprocal trade, supporting high-paying jobs for Americans, and growing the North American economy. The USMCA includes upgraded rules of origin for vehicles and automotive parts that promote the reshoring of vehicle and parts production and incentivises new investments in the US automotive sector. By 2023, the agreement required 75% of passenger car and light truck components to be manufactured in an USMCA country, without being subjected to tariffs. It also included requirements that 40% to 45% of a vehicle's production value must be made by workers earning at least US\$16 per hour, and 70% of a vehicle manufacturer's steel and aluminium purchase value must originate in North America. The USMCA is scheduled for a joint review in July 2026. The review will allow the three countries to assess the agreement's operation, consider recommendations, and decide on any necessary actions. Any of the countries can choose not to renew the agreement at the review.

As far as African Growth and Opportunity Act (AGOA) is concerned, it has played a critical role in advancing economic development and strengthening US economic engagement in the region. In 2025, South Africa was one of 32 of the 49 sub-Saharan African countries designated as eligible countries in terms of AGOA. In Africa, those countries that qualify for the General System of Preferences (GSP) are also eligible for additional preferences under AGOA. AGOA, in combination with the GSP, allows African country participants to gain duty-free, quota-free access to the US market for 6 500 tariff lines, including the 3 500 products suitable for duty-free treatments from GSP beneficiaries and the additional 1 500 products eligible for Least Developed Countries. Notably, newly added “AGOA products” include items such as motor vehicles and selected automotive components. The duty rates in the US range from 2,5% on passenger cars to 25% on commercial vehicles. The rule of origin requirement is that 35% of the value added to the output should come from production activities in the country claiming AGOA preference. The 35% value-added can be met by including the production of raw materials from other AGOA beneficiaries.

The effective commencement date of the duty-free access provisions in terms of AGOA was 1 January 2001 to last until 30 September 2008, which was subsequently extended until 30 September 2015. In 2015, the programme was extended for a further 10 years to 30 September 2025 under the Trade Preferences Extension Act of 2015 that contained the AGOA Extension and Enhancement Act. As of February 2026,

the US Congress and President Trump have approved a one-year extension of the AGOA, valid until 31 December 2026, with retroactive effect to 30 September 2025. The short extension would allow the US time to review and modernise the programme to better align it with US economic interests. However, a Section 232 tariff of 25% that was implemented on 3 April 2025 on vehicles, and on automotive parts since 3 May 2025, superseded all trade arrangements in place, such as AGOA, and nullified the concession to the automotive industry in South Africa as the major beneficiary under AGOA. Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) authorises the US President to impose import restrictions (tariffs or quotas) if the Department of Commerce finds that specific imports threaten national security. As of 7 August 2025, the US also imposed a 30% reciprocal tariff on South African goods, following a “Liberation Day” tariff declaration on numerous countries. South Africa submitted a revised, more generous trade offer in August 2025 to mitigate economic impacts and seeking a mutually beneficial, negotiated settlement, also including vehicles. No agreement has been reached yet and negotiations in this regard will continue in 2026.

South America

South Africa, as part of SACU, enjoys a Preferential Trade Agreement (PTA) with Mercosur, an economic and political bloc comprising Argentina, Bolivia, Brazil, Paraguay, Uruguay and Venezuela, with Chile, Colombia, Ecuador, Guyana, Peru, and Suriname as associate members. Bolivia, previously an associate member of the trade bloc, became a full member of Mercosur on 8 July 2024. The associate members receive tariff reductions but do not enjoy full voting rights or complete access to the markets of Mercosur’s full members.

The PTA between Mercosur and SACU entered into force on 1 April 2016. The PTA was initially concluded in 2004 and was updated and signed in 2008. The PTA was the first trade agreement concluded by SACU as a single entity. This agreement was also the first with another developing region, giving meaning to the objectives of South-South co-operation. The PTA covers in the order of 1 000 tariff lines, offering preferential margins of between 10% and 100% on these tariff lines, but automotive products are currently excluded from the arrangement on both parties’ sides. However, the PTA creates a basis for further integration and co-operation, including possible further exchanges of tariff preferences, and possible co-operation in other areas.

India

SACU and India began a formal process of trade negotiations on a PTA in 2008. However, the proposed PTA has been dormant for some time, although updated trade data was exchanged, and there was an initiation to revive the process in 2020, with the realisation that the world has changed. A PTA does not substantially cover all trade but is confined to products (or tariff lines) of special interest to the respective parties. Automotive products also feature on the list of export interest, and it could potentially enhance export and investment opportunities in the domestic automotive industry. In April 2025, officials from India and Namibia (acting on behalf of SACU) met to discuss the way forward, focusing on revitalising the stalled PTA negotiations. The move signals renewed momentum behind the long-pending negotiations between India and SACU.

China

In June 2025, China announced that it will grant 100% duty-free market access for all African countries it has diplomatic relations with, subject to concluding and signing the China-Africa Economic Partnership Agreement (CAEPA) for Shared Development. In this regard, from 1 May 2026, China will eliminate all

import tariffs on goods from 53 African countries, excluding eSwatini, with which it maintains diplomatic relations, under its expanded tariff-free framework. China's tariff policy could support regional economic integration, particularly when aligned with intra-African trade frameworks like the AfCFTA.

On 6 February 2026, South African and China signed a non-binding Framework Agreement on Economic Partnership for Shared Prosperity, reflecting political intent. China then proposed negotiating a limited Early Harvest Arrangement focused primarily on tariff concessions and rules of origin. The proposed Early Harvest Arrangement is aimed at unlocking immediate duty-free market access, as a precursor to negotiating the broader modules. The Framework establishes four potential modules for future negotiation, should South Africa elect to pursue any of them:

- Trade in goods and services – Tariff liberalisation and trade facilitation.
- Inclusive development – Sustainable development, energy co-operation, women and youth empowerment, and SME development.
- Resilient supply chains – Infrastructure co-operation, investment facilitation, and mineral beneficiation.
- Modern economy – Intellectual property, the digital economy, and competition policy.

As this agreement is a framework, South Africa will pursue working with China in a friendly, pragmatic, and flexible manner, while ensuring consistency with WTO principles, and the development objectives of both sides, with a view to providing a stable and predictable environment for economic co-operation and win-win outcomes. Both sides intend to further expand bilateral trade, including by promoting the export of South African agricultural products and high-value manufactured goods to China. As such, China has been South Africa's top trading partner since 2010. In 2025, the automotive trade balance was heavily skewed in favour of China to the extent of 88,2 to1 and the domestic automotive industry will carefully monitor unfolding developments as far as the agreement is concerned.

The information and tables on the following pages reveal the South African automotive industry's trade patterns with major trading blocs, including the EU, Africa, SADC, the USMCA bloc and Mercosur.

**China has been
South Africa's
top trading partner
since 2010.**

European Union (EU)

South African automotive exports to the European Union (EU) as a bloc, including the UK, to facilitate historical comparisons, continued to demonstrate strong growth, reflecting the region's strategic importance as the domestic automotive industry's top export region. The regional bloc accounted for R182,8 billion, or 62,8%, of the total automotive export value of R291,0 billion in 2025. Light vehicles remained the dominant export category, with four out of every five vehicles exported in 2025 destined for the region, along with 36,5% of the total automotive component export value. The light vehicle export trend underscores South Africa's role as a global production hub for OEMs supplying the EU and the UK. This deep, multi-faceted relationship of preferential trade, economic co-operation and development assistance have been made possible by long-standing trade agreements with the EU and the UK, reinforced by a separate free trade agreement with the European Free Trade Association (EFTA).

According to the International Organisation of Motor Vehicle Manufacturers (OICA), vehicle production in the EU, including the UK, decreased by 1,2% from 14,4 million units in 2024 to 14,2 million units in 2025, which remained 19,6% below the pre-pandemic level of 17,7 million units in 2019. The region's global market share of vehicle production decreased to 14,8% in 2025, from 15,5% in 2024. Germany, with vehicle production of 4,1 million units, led the region's production, followed by Spain with 2,3 million units. UK vehicle production at 764 715 units in 2025 continued to decrease as the industry faced structural changes, new US import tariffs and high energy costs that negatively impacted vehicle production.

New vehicle sales in the EU increased by 0,7% from 15,4 million units in 2024 to 15,5 million units in 2025, which was still 15,8% below the pre-pandemic level of 18,4 million units in 2019. Sales in Germany, the largest market for new vehicles in the region, increased by 0,5% year-on-year in 2025. UK new vehicle sales increased year-on-year by 1,3% in 2025 while passenger car sales surpassed 2 million units for the first time since the pandemic, largely driven by EV sales and a rapid rise in Chinese imported brands. EV sales reached a 17,4% market share in the EU, up from 13,6% in 2024 as Chinese OEMs more than doubled their volumes in 2025, while European brands were electrifying core models to meet stricter CO₂ targets. Germany, France, the Netherlands and Belgium accounted for 62% of the total EV sales. Hybrids sales rose to a 34,5% market share, and plug-in hybrids to a 9,4% market share. The UK emerged as the second-largest BEV market in Europe, trailing only Germany, with the UK's market share growing from 19,6% in 2024 to 23,4% in 2025, outpacing the broader EU's 2025 average BEV market share of 17,4%. Incentives remained key in stimulating EV sales. The UK, in July 2025, reintroduced grants of as much as £3 750 to support EV purchases, three years after the previous government ended subsidies for private buyers. The following tables reveal the EU's vehicle production and sales for 2024 and 2025, as well as the vehicle production and sales for the top five vehicle production countries in the region.

EU and UK vehicle production and sales – 2024 to 2025

	2024	2025	% change 2025/2024
Vehicle production	14 409 947	14 239 513	(1,2%)
Vehicle sales	15 400 823	15 512 850	+0,7%

Source: OICA



Vehicle production and sales – top EU countries – 2024 to 2025

Country	Vehicle production		Vehicle sales	
	2024	2025	2024	2025
Germany	4 069 222	4 148 836	3 192 031	3 207 713
Spain	2 377 091	2 274 026	1 219 276	1 369 095
France	1 357 701	1 463 991	2 155 060	2 042 788
Czech Republic	1 458 892	1 452 776	263 864	278 981
Slovak Republic	993 000	1 070 000	106 134	104 813

Source: OICA

Overall, 2025 was a transformational year for the EU automotive industry. OEMs remained under growing pressure to balance emissions compliance, rising production costs, and the need to scale battery electric output, considering that they faced near-total dependency on Asian EV batteries, all while managing structural market challenges. These challenges included fierce competition from Chinese vehicle imports, excess production capacity, difficulties in profitably meeting regional regulations for EV adoption, as well as higher US import tariffs linked to the US Section 232 tariff of 25% imposed on vehicles and component imports into the US in 2025. However, the US-UK Economic Prosperity Deal, effective from 16 June 2025, introduced a 100 000 quota for UK manufactured car exports to the US, with reduced tariffs at a rate of 10%, along with accompanying automotive components. The US trade deal with the EU, effective on 1 August 2025, involved limiting the Section 232 tariffs on EU manufactured cars and accompanying components to the US to 15%.

In May 2025, the Council of the European Union approved a revision allowing OEMs to meet CO₂ fleet-emission targets over a three-year averaging period (2025–2027), instead of on a strict annual basis. This flexibility assists OEMs to avoid immediate, heavy fines for 2025 and 2026 if they miss annual targets, provided they balance them by over-performing in subsequent years. The European Commission also announced a plan to abandon an effective 2035 ban on internal combustion engine (ICE) cars after pressure from the region's automotive sector, marking the bloc's biggest retreat from its green policies in recent years. The regulation that all new vehicles from 2035 should have zero emissions was adopted in March 2023 when the outlook for battery electric vehicles was brighter. The Commission, however, has relaxed its planned 2035 phase-out of new ICE vehicles, shifting from a 100% zero-emission target to a 90% CO₂ emissions reduction for new cars. The Automotive Package presented by the European Commission in December 2025 marks a structural shift in how the EU intends to balance climate targets, industrial competitiveness, and technological neutrality in the region's automotive sector.

The new framework directly impacts the trajectory of electrification, the volume and profile of future EV platforms, and the role of hybrid and combustion-based architectures beyond 2035. This pragmatic shift therefore recognises multiple variable pathways to the transition to EVs. This flexibility is part of a broader policy package aimed at strengthening the EU's car sector, and includes major investments into battery supply chains, raw material sourcing and public charging-station rollout, signalling a push to anchor the EV supply chain inside Europe. The transition to clean mobility remains a priority, but the revised approach offers greater flexibility to the region's automotive industry. However, more space is opened for hybridisation, range extenders and alternative fuels, but the main regulatory and financial measures continue to favour growth in EV applications across passenger cars and light commercial vehicles. In another development, the EU also plans to expand its Carbon Border Adjustment Mechanism (CBAM), moving beyond raw materials to include downstream manufactured goods from 2028 onwards, including car parts and downstream steel- and aluminium-intensive products.

South African automotive exports to the European Free Trade Association (EFTA) continued the significant downward trend over recent years, and decreased to R22,3 million in 2025, down from R65,2 million in 2024.

Norway remained the undisputed global leader in EV adoption, with 95,9% of new car sales in 2025 being electric. The government mandated that all new cars sold should be zero-emission by 2025, 10 years ahead of the 2035 goal set by the EU. This rapid transition to EVs is driven by long-term and predictable policies and decades of incentives, including VAT and tax exemptions, and extensive public charging infrastructure.

The following table reveals that total automotive exports (vehicles and components) to the EU and the UK amounted to R182,8 billion in 2025, increasing by R26,1 billion, or 16,7%, from the R156,7 billion export value in 2024. Exports in Euro terms increased by 14,5% year-on-year in 2025, reflecting an increase in real terms. Vehicle exports to the EU and the UK increased in volume terms by 12,5%, from the 295 762 units exported in 2024 to 332 695 units exported in 2025, and in value terms increased by R28,64 billion, or 21,7%, from R131,85 billion in 2024 to R160,49 billion in 2025. Automotive component exports decreased by R2,47 billion, or 10,0%, from R24,81 billion in 2024 to R22,34 billion in 2025, mainly due to the continuous decline in catalytic converter exports to the region. Exports to the 13 member countries, forming part of the expanded EU, comprised R3,8 billion, or 2,1% of the R182,8 billion export value in 2025, compared to the R5,7 billion export value in 2024.

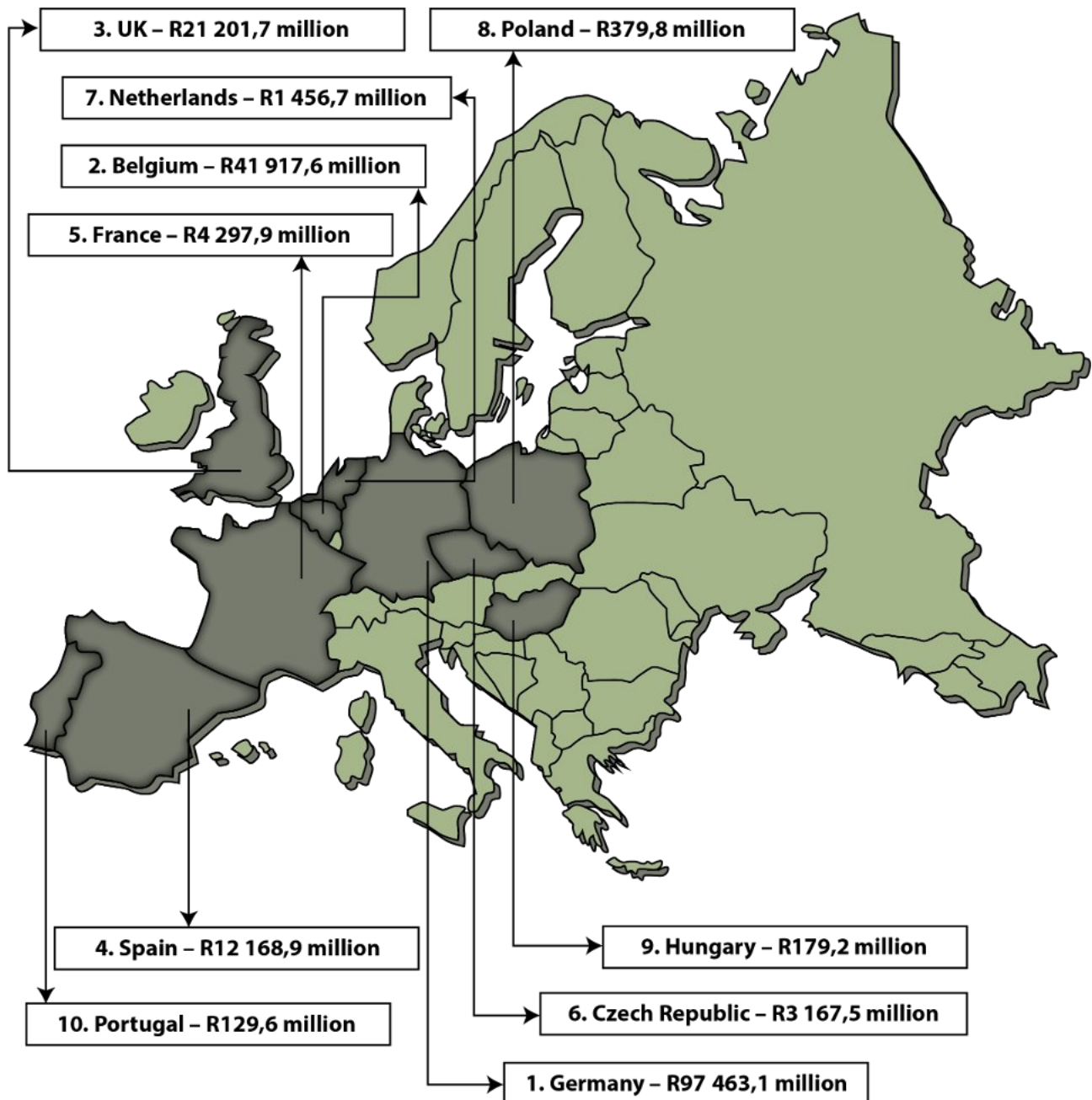
**Vehicle exports to the EU
and the UK increased in
volume terms by 12,5%,
from the 295 762 units
exported in 2024
to 332 695 units
exported in 2025.**

Exports to the EU by product category – 2021 to 2025

Component	2021	2022	2023	2024	2025
Total (R million)	124 749,5	133 229,7	147 105,3	156 680,4	182 833,7
Total (average Euro million)	7 136,7	7 746,0	7 373,7	7 910,2	9 060,1
Air conditioners	1,3	4,1	0,5	3,5	2,7
Alarm systems	7,1	2,5	5,5	43,7	45,6
Automotive glass	438,3	450,8	328,0	666,0	506,6
Automotive tooling	205,6	179,0	153,8	122,6	454,3
Axles	443,0	413,1	695,9	620,0	340,1
Batteries	46,9	48,6	7,1	72,4	67,3
Body parts / panels	102,5	122,8	228,2	239,2	216,4
Brake parts	22,1	16,0	20,7	32,3	42,1
Car radios	0,2	0,4	0,1	0,4	0,3
Catalytic converters	25 372,8	22 932,3	18 828,3	14 071,9	12 459,5
Clutches / shaft couplings	405,6	333,5	428,9	531,3	599,5
Engines	156,1	49,5	141,6	331,1	203,0
Engine parts	1 616,1	1 773,1	2 073,7	2 654,5	2 533,0
Filters	229,2	135,4	168,9	167,9	159,0
Gaskets	37,3	17,7	10,6	42,6	49,8
Gauges / instruments / parts	23,8	18,0	35,6	42,5	21,5
Gear boxes	22,3	23,3	19,2	29,1	33,0
Ignition / starting equipment	20,5	26,5	23,6	15,6	22,6
Jacks	0,9	0,2	0,3	1,0	0,6
Lighting equipment / parts	92,5	111,3	86,7	182,7	144,7
Radiators / parts	716,1	707,2	763,8	100,0	101,8
Road wheels / parts	41,5	46,4	34,3	58,2	72,6
Seats	4,3	4,5	4,5	4,9	4,4
Seat belts	1,2	0,9	3,3	2,0	2,5
Shock absorbers / suspension parts	278,8	217,8	220,2	506,9	130,2
Silencers / exhausts	188,7	186,3	300,4	348,5	257,6
Springs	25,6	24,4	15,6	24,3	40,9
Steering wheels / columns / boxes	13,6	71,0	22,5	21,2	17,7
Stitched leather seats / parts	23,7	48,5	20,6	131,8	131,1
Transmission shafts / cranks	141,6	198,3	142,9	256,5	274,6
Tyres	953,7	1 167,0	936,6	1 257,2	1 285,1
Wiring harnesses	30,4	42,2	72,9	72,1	99,4
Other parts	2 660,0	2 528,1	2 763,6	2 157,9	2 018,3
Light vehicles	90 396,0	101 317,8	118 546,0	131 853,3	160 494,4
Medium / Heavy vehicles	30,2	11,2	0,9	15,3	1,5

Source: AIEC, **naamsa**, SARS

Top export destinations in the EU with export values – 2025 (R million)



Source: **naamsa**, SARS

Africa

In 2025, Africa comprised the domestic automotive industry's second-largest export region, accounting for R49,5 billion, or 17,0% of the total automotive exports of R291,0 billion, reflecting South Africa's prominent role as a regional automotive hub, supporting industrialisation and economic development across African markets. The automotive export value to the continent increased by 2,8%, up from R48,1 billion in 2024 to a record R49,5 billion in 2025. As the world's second-largest continent, with a GDP of about US\$2,82 trillion and a population of 1,57 billion in 2025, the latter offering scale matched by few global markets, Africa remains a priority focus for the South African automotive industry. According to the IMF, sub-Saharan Africa's economic growth rate is expected to accelerate from 4,1% in 2025 to 4,6% in 2026, with East Africa expected to grow by 5,8%, West Africa by 4,4%, North Africa by 4,1%, Central Africa by 3% and Southern Africa by 2%. Africa's role in global trade is changing as the continent is now becoming a co-architect of a more equitable, sustainable and resilient global trading system. The continent stands on the brink of a transformative future, driven by its vast natural resources, dynamic population growth, economic diversification, and the unprecedented opportunities presented by the African Continental Free Trade Area (AfCFTA). For the South African automotive industry, new markets on the African continent offer an attractive prospect.

Vehicle production in Africa decreased by 0,3%, from 1 233 116 units in 2024 to 1 229 032 units in 2025. The continent's market share comprised 1,3% of global vehicle production in 2025. South Africa, with production of 618 077 units, accounted for 50,3% of Africa's total vehicle production, while Morocco, with the production of 501 965 units, accounted for 40,8% of the total. However, Morocco's passenger car production of 493 004 units in 2025 exceeded South Africa's passenger car production of 329 600 units, continuing its continental dominance in this segment since 2019. Morocco's vehicle production activity has surged due to extensive government support for electric vehicles, including tax incentives for OEMs and subsidies for consumers. Several other African countries have also implemented EV tax incentives and rebates, including Tanzania, Kenya, Uganda, Zambia, and Benin.

New vehicle sales in Africa increased by 22,0% from 1,05 million units in 2024 to 1,29 million units in 2025. In South Africa, the continent's dominant market, new vehicle sales increased year-on-year by 15,7% in 2025, followed by Morocco reflecting a 33,4% year-on-year increase to a record-breaking 235 372 units, while Egypt showed a substantial 69,1% year-on-year increase. Morocco's 2025 sales performance could be attributed to a rebound in consumer demand, the swift expansion of hybrid and EV adoption, and an unparalleled wave of entry by Chinese OEMs to increase the country's offering to 17 brands in 2025. Egypt new vehicle sales benefitted from a reduction in new vehicle prices of up to 15% during the first half of the year as well as a surge of 93,8% year-on-year in Chinese imports in 2025. The following tables reveal Africa's vehicle production and sales for 2024 and 2025, as well as the vehicle production and sales for the top two countries in Africa for 2024 and 2025.

African vehicle production and new vehicle sales – 2024 to 2025

	2024	2025	% change 2025/2024
Vehicle production	1 233 116	1 229 032	(0,3%)
Vehicle sales	1 053 734	1 285 408	+22,0%

Source: OICA



Vehicle production and sales – top African countries – 2024 to 2025

Country	Vehicle production		Vehicle sales	
	2024	2025	2024	2025
South Africa	600 473	618 077	516 103	597 338
Morocco	559 645	501 965	176 401	235 372

Source: OICA

The African automotive market currently finds itself at a transformative inflection point. At present, the traditional used vehicle import dominance is increasingly yielding to domestic manufacturing capabilities and regional integration initiatives. Market participants have been embracing Chinese technology transfer, African mineral advantages, and continental market access to capture substantial growth opportunities. Rising EV demand, automotive manufacturing expanding beyond traditional hubs, shifting competitive dynamics, and infrastructure investment suggest the continent is gradually embracing a transition toward modern, diversified and more sustainable mobility.

Africa presents a unique ecosystem of rapid urban development, technological leapfrogging, and supportive governmental policies that create an ideal environment for forward-thinking international businesses. Across Africa, governments are becoming key drivers of the electric mobility revolution. Progressive policies promoting clean energy, green infrastructure, and sustainable investment are transforming national transport systems. Countries are realising that EVs can reduce emissions, create jobs, and strengthen long-term economic stability. Africa's increasing shift from import dependency to domestic production is not just an economic imperative, it is a job creation and climate game changer. Sub-Saharan Africa is projected to see a near 30% increase in vehicle demand by 2030, driven by rising incomes, urbanisation, and intra-African trade. Yet, despite being home to nearly a fifth of the world's population, the region still accounts for just over 1% of global new vehicle sales, as dumped imported used vehicles still comprised up to 85% of total vehicle sales.

The shift towards new-energy vehicles offer space for the creation of new regional value chains. A fully developed critical minerals beneficiation strategy, and the more active roll-out of the AfCFTA can open up regional export markets. Sub-Saharan Africa holds nearly 30% of known global reserves of the critical minerals that are essential for the manufacture of low-carbon technologies. The AfCFTA, as a policy tool, seeks to promote the economic integration, industrialisation, infrastructure development and sustainable economic development of the continent at large, and aims to foster the development of regional value chains by pursuing free trade in goods and services. The competitiveness and productivity gains associated with economies of scale under the AfCFTA should entice global corporations to establish Africa-based enterprises that convert the continent's natural resources into manufactured products. The AfCFTA marks a fundamental change in Africa's economic path, with effects that will go far beyond tariff policies and trade rules.

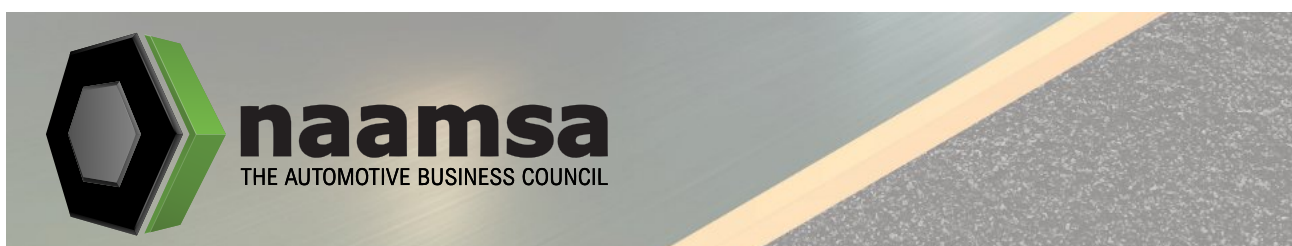
Currently, Africa's share of global manufacturing output remains less than 2%, but the continent holds enormous untapped potential. The manufacturing sector accounts for over US\$500 billion annually in Africa's GDP, with the potential to double by 2030 as industrialisation gains traction. Manufacturing is, therefore, increasingly seen as a key to addressing Africa's economic diversification needs, reducing dependence on raw materials and commodities, and positioning the continent as a global production centre. Furthermore, infrastructure projects would not only drive demand for domestically produced materials but also enhance the logistics, energy reliability, and connectivity required for manufacturers to scale competitively. The expansion of Africa's manufacturing sector is not merely a desirable goal for the continent, but an essential foundation and driving force in the continent's economic transformation, job creation and long-term prosperity.

Currently, the automotive industry is one of Africa's fastest-growing sectors, with major investments from global automotive brands. However, the development of value chains is essential for the growth of the automotive industry on the continent. Building regional value chains would unlock vast opportunities regionally, and this would change the continent's entire geopolitical positioning as an automotive industry within the global value chain. In this regard, the independent African Association of Automotive Manufacturers (AAAM), founded in November 2015, was established as the only African entity that focuses on expanding and deepening the automotive industry across the continent. The AAAM has a presence across the continent, with offices in Ghana supporting west Africa; in Tunisia, with a focus on growth in north Africa; and in South Africa, with the office overseeing initiatives in east and southern Africa. Smart, coherent and co-ordinated industrial policies are needed across African countries, and, to that extent, a pan-African industrialisation pact or Auto Pact would serve a purpose. Ivory Coast, Ghana, Kenya, Nigeria, Egypt and Algeria, amongst others, are all working on rolling out their automotive policies. Despite the various challenges, immense opportunities are available and with co-ordinated action, Africa could potentially manufacture between 3,5 million and five million vehicles a year by 2035, thereby creating jobs for the youth, strengthening domestic supply chains, and ensuring that the benefits of industrialisation are shared across the continent.

The outstanding rules of origin (RoO) for automotive products, which apply to customs codes 8701 to 8716, were initially agreed upon by ministers at the AfCFTA Council of Ministers meeting in Cairo in September 2025 to be formally adopted in February 2026. This will pave the way for duty-free trade in vehicles and automotive components across member states and represents a major step forward for industrialisation on the continent. Under the framework, vehicles and components must contain at least 40% local content to qualify for preferential trade terms under the AfCFTA. This means that up to 60% of materials may be sourced from outside the continent without affecting the product's eligibility to be traded as "Made in Africa", and this will be the first time an automotive harmonised rule exists. The adoption of the RoO will represent a critical milestone toward establishing a pan African automotive ecosystem, driving localisation, enhancing investment and enabling African consumers to access more affordable vehicles built by Africans for Africa. The arrangement includes a review clause after five years and is intended as an interim measure to encourage domestic vehicle and component manufacturing and value addition.

The following table reveals South African automotive exports to the African continent. Annual comparisons should note that the 2022 to 2025 total automotive export data to Africa provides two comparisons: one comparison excludes exports to Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia (BELN) countries), in line with the revised publishing format of South African trade data provided by SARS, and the other comparison includes exports to BELN countries to facilitate historical comparisons. Although SACU is a customs union allowing for the free movement of goods between member states, South Africa's trade with the BELN countries is regarded as imports and exports for statistical purposes only.

Total automotive exports to Africa, excluding BELN country data, increased by R2,02 billion, or 7,4%, from R27,35 billion in 2024 to R29,37 billion in 2025, while total automotive exports, including BELN country data, increased by R1,35 billion, or 2,8%, from R48,11 billion in 2024 to R49,46 billion in 2025. Vehicle exports to African countries increased from 26 200 units in 2024 to 35 731 units in 2025, while the export value increased year-on-year by R0,87 billion, or 3,3% in 2025. Automotive component exports to the continent increased by 2,3%, from R21,51 billion in 2024 to R22,0 billion in 2025.



Exports to Africa by product category – 2022 to 2025

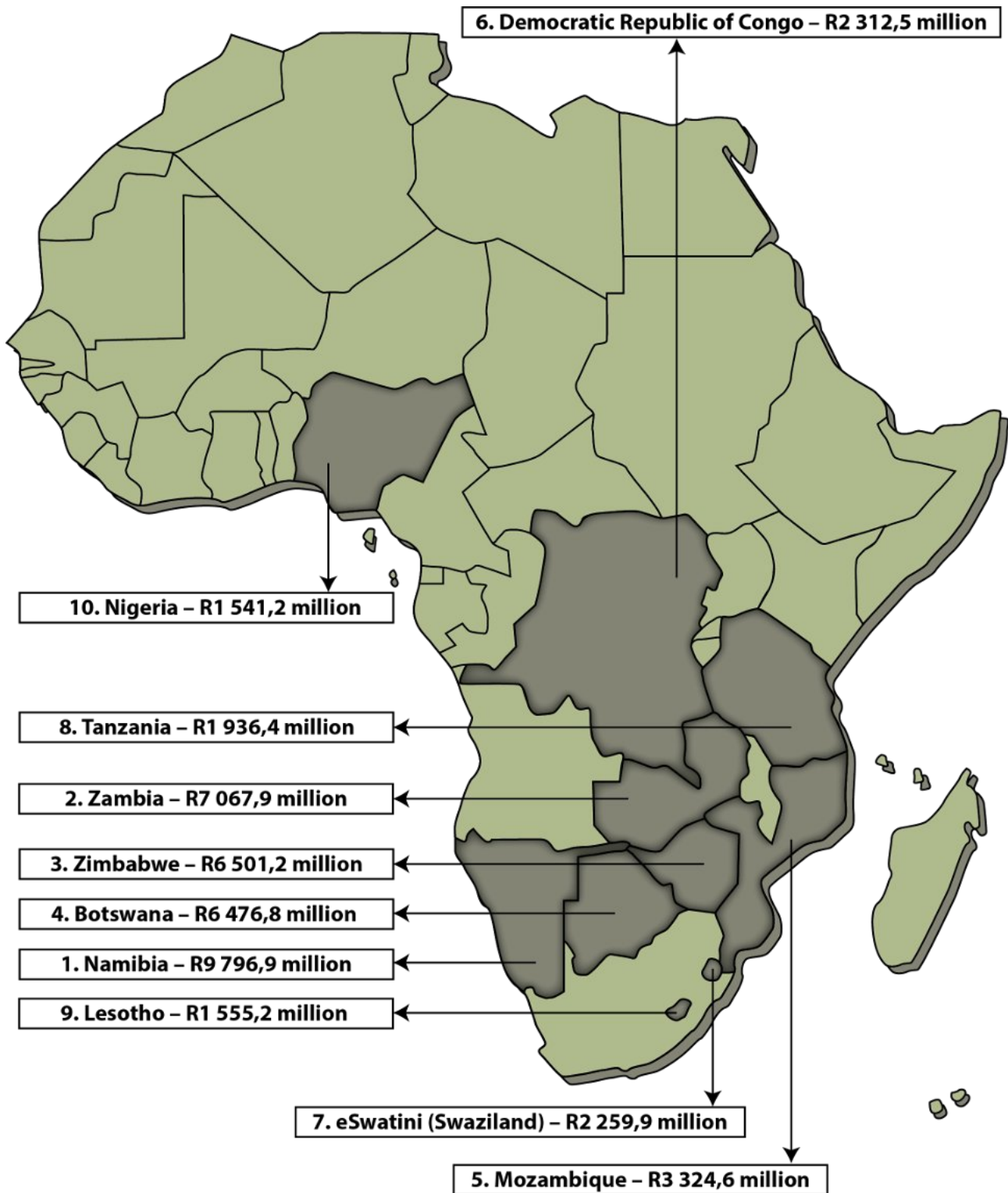
Component	2022*	2023*	2024*	2025*	2022**	2023**	2024**	2025**
Total (R million) Including BELN country data					34 901,9**	42 757,2**	48 109,8**	49 462,4**
Total (R million) Excluding BELN country data	20 558,3*	25 532,1*	27 349,8*	29 373,8*				
Air conditioners	15,8	27,3	20,9	22,2	37,5	53,2	50,5	43,7
Alarm systems	59,1	86,2	134,2	187,1	88,0	117,0	195,3	277,2
Automotive glass	22,9	30,9	27,7	35,2	88,6	110,7	121,5	126,2
Automotive tooling	297,3	301,1	282,1	326,2	464,4	450,8	399,2	443,1
Axles	100,2	102,5	119,0	251,6	138,4	147,0	255,8	424,0
Batteries	262,0	314,3	328,4	328,8	447,3	487,0	529,7	613,5
Body parts / panels	69,0	179,1	124,7	166,5	163,7	307,3	254,5	323,8
Brake parts	119,9	153,2	211,0	242,1	253,6	304,0	547,2	590,4
Car radios	10,6	25,5	3,9	2,5	23,1	33,6	18,2	14,4
Catalytic converters	125,9	222,5	138,8	165,4	180,3	290,0	221,9	240,4
Clutches / shaft couplings	83,5	68,0	165,5	211,7	184,0	167,4	347,7	402,1
Engines	485,4	477,3	1 130,8	1 177,6	569,5	641,4	1 656,2	1 735,9
Engine parts	686,7	664,2	920,9	555,3	1 077,4	1 062,3	1 499,1	995,1
Filters	247,0	244,3	269,8	325,2	430,1	408,4	508,6	577,4
Gaskets	131,4	126,5	133,3	133,7	180,0	177,4	213,1	211,9
Gauges / instruments / parts	432,6	496,8	431,1	350,0	576,2	660,8	684,4	553,1
Gear boxes	131,8	133,0	109,2	182,8	252,4	225,6	231,2	286,8
Ignition / starting equipment	113,5	118,4	163,6	160,4	258,4	276,0	390,2	398,4
Jacks	31,5	24,4	24,8	20,6	56,0	37,9	38,8	33,9
Lighting equipment / parts	91,7	83,7	183,2	178,3	185,0	187,0	424,4	426,6
Radiators / parts	58,1	43,5	49,8	63,9	113,3	106,5	136,5	150,3
Road wheels / parts	48,5	37,1	37,3	61,9	83,7	68,7	85,0	113,3
Seats	19,1	23,3	3,3	27,8	30,7	34,2	10,2	48,6
Seat belts	5,0	4,0	18,8	5,0	8,7	8,4	40,7	12,8
Shock absorbers / suspension parts	79,9	86,2	144,8	190,7	157,9	174,1	358,9	425,6
Silencers / exhausts	12,5	10,0	11,5	14,5	22,7	23,7	33,9	38,3
Springs	31,0	69,4	52,1	40,5	43,4	89,9	72,2	62,7
Steering wheels / columns / boxes	22,8	19,9	39,9	50,9	59,1	56,8	112,5	131,2
Stitched leather seats / parts	14,6	20,8	28,3	27,5	26,3	38,3	62,1	62,3
Transmission shafts / cranks	769,4	858,4	1 140,0	1 261,9	962,5	1 103,3	1 606,7	1 767,1
Tyres	819,4	828,0	642,1	626,8	1 494,0	1 580,8	1 382,7	1 290,0
Wiring harnesses	27,5	31,9	31,4	40,4	66,8	67,3	68,9	79,2
Other parts	4 626,9	4 690,6	4 872,4	4 818,1	7 864,1	7 764,8	8 952,2	9 097,2
Light vehicles	8 762,1	12 525,9	12 810,7	14 722,0	15 649,3	21 625,8	21 389,2	22 204,5
Medium / Heavy vehicles	1 743,7	2 403,9	2 544,5	2 398,7	2 665,5	3 869,8	5 210,6	5 261,4

Source: AIEC, **naamsa**, SARS

*Comparison excluding BELN (Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia) country exports

**Comparison including BELN (Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia) country exports

Top export destinations in Africa with export values – 2025 (R million)



Source: **naamsa**, SARS

Southern African Development Community (SADC)

With regional market development as one of the six key pillars under the SAAM 2035, South Africa's neighbouring countries play a significant role in the domestic automotive industry's exports to Africa. The Southern African Development Community (SADC) stands out as both a growing market and also a key destination for the domestic automotive industry. Automotive exports to SADC comprised R42,1 billion, or 85,1%, of South Africa's total export value of R49,5 billion to the African continent in 2025.

The export value of vehicles and automotive components to 10 of the 15 countries within SADC exceeded the R1 billion level in 2025. SADC countries have consistently featured as top destinations for the domestic automotive industry's exports over the past three decades, mainly due to the close proximity, relatively easy access by road and rail, and free trade, subject to rules of origin. Once a vehicle is exported, it also creates opportunities for servicing, replacement part exports, and adequately trained technicians in the destination countries, enhancing opportunities for cross-border value chain participation.

Regional market development offers several benefits, including increased market size, greater access to goods and services, economies of scale, reduced trade barriers, a fostering of regional co-operation, and shared resources. South Africa's participation in the SADC allowed access to a market of about 417 million people, and an estimated regional GDP of US\$829 billion in 2025. The combination of a free trade area, renewed focus on localisation, NEV transition, and supportive policy reforms create genuine opportunities for expanding exports and deepening regional industrial integration. Regional integration can significantly enhance manufacturing and economic development by expanding markets, fostering specialisation, and promoting innovation.

South Africa's policy emphasis at present is not just on exporting vehicles but also in promoting localisation of battery-grade minerals and components for NEVs, thereby tapping Africa's mineral resources, a move that could reshape regional supply-chains. The world's most resilient supply chains are built on regional co-operation and shared capability. Regional trade efficiency remains foundational to industrialisation. However, the SADC region operates within a complex trade landscape that is shaped by a combination of resource-based economies, emerging manufacturing hubs, and persistent structural challenges. South Africa remains the region's industrial and commercial anchor and plays a distinctive dual role: it exports processed goods, including vehicles, machinery, and food products, to neighbouring markets, while importing raw and semi-processed inputs such as fuels, ores, and metals. This dynamic both supports regional industrial linkages and highlights structural asymmetries in productive capacity. For smaller economies, integration into South Africa's manufacturing value chains offers a pragmatic route to industrial upgrading, though it also underscores the need for policies that promote balanced industrial development across the region. Increased regional value chain integration could support industrial linkages and higher value addition.

The automotive industry represents one of the most sophisticated and integrated manufacturing ecosystems, offering extensive upstream and downstream linkages across metals, chemicals, rubber, glass, and electronics. It is a leading source of industrial employment, technological upgrading, and regional supplier development. Several SADC countries are already participating, or could potentially participate, in automotive component manufacturing, from metal pressings to leather upholstery, assembly partnerships, or the supply of raw materials that are critical for vehicle production such as aluminium, copper, and platinum group metals. The automotive sector is a regional priority under the SADC Industrialisation Strategy and Roadmap (2015–2063), which identifies vehicles and automotive components as a catalytic

industry capable of stimulating value addition and industrial diversification. Emerging opportunities reinforce this relevance as global and African automotive markets are undergoing a rapid technological transition toward electric and hybrid vehicles, with growing demand for critical inputs such as copper, cobalt, lithium, and aluminium, all abundant in the SADC region.

South Africa is well positioned to participate in the global green supply chain through the domestic mining, refining, and beneficiation of critical minerals, and to play a vital role reshaping the SADC region’s stance in the global EV battery minerals value chain. South Africa’s sophisticated automotive industry, with its well-developed supply chains, automotive supplier parks, and special economic zones, can contribute significantly to the growth of the EV battery market. By leveraging these resources and existing industrial expertise in South Africa, the region could position itself as a continental leader in sustainable mobility, supported by the EU’s Global Gateway and Green Deal investment priorities, amongst others.

The following table reveals South Africa’s automotive exports to the SADC region. Similar to Africa’s exports, two comparisons are provided to facilitate historical comparisons. Total automotive exports to the SADC, excluding BELN country data, increased by R1,17 million, or 5,6%, from R20,82 billion in 2024 to R21,99 billion in 2025. Total automotive exports, including BELN country data, increased by R0,5 billion, or 1,2%, from R41,58 billion in 2024 to R42,08 billion in 2025. The increase could mainly be attributed to a year-on-year increase in the value of various aftermarket parts exports to SADC countries.

**By leveraging these
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Exports to SADC by product category – 2022 to 2025

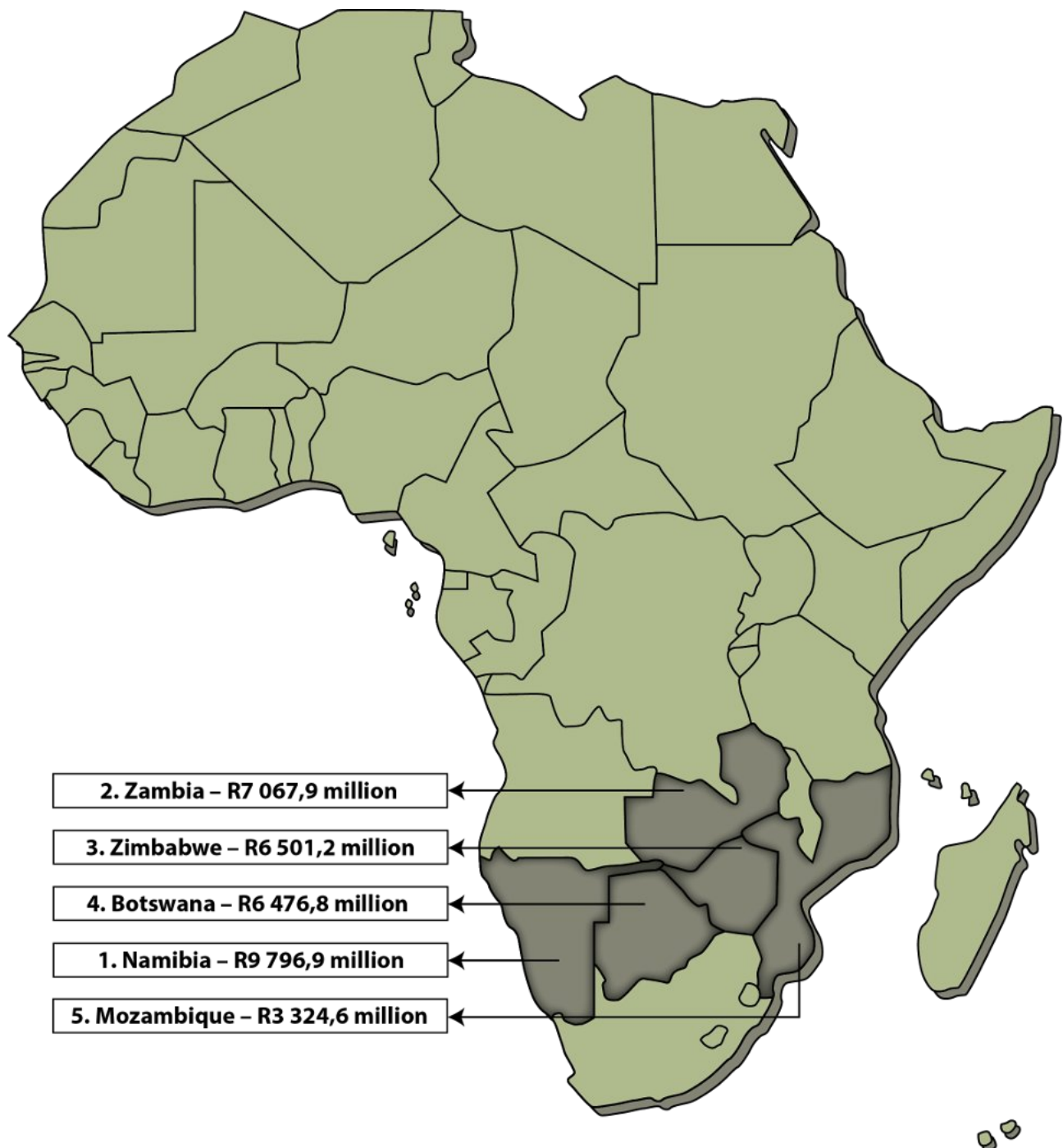
Component	2022*	2023*	2024*	2025*	2022**	2023**	2024**	2025**
Total (R million) Including BELN country data					30 083,5**	37 929,1**	41 576,9**	42 076,2**
Total (R million) Excluding BELN country data	15 740,0*	20 704,0*	20 817,4*	21 987,7				
Air conditioners	13,4	24,7	13,3	20,2	35,2	50,6	42,9	41,8
Alarm systems	49,1	66,9	98,7	108,2	77,9	97,7	159,9	198,2
Automotive glass	18,3	26,4	21,2	28,4	84,0	106,2	115,0	119,4
Automotive tooling	225,8	255,8	221,8	195,6	392,8	405,5	338,9	312,5
Axles	91,4	95,9	98,3	197,0	129,7	140,4	235,0	369,3
Batteries	259,7	311,4	322,9	320,5	445,0	484,1	524,2	605,2
Body parts / panels	57,3	164,9	109,5	154,2	152,0	293,0	239,2	311,5
Brake parts	106,0	140,0	183,0	213,9	239,7	290,8	519,2	562,1
Car radios	8,3	14,4	3,5	2,1	20,8	22,5	17,8	14,0
Catalytic converters	109,0	186,9	118,2	139,3	163,5	254,3	201,3	214,3
Clutches / shaft couplings	75,6	60,9	139,9	183,5	176,1	160,4	322,2	374,0
Engines	475,1	448,5	1 034,4	1 114,0	559,2	612,6	1 559,8	1 672,3
Engine parts	574,6	557,5	792,8	431,7	965,3	955,5	1 371,0	871,5
Filters	219,6	219,6	241,9	286,2	402,7	383,8	480,7	538,3
Gaskets	116,2	116,2	114,0	111,4	164,7	167,1	193,8	189,6
Gauges / instruments / parts	351,8	422,9	332,7	277,3	495,5	586,9	586,0	480,4
Gear boxes	115,0	113,9	93,3	167,8	235,5	206,6	215,3	271,9
Ignition / starting equipment	104,7	109,0	127,1	136,6	249,6	266,6	353,7	374,6
Jacks	27,3	20,8	23,2	19,1	51,7	34,3	37,2	32,3
Lighting equipment / parts	77,0	71,7	134,0	140,8	170,3	175,0	375,1	389,2
Radiators / parts	52,3	39,3	43,8	59,0	107,4	102,3	130,5	145,4
Road wheels / parts	44,8	35,9	25,8	55,2	80,0	67,5	73,4	106,6
Seats	17,6	22,6	17,8	24,7	29,2	33,6	39,7	45,5
Seat belts	4,5	3,5	2,7	4,5	8,2	7,9	9,5	12,3
Shock absorbers / suspension parts	76,2	80,7	128,7	169,4	154,2	168,6	342,7	404,4
Silencers / exhausts	11,9	9,4	9,4	12,5	22,1	23,1	31,8	36,3
Springs	29,0	66,3	49,8	38,8	41,4	86,8	70,0	61,0
Steering wheels / columns / boxes	20,9	16,6	31,3	41,0	57,2	53,4	103,9	121,2
Stitched leather seats / parts	10,2	14,8	13,2	22,4	21,9	32,4	47,0	57,2
Transmission shafts / cranks	672,8	742,4	971,7	1 071,5	865,9	987,3	1 438,5	1 576,7
Tyres	661,1	702,0	478,2	490,2	1 335,7	1 454,7	1 218,7	1 153,4
Wiring harnesses	24,0	28,8	26,2	31,8	63,3	64,2	63,7	70,6
Other parts	3 886,8	4 050,3	3 762,2	4 058,1	7 124,0	7 124,6	7 841,9	8 337,2
Light vehicles	5 426,6	9 082,0	8 556,4	9 347,2	12 313,8	18 181,9	17 134,8	16 829,7
Medium / Heavy vehicles	1 726,1	2 381,1	2 476,5	2 313,6	2 648,0	3 846,9	5 142,6	5 176,3

Source: AIEC, **naamsa**, SARS

*Comparison excluding BELN (Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia) country exports

**Comparison including BELN (Botswana, eSwatini (formerly Swaziland), Lesotho and Namibia) country exports

Top export destinations in SADC with export values – 2025 (R million)



Source: **naamsa**, SARS

US-Mexico-Canada Agreement (USMCA)

The United States, Mexico and Canada (USMCA) bloc represented the domestic automotive industry's third-largest export region, amounting to R23,7 billion, or 8,1% of the total automotive exports of R291,0 billion in 2025. Exports to the US, at R20,4 billion, or 86,1% of the total R23,7 billion, represented the major export destination in the region in 2025. The imposition of the Section 232 tariff has effectively nullified the AGOA preferences that were previously given to most African countries, including South Africa, of which the automotive industry was the major beneficiary. The decrease in automotive exports to the US from R32,0 billion in 2024 to R23,7 billion in 2025, and the anticipation of significant further decreases in 2026 reinforces the importance of adaptability and market diversification for the South African automotive industry in efforts to minimise risk.

According to OICA, vehicle production in the USMCA bloc decreased by 3,1%, from the 16,1 million units in 2024 to 15,6 million units in 2025, still 7,4% below the pre-pandemic level of 16,8 million units in 2019. All three countries reflected production losses in 2025, with both the US and Mexico reflecting a year-on-year decrease of 2,6%, and Canada a year-on-year decrease of 7,6%. Vehicle production was dominated by the US, with production of 10,2 million vehicles, or 65,8% of the region's total.

New vehicle sales in the region increased by 1,9%, from the 19,8 million units in 2024 to 20,2 million units in 2025, although it remained 3,1% below the pre-pandemic level of 20,8 million units in 2019. US new vehicle sales surprised to the upside in 2025, rising 2,1% from 16,3 million units in 2024 to 16,7 million units in 2025, the best result since 2019, as consumers rushed to buy ahead of the higher prices driven by higher import tariffs, policy shifts and the expiration of the federal EV tax credit of US\$7,500 for new EVs on 30 September 2025. As a result, EV sales plunged, highlighting the strong dependence of US EV adoption on policy incentives. New vehicle sales also reflected gains in the other two markets with year-on-year increases of 0,1% in Mexico and 1,4% in Canada in 2025. The following tables reveal the region's vehicle production and sales for 2024 and 2025, as well as the vehicle production and sales for the three countries for 2024 and 2025.

USMCA vehicle production and sales – 2024 to 2025

	2024	2025	% change 2025/2024
Vehicle production	16 064 406	15 573 367	(3,1%)
Vehicle sales	19 802 978	20 173 981	+1,9%

Source: OICA

Vehicle production and sales – USMCA countries – 2024 to 2025

Country	Vehicle production		Vehicle sales	
	2024	2025	2024	2025
USA	10 522 394	10 243 844	16 333 472	16 675 488
Mexico	4 202 724	4 092 488	1 562 640	1 564 471
Canada	1 339 288	1 237 075	1 906 866	1 934 022

Source: OICA

Though 2025 started with one of the most generous EV consumer subsidy schemes in history, with targeted import tariffs that ensured that the industry would not be overwhelmed by Chinese low-priced imports, and with projections of the strongest annual growth in this decade, it ended with an elimination of the consumer subsidies for EVs, sweeping tariffs on all manner of products and countries, and ambiguous growth prospects. The sudden removal of EV incentives, along with new tariffs on imported vehicles and automotive parts shook domestic demand and forced OEMs to readjust strategies and to rethink their product mix. Many US buyers are reverting to internal combustion engine (ICE) or hybrid vehicles, especially where affordability and practicality outweigh the green premium. Congress approved the US\$7,500 tax credit in 2008 for buyers of electric cars and plug-in hybrid vehicles. The 2022 Inflation Reduction Act (IRA) extended the credit, while also limiting eligibility to EVs built in the US that use certain levels of domestically sourced batteries and materials.

The automotive industry has long been one of the most important industries in North America and is the most traded regionally. The Section 232 tariff of 25% imposed on vehicles and automotive components in 2025 was also imposed on Canada and Mexico relating to non-US content automotive parts and disassembled vehicles, subject to the rules of origin requirements, impacting supply chains in the region. Created by the Trade Expansion Act of 1962, Section 232 empowers the President to charge duties pending the results of a Department of Commerce investigation into the imports' effects on national security. The Trump administration has used this tool to raise levies on aluminium, buses, cars and car parts, copper, furniture, lumber, steel, timber, and trucks. The automotive industry is one of the largest markets affected by Section 232 tariffs, as the tariff is imposed on more than \$460 billion worth of US imports of vehicles and automotive parts annually. The US consequently negotiated "Agreements on Reciprocal Trade" (ARTs) with major trading partners, like the UK, the EU, Japan, and South Korea, which lowered the 25% automotive tariff that these countries faced to between 10% and 15%, lower than imports from Canada and Mexico. US OEMs, however, can receive a rebate on a percentage of foreign-supplied parts equal to 3,75% of the suggested retail price of all cars they manufacture in the US until 2030 to offset import tariffs on parts.

Mexico also announced a significant tariff increase of up to 50%, effective 1 January 2026, targeting imports from countries without a Free Trade Agreement (FTA), primarily China and other Asian nations. These tariffs range from 10% to 50% on goods, such as steel, textiles, passenger cars, and plastics, to protect the domestic industry and reduce reliance on Asian imports. The 2026 USMCA renegotiation offers an opportunity to put the North American automotive industry on a firmer footing, especially related to addressing the challenges from China, energy transition, and ongoing labour inequities. Ultimately, the USMCA remains a critical driver of success for the US business community, as the trilateral agreement enables American businesses to compete more effectively against non-market economies while securing supply chains for critical industries.

The US's decision in 2025 to impose a blanket tariff of 30% on South African exports under the International Emergency Economic Powers Act (IEEPA), and a 25% tariff on vehicles and automotive parts in terms of Section 232 of the Trade Expansion Act was a structural shock to one of South Africa's most important bilateral economic relationships. AGOA that expired on 30 September 2025 had been the foundation of US-Africa trade for a quarter of a century, seeking to foster investments, job creation and economic growth through the provision of access to the vast US consumer market. AGOA is credited with assisting African nations to increase US exports, attract investments and create jobs. South Africa has been the top beneficiary country of the Act in sub-Saharan Africa over recent years, while the domestic automotive industry has been the major beneficiary of AGOA from a South African perspective. South Africa also provides up to 25% of the US imports of nine critical minerals, including platinum and manganese, which are crucial for US industrial needs. While the 2025 Liberation Day tariffs of 30% applicable to South Africa distorted the benefits of AGOA, the programme remains important for some South African exporters. Following months of uncertainty, on 3 February 2026, AGOA was extended for one year, through 31 December 2026, maintaining duty-free access to the US market for eligible sub-Saharan African countries, with retroactive

effect to 30 September 2025. However, from an automotive perspective, the Section 232 tariffs effectively supersede or override the duty-free preferences provided by AGOA.

The following table reveals that in 2025, exports to the USMCA bloc, at R23,69 billion, decreased by R8,35 billion, or 26,1%, compared to the R32,04 billion exported in 2024, while in US Dollar terms, the decrease was at 24,2% year-on-year in 2025, reflecting the decrease in real terms in 2025. The deteriorating export performance to the region could be attributed to the Section 232 tariff of 25% on vehicles from 3 April 2025, as well as on automotive components from 3 May 2025, on US imports, while AGOA also expired on 30 September 2025. As a consequence, but also since one major domestic OEM is not exporting its new model launched at the end of 2024 to the US anymore, the volume of vehicle exports to the USCMA region decreased from 26 063 units in 2024 to 10 042 units in 2025. One domestic OEM that depended on the bulk of its production volume being exported to the US was severely affected in 2025. Vehicle exports to other countries in the region, however, gained upward momentum. Automotive component exports to the region have also been negatively affected by the higher tariffs.

The deteriorating export performance to the region could be attributed to the Section 232 tariff of 25% on vehicles from 3 April 2025, as well as on automotive components from 3 May 2025.

Exports to USMCA by product category – 2021 to 2025

Component	2021	2022	2023	2024	2025
Total (R million)	20 317,3	25 751,6	30 405,3	32 037,1	23 686,8
Total (average US\$ million)	1 374,6	1 574,5	1 648,0	1 747,8	1 324,0
Air conditioners	0,5	0,2	0,4	0,5	0,5
Alarm systems	1,7	4,0	1,9	5,6	18,6
Automotive glass	0,7	0,7	0,4	6,6	2,5
Automotive tooling	138,9	125,7	290,9	299,1	297,1
Axles	49,3	70,5	153,0	154,7	233,6
Batteries	0,1	0,1	1,0	2,6	7,3
Body parts / panels	1,1	12,3	1,7	20,4	7,4
Brake parts	1,6	5,7	13,0	30,4	19,8
Car radios	-	0,1	-	0,1	0,4
Catalytic converters	4 440,7	5 391,7	4 151,3	841,2	441,4
Clutches / shaft couplings	45,9	62,2	32,0	58,2	56,3
Engines	5,1	16,0	116,3	63,7	59,6
Engine parts	1 120,4	1 278,1	1 364,1	1 594,9	1 372,3
Filters	18,9	21,0	8,1	8,2	4,6
Gaskets	8,7	7,5	12,3	20,0	18,5
Gauges / instruments / parts	11,3	28,7	15,1	17,5	20,9
Gear boxes	54,8	59,8	89,5	84,6	56,1
Ignition / starting equipment	4,9	2,6	3,7	17,2	8,4
Jacks	0,4	2,3	0,6	1,8	2,3
Lighting equipment / parts	2,9	2,4	34,1	87,3	260,9
Radiators / parts	270,5	413,3	323,5	3,8	4,5
Road wheels / parts	1,7	8,0	1,2	9,6	39,1
Seats	0,6	0,6	0,7	1,7	2,7
Seat belts	-	0,5	0,1	0,6	0,4
Shock absorbers / suspension parts	6,9	5,2	5,8	40,7	14,0
Silencers / exhausts	124,0	141,3	194,8	194,3	162,3
Springs	0,8	10,7	2,9	4,7	4,8
Steering wheels / columns / boxes	1,3	0,1	14,2	61,6	30,9
Stitched leather seats / parts	14,5	5,2	2,3	8,1	8,2
Transmission shafts / cranks	33,0	39,7	100,4	283,4	182,0
Tyres	387,5	714,7	676,4	363,3	324,2
Wiring harnesses	5,5	2,5	10,1	9,0	17,1
Other parts	829,1	947,5	896,2	848,2	842,7
Light vehicles	12 731,6	16 370,0	21 882,4	26 879,9	19 164,6
Medium / Heavy vehicles	2,4	0,7	4,9	13,6	0,8

Source: AIEC, **naamsa**, SARS

Top export destinations in USMCA with export values – 2025 (R million)



Source: **naamsa**, SARS

Mercosur (Mercado Común del Sur – Common Market of South America)

Total automotive exports to Mercosur remained relatively small in the context of South Africa's overall automotive trade regime, and amounted to R1,37 billion, or 0,5% of the total domestic automotive industry exports of R291,0 billion in 2025. Argentina managed to overtake Brazil as the domestic automotive industry's top export destination in the region in 2025, with exports comprising R863,7 million, or 68,5%, of the region's total export value. In 2025, automotive developments in the region pointed toward greater regional integration, rising intra-bloc trade and a pivot toward electrification and hybrid vehicles. Brazil acted as a manufacturing and export engine, while Argentina, recovering economically, emerged as a key hub of demand. Regulatory alignment and updated trade protocols reinforced the bloc's potential as a unified automotive market. Continued investment in electric vehicle and hybrid manufacturing and supply chains suggests that the region could strengthen its long term position in the global automotive landscape, provided it manages domestic market pressures and foreign competition.

According to OICA, vehicle production in Mercosur increased by 2,8%, from the 3,1 million units in 2024 to 3,2 million units in 2025. Brazil, dominating production in the region, recorded a year-on-year increase of 3,5% in vehicle production, contributing to the positive performance in the region, while production in Argentina decreased year-on-year by 3,1% in 2025. The stronger performance in Brazil's vehicle production could be attributed to higher domestic demand, expanded credit, increased fleet renewals and a recovery in exports, of which a main driver was the booming demand in Argentina, importing vehicles from Brazil. In April 2025, Brazil and Argentina updated an Additional Protocol under their economic-complementation agreement to modernise rules for automotive trade, updating nomenclature, and harmonising parts and vehicle trade standards. This regulatory updating assists to reduce trade frictions within Mercosur, making cross-border manufacturing, exports and parts sourcing more efficient, strengthening the regional automotive industry's competitiveness.

New vehicle sales in the Mercosur region reflected a year-on-year increase of 7,4% from the 4,4 million units in 2024 to 4,7 million units in 2025. Brazil, the major market in the region, reflected a year-on-year increase of 2,1% in 2025. However, sales remained under pressure as the country's interest rate was at the highest in nearly two decades. Hybrid and EV sales rose significantly in 2025, reflecting changing consumer preferences, supportive policy environments and the growing availability of EV options. As such, 2025 saw new activity from Chinese brands entering Mercosur markets with electrified and hybrid models. Argentina's passenger car market increased by a substantial 48,2% year-on-year in 2025, buoyed by tariff reductions and improved credit. The following table reveals Mercosur's vehicle production and sales for 2024 and 2025, as well as the vehicle production and sales for the top two Mercosur countries.

Mercosur vehicle production and sales – 2024 to 2025

	2024	2025	% change 2025/2024
Vehicle production	3 084 218	3 169 476	+2,8%
Vehicle sales	4 365 650	4 690 636	+7,4%

Source: OICA



Vehicle production and sales – top Mercosur countries – 2024 to 2025

Country	Vehicle production		Vehicle sales	
	2024	2025	2024	2025
Brazil	2 553 869	2 644 054	2 634 904	2 689 634
Argentina	506 571	490 876	405 319	600 537

Source: OICA

Brazil is a key market for the global automotive industry. It is recognised as the world's sixth-largest new vehicle market and holds the dominant position in Latin America. Its substantial market size, coupled with its strategic role as a gateway to the broader Latin American region, makes Brazil an exceptionally attractive growth opportunity for global OEMs. The massive investments in Brazil by Chinese OEMs, with their advanced EV technologies and aggressive expansion strategies, disrupted the long-standing dominance of traditional Western and Japanese brands and Brazil's CKD vehicle manufacturing industry. Brazil has since reintroduced import tariffs on EVs that commenced in 2024, and are projected to reach 35% by July 2026, serving as a significant policy driver compelling OEMs to establish domestic production.

The country has also implemented robust policies on investment, to deepen manufacturing supply value chains into component production, with policies also relating to technology transfer and adherence to labour laws. Brazil actively employs policy tools, such as tariffs and the "Green Mobility and Innovation Programme" (Mover), to assert its national interests. By insisting on domestic production and job creation, Brazil positions itself as a critical arena for global EV dominance. The willingness of major Chinese OEMs to adapt to domestic market demands, such as producing ethanol-flex hybrids, underscores Brazil's significant leverage in shaping the terms of engagement for foreign OEMs. This adaptation to domestic market needs and policies is a testament to Brazil's ability to influence foreign investment to align with its unique market characteristics.

The "Green Mobility and Innovation Programme" or "Mover" was implemented on 30 December 2023 to replace the Rota 2030, and is a Brazilian government initiative aimed at promoting sustainable mobility within the automotive industry by offering tax incentives and support for companies investing in the research and development of EVs, alternative fuels, and other environmentally friendly technologies; essentially encouraging the domestic production of cleaner vehicles and related components. The aim of the Mover programme is to promote technological development, global competitiveness and sustainability in the Brazilian automotive industry. It extends the efforts of the Rota 2023 programme which aimed to accelerate the adoption of EVs in the country. The programme prioritises the development and adoption of technologies that reduce carbon emissions and promote energy efficiency in the automotive sector. Companies investing in green mobility solutions can access tax benefits like reduced import duties on certain components and credits for R&D investments.

The Mover programme is designed to achieve the following critical objectives:

- Decarbonisation of the automotive fleet
- Investment in research and development
- Economic growth and job creation
- Infrastructure development

The programme outlines a comprehensive financial framework to support its initiatives:

- Credits and fiscal incentives: Companies investing in EV technology can benefit from up to R\$19,3 billion in financial credits between 2024 and 2028. These credits can be used to offset federal taxes, thereby reducing the financial burden on businesses adopting green technologies.

Eligible companies include:

- OEMs
- Component suppliers
- Companies with plans to set up plants in Brazil
- R&D and engineering service providers

Among the Mover programme's new features is the measurement of carbon emissions "from well-to-wheel" by considering emissions throughout the cycle of the energy source used. Another innovation is that, as of 2027, the complete carbon footprint of vehicles sold in Brazil will be measured in a classification known as "cradle-to-grave". As a way of ensuring a "green taxation", a system of rewarding or penalising was instituted to facilitate the collection of IPI (Brazilian Tax on Industrial Products), based on indicators that consider the source of energy for propulsion, energy consumption, engine power, recyclability, structural performance, and assistive technologies for driving. The rates will be defined by presidential decree in the coming months.

In order for companies to meet the programme's mandatory requirements, Mover will grant tax incentives in proportion to investments in R&D. This means that companies will have to spend between 0,3% and 0,6% of their revenue, and each Real invested will entitle them to financial credits of between R\$0,50 and R\$3,20. These credits can be used to deduct any taxes administered by the Brazilian Internal Revenue Service. Mover also aims to attract industrial plants from other countries to Brazil. These companies will receive a financial credit equivalent to the import tax levied on the transfer of production cells and equipment, as well as IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Profits) rebates for the export of products and systems made in Brazil. The import tax on the import of parts and components that are not domestically produced may be reduced, provided that manufacturers invest 2% of the total imported revenue in research, development, and innovation projects in "priority programmes" in the supply chain.

The approval of Mover has already sparked significant interest and commitment from major OEMs, aiming to expand and modernise their operations in line with Mover's objectives. Beyond economic benefits, Mover is positioned to make a considerable environmental impact. Additionally, the programme's focus on job creation and industrial growth underscores its potential to enhance social equity and economic inclusion.

The following table reveals that the automotive exports to Mercosur consisted of a limited range of products. Automotive exports to the region decreased by 25,1%, from R1,83 billion in 2024 to R1,37 billion in 2025, which could mainly be attributed to a decrease in catalytic converter exports to the region.

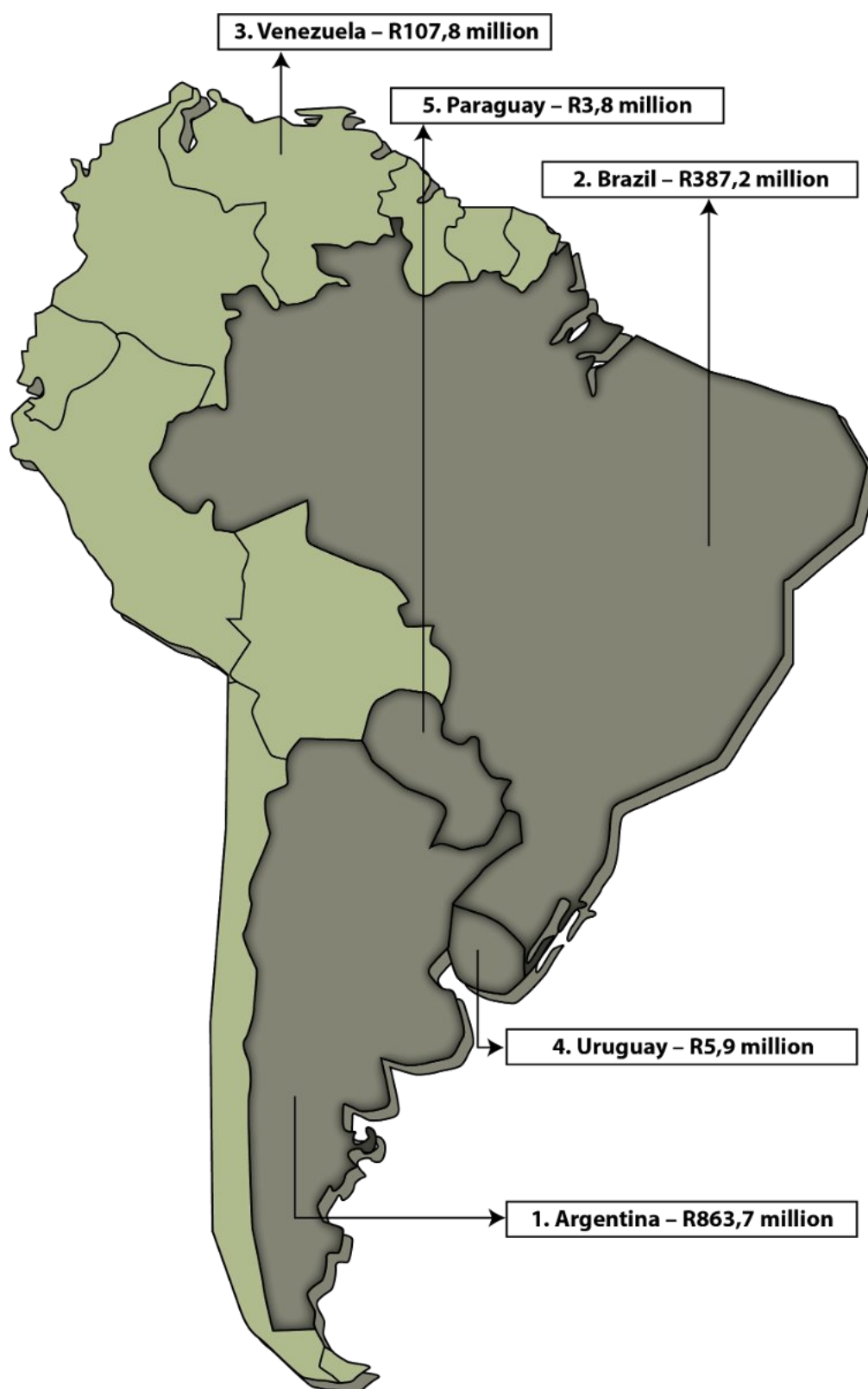


Exports to Mercosur by product category – 2021 to 2025

Component	2021	2022	2023	2024	2025
Total (R million)	2 146,5	3 564,2	2 922,6	1 826,1	1 368,4
Air conditioners	-	-	-	0,1	0,3
Alarm systems	0,5	1,4	-	1,1	0,1
Automotive glass	-	-	-	-	0,2
Automotive tooling	33,2	36,7	34,3	8,1	34,5
Axles	0,4	0,4	0,9	1,6	2,4
Batteries	0,3	0,5	0,1	-	0,1
Body parts / panels	0,7	0,6	1,2	1,0	3,1
Brake parts	0,1	0,1	0,1	0,2	0,3
Catalytic converters	917,7	1 538,8	1 733,8	1 269,3	746,9
Clutches / shaft couplings	8,1	13,6	14,9	10,1	9,5
Engines	-	0,9	0,3	61,5	84,7
Engine parts	350,8	331,9	45,5	116,1	100,2
Filters	0,8	1,0	0,7	-	18,8
Gaskets	0,2	0,5	1,3	7,4	0,4
Gauges / instruments / parts	1,6	1,0	7,5	3,5	4,6
Gear boxes	0,3	2,4	-	0,1	-
Ignition / starting equipment	0,2	0,3	0,1	0,1	0,7
Jacks	-	-	-	-	0,7
Lighting equipment / parts	-	0,1	0,4	2,1	1,0
Radiators / parts	61,6	81,7	47,4	0,4	2,3
Road wheels / parts	113,6	127,2	85,5	63,0	45,7
Seat belts	-	-	-	-	0,1
Shock absorbers / suspension parts	0,1	0,1	2,0	1,7	2,5
Silencers / exhausts	18,4	15,2	8,4	7,6	8,7
Springs	0,1	0,2	0,9	0,9	0,4
Steering wheels / columns / boxes	0,1	0,1	0,1	-	-
Stitched leather seats / parts	7,7	99,1	153,6	75,2	54,9
Transmission shafts / cranks	51,2	57,8	17,8	11,2	13,6
Tyres	7,9	74,3	16,7	13,7	14,2
Wiring harnesses	0,2	0,3	0,8	0,1	9,1
Other parts	523,3	612,8	236,7	137,3	98,2
Light vehicles	46,6	564,9	511,6	32,7	108,2
Medium / Heavy vehicles	0,8	0,2	-	-	2,0

Source: AIEC, **naamsa**, SARS

Top export destinations in Mercosur with export values – 2025 (R million)



Source: **naamsa**, SARS

Exports to countries

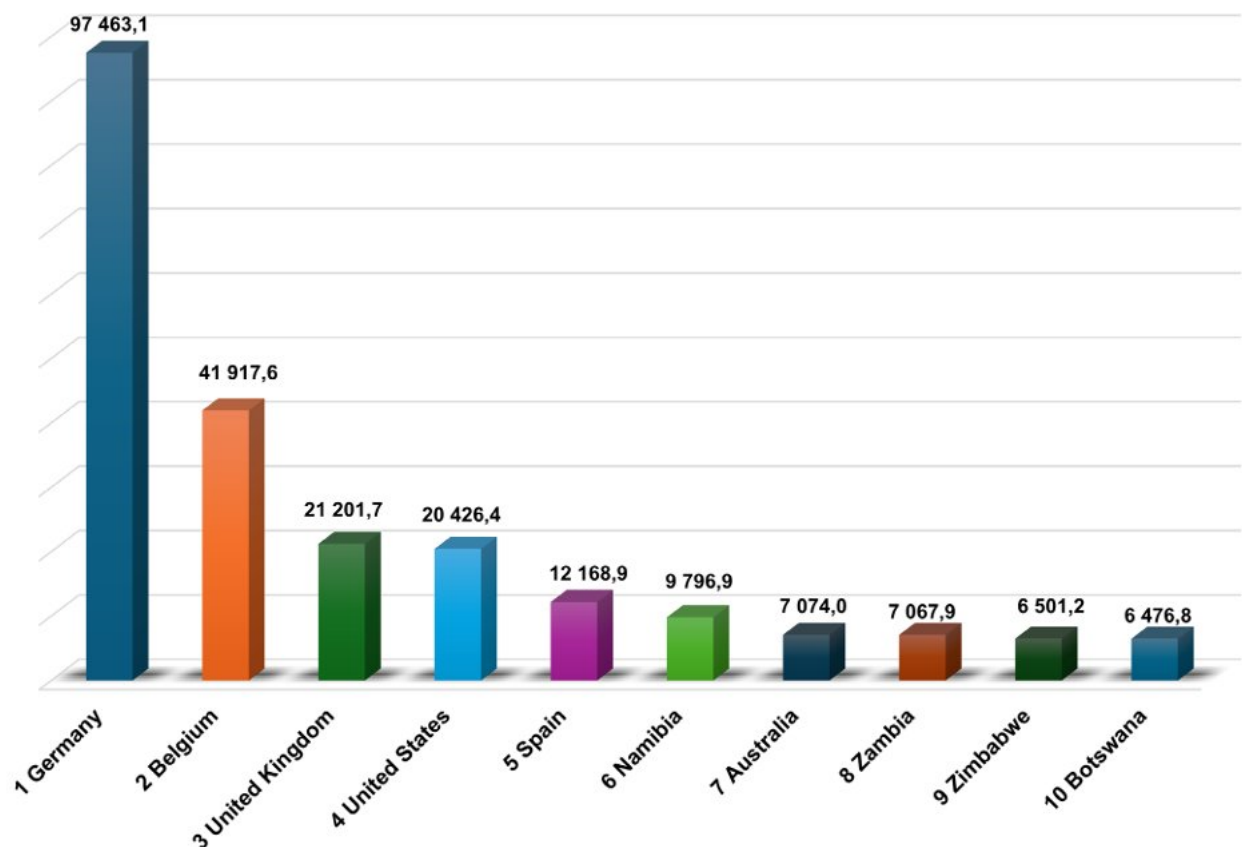
The South African automotive industry's export performance continues to highlight both market concentration as well as the expanding global reach. Exports should be regarded as one of the most important metrics to assess the competitiveness of firms and the impact of policy interventions. By making exports the goal of industrial policy, policymakers are forced to focus on the key elements that drive competitiveness, particularly input costs and productivity. Export-led growth creates a virtuous cycle. When companies export, they meet international quality standards, adopt cutting-edge technologies, innovate constantly, invest more in training, create higher-quality jobs, and generate foreign exchange.

The manufacturing sector continued to drive global trade growth in 2025 but rising economic nationalism and tariff volatility fuelled uncertainty and risk, stalling long-term decision-making. However, these types of disruptions are structural rather than cyclical. The structural shifts in the global economy are playing out most visibly in trade, fiscal policy and debt, and the current geoeconomic developments are viewed as signs of a significant structural shift in the global economy rather than a temporary disruption. This uncertainty could hinder competitive strategies, delay capital investments, distort long-term planning and increase short-term operational volatility. Intensifying trade disruption, rising policy uncertainty and accelerating technological change point to the emergence of a new economic environment shaped by persistent disruption and growing fragmentation. Emerging markets are anticipated to be the main engines of future growth, while growth is expected to remain more stagnant in advanced economies. It is clear that the future of global trade will not be defined by a single set of rules but by mixed relationships and regional priorities, and countries moving to adapt early and lead in this evolving landscape will gain an advantage.

The South African automotive industry forms an important part of international supply chains by being fully integrated into the global automotive environment. The domestic automotive industry, therefore, leverages a broad, diverse base of export markets, from well-established European partners to emerging markets, assisting in diversifying risk. The sharp fall in US exports in 2025 underlines the critical need for strategic diversification away from policy-dependent markets, and towards stable or growth demand regions. One of the core functions of diplomacy and foreign policy between governments is to foster economic trade and encourage exports and imports for the benefit of all trading parties. South Africa will need to navigate its foreign policy stances in these times of increasing polarisation and major shifts in geopolitical trends. Businesses must recognise how interconnected these threats are and take appropriate action to strengthen resilience.

The South African automotive industry forms an important part of international supply chains.

South African automotive industry’s top export destinations – 2025 (R million)



Source: **naamsa**, SARS

The following table reveals that export destinations for values in excess of R1 million comprised of 154 countries in 2025, down from 155 countries in 2024, with 28 countries recording export values in excess of R1 billion, and 66 countries recording export values in excess of R100 million. Diversification smooths cyclical risk and supports long-term industrial resilience. Each year, new export destinations are being added to the industry’s export list of countries. In addition, each year there are specific destinations to which the export values have more than doubled on a year-on-year basis. From 2024 to 2025, the total export values more than doubled in the case of 29 countries, which include: the UAE, France, India, Egypt, Poland, Iraq, Cape Verde Islands, Israel, Haiti, Guadeloupe, Peru, French Guiana, Reunion, Antarctica, Jordan, Pakistan, Martinique, Cuba, Georgia, Somalia, Mongolia, Chad, Bulgaria, North Korea, Central African Republic, Dominica, Bolivia, Uzbekistan, and Lao People’s Democratic Republic.

**The total export values
more than doubled in the
case of 29 countries.**

Total automotive export value and ranking by country – 2024 to 2025

Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Germany	79 056,5	1	97 463,1	1
Belgium	29 849,1	2	41 917,6	2
UK	24 460,6	4	21 201,7	3
USA	28 672,9	3	20 426,4	4
Spain	14 129,2	5	12 168,9	5
Namibia	9 805,7	6	9 796,9	6
Australia	8 085,0	7	7 074,0	7
Zambia	6 131,3	9	7 067,9	8
Zimbabwe	6 078,8	10	6 501,2	9
Botswana	7 089,1	8	6 476,8	10
United Arab Emirates*	2 767,4	15	5 944,8	11
France*	1 780,8	19	4 297,9	12
Japan	4 098,5	12	4 092,0	13
Mozambique	3 379,7	13	3 324,6	14
Czech Republic	5 349,1	11	3 167,5	15
Mexico	3 123,1	14	3 087,1	16
India*	176,8	50	2 453,9	17
Democratic Republic of Congo	2 685,9	16	2 312,5	18
Thailand	2 237,5	18	2 297,4	19
eSwatini (formerly Swaziland)	2 258,2	17	2 259,9	20
Tanzania	1 607,3	21	1 936,4	21
Lesotho	1 608,7	20	1 555,2	22
Nigeria	976,4	30	1 541,2	23
Turkey	1 392,2	23	1 479,0	24
Netherlands	1 112,6	28	1 456,7	25
Kenya	1 363,7	24	1 402,0	26
Ghana	1 159,4	26	1 389,4	27
Malawi	1 138,9	27	1 158,5	28
28 COUNTRIES ABOVE R1 BILLION				
Saudi Arabia	1 424,0	22	963,6	29
Argentina	857,6	32	863,7	30
Taiwan	1 174,2	25	860,8	31
Angola	787,7	34	811,5	32
Singapore	718,1	35	700,9	33
China	573,7	37	661,8	34
Egypt*	134,0	56	623,7	35
Ivory Coast	509,8	38	581,8	36
Madagascar	1 031,2	29	570,3	37
Mauritius	589,0	36	537,0	38
Brazil	942,0	31	387,2	39

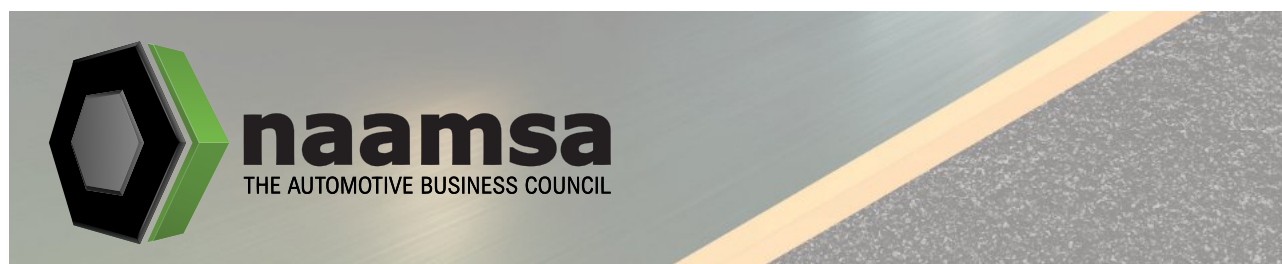
Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Poland*	110,0	61	379,8	40
New Zealand	397,0	41	339,4	41
South Korea	816,5	33	309,6	42
Senegal	404,2	40	273,5	43
Iraq*	45,0	86	260,8	44
Cape Verde Islands*	31,1	97	244,6	45
Gabon	232,9	45	229,8	46
Israel*	21,0	108	226,6	47
Kuwait	200,0	48	183,0	48
Hungary	120,8	58	179,2	49
Uganda	185,3	49	177,4	50
Panama	138,4	55	176,8	51
Canada	241,4	44	176,4	52
Hong Kong, China	109,2	62	175,3	53
Guinea	133,6	57	167,6	54
Guatemala	205,6	47	159,6	55
Suriname	100,1	64	142,7	56
Haiti*	35,6	93	137,1	57
Guadeloupe*	26,1	102	132,6	58
Morocco	294,7	42	132,3	59
Portugal	87,4	69	129,6	60
Austria	205,9	46	120,7	61
Venezuela	55,1	79	107,8	62
Peru*	42,6	88	107,5	63
Dominican Republic	168,0	51	106,4	64
French Guiana*	5,6	128	106,1	65
Benin	110,2	60	101,8	66
66 COUNTRIES ABOVE R100 MILLION				
Tunisia	142,0	54	98,9	67
Chile	119,0	59	98,3	68
Algeria	161,3	52	94,3	69
Honduras	286,5	43	94,3	70
Cameroon	56,7	76	89,5	71
Sweden	91,7	66	88,7	72
Mali	434,1	39	82,4	73
Italy	101,9	63	81,9	74
Liberia	152,7	53	81,8	75
Burkina Faso	80,7	70	81,5	76
Seychelles	72,4	72	79,7	77
Qatar	91,7	67	78,8	78
Reunion*	15,4	114	76,2	79
Rwanda	87,8	68	74,2	80

Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Jamaica	93,9	65	71,3	81
Djibouti	38,8	90	66,1	82
Mauritania	56,6	77	65,5	83
Congo	72,1	73	61,0	84
Indonesia	47,1	84	60,5	85
Vietnam Republic	32,5	95	60,3	86
Antarctica*	16,8	113	58,1	87
Ethiopia	58,3	75	56,7	88
Oman	50,1	83	56,0	89
Kazakhstan	77,9	71	55,6	90
Guyana	43,2	87	50,1	91
Malaysia	50,9	81	47,3	92
Togo	41,0	89	45,9	93
Sierra Leone	50,6	82	43,5	94
Trinidad & Tobago	35,7	92	43,2	95
Belize	70,5	74	40,5	96
Philippines	55,3	78	36,3	97
Ireland	31,1	98	32,3	98
Eritrea	24,3	103	30,0	99
Jordan*	5,9	127	29,8	100
Antigua	18,1	111	29,7	101
Pakistan*	11,0	117	29,4	102
Denmark	17,1	112	29,2	103
Colombia	21,2	106	28,8	104
Slovenia	28,4	100	27,5	105
Slovak Republic	22,8	104	27,1	106
Sudan	14,9	115	25,5	107
Costa Rica	45,3	85	23,8	108
Russia	52,4	80	23,2	109
Romania	22,4	105	17,3	110
Papua New Guinea	33,8	94	16,5	111
Nicaragua	32,3	96	16,3	112
Greece	8,1	122	14,2	113
Bahamas	9,9	118	14,0	114
Martinique*	2,4	143	13,9	115
Aruba	8,4	121	12,6	116
Switzerland	26,3	101	12,4	117
St Helena	7,9	123	12,3	118
Lebanon	8,5	120	11,9	119
Cuba*	0,9	-	11,7	120
Netherlands Antilles	28,9	99	11,5	121
Norway	38,5	91	9,8	122

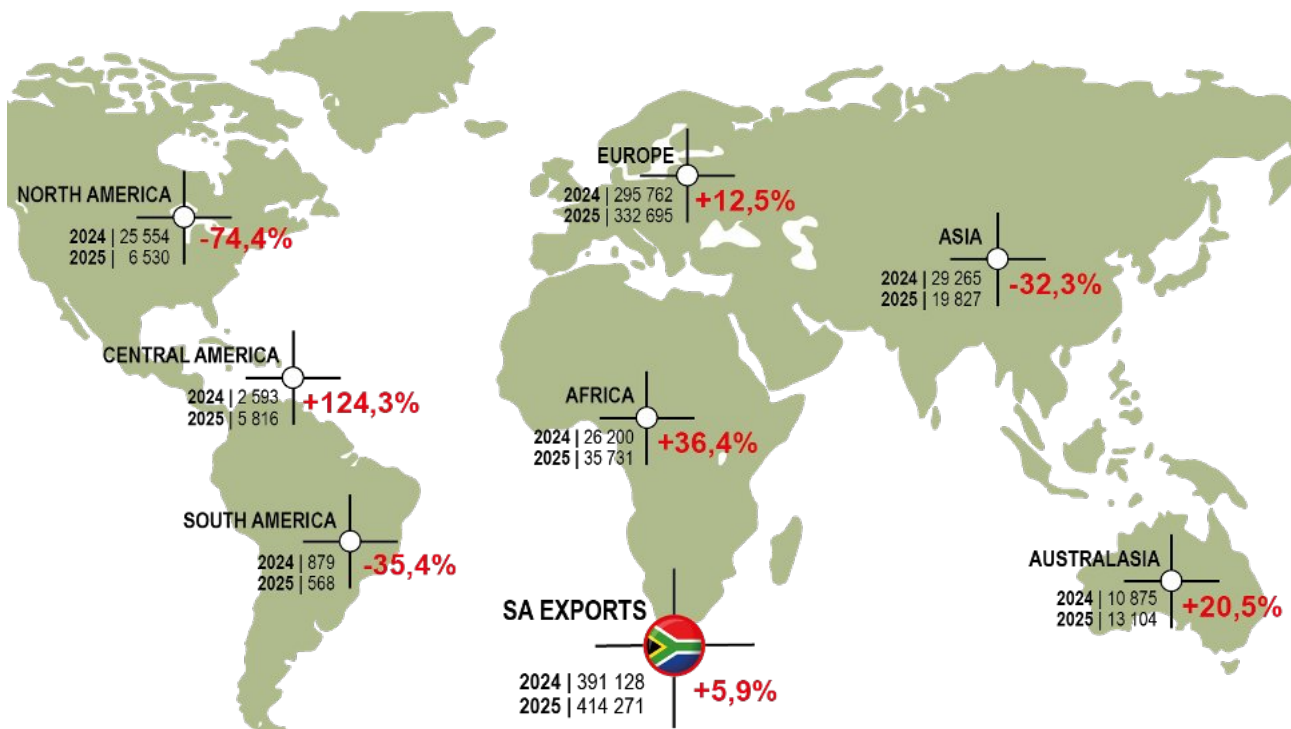
Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Georgia*	-	-	9,0	123
Sri Lanka	6,9	124	8,5	124
Cyprus	12,1	116	8,0	125
Somalia*	3,3	137	7,9	126
Ecuador	20,6	109	6,3	127
Uruguay	21,1	107	5,9	128
Finland	6,7	125	5,1	129
South Sudan	3,4	136	4,9	130
Iran	2,6	141	4,8	131
Mongolia*	0,8	-	4,5	132
Chad*	0,5	-	4,4	133
Burundi	2,4	116	4,4	134
Bahrain	8,6	119	4,1	135
Paraguay	5,5	129	3,8	136
Bulgaria*	1,0	155	3,0	137
North Korea*	-	-	3,0	138
Lithuania	6,5	126	2,9	139
Barbados	5,3	132	2,7	140
Luxembourg	20,2	110	2,6	141
Central African Republic*	0,1	-	2,5	142
Estonia	2,3	143	2,5	143
Gambia	1,9	145	2,5	144
Maldives	1,7	148	2,2	145
Dominica*	0,5	-	1,9	146
Bolivia*	0,1	-	1,8	147
Grenada	5,4	130	1,5	148
Niger	0,9	-	1,4	149
Sint Maarten	3,9	134	1,3	150
Uzbekistan*	0,4	-	1,2	151
Equatorial Guinea	1,5	149	1,2	152
Comoros	3,6	-	1,2	153
Lao People's Democratic Republic*	-	-	1,1	154
154 COUNTRIES ABOVE R1 MILLION				

Source: **naamsa**, SARS

*Countries with export values more than doubling year-on-year



EXPORTS OF VEHICLES



Source: **naamsa**/Lightstone Auto

With a diverse portfolio of vehicles ranging from commercial trucks to luxury sedans, South Africa's automotive industry continues to capture the attention and high expectations of consumers worldwide. Despite global headwinds and facing import-tariff pressures from markets such as the US, 2025 saw a notable revival in South African vehicle exports. The rebound demonstrated the industry's resilience through growing exports to other global destinations and ability to navigate shifting global trade conditions. Vehicle exports increased to a record 414 271 units in 2025, up by 23 143 units, or 5,9%, compared to the 391 128 units exported in 2024.

Four of the seven OEMs in the country exported more than 50% of their vehicle production in 2025, while three OEMs were dependent on the domestic market for the bulk of their vehicle production. A total of 414 271 left- and right-hand drive vehicles were exported to 109 countries around the world in 2025. Passenger car exports comprised 258 655 units, or 62,5% of the total; light commercial vehicle exports comprised 153 858 units, or 37,1% of the total; and medium and heavy commercial vehicle and bus exports comprised 1 758 units, or 0,4% of the total. Foreign demand allows the domestic OEMs to generate sufficient economies of scale, and to achieve improved international competitiveness.

South Africa has a very advanced vehicle production base which is both export-oriented and dependent on the performance of the domestic market. These two aspects are inextricably linked through the workings of the APDP2. South African OEMs manufacture a broad range of vehicles, including passenger cars, light commercial vehicles, medium commercial vehicles, heavy commercial vehicles, extra-heavy commercial vehicles and buses.

Passenger car models manufactured in South Africa in 2025 included the following:

BMW	X3
Mercedes-Benz	C-Class 4-Door
Toyota	Corolla Cross and Fortuner
Volkswagen	Polo, new and previous series (designated Vivo)

Light commercial vehicle models manufactured in South Africa in 2025 included the following:

Ford	Ranger
Isuzu Motors	D-Max
Nissan	Navara
Toyota	Hilux, HiAce and Quantum
Volkswagen	Amarok

The following table reveals the top 10 vehicle export destinations from 2021 to 2025 for passenger cars and LCVs. In terms of the number of units exported in 2025, Germany has been in the top position since 2023, followed by the UK, France, Belgium and Italy. For the sixth consecutive year, the Volkswagen Polo was once again the most exported vehicle model in South Africa in 2025. Prospects for vehicle export growth in 2026 remain optimistic on the back of further new model introductions by major exporting OEMs in the domestic market.

**In terms of the number
of units exported
in 2025,
Germany has been
in the top position
since 2023.**

Celebrating 30 years of Polo production at Plant Kariega

2 017 003

Polos built
from 1996
to 2025



It takes

1 985 sets

of hands to
build one Polo



The Polo story in South Africa began in 1996 with the launch of the Polo Classic, a four-door sedan which bridged the gap between the Citi Golf and the Jetta/Golf ranges. In its first year, 5 460 units rolled off the production line. The Polo Classic quickly became a favourite among South Africans, paving the way for the hatchback version introduced in 1998.

In 2003, an updated Polo Classic was launched and won the prestigious South African Guild of Motoring Journalists (SAGMJ) "Car of the Year" award. In 2011, the Polo was the joint winner of the SAGMJ "Car of the Year" award.

To date, Plant Kariega has manufactured four generations of the Polo, with the latest model currently in production since 2021.

In 2024, Plant Kariega became the sole manufacturer and exporter of the Polo for Europe and the Asia-Pacific region, supplying vehicles to 38 countries while maintaining a strong presence in the South African market. That year,



The current generation
Polo is exported to

38
countries

with the UK being the
biggest market.

VWGA achieved its highest-ever production record of 167 084 vehicles, of which 131 485 Polos were exported and 35 599 Polos and Polo Vivos were sold locally.

VWGA was the largest South African automotive exporter in 2025, with 119 771 Polos exported from Kariega to the world.



As of July 2024,
VWGA is the
sole exporter
of the Polo



Plant Kariega
is sole
manufacturer
of Polo GTI

"2026 is a year of celebration for Volkswagen Group Africa. Reaching 75 years in South Africa and 30 years of Polo production is not only a proud milestone for our company, but also for our Kariega plant and our employees," said Ulrich Schwabe, VWGA Production Director.

"This milestone is a testament to the dedication, skill, and passion of our employees, whose commitment has made the Polo a success story both locally and internationally. Their contribution has been the driving force behind the Polo's success."

In 2025, VWGA
celebrated the
production of the
two millionth
Polo



Top 10 destinations for light vehicles (passenger cars and light commercial vehicles) exported – 2021 to 2025

Country	2021	2022	2023	2024	2025
Total (R billion)	133,2	154,3	200,0	199,8	224,3
Ranking of exporters Number 1 to 5	VW Ford Toyota BMW MBSA	VW MBSA Ford BMW Toyota	VW MBSA Toyota BMW Ford	VW MBSA Ford BMW Toyota	VW BMW Ford Toyota MBSA
Germany	42 671	67 399	85 776	80 731	77 890
UK	60 260	67 884	80 550	77 866	70 798
France	22 130	23 772	21 223	33 409	36 082
Belgium	11 752	14 812	13 819	18 160	27 643
Italy	18 295	18 914	23 185	12 997	23 041
Spain	10 876	9 588	14 899	14 387	23 026
Poland	6 491	6 426	12 261	6 997	13 045
Australia	9 675	11 507	11 996	10 476	12 036
Turkey	1 710	1 674	4 382	12 349	9 127
Austria	7 429	5 289	4 792	5 214	8 846
Other	106 151	123 678	125 912	117 492	110 979
Total (units)	297 440	350 943	398 795	390 078	412 513
Light vehicle production	471 432	524 895	598 658	568 248	585 408
% of production exported	63,1%	66,9%	66,6%	68,6%	70,5%
Number of base models produced	10	10	10	10	10
Average volume per model produced	47 143	52 490	59 866	56 825	58 541

Source: **naamsa**/Lightstone Auto, SARS

A significant 70,5% of light vehicle production was exported in 2025, with 78,0% of passenger car production being exported, enabling the domestic OEMs to reach a consumer base beyond the South African market. The average volume per model produced in the domestic market increased from 56 825 units in 2024 to 58 541 units in 2025. Three models achieved a production volume in excess of 100 000 units in 2025.

Preferential trade agreements are central to South Africa's export-led automotive model, enabling competitiveness, attracting foreign direct investment, sustaining jobs, contributing to sector growth, generating foreign exchange earnings, and integrating the country into global and regional automotive value chains. The domestic automotive industry has materially benefited from the various trade arrangements over the past three decades opening certain markets in Europe, the US, and Africa, among others. Via the EPAs with the EU and the UK, the region dominated and accounted for a substantial 80,3%, or four out of every five vehicles exported in 2025, with 56,8% of light vehicle production destined for the region.

At present, the global automotive industry is undergoing its biggest transformation in a century, with emission reduction targets becoming a central concern. The significance of the 2035 timeline in Europe to ban the sales of ICE vehicles, with countries such as Germany already implementing the ban from 2030 onwards, requires urgent and strategic intervention on the part of South Africa's supply- and demand-side automotive policies. Industry stakeholders have been calling on government for the faster implementation of support policies so that investments align with the timelines of existing automotive programmes.

A move toward EVs supports international climate commitments and aligns South Africa with global decarbonisation efforts, which can also unlock various investment and trade opportunities linked to green technologies. If South African OEMs do not shift to EVs, they risk losing competitiveness and future market access. Encouragingly, four domestic OEMs at present are producing hybrids and plug-in hybrids. However, although domestic OEMs are increasingly allocating investment toward NEVs, they are also scaling investment towards conventional powertrains. This dual-track strategy reflects a market that is transitioning gradually rather than pivoting sharply.

The following table reveals that, despite major global obstacles, including trade tensions, tariff hikes, and shifting demand in traditional markets, the South African automotive industry has adapted, as vehicle exports to major regions, such as Europe and Africa, reflected a positive performance from 2024 to 2025.

Changing composition of South African vehicle exports by major regions: 2021 to 2025

Region	2021	2022	2023	2024	2025	% change 2025 / 2024
Europe	229 672	255 709	301 639	295 762	332 695	+12,5%
Africa	21 994	22 769	25 596	26 200	35 731	+36,4%
Asia	24 170	35 154	35 015	29 265	19 827	(32,3%)
Australasia	10 620	12 389	12 483	10 875	13 104	+20,5%
North America	7 981	21 684	20 910	25 554	6 530	(74,4%)
Central America	3 045	2 759	2 952	2 593	5 816	+124,3%
South America	706	1 527	1 214	879	568	(35,4%)
Total	298 188	351 991	399 808	391 128	414 271	+5,9%

Source: **naamsa**/Lightstone Auto

The exports of medium and heavy commercial vehicles and buses, at 4,2% of total vehicle exports in 2025, remained relatively insignificant in terms of export volumes. However, in terms of the heavy commercial vehicle and bus sector, exports contribute to achieving higher vehicle production volumes in view of the relatively low volume domestic market.

A large number of companies are active in the South African market, and in 2025, the following medium, heavy and extra-heavy commercial vehicle companies were represented in the country:

Babcock	Mercedes-Benz SA
Bell Equipment	Powerstar
Daimler Truck Southern Africa	Scania
FAW Trucks	Shacman
Ford Motor Company	Tata Truck & Bus
Hyundai Automotive SA	Toyota
Isuzu Motors SA	UD Trucks Southern Africa
Iveco	VECH South Africa
JAC Motors South Africa	Volkswagen Group Africa
MAN	Volvo Group Southern Africa



In 2025, the following bus companies were represented in South Africa:

Daimler Truck Southern Africa
MarcoPolo
Scania

Isuzu Motors SA
MAN
Volvo Group Southern Africa

The following table reveals that the main export destinations for trucks and buses have consistently been neighbouring countries in the SADC free trade area, significantly contributing to regional mobility and infrastructure development. Zambia was the overall top destination for all truck and bus exports in 2025, including for extra-heavy commercial vehicles and heavy commercial vehicles, while Zimbabwe was the top destination for medium commercial vehicles and buses.

Top destinations and top region for medium, heavy commercial vehicles and buses exported – 2021 to 2025

Country	2021	2022	2023	2024	2025
Total (R billion)	5,1	2,7	3,9	5,6	5,5
Ranking of exporters Number 1 to 5	UD Trucks FAW Volvo Group Daimler Isuzu	UD Trucks FAW Scania Isuzu Toyota	FAW UD Trucks Volvo Group Scania Daimler	FAW Shacman Volvo Group UD Trucks Daimler	FAW Shacman UD Trucks Scania Isuzu
Zambia	161	243	402	412	1 026
Zimbabwe	245	507	379	342	378
Mozambique	212	184	189	181	212
Madagascar	2	0	0	0	58
Mauritius	8	25	23	25	47
Malawi	32	66	10	44	28
China	0	0	0	0	4
Tanzania	19	12	5	36	3
Saudi Arabia	0	1	3	2	2
Other	64	10	3	8	0
Africa	743	1 047	1 010	1 048	1 752
Total (units)	748	1 048	1 014	1 050	1 758

Source: **naamsa**/Lightstone Auto, SARS

Trucking plays a critical role in African economies, serving as the primary mode of transport for goods across regions, facilitating trade, accessing markets, and promoting economic growth by enabling the movement of products between countries. The transport sector is expected to increasingly benefit from the African Continental Free Trade Area (AfCFTA) with the automotive rules of origin now been adopted, while traffic flows for container cargo movement and infrastructure projects will also continue to increase, which could open up further opportunities for the domestic commercial vehicle sector.



AUTOMOTIVE COMPONENTS – EXPORTS BY PRODUCT

Vehicle manufacturing represents an intricate and interdependent manufacturing chain between the OEMs and their component suppliers. The automotive component sector represents a critical source of industrial capacity, skilled employment and export revenue. South Africa has a well-developed automotive component manufacturing industry with a high employment multiplier factor, considering that in 2025, the component sector had 81 153 employees versus the 32 115 employees in the vehicle manufacturing sector. The domestic automotive component sector consists of a diverse group of various tier-level suppliers. Out of the 198 first-tier suppliers in South Africa, about 75% are foreign multinational companies, while the South African-owned companies are more represented within the second- and third-tier supplier bases. South Africa's automotive component sector has solidified its position as a key player in the global automotive supply chain with its diverse range of original equipment components and aftermarket parts manufactured and exported on an annual basis.

The shift toward electrification continues to accelerate worldwide. More markets globally, especially in Europe and parts of Asia, are implementing stricter emissions standards, enhancing demand for EVs, hybrids and their components. This structural shift decreases demand for ICE related components, and increases demand for electric drivetrains, electronics, control units, and chargers. At the same time, OEMs and their suppliers globally are grappling with cost pressures, inflation, higher materials prices, and supply-chain volatility, which makes localisation, supply-chain diversification and supply-resilience strategies more attractive. Sustainability is no longer a nice to have but a business imperative, as OEMs and global customers are increasingly scrutinising the carbon footprint of suppliers. These dynamics create opportunities for automotive component manufacturers in stable jurisdictions with competitive capabilities. Improving local value addition, supply chain resilience, and competitiveness, aligned with global supply chain diversification, could assist South African component suppliers to maintain export relevance, even as global automotive production pivots.

However, achieving adaptation requires investment, skills development, and policy support, which may be challenging, given the current global and domestic economic headwinds. Domestic component suppliers have over the years migrated successfully through the industry's technology changes and, therefore, have the ability to respond, irrespective of the propulsion technology. Localisation remains a key priority for the domestic automotive sector, as it is about compliance, building resilience, creating jobs, and fostering innovation. The focus is on supporting domestic component manufacturers, encouraging technological transfer, and creating opportunities for Black industrialists and women-owned businesses. In recent years, strategic partnership collaborations with international partners have been instrumental in propelling South Africa's automotive sector to new heights. These strategic partnerships have not only expanded market reach but have also facilitated knowledge exchange and skills development, ensuring that South Africa remains a hub of automotive excellence on the global stage. The APDP2 remains vital to localisation and long-term industrialisation. However, strengthened incentives to deepen domestic value chains, increased support for supplier development, as well as measures that enable emerging and lower-tier suppliers to scale sustainably remain imperative going forward. These will improve competitiveness and secure long-term production mandates for South African component manufacturers.

Since skills development, transformation and empowerment remain crucial in the South African context, the Automotive Industry Transformation Fund (AITF) was established as a collective Equity Equivalent Investment Programme (EEIP) as defined in the Broad-based Black Economic Empowerment (B-BBEE) Codes between seven multinational OEMs in South Africa. It aims to facilitate transformation across the



Driving Inclusive Transformation in South Africa's Automotive Industry

The Automotive Industry Transformation Fund (AITF) was established through the Equity Equivalent Investment Programme (EEIP) by seven global OEM partners:

BMW • Ford • Isuzu • Nissan • Toyota • Mercedes-Benz • Volkswagen

The Fund supports the implementation of the South African Automotive Masterplan 2035 (SAAM 2035) by advancing transformation, localisation, competitiveness and sustainable industrialisation across the automotive value chain.

Enabling Industry Growth

Through blended financing, procurement-linked market access and structured supplier development, the AITF is positioned to unlock over R13 billion in new industrial opportunities over the next decade.

SAAM 2035 Delivery Office (SDO)

The AITF serves as the SAAM Delivery Office (SDO) and Secretariat to the Executive Oversight Committee (EOC), supporting coordinated implementation of national automotive priorities.

Each year, the SDO advances strategic initiatives across the seven pillars of SAAM 2035:

- ☑ Local Market Optimisation
- ☑ Localisation
- ☑ Regional Market Development
- ☑ Transformation
- ☑ Infrastructure Development
- ☑ Technology Development & Integration
- ☑ Skills Development

Working alongside industry, government, labour and other private sector partners, the SDO drives coordinated programmes that strengthen global competitiveness and sustainable employment.

Impact Over the Next 10 Years

- ☑ Over R500m in proposed Tier 1 contributions.
- ☑ R1.083 billion in projected market access opportunities
- ☑ Expanded participation for black-owned Tier 2 and Tier 3 suppliers



Unlocking Transformation in the Supply Chain

The AITF has successfully onboarded **40 Tier 1 automotive component manufacturers** into the APDP2 Transformation Fund, enabling continued access to key incentives under the Automotive Production and Development Programme Phase 2 (APDP2).

This initiative ensures suppliers can meet the B-BBEE Level 4 requirement introduced from 31 December 2025, while supporting meaningful transformation across the sector.

Building a Competitive and Inclusive Automotive Future

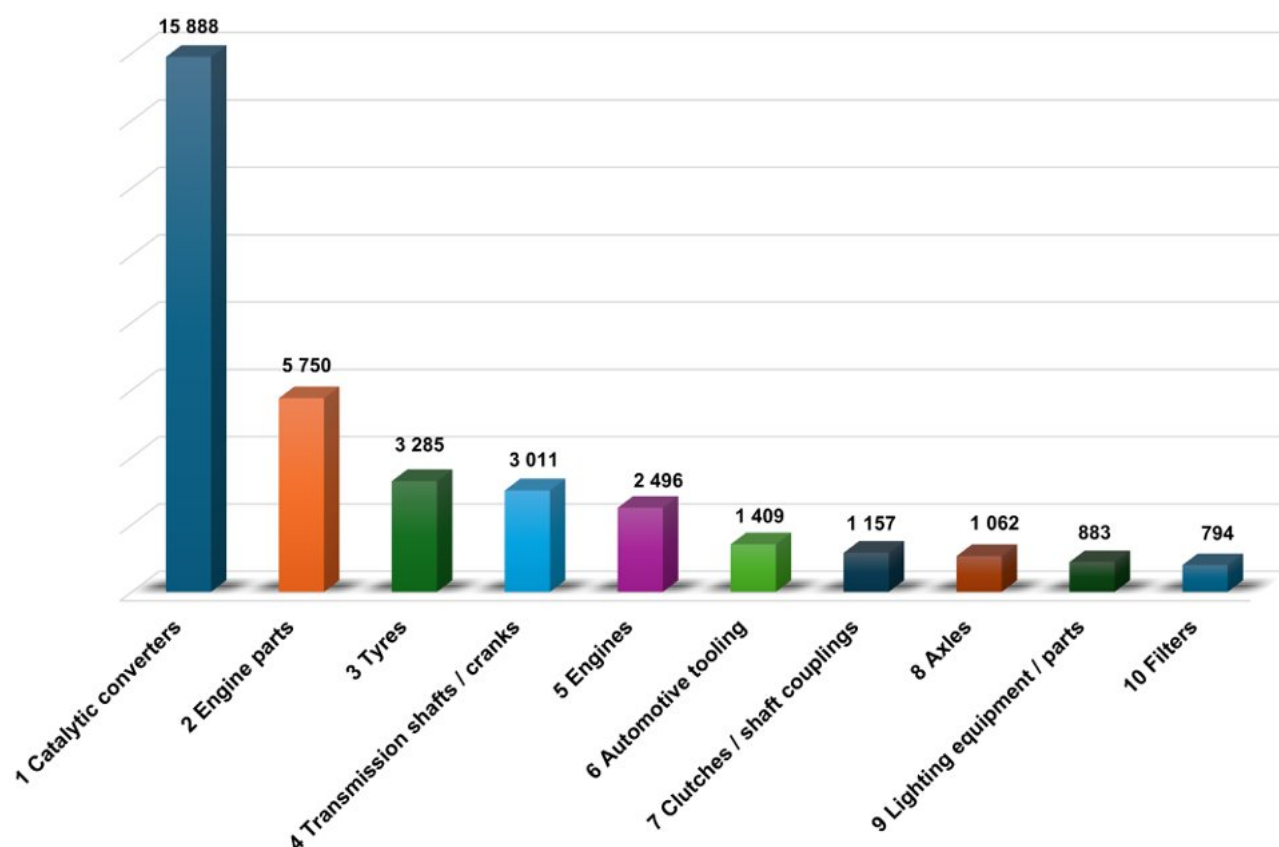
Through collaboration with industry partners, the AITF continues to accelerate transformation, strengthen localisation and unlock sustainable growth across South Africa's automotive ecosystem.

www.autofund.co.za

sector's value chain through the provision of access to developmental funding, access to market, and access to capacity development for qualifying Black-owned entities. The AITF has evolved from a compliance-focused initiative into more of a catalyst for competitiveness. Guided by its building, operating, orientating, solving and transforming mandate, the fund has diversified its support instruments to meet the demands of a rapidly evolving operating environment. This includes managing the APDP2 Transformation Fund and the Automotive Supply Chain Competitiveness Initiative (ASSCI), both designed by industry to strengthen Tier 2 and Tier 3 component supplier participation and operational efficiency.

Since 2020, the AITF has invested more than R600 million, supporting more than 70 Black-owned businesses, with over 30% of funding directed to women-owned enterprises. Between 2025 and 2029, the fund aims to invest an additional R1 billion, empowering more than 90 Black-owned enterprises, while strengthening Tier 2 and Tier 3 supplier participation. Since its inception in 2020, the AITF has created and retained 2 719 jobs. The AITF has diversified its financial offerings by introducing long-term funding, equity-like investments and preferential loans. The Fund has also been expanding its focus beyond the original seven OEMs to include Tier 1 component manufacturers, as well as to the opportunities created by NEVs, such as charging infrastructure and battery manufacturing.

Top automotive component exports by value – 2025 (R million)



Source: **naamsa**, SARS

In 2025, automotive component exports decreased by R2,2 billion, or 3,5%, to R61,2 billion, from R63,4 billion in 2024, mainly due to the ongoing decrease in catalytic converter exports. However, catalytic converters remained the top automotive component exported from South Africa, comprising 26,0% of total automotive component exports, followed by engine parts, tyres and transmission shafts and cranks.

The global transition to NEVs is creating new potential demand for domestic component suppliers able to adapt. Research has indicated that South Africa is well positioned to localise high-value NEV components, including fuel cells, thermal management systems, e-axles, high-voltage battery mineral beneficiation, and battery assembly.

The aftermarket parts market should also not be regarded as just an add-on, because it supports jobs, skills development, and economic activity across urban and rural areas, and it is worth considering for inclusion in policy development as part of the full value chain, from OEMs to workshops. The aftermarket consists of thousands of workshops, parts retailers, and informal traders, who together form a critical part of the economy.

In 2025, the bulk of the domestically manufactured automotive components continued to be sold as original equipment components to the OEMs, and the balance to exports and the aftermarket. Given South Africa's geographic location, the focus of exporters tends to be on high-value domestically beneficiated, logistics-friendly automotive components. In addition to a world-class catalytic converter supply chain, the country's manufacturing capabilities are also illustrated by engine manufacturing by two OEMs, both linked to export programmes to global markets. The following table reveals the automotive component export ranking by product category from 2021 to 2025.

**Research has indicated
that South Africa
is well positioned
to localise high-value
NEV components.**

Automotive component export ranking by product category – 2021 to 2025

Component category	2021	2022	2023	2024	2025	% of total export value	Ranking
Total (R million)	69 198	70 270	66 861	63 418	61 168		
Catalytic converters	34 891	33 955	29 494	19 264	15 888	26,0%	1
Engine parts	5 083	4 719	5 110	6 390	5 750	9,4%	2
Tyres	3 084	4 053	3 828	3 442	3 285	5,4%	3
Transmission shafts / cranks	1 296	1 415	1 679	2 780	3 011	4,9%	4
Engines	1 372	850	973	2 547	2 496	4,1%	5
Automotive tooling	880	973	1 077	988	1 409	2,3%	6
Clutches / shaft couplings	674	652	685	1 039	1 157	1,9%	7
Axles	615	656	1 020	1 126	1 062	1,7%	8
Lighting equipment / parts	271	319	337	736	883	1,5%	9
Filters	660	607	609	721	794	1,3%	10
Gauges / instruments / parts	662	687	800	922	739	1,2%	11
Brake parts	270	289	356	681	714	1,2%	12
Batteries	429	510	575	630	710	1,2%	13
Automotive glass	529	547	556	808	642	1,0%	14
Body parts / panels	243	339	598	661	619	1,0%	15
Shock absorbers / suspension parts	430	393	438	967	618	1,0%	16
Silencers / exhausts	417	409	603	650	509	0,8%	17
Ignition / starting equipment	278	308	317	478	475	0,8%	18
Gear boxes	282	381	361	428	432	0,7%	19
Alarm systems	92	105	138	295	379	0,6%	20
Wiring harnesses	194	171	175	195	323	0,5%	21
Gaskets	226	219	222	325	317	0,5%	22
Road wheels / parts	242	271	225	258	306	0,5%	23
Radiators / parts	1 272	1 447	1 294	257	286	0,5%	24
Stitched leather seats / parts	85	187	229	288	268	0,4%	25
Steering wheels / columns / boxes	71	139	113	217	197	0,3%	26
Springs	74	89	134	130	120	0,2%	27
Seats	43	43	64	60	73	0,1%	28
Air conditioners	35	48	56	68	56	0,1%	29
Jacks	36	60	40	46	42	0,1%	30
Seat belts	8	17	13	14	18	-	31
Car radios	20	24	39	21	15	-	32
Other parts	14 434	15 388	14 703	15 986	17 575	28,8%	33

Source: AIEC, **naamsa**, SARS

The following tables reveal the top five destinations for the automotive component category exports from South Africa for the period 2021 to 2025.

Catalytic converters (1)

Country	2021	2022	2023	2024	2025
Total (R million)	34 890,9	33 955,1	29 494,0	19 263,8	15 888,4
Germany	36%	32%	33%	42%	55%
Czech Republic	22%	20%	22%	25%	18%
Thailand	1%	3%	4%	8%	9%
Argentina	1%	1%	2%	4%	4%
Spain	4%	5%	6%	2%	2%

Engine parts (2)

Country	2021	2022	2023	2024	2025
Total (R million)	5 082,9	4 719,0	5 109,7	6 390,2	5 750,3
Germany	29%	32%	32%	26%	27%
USA	22%	27%	26%	24%	25%
Netherlands	-	2%	3%	5%	10%
Namibia	3%	5%	4%	5%	4%
Zambia	2%	3%	2%	3%	3%

Tyres (3)

Country	2021	2022	2023	2024	2025
Total (R million)	3 083,9	4 052,8	3 827,6	3 442,2	3 285,0
Netherlands	7%	6%	9%	14%	16%
USA	11%	15%	16%	10%	9%
Namibia	8%	6%	7%	8%	8%
Belgium	9%	12%	10%	3%	8%
Germany	3%	4%	2%	8%	7%

Transmission shafts and cranks (4)

Country	2021	2022	2023	2024	2025
Total (R million)	1 295,6	1 414,9	1 679,4	2 779,5	3 011,4
Zambia	10%	10%	11%	13%	14%
Zimbabwe	9%	15%	9%	10%	9%
Democratic Republic of Congo	14%	13%	11%	10%	9%
Botswana	5%	4%	6%	7%	7%
Namibia	7%	5%	6%	7%	6%

Engines (5)

Country	2021	2022	2023	2024	2025
Total (R million)	1 371,5	849,9	972,9	2 546,5	2 496,2
Zambia	5%	15%	10%	21%	21%
Mozambique	11%	26%	16%	15%	19%
Botswana	2%	4%	4%	10%	11%
Namibia	3%	4%	11%	10%	11%
Democratic Republic of Congo	3%	4%	9%	11%	7%

Automotive tooling (6)

Country	2021	2022	2023	2024	2025
Total (R million)	879,8	973,0	1 077,0	987,6	1 408,5
Germany	5%	3%	5%	2%	21%
Mexico	3%	5%	15%	27%	13%
USA	12%	6%	12%	4%	8%
Ghana	1%	1%	1%	1%	5%
Namibia	8%	11%	9%	8%	5%

Clutches and shaft couplings (7)

Country	2021	2022	2023	2024	2025
Total (R million)	673,5	651,9	685,4	1 038,5	1 157,1
Germany	56%	47%	58%	47%	49%
Namibia	7%	8%	7%	8%	8%
Botswana	4%	5%	5%	7%	5%
Zambia	2%	2%	1%	4%	5%
Zimbabwe	3%	3%	2%	4%	5%

Axles (8)

Country	2021	2022	2023	2024	2025
Total (R million)	614,6	655,6	1 019,9	1 126,4	1 062,0
Germany	71%	62%	66%	53%	29%
USA	8%	11%	15%	13%	22%
Zambia	4%	4%	2%	3%	11%
Botswana	1%	2%	1%	4%	8%
Namibia	3%	3%	2%	6%	7%

Lighting, signalling and wiping equipment (9)

Country	2021	2022	2023	2024	2025
Total (R million)	270,6	319,1	337,4	735,8	882,8
USA	1%	1%	9%	10%	27%
Namibia	15%	17%	16%	15%	13%
Botswana	10%	10%	11%	12%	12%
Germany	14%	19%	15%	11%	7%
Belgium	12%	8%	6%	7%	6%

Filters (10)

Country	2021	2022	2023	2024	2025
Total (R million)	660,2	607,3	608,6	720,8	793,5
Germany	30%	20%	24%	21%	17%
Namibia	13%	15%	13%	16%	15%
Zimbabwe	10%	11%	10%	10%	12%
Mozambique	8%	10%	8%	9%	12%
Botswana	8%	10%	9%	11%	11%

Gauges, instruments and parts (11)

Country	2021	2022	2023	2024	2025
Total (R million)	661,6	687,1	799,6	921,6	739,3
Zambia	6%	9%	8%	10%	14%
Democratic Republic of Congo	20%	18%	17%	11%	13%
Namibia	7%	8%	8%	13%	12%
Botswana	8%	10%	9%	11%	10%
Mozambique	9%	10%	10%	10%	8%

Brake parts (12)

Country	2021	2022	2023	2024	2025
Total (R million)	270,3	288,9	356,4	680,9	714,0
Namibia	16%	18%	15%	19%	21%
Botswana	15%	12%	12%	18%	15%
Zambia	11%	12%	8%	8%	15%
eSwatini	10%	12%	7%	8%	9%
Zimbabwe	6%	6%	6%	5%	6%

Batteries (13)

Country	2021	2022	2023	2024	2025
Total (R million)	428,8	510,2	575,4	629,6	710,0
Zambia	20%	23%	23%	25%	24%
Namibia	17%	21%	15%	17%	22%
Zimbabwe	10%	11%	15%	17%	13%
Botswana	7%	6%	6%	6%	10%
UK	8%	8%	11%	7%	7%

Automotive glass (14)

Country	2021	2022	2023	2024	2025
Total (R million)	528,5	547,3	555,7	807,8	641,9
Belgium	34%	34%	27%	31%	32%
UK	22%	21%	19%	20%	16%
Spain	7%	7%	8%	10%	9%
Germany	6%	5%	14%	10%	9%
Namibia	17%	21%	7%	5%	7%

Body parts and panels (15)

Country	2021	2022	2023	2024	2025
Total (R million)	243,2	338,5	597,9	660,9	618,7
Germany	19%	14%	23%	22%	23%
Zambia	2%	4%	11%	10%	17%
Namibia	13%	11%	7%	9%	10%
Belgium	19%	17%	13%	11%	10%
Botswana	11%	11%	11%	6%	9%

Shock absorbers and suspension parts (16)

Country	2021	2022	2023	2024	2025
Total (R million)	430,2	392,8	438,0	967,2	618,4
Namibia	7%	9%	10%	11%	17%
Botswana	6%	6%	6%	7%	14%
Germany	64%	54%	48%	18%	12%
Mozambique	1%	3%	6%	6%	10%
Zambia	3%	6%	4%	3%	9%

Silencers and exhausts (17)

Country	2021	2022	2023	2024	2025
Total (R million)	416,9	408,9	603,0	649,6	509,1
Germany	8%	13%	14%	22%	28%
USA	18%	18%	16%	16%	17%
Czech Republic	22%	20%	17%	22%	15%
Mexico	11%	17%	16%	14%	15%
South Korea	6%	5%	4%	5%	3%

Ignition and starting equipment (18)

Country	2021	2022	2023	2024	2025
Total (R million)	278,3	307,5	317,2	478,3	475,4
Namibia	20%	20%	21%	20%	21%
Botswana	22%	19%	19%	19%	21%
Zimbabwe	10%	11%	9%	8%	10%
Zambia	6%	7%	7%	8%	9%
Mozambique	7%	7%	7%	6%	6%

Gear boxes (19)

Country	2021	2022	2023	2024	2025
Total (R million)	281,5	381,0	360,7	428,1	431,9
Zambia	16%	10%	4%	10%	20%
USA	19%	16%	25%	19%	13%
Botswana	5%	6%	11%	14%	12%
Mozambique	6%	3%	3%	7%	12%
Namibia	9%	22%	12%	11%	9%

Alarm systems (20)

Country	2021	2022	2023	2024	2025
Total (R million)	91,8	104,5	138,0	294,5	378,6
Namibia	9%	9%	9%	11%	12%
Ghana	4%	1%	2%	4%	11%
UK	2%	1%	-	14%	10%
Zambia	10%	8%	9%	11%	8%
Botswana	10%	14%	10%	5%	6%

Wiring harnesses (21)

Country	2021	2022	2023	2024	2025
Total (R million)	193,6	171,1	175,0	195,1	323,0
United Arab Emirates	28%	28%	1%	14%	30%
Germany	5%	6%	11%	11%	7%
Namibia	6%	7%	6%	8%	6%
Spain	-	-	-	2%	6%
Czech Republic	1%	2%	1%	9%	6%

Gaskets (22)

Country	2021	2022	2023	2024	2025
Total (R million)	225,5	219,0	222,2	324,5	316,8
Namibia	9%	10%	13%	14%	15%
Zambia	13%	14%	12%	11%	12%
Mozambique	11%	11%	11%	11%	10%
Belgium	7%	2%	2%	5%	7%
Zimbabwe	9%	9%	9%	7%	7%

Road wheels and parts (23)

Country	2021	2022	2023	2024	2025
Total (R million)	241,5	270,9	224,8	258,0	306,0
Argentina	47%	47%	38%	24%	15%
USA	1%	3%	-	4%	13%
Namibia	6%	8%	8%	12%	9%
Spain	1%	-	-	-	8%
Democratic Republic of Congo	2%	3%	7%	13%	7%

Radiators and parts (24)

Country	2021	2022	2023	2024	2025
Total (R million)	1 271,8	1 447,2	1 293,8	257,0	286,0
United Kingdom	-	-	-	19%	14%
Namibia	2%	2%	2%	15%	14%
Belgium	3%	2%	4%	11%	12%
Zambia	1%	1%	1%	3%	10%
Botswana	1%	1%	1%	11%	10%

Stitched leather seats and parts (25)

Country	2021	2022	2023	2024	2025
Total (R million)	84,7	187,3	228,8	287,5	267,7
Hungary	-	-	-	39%	41%
Brazil	1%	1%	35%	26%	21%
Germany	20%	2%	5%	5%	5%
Namibia	4%	2%	2%	4%	5%
Botswana	5%	3%	3%	5%	4%

Steering wheels, columns and boxes (26)

Country	2021	2022	2023	2024	2025
Total (R million)	71,0	139,2	113,3	216,5	196,5
Namibia	21%	12%	15%	16%	22%
USA	2%	1%	12%	28%	16%
Botswana	11%	9%	12%	13%	13%
Mozambique	5%	3%	3%	4%	7%
Zambia	4%	3%	3%	4%	6%

Springs (27)

Country	2021	2022	2023	2024	2025
Total (R million)	73,9	89,2	133,8	129,9	119,8
Germany	10%	14%	8%	9%	17%
Zimbabwe	8%	5%	9%	23%	16%
UK	9%	9%	7%	6%	11%
Botswana	6%	5%	5%	7%	9%
Zambia	9%	11%	7%	7%	8%

Seats (28)

Country	2021	2022	2023	2024	2025
Total (R million)	42,8	43,4	63,7	60,3	73,2
Zimbabwe	12%	16%	11%	12%	13%
Botswana	10%	14%	8%	15%	13%
Namibia	9%	9%	5%	15%	13%
Zambia	8%	9%	9%	10%	12%
Mozambique	6%	5%	27%	5%	6%

Air conditioners (29)

Country	2021	2022	2023	2024	2025
Total (R million)	35,3	47,8	56,3	68,2	56,2
Namibia	18%	11%	11%	20%	23%
Mozambique	7%	4%	4%	7%	16%
Democratic Republic of Congo	8%	3%	7%	9%	11%
Botswana	11%	22%	27%	13%	8%
Zambia	5%	7%	8%	3%	7%

Jacks (30)

Country	2021	2022	2023	2024	2025
Total (R million)	36,1	60,1	39,5	45,8	41,9
Namibia	12%	8%	11%	11%	16%
Zambia	12%	9%	9%	21%	13%
Zimbabwe	15%	15%	13%	14%	13%
Mozambique	13%	11%	11%	8%	12%
Botswana	8%	28%	11%	12%	10%

Seat belts (31)

Country	2021	2022	2023	2024	2025
Total (R million)	7,7	17,1	13,0	13,8	17,5
Namibia	18%	12%	18%	32%	29%
Zambia	8%	5%	6%	4%	14%
Botswana	12%	8%	12%	12%	13%
Belgium	10%	4%	22%	7%	8%
Germany	2%	-	-	7%	5%

Car radios (32)

Country	2021	2022	2023	2024	2025
Total (R million)	20,2	23,9	39,2	21,0	15,4
Namibia	29%	23%	5%	24%	32%
Botswana	43%	21%	10%	32%	31%
eSwatini	10%	5%	-	9%	12%
Zambia	2%	3%	3%	5%	5%
Mozambique	2%	7%	5%	4%	4%



AUTOMOTIVE COMPONENTS – EXPORTS BY COUNTRY

The South African automotive industry's automotive component export performance by country reflects both regional strength and evolving global patterns. Against a backdrop of geopolitical fragmentation, accelerating technological change and mounting resource constraints, the global automotive industry is experiencing a period of heightened uncertainty. Volatility has been replacing long-term predictability as the defining condition, while scale and long-range planning are losing relevance. Disruption is becoming a permanent feature rather than a cyclical shock. Across the world, supply chains now sit at the centre of economic stability, public service delivery, industrial strategy, and social welfare. They shape whether systems function, are resilient, trade integration succeeds, and countries are able to absorb shocks. The priority is no longer forecasting disruption but redesigning operating models to function under permanent uncertainty. This means increasingly moving away from efficiency-driven supply chains towards adaptive networks that can be reconfigured with optionality when conditions change.

While OEMs ramp up NEV vehicle programmes and digitise their supply chains, greater traceability, tighter tolerances, and seamless integration are now prerequisites, thus the demands on South African component suppliers are greater than ever. Meeting these demands requires more than just competitive pricing or the ability to increase capacity, they need smarter, more adaptable systems and leaner production methods that drive efficiency, without sacrificing jobs in the process. The 2025 repeat of the global semi-conductor crunch illustrated by issues such as the Nexperia chip-supply disruption, underlines how vulnerable global automotive supply chains remain. Many OEMs have had to scale back on production, delay model launches or reduce output. Such risks highlight the value of diversified and resilient supply chains. Digital tools can help mitigate this risk by making operations more flexible, responsive, and data-driven, and thus better able to shift output, integrate into changing supply chains, and pursue new customer segments. As export markets evolve, these capabilities will become even more important. It requires smarter investment in digital skills, technician training, and systems integration, and manufacturers must find ways to leapfrog the legacy stages of industrial development by using technology to close the performance gap.

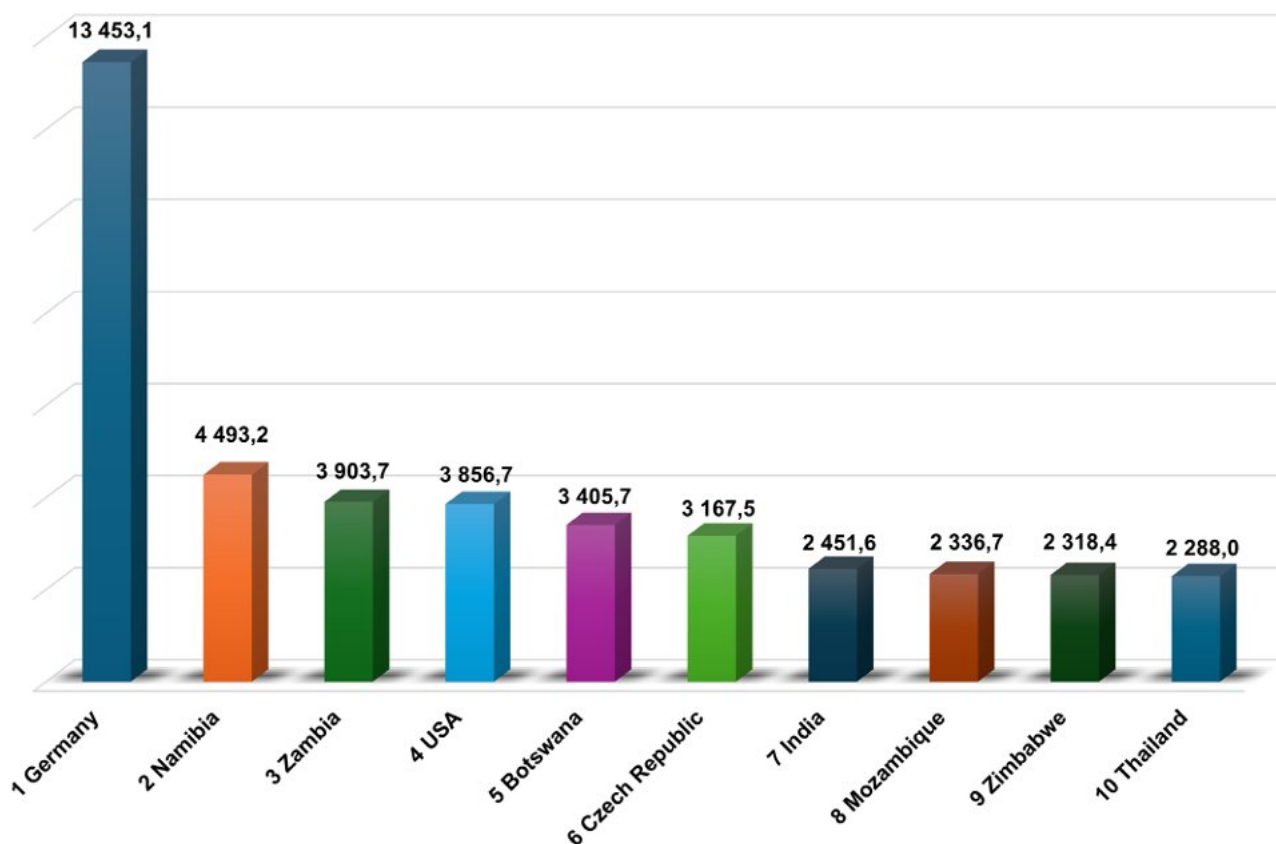
At present, given the protectionism and trade-policy uncertainty in some major markets, global OEMs increasingly seek diversified sourcing and supply-chain partners, which provides a window of opportunity for countries like South Africa to position themselves as reliable automotive component suppliers if they are able to adapt to the changing environment. However, despite tariffs and political divisions, the world remains highly interconnected, and companies that stay open to trade, that collaborate internationally, and that utilise logistics strategically, will thrive. The broad base of South African automotive component export destinations provides some insulation, and focusing on regions with slower EV adoption or hybrid/ICE demand at present could also help maintain production and export volumes for longer. Success in this evolving landscape will continue to depend on strategic investments, agile supply chain management, and the ability to adapt to regional market conditions.

In the South African context, efficient manufacturing operations have never been of greater importance than in the wake of the global disruptions. In this regard, the Automotive Supply Chain Competitiveness Initiative (ASCCI) was established in December 2013 as a multi-stakeholder, non-profit initiative tasked with upgrading the production capabilities of automotive component suppliers. The objectives of ASCCI include to increase supplier manufacturing value-add, enable domestic supply chain capabilities, increase local content, grow employment, and advance transformation.

Against the backdrop of the current low average levels of local content in domestically manufactured vehicles and the targets outlined in the SAAM 2035, a key priority for ASCCI is to deepen domestic

manufacturing value-addition through localisation, by developing opportunities for the domestic sourcing of components at Tier 1 and 2 levels. In supporting sub-tier suppliers to unlock competitiveness gains, ASCCI has implemented a World Class Manufacturing (WCM) programme, with the focus on lean principles and production optimisation methodologies. ASCCI is managed by the AITF and serves as a pipeline for AITF projects to be supported by AITF instruments. A total of 23 projects to the value of R9,33 million have been approved across the programme, primarily supporting Tier 2 and Tier 3 component manufacturers, with a strong focus on Black-owned suppliers. The increase of domestic value-addition is key, not only for the sustainability of the South African automotive industry, but also to allow the multitude of benefits that the sector delivers to be felt more widely across the economy.

Top automotive component export destinations by value – 2025 (R million)



Source: **naamsa**, SARS

South Africa's automotive component export markets remain diverse, with Germany once again in 2025 confirming its importance as a long-standing strategic partner. Regional markets in SADC also remained key destinations, while other African countries are anticipated to start featuring more prominently from 2026 onwards, in view of the rules of origin for automobiles under the AfCFTA now being adopted. Overall, the data demonstrates a balanced export footprint spanning all the major continents. Key trends and specific market demand will continue driving the domestic automotive industry's automotive component export performance, while adapting to the global shift towards electric mobility will remain imperative to sustain and drive export growth in the coming years. The following table reveals the domestic automotive industry's top automotive component export destinations by value and country ranking for 2024 to 2025.

Automotive component export value and ranking by country – 2024 to 2025

Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Germany	13 522,8	1	13 453,1	1
Namibia	4 254,5	4	4 493,2	2
Zambia	3 403,7	6	3 903,7	3
USA	4 423,0	3	3 856,7	4
Botswana	3 470,2	5	3 405,7	5
Czech Republic	5 347,4	2	3 167,5	6
India	173,3	-	2 451,6	7
Mozambique	2 230,2	8	2 336,7	8
Zimbabwe	2 158,2	10	2 318,4	9
Thailand	2 219,4	9	2 288,0	10
Democratic Republic of Congo	2 476,1	7	2 107,7	11
Netherlands	1 049,6	14	1 410,0	12
Belgium	1 515,9	12	1 279,4	13
eSwatini (formerly Swaziland)	1 044,8	15	1 141,2	14
UK	1 566,0	11	1 103,9	15
Argentina	855,7	17	861,6	16
Spain	718,4	20	711,2	17
Lesotho	745,6	18	703,5	18
Tanzania	468,4	26	672,8	19
Australia	723,93	19	657,8	20
UAE	500,79	23	524,5	21
Japan	704,6	21	519,9	22

Source: **naamsa**, SARS

The following tables reveal the automotive component export details for the export destinations recording an export value above R500 million in 2025. It should be noted that various miscellaneous parts and sub-components, eligible in terms of the APDP2 classifiable in the Customs Tariff as “other parts”, have not been included in the tables.

(1) Country	Germany R13 453,1 million				
	1 Catalytic converters R8 817,4	2 Engine parts R1 450,6	3 Clutches / shaft couplings R563,8	4 Axles R306,0	5 Automotive tooling R299,8
	6 Tyres R221,0	7 Body parts / panels R140,9	8 Silencers / exhausts R140,8	9 Filters R137,4	10 Engines R108,8



(2) Country	Namibia R4 493,2 million				
	1 Tyres R271,9	2 Engines R267,4	3 Transmission shafts / cranks R192,4	4 Batteries R155,3	5 Brake parts R147,6
	6 Gauges / instruments / parts R127,6	7 Filters R121,2	8 Lighting equipment / parts R113,7	9 Shock absorbers R107,1	10 Ignition / starting equipment R100,1

(3) Country	Zambia R3 903,7 million				
	1 Engines R516,4	2 Transmission shafts / cranks R431,7	3 Engine parts R217,9	4 Batteries R171,6	5 Gauges / instruments / parts R132,3
	6 Axles R119,1	7 Tyres R110,8	8 Brake parts R106,5	9 Body parts / panels R104,0	10 Gear boxes R86,4

(4) Country	USA R3 856,7 million				
	1 Engine parts R1 369,7	2 Tyres R294,2	3 Catalytic converters R275,7	4 Lighting equipment / parts R238,9	5 Axles R232,4
	6 Transmission shafts / cranks R167,1	7 Automotive tooling R115,2	8 Silencers / exhausts R86,0	9 Gear boxes R55,9	10 Engines R50,4

(5) Country	Botswana R3 405,7 million				
	1 Engines R268,8	2 Transmission shafts / cranks R225,5	3 Tyres R199,1	4 Engine parts R130,8	5 Brake parts R108,0
	6 Lighting equipment / parts R103,8	7 Ignition / starting equipment R98,1	8 Filters R90,8	9 Shock absorbers R86,8	10 Axles R80,5

(6) Country	Czech Republic R3 167,5 million				
	1 Catalytic converters R2 882,4	2 Engine parts R150,9	3 Silencers / exhausts R78,1	4 Wiring harnesses R18,4	5 Gaskets R2,3
	6 Shock absorbers R0,9	7 Seats R0,4	8 Engines R0,3	9 Clutches / shaft couplings R0,1	10 Automotive tooling R0,1

(7) Country	India R2 451,6 million				
	1 Engines R22,6	2 Automotive tooling R20,7	3 Engine parts R20,6	4 Transmission shafts / cranks R13,6	5 Silencers / exhausts R6,5
	6 Clutches / shaft couplings R6,0	7 Catalytic converters R2,9	8 Gaskets R2,4	9 Alarm systems R1,9	10 Seats R1,9

(8) Country	Mozambique R2 336,7 million				
	1 Engines R482,0	2 Transmission shafts / cranks R180,9	3 Filters R92,7	4 Engine parts R83,0	5 Shock absorbers R60,7
	6 Gauges / instruments / parts R58,3	7 Gear boxes R49,8	8 Tyres R47,9	9 Brake parts R39,3	10 Axles R38,1

(9) Country	Zimbabwe R2 318,4 million				
	1 Transmission shafts / cranks R282,8	2 Tyres R188,6	3 Filters R97,3	4 Batteries R93,3	5 Engine parts R84,2
	6 Engines R66,7	7 Clutches / shaft couplings R52,8	8 Gauges / instruments / parts R47,6	9 Automotive tooling R46,1	10 Ignition / starting equipment R45,8

(10) Country	Thailand R2 288,0 million				
	1 Catalytic converters R1 503,7	2 Tyres R76,6	3 Clutches / shaft couplings R20,7	4 Engines R17,1	5 Transmission shafts / cranks R5,8
	6 Brake parts R4,0	7 Lighting equipment / parts R3,6	8 Shock absorbers R3,4	9 Engine parts R3,2	10 Silencers / exhausts R2,0

(11) Country	Democratic Republic of Congo R2 107,7 million				
	1 Transmission shafts / cranks R269,1	2 Engines R175,9	3 Engine parts R94,6	4 Gauges / instruments / parts R93,5	5 Body parts / panels R43,5
	6 Gear boxes R38,2	7 Automotive tooling R36,5	8 Catalytic converters R34,2	9 Clutches / shaft couplings R26,6	10 Road wheels / parts R21,7

(12) Country	Netherlands R1 410,0 million				
	1 Engine parts R547,2	2 Tyres R527,0	3 Catalytic converters R181,2	4 Transmission shafts / cranks R9,8	5 Body parts / panels R7,2
	6 Engines R4,1	7 Automotive tooling R3,9	8 Road wheels / parts R2,6	9 Wiring harnesses R2,6	10 Lighting equipment / parts R2,2

(13) Country	Belgium R1 279,4 million				
	1 Tyres R253,6	2 Automotive glass R204,4	3 Transmission shafts / cranks R174,8	4 Engine parts R110,0	5 Body parts / panels R58,9
	6 Lighting equipment / parts R55,9	7 Engines R40,8	8 Radiators R33,6	9 Shock absorbers R30,1	10 Clutches / shaft couplings R26,0

(14) Country	eSwatini (formerly Swaziland) R1 141,2 million				
	1 Tyres R103,4	2 Brake parts R61,8	3 Transmission shafts / cranks R58,9	4 Engine parts R50,9	5 Batteries R47,8
	6 Body parts / panels R31,1	7 Shock absorbers R28,4	8 Filters R26,7	9 Clutches / shaft couplings R24,9	10 Ignition / starting equipment R23,9

(15) Country	UK R1 103,9 million				
	1 Tyres R172,1	2 Catalytic converters R153,7	3 Engine parts R143,4	4 Automotive glass R102,4	5 Batteries R48,1
	6 Radiators R40,5	7 Engines R38,0	8 Alarm systems R37,9	9 Shock absorbers R24,9	10 Gaskets R18,2

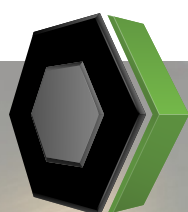
(16) Country	Argentina R861,6 million				
	1 Catalytic converters R712,7	2 Road wheels / parts R45,3	3 Engines R32,7	4 Engine parts R5,7	5 Transmission shafts / cranks R5,0
	6 Silencers / exhausts R5,0	7 Body parts / panels R2,7	8 Radiators R0,7	9 Axles R0,7	10 Gauges / instruments / parts R0,5

(17) Country	Spain R711,2 million				
	1 Catalytic converters R390,0	2 Engine parts R69,6	3 Automotive glass R60,1	4 Automotive tooling R45,2	5 Road wheels / parts R25,8
	6 Wiring harnesses R18,7	7 Tyres R12,0	8 Steering wheels / columns / boxes R11,3	9 Transmission shafts / cranks R6,9	10 Silencers / exhausts R4,3

(18) Country	Lesotho R703,5 million				
	1 Tyres R88,7	2 Brake parts R30,8	3 Transmission shafts / cranks R28,4	4 Ignition / starting equipment R16,0	5 Engine parts R15,0
	6 Filters R14,0	7 Shock absorbers R12,6	8 Batteries R12,4	9 Gauges / instruments / parts R10,4	10 Clutches / shaft couplings R10,2

(19) Country	Tanzania R672,8 million				
	1 Transmission shafts / cranks R78,6	2 Tyres R43,5	3 Engine parts R37,0	4 Engines R33,2	5 Automotive tooling R27,8
	6 Gauges / instruments / parts R26,2	7 Catalytic converters R25,0	8 Road wheels / parts R17,8	9 Gear boxes R13,2	10 Alarm systems R12,4

(20) Country	Australia R657,8 million				
	1 Tyres R86,5	2 Engines R84,3	3 Transmission shafts / cranks R34,0	4 Catalytic converters R23,9	5 Engine parts R17,2
	6 Body parts / panels R11,4	7 Automotive tooling R9,9	8 Brake parts R8,0	9 Clutches / shaft couplings R6,6	10 Shock absorbers R6,1



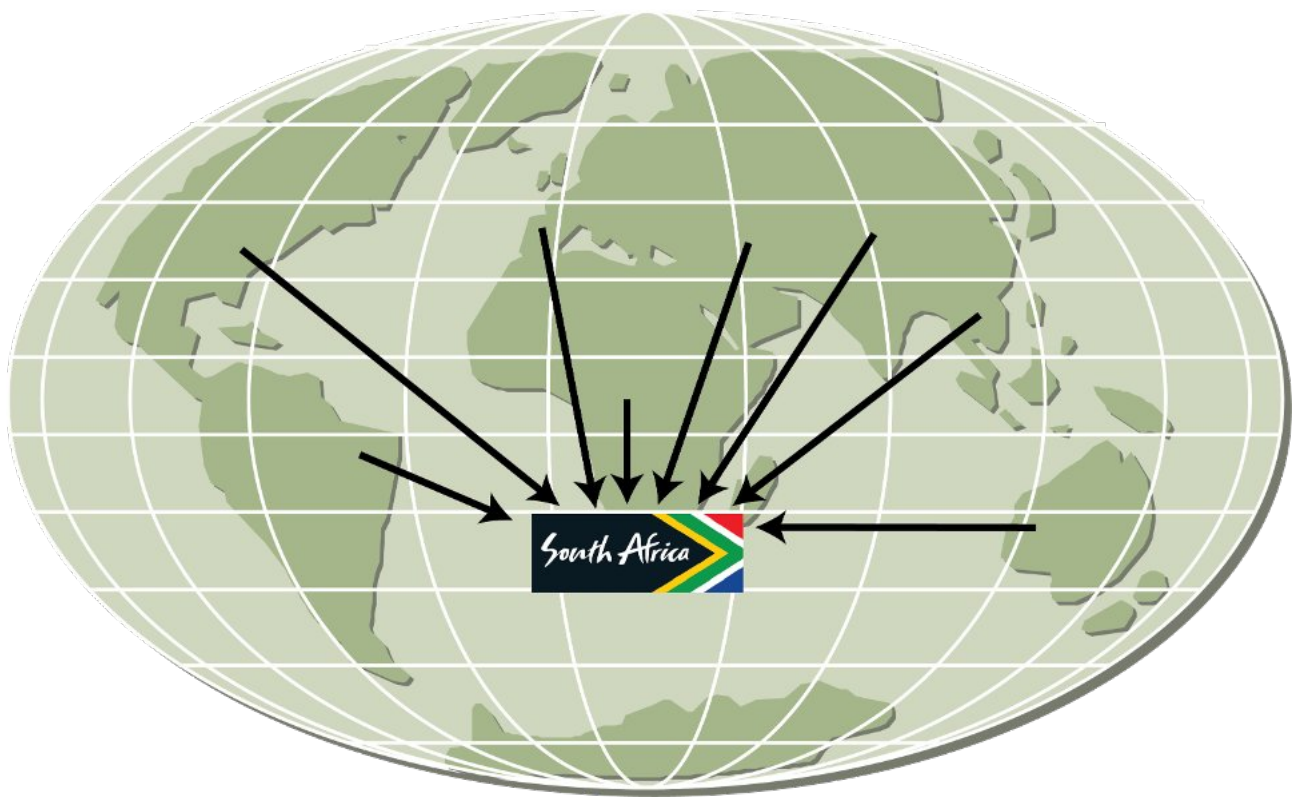
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(21) Country	UAE R524,5 million				
	1 Wiring harnesses R98,4	2 Automotive tooling R66,9	3 Transmission shafts / cranks R47,0	4 Tyres R32,3	5 Engine parts R15,3
	6 Ignition / starting equipment R12,2	7 Shock absorbers R9,4	8 Gauges / instruments / parts R8,9	9 Engines R6,7	10 Brake parts R6,4

(22) Country	Japan R519,9 million				
	1 Tyres R10,3	2 Transmission shafts / cranks R7,5	3 Lighting equipment / parts R6,3	4 Engine parts R6,0	5 Brake parts R5,7
	6 Catalytic converters R5,5	7 Gauges / instruments / parts R4,0	8 Springs R3,8	9 Shock absorbers R2,7	10 Clutches / shaft couplings R2,7



IMPORTS



South Africa's automotive industry relies extensively on imports, particularly for original equipment components, aftermarket parts and fully built-up vehicles not manufactured domestically. Vehicle and automotive component imports play a meaningful role in the economy by complementing domestic manufacturing, broadening consumer choice, and supporting industrial competitiveness. Imports supply vehicle models, technologies, and parts not produced in the domestic market, supporting the business models of the OEM, and ensuring maintenance and aftermarket services. Import activity also generates significant fiscal revenue through duties and internal taxes. While increasing the trade bill, these imports enhance productivity, technology transfer, and market efficiency, assisting in integrating the domestic automotive industry into global automotive value chains.

In 2025, imports remained vital to meet consumer demand for diverse vehicle models, especially small and entry-level models, as well as EVs that domestic OEMs do not yet manufacture. The automotive industry continued to face challenges from fluctuating exchange rates, rising shipping costs, and ongoing global supply disruptions, which impact vehicle pricing and the cost of doing business. The balance between imports and domestic vehicle and component production remains imperative to sustaining South Africa's automotive market competitiveness and consumer choice. The country's inevitable transition to NEVs presents a wide range of economic, industrial and environmental opportunities. The shift is not only about cleaner transport but also about industrialisation, job creation, value-chain development and global value chain integration.

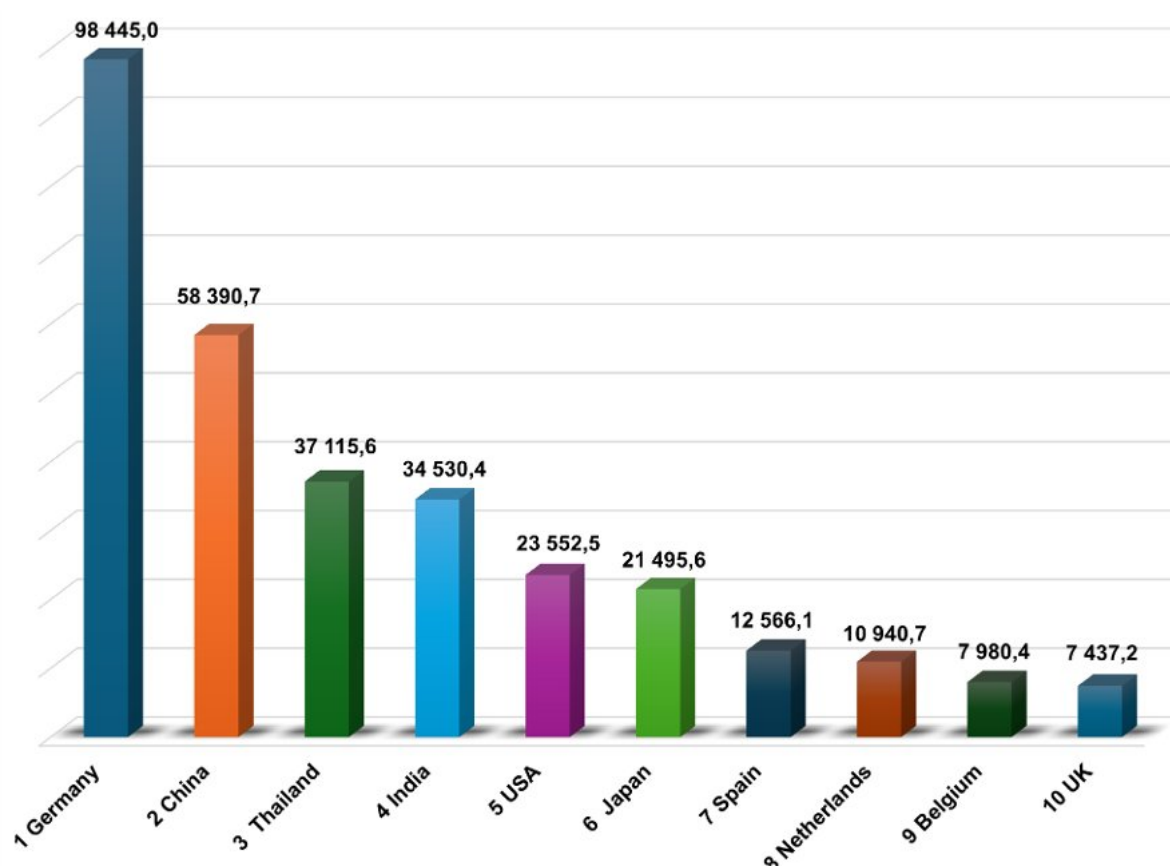
IMPORTS BY COUNTRY OF ORIGIN

South Africa's automotive import profile for 2025 reflects the strong dependence on major global vehicle manufacturing hubs, with notable growth among leading supplier countries. Imports remain significant and highlight the domestic automotive industry's reliance on technologically advanced economies for vehicles and automotive components. The concentration of imports among a few dominant countries underscores the importance of strategic sourcing and supply chain resilience in an increasingly competitive global automotive environment. Vehicle and automotive component imports above the R20 million threshold in 2025 originated from 64 countries, down from 66 countries in 2024.

Imports of new vehicles, original equipment components, as well as aftermarket parts into South Africa are affected by movements in the Rand exchange rate against the exchange rates of the source countries. Depending on the particular firm's balance of trade, the impact of exchange rate fluctuations may vary. In 2025, the Rand, in comparison to 2024, appreciated by 1,2% against the Japanese Yen, 2,3% against the Chinese Yuan, and 2,4% against the US Dollar, however, it depreciated by 0,6% against the Pound, and 1,8% against the Euro.

The countries of origin for vehicles and automotive components imported into South Africa generally reflect the global linkages with the head offices of parent companies. The notable exception amongst the top countries of origin in 2025 was Thailand, where 71,5% of imports comprised original equipment components for light commercial vehicles.

Top automotive countries of origin – 2025 (R million)



Source: **naamsa**, SARS

The following table reveals the import values and rankings for the 64 countries of origin for vehicles and automotive component imports into South Africa, above the R20 million threshold, for 2024 and 2025. The sources of South Africa's automotive imports reflect a blend of European, American and Asian manufacturing influences. From 2024 to 2025, the import values of the Netherlands, Belgium, United Arab Emirates, Singapore, Switzerland, Luxembourg, Hong Kong, Namibia, Zambia, Mozambique, eSwatini, Lebanon, Greece, Tanzania, Zimbabwe, Chile, Angola and Kenya more than doubled on a year-on-year basis.

Import value and ranking by country of origin – 2024 to 2025

Country	2024 R million	2024 Ranking	2025 R million	2025 Ranking
Germany	59 498,5	1	98 445,0	1
China	49 082,0	2	58 390,7	2
Thailand	33 538,3	3	37 115,6	3
India	30 074,1	4	34 530,4	4
USA	22 075,6	5	23 552,5	5
Japan	21 125,8	6	21 495,6	6
Spain	10 529,1	8	12 566,1	7
Netherlands*	2 176,5	23	10 940,7	8
Belgium*	944,1	29	7 980,4	9
UK	7 061,0	10	7 437,2	10
Sweden	5 705,6	14	4 727,0	11
Brazil	6 036,2	11	4 427,7	12
South Korea	3 402,7	20	3 589,9	13
Italy	5 373,1	16	3 448,1	14
Austria	5 578,7	15	2 334,0	15
Botswana	1 999,6	24	2 186,7	16
Poland	11 020,6	7	1 832,6	17
United Arab Emirates*	463,3	39	1 800,1	18
France	3 493,9	19	1 728,2	19
Singapore*	257,9	42	1 694,3	20
Czech Republic	7 821,4	9	1 356,9	21
Switzerland*	530,7	36	1 266,9	22
Malaysia	1 098,1	28	1 217,6	23
Turkey	3 028,3	21	1 213,1	24
Indonesia	1 259,5	26	1 165,3	25
25 COUNTRIES ABOVE R1 BILLION				
Argentina	933,9	30	985,9	26
Vietnam	1 318,1	25	796,9	27
Philippines	682,5	31	793,6	28
Lesotho	592,6	34	762,7	29
Taiwan	1 231,1	27	762,5	30
Australia	499,4	37	643,6	31
Mexico	5 979,9	12	590,8	32

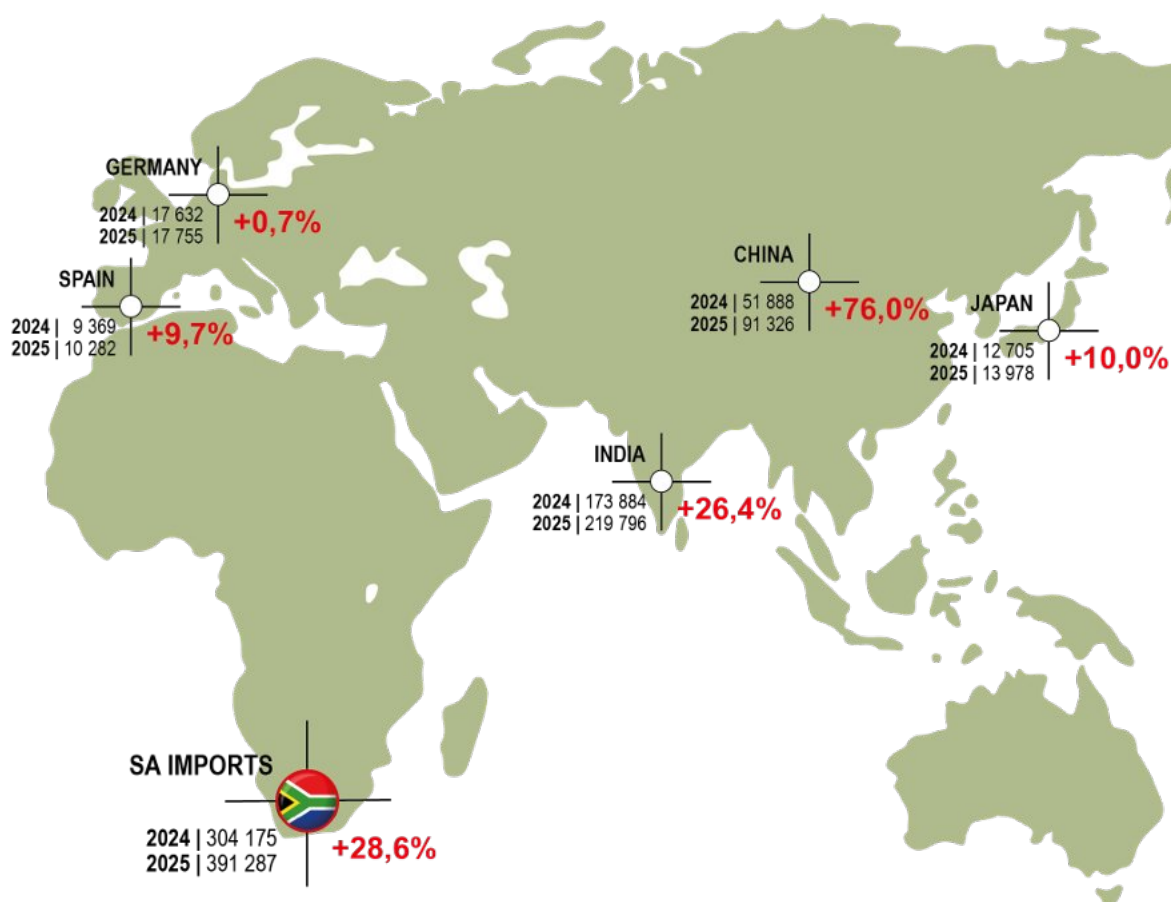
Canada	429,6	40	512,2	33
Luxembourg*	106,2	48	463,9	34
Hungary	4 729,9	17	441,5	35
Hong Kong, China*	66,4	54	397,6	36
Finland	681,1	32	388,6	37
Namibia*	115,4	47	359,3	38
Slovenia	584,1	35	342,2	39
Denmark	425,1	41	323,9	40
Portugal	2 303,7	22	306,9	41
Zambia*	12,3	74	303,1	42
Slovak Republic	3 721,9	18	254,2	43
Israel	173,7	45	214,8	44
Romania	5 711,5	13	214,6	45
Ireland	82,4	50	149,8	46
Mozambique*	22,9	62	116,1	47
Bulgaria	639,0	33	111,7	48
eSwatini*	17,1	71	103,4	49
49 COUNTRIES ABOVE R100 MILLION				
Tunisia	211,6	44	68,4	50
Morocco	465,9	38	52,3	51
Malta	47,1	59	51,8	52
Lebanon*	-	-	46,2	53
Greece*	14,8	72	43,3	54
Saudi Arabia	30,5	60	42,8	55
Tanzania*	5,8	-	36,9	56
Norway	50,3	58	29,8	57
Zimbabwe*	13,1	73	27,6	58
Chile*	12,0	75	27,4	59
Angola*	-	-	26,9	60
Kenya*	0,7	-	26,9	61
Croatia	65,1	55	23,0	62
Egypt	21,2	64	22,4	63
Colombia	26,0	61	20,4	64
64 COUNTRIES ABOVE R20 MILLION				

Source: **naamsa**, SARS

*Countries with import values more than doubling year-on-year



IMPORTS OF VEHICLES



Source: **naamsa**/Lightstone Auto

Effectively, vehicle imports meet the diverse demands of South African drivers and deliver a positive market experience. More brands with affordable models continued to enter the domestic market in 2025, reshaping the new vehicle market dynamics. The dominance of imports underscored South Africa's reliance on the global supply for a significant portion of its new vehicle demand, especially for the entry-level and small car segments where limited domestic manufacturing occurs.

Imports of light vehicles (passenger cars and light commercial vehicles) increased by 87 112 units, or 28,6%, from 304 175 units in 2024 to 391 287 units in 2025. Light vehicle imports as a percentage of total light vehicle sales increased from 62,7% in 2024 to 69,1% in 2025. Passenger car imports accounted for 82,8% of total passenger car sales of 422 463 units in 2025, while light commercial vehicle imports accounted for 28,7% of total light commercial vehicle sales of 143 964 units in 2025. Considering the 1,9% contribution by the retail sector to the GDP in 2025, the independent vehicle importers and distributors play a meaningful role in South Africa's economy through various channels in the retail sector, including consumer choice, market competition, job creation, investment, revenue generation, technology and skills transfer, and aftermarket services, amongst others.

New light vehicles imported into South Africa originated from 25 countries. The top country of origin, in volume terms, for passenger cars and LCVs imported into South Africa in 2025, was India, with 219 796

vehicles, accounting for 56,2% of the total light vehicles imported, while China, with 91 326 units in second position, gained further popularity, increasing its share to 23,3%, up from 17,1% in 2024. Several global brands have established India as a production hub for small car plants, and most of the vehicles imported from India fell in the small car and entry-level segments. India specialises in small, entry-level vehicles, which have grown in popularity in the domestic market. Volkswagen's Polo Vivo was the only vehicle in these segments that was manufactured in South Africa in 2025.

China's domestic demand is insufficient to absorb the imbalance between its manufacturing output and internal consumption; consequently, it has flooded the world with affordable vehicles. Altogether, there were 15 different brands from China operating in the domestic new vehicle market in 2025, up from eight in 2024, with more to follow in 2026. South Africa has become a very price-conscious market, and consumers are increasingly favouring vehicles that offer features comparable to premium brands, but at a more affordable price point. Chinese brands, in particular, have leveraged the search for value to enable them to grow quickly in South Africa over the recent past. While Chinese brands are very affordable, they are also generally competitive in terms of technology and luxury.

The following table reveals that in volume terms, India, followed by China, Germany, Japan and Spain were the top countries of origin for vehicles imported into South Africa in 2025. In Rand value terms, India was also the main country of origin, followed by China and Germany, the latter of which imports included premium brands such as Audi, BMW, Mercedes-Benz and Porsche.

Top 10 countries of origin for light vehicles (passenger cars and light commercial vehicles) imported – 2021 to 2025

Country of origin	2021	2022	2023	2024	2025	2025
Total (R billion)	50,9	79,1	83,3	74,8	99,0	Import Rand value %
India	128 715	176 486	160 509	173 884	219 796	29,3%
China	21 656	35 052	39 290	51 888	91 326	22,3%
Germany	20 045	19 968	19 657	17 632	17 755	17,0%
Japan	24 578	18 785	18 254	12 705	13 978	7,0%
Spain	11 988	18 158	13 095	9 369	10 282	4,0%
Thailand	2 342	4 537	6 866	6 346	6 450	4,2%
Portugal	3 610	2 419	2 218	4 133	6 249	1,6%
South Korea	17 953	19 288	13 295	5 737	6 175	1,9%
USA	3 252	4 916	4 116	3 925	3 587	3,0%
Mexico	1 425	488	1 371	2 933	2 421	1,2%
Other	25 956	20 621	17 962	15 623	13 268	8,5%
Number of light vehicle imports	262 279	322 784	296 767	304 175	391 287	100%
Total light vehicle market	437 416	499 393	498 867	484 928	566 427	
% of new light vehicle market imported	60,0%	64,6%	59,5%	62,7%	69,1%	
Passenger car imports as % of total	78,3%	80,3%	77,2%	77,9%	82,8%	
LCV imports as % of total	18,1%	23,5%	18,8%	22,6%	28,7%	

Source: **naamsa**/Lightstone Auto, SARS

The essence of the automotive policy regime in South Africa is to encourage OEMs to manufacture one or two high volume models, export to obtain economies of scale benefits, and then import the low volume models not manufactured in the country to satisfy consumer demand. The growth in the variety of vehicles

in South Africa is a direct result of government's automotive policy regime whereby OEMs earn duty credits in the form of Production Rebate Certificates (PRCs) which they can use to cost-effectively import other low volume models not manufactured in the country, or sell PRCs to independent importers to gain a monetary value for the credits earned. Vehicles manufactured in South Africa are mainly for the export market in order to obtain higher production volumes but also to generate rebate credits, so that the imported vehicles and growing choices demanded by a consumer-driven market can be offered at more favourable prices by rebating the relevant import duties.

While the growth in vehicle imports provide South African consumers with more affordable vehicle options, they place substantial pressure on the domestic OEMs and the long-established importing brands. In 2025, only 30,9% of new light vehicles sold in South Africa were manufactured domestically, with imports more prevalent in the non-premium, high-volume segments. As one of the key pillars of the SAAM 2035, local market optimisation remains essential, and this includes finding innovative ways to enhance the sales of domestically manufactured vehicles in the country and to remain competitive. Established brands in the country are responding to the import disruption by way of aggressive marketing, sales incentives, innovative financial solutions and new model launches that enable them to compete. After-sales support also remains imperative, and at present, established players in the market aim to capitalise on this aspect until such time that new entrants have built out their dealer networks.

A process of homologation is required before any motor vehicle model, whether domestically manufactured or imported, can be introduced into the South African market. The National Regulator for Compulsory Specifications (NRCS) is tasked with ensuring public safety and environmental protection. The homologation procedure of the NRCS intends to ensure that all new vehicle models comply with the relevant South African legislation, standards and specifications, as well as codes of practice, before use by the public on public roads. More information on the NRCS can be accessed at www.nrcs.org.za.

The National Transport Information System (NaTIS) combats stolen and non-complying vehicle registrations. All vehicle manufacturing plants in South Africa have been linked to the on-line system to facilitate the collation of data related to vehicles manufactured. More information on the NaTIS can be accessed at www.rtmco.co.za.

The International Trade Administration Act (ITA Act) makes provision for the control of certain goods imported and exported into and from South Africa through a system of permits. The International Trade Administration Commission of South Africa (ITAC), through its Import and Export Control Unit, is responsible for administering this system. Used vehicle imports are not allowed into South Africa. However, there are certain criteria that allow people to legally import a specified used vehicle from another country, but this is strictly controlled. In 2025, passenger car import rules have been significantly tightened for eligibility, especially for returning residents and others wishing to import vehicles. Left-hand drive vehicles are also not allowed in the country. The stringent rules and regulations that guide the importation of used cars are intended to protect the domestic vehicle manufacturing industry, whilst simultaneously ensuring that the millions of cars traversing the country's roads every day meet the necessary safety standards. More information with respect to used vehicle imports and relevant permit application forms can be accessed at www.itac.org.za.



IMPORTS OF AUTOMOTIVE PARTS AND COMPONENTS

The South African automotive industry remains heavily reliant on imported components, particularly for assembly lines and aftermarket parts supply. The seven domestic manufacturing OEMs in South Africa, with another two on the horizon, operate within global supply chains which represent an intricate and interdependent manufacturing chain. The automotive supply chain refers to the end-to-end process of manufacturing and delivering vehicles and automotive parts, starting from the sourcing of raw materials to the final distribution to customers. It involves multiple stages, from designing and producing individual components to assembling the vehicle and managing post-production logistics. As the key drivers of the supply chain, the OEMs have significant power to shape the value chains through the scale and specification of their orders.

Globalisation and buying from the most favourable suppliers to control costs have been the tools used to ensure OEMs stay afloat financially. Imports of original equipment (OE) components by the seven domestic OEMs increased by R3,6 billion, or 2,4%, to R151,0 billion in 2025, up from R147,4 billion in 2024, in line with higher vehicle production volumes supporting higher vehicle exports. The introduction of a new model generally starts off with lower local content levels, with the high-value componentry, such as the powertrain and telematics, which collectively account for about 50% to 60% of the value in a modern vehicle, being mainly imported into South Africa. However, the local content values vary from OEM to OEM, and significant value is added to the imports of original equipment components that are not sourced in South Africa, and that are used to manufacture vehicles for the domestic and export markets.

OE components are imported under Chapter 98 for completely knocked down (CKD) vehicle manufacturing in South Africa. The widening and deepening of South Africa's component-supplier base under the SAAM 2035 is an important focal point, as it will reduce the risk associated with exchange rate fluctuations and logistics costs. The following table reveals that imports of OE components originated mainly from major vehicle production countries such as Germany, Thailand, the USA, China and Japan.

As the key drivers of the supply chain, the OEMs have significant power to shape the value chains through the scale and specification of their orders.

Top 10 countries of origin for original equipment (OE) components imported (Chapter 98) – 2021 to 2025

Country	2021	2022	2023	2024	2025
Total (R billion)	110,1	119,6	160,4	147,4	151,0
Germany	30%	34%	34%	34%	39%
Thailand	20%	20%	18%	16%	18%
USA	6%	6%	7%	6%	8%
China	4%	4%	5%	7%	8%
Japan	11%	9%	9%	7%	7%
Spain	3%	2%	3%	3%	4%
Netherlands	1%	1%	1%	1%	4%
Sweden	3%	4%	3%	3%	2%
Brazil	3%	3%	3%	3%	1%
Austria	1%	2%	3%	3%	1%
Other	18%	15%	14%	17%	8%

Source: AIEC, **naamsa**, SARS

A vehicle is one of the few consumer products that usually has a succession of owners, who can differ significantly in their environmental values, transportation needs, and financial resources. After manufacturing and retail, the automotive aftermarket pertains to the secondary market which caters for the needs and preferences of vehicle owners, offering a variety of choices beyond what is available through the original equipment manufacturers. The aftermarket includes a wide range of products and services, such as replacement parts, performance enhancing components, and maintenance and repair services. The expansion of aftermarket offerings includes not only classic components but also accessories, cosmetic upgrades, and customisation for owners seeking to upgrade functionality or style. The global automotive aftermarket industry size was valued at US\$464,8 billion in 2025.

As South Africa's new vehicle market continues to expand with diverse vehicle brands, advanced technologies, and new models, access to high-quality parts has become essential for repair purposes. For suppliers, retailers and workshop owners, this represents a stable and growing business base. For consumers, aftermarket availability, including cost-effective parts, offers a practical alternative to buying new cars. Importantly, if a component has been compromised, even slightly, it could affect the safety of the entire vehicle, underscoring the critical importance of the aftermarket space.

The 2025 aftermarket environment in South Africa remained robust, with the proliferation of the market mainly driven by four key factors, namely, the growth of imported vehicles, the changing age mix of vehicles, advancements in vehicle technology, and economic pressures on consumers. Each of the four factors is enhancing the average annual use of aftermarket products.

As imported vehicles grow in market share, the greater brand diversity increases the complexity and demand for matching aftermarket parts that often follows. Foreign and domestic nameplate populations continued to move in opposite directions, and in 2025, light vehicle imports, as a percentage of total new light vehicle sales in South Africa, increased from 62,7% in 2024 to 69,1% in 2025, with 82,8% of passenger cars that were sold in the domestic market being imported. The diminishing presence of domestic nameplates and the corresponding surge in foreign nameplates' share are changing the brand mix of aftermarket product volume. This trend has become more pronounced over the last decade, as the share of domestically manufactured light vehicles has fallen steadily, with imported light vehicle models averaging 59,9% of annual new vehicle sales over the past decade, while the domestically manufactured models' new

vehicle share declined to 40,1%. In the aftermarket, Chinese brands in particular, are also bringing in lower-cost parts, which again heightens competition for domestic part manufacturers. At present, ICE vehicles still constitute virtually all of the domestic market's older vehicle parc, especially those over four years old.

Replacement parts for a vehicle parc of 13,68 million vehicles in 2025 remain high. The South African car parc is an ageing one, increasing to 11 years in 2025, up from 10 years and 11 months in 2024, with 75,6% of vehicles being six years or older in 2025, down from 77,5% in 2024. Higher new-vehicle sales in 2025 contributed to the vehicle mix and age. Older vehicles require more aftermarket products per kilometre travelled than newer cars and bakkies. The repair-age sweet-spot for most light vehicles ranges between six and 10 years of vehicle age.

Connectivity trends and changing vehicle technology are creating strong disruptive forces within the automotive aftermarket, while evolving safety standards and consumer demands necessitate additional features and technologies in modern vehicles. The tendency of the world's automotive market is towards the increased mechanical complexity of vehicles and this, in particular, elevates the demand for specialised repair services. Although these advancements are necessary and beneficial, they also complicate the aftermarket space. The global shift toward EVs will eventually reduce demand for traditional ICE vehicle components and increase demand for EV-specific battery components, electronics, and alternative-powertrain modules. A battery-powered vehicle has fewer moving parts than a diesel or petrol engine vehicle and requires significantly less servicing and parts to fix. The investment required to support EVs is also substantial, as repairing EVs requires specialist tools, an insulated environment and trained staff. However, for the time being, BEV sales in South Africa still represent a relatively small percentage of total sales, and the annual rate of ICE vehicle growth up to 2030 will likely outpace the loss of ICE volume caused by BEVs over this period.

The aftermarket parts environment continues to evolve in response to shifts in economic pressures and consumer behaviour. With affordability continuing to drive new vehicle sales in South Africa, the weighted average price of 64,2% of light vehicles sold in South Africa in 2025 fell below the R500 000 price range, up from 61,8% in 2024. This movement underscores a broader industry trend in a shift from long-established brands to more affordable alternatives in most market segments. New light vehicle price inflation decreased from 3,3% in 2024 to 1,1% in 2025, well below inflation of 3,2%. Keeping their vehicles for longer, opting to extend maintenance plans, or shifting to pre-owned vehicles increases aftermarket product volume. While consumers naturally consider price and features when buying a car, the ease with which parts can be sourced, and the support it receives through high-quality repairs, play a significant role in the vehicle's long-term viability. Research by McKinsey reveals that the majority of customers consider a better service experience more influential than the purchase experience. The strength of a brand's parts supply chain, therefore, has a direct impact on the ability of repairers to restore vehicles to a safe and reliable condition quickly. It is the vehicle's lifetime, not just the price tag or performance that matters.

In 2025, the import of replacement parts increased by R2,7 billion, or 2,6%, to R107,5 billion, up from R104,8 billion in 2024, in line with the expansion of the national vehicle parc and higher vehicle imports. The following table reveals the replacement parts imported, mainly to complement the parts not manufactured in the domestic market, for 2021 to 2025.



Replacement parts imported (R million) – 2021 to 2025

Parts category	2021	2022	2023	2024	2025
Total (R million)	68 307	79 189	89 526	104 763	107 483
Tyres	6 698	6 734	8 126	8 788	8 768
Transmission shafts / cranks	2 461	3 078	3 257	6 286	6 189
Engine parts	4 883	5 804	5 861	6 846	5 941
Automotive tooling	4 944	5 968	6 032	3 844	5 728
Engines	2 323	3 279	5 234	5 902	5 102
Axles	902	1 026	1 556	4 287	4 562
Brake parts	1 546	1 862	2 276	4 073	4 232
Stitched leather seats / parts	2 453	2 952	3 558	3 319	3 557
Lighting equipment / parts	1 355	1 562	1 866	2 939	3 012
Wiring harnesses	2 030	2 540	3 112	2 547	2 518
Shock absorbers / suspension parts	937	985	1 060	2 329	2 508
Ignition / starting equipment	1 149	1 293	1 376	2 033	2 358
Gauges / instruments / parts	2 229	2 324	3 024	3 773	2 330
Filters	1 577	1 867	1 944	2 263	2 291
Steering wheels / columns / boxes	1 108	1 157	1 555	1 825	2 088
Clutches / shaft couplings	995	1 172	1 134	1 952	2 058
Batteries	1 208	1 412	1 686	1 626	1 812
Catalytic converters	702	1 288	1 153	1 225	1 194
Alarm systems	380	478	497	1 049	1 112
Gaskets	659	818	734	1 041	1 032
Body parts / panels	816	1 015	1 142	1 087	994
Silencers / exhausts	427	474	465	976	929
Gear boxes	537	586	677	1 002	888
Radiators / parts	888	957	964	907	854
Automotive glass	522	631	567	737	630
Road wheels / parts	504	531	566	589	585
Springs	342	381	460	407	453
Air conditioners	296	215	369	352	261
Car radios	262	264	200	180	149
Seat belts	92	124	146	120	147
Seats	86	102	114	130	136
Jacks	118	118	123	146	126
Other parts	22 878	26 192	28 692	30 183	32 939

Source: AIEC, **naamsa**, SARS

In the South African context, aftermarket parts are supplied by domestic component suppliers focusing mainly on the domestic models manufactured in the country, while foreign aftermarket parts are generally linked to imported models. The upward trend in aftermarket parts imports over recent years underscores the country's dependence on global suppliers but also highlights opportunities to strengthen localisation capacity to improve supply chain resilience within the domestic automotive industry.

The following table reveals that the countries of origin for the aftermarket parts imported from 2021 to 2025 were aligned with the main countries of origin for passenger cars and light commercial vehicles, and in the case of Asian countries, reflecting the continuing centre of gravity's shift to the east as the growth in vehicles manufactured in these countries also transformed the demand dynamics for aftermarket parts.

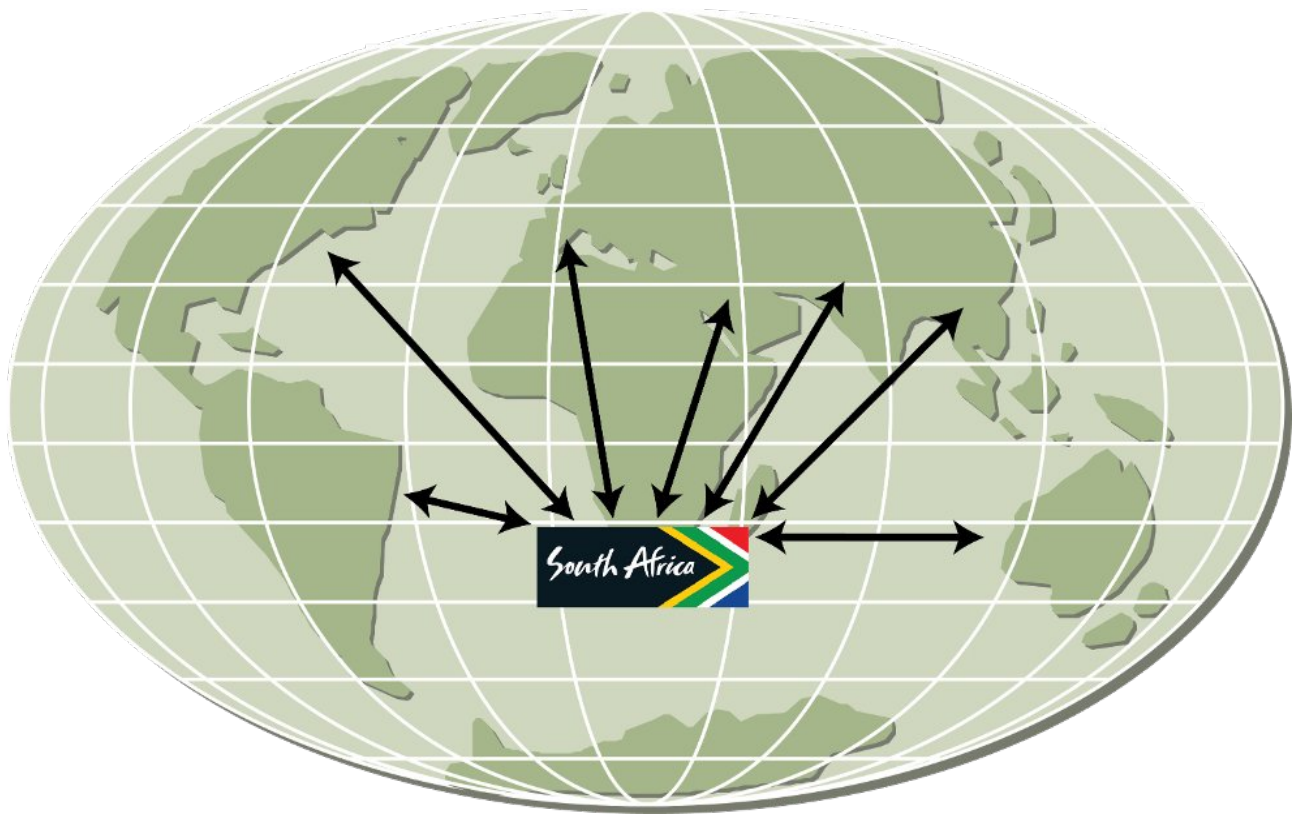
Top 10 countries of origin for imported replacement parts – 2021 to 2025

Country of origin	2021	2022	2023	2024	2025
China	24,1%	24,8%	21,9%	24,0%	22,2%
Germany	15,4%	14,4%	14,9%	14,8%	19,7%
USA	8,5%	9,1%	9,9%	9,5%	8,3%
Thailand	5,5%	5,0%	5,9%	5,9%	6,0%
Japan	4,9%	5,2%	4,1%	4,2%	4,3%
Netherlands	0,7%	0,7%	1,0%	1,0%	3,8%
India	3,5%	4,0%	4,6%	4,9%	3,6%
Belgium	0,5%	0,4%	0,5%	1,0%	3,3%
United Kingdom	2,5%	2,4%	2,3%	2,2%	2,7%
Spain	2,5%	2,5%	3,0%	2,6%	2,7%
Other	31,9%	31,5%	31,9%	29,9%	23,4%

Source: AIEC, **naamsa**, SARS

The countries of origin for the aftermarket parts imported from 2021 to 2025 were aligned with the main countries of origin for passenger cars and light commercial vehicles, and in the case of Asian countries, reflecting the continuing centre of gravity's shift to the east.

TRADE



International trade is a powerful tool for economic growth and development. Access to international markets allows firms to achieve economies of scale, innovate and remain competitive. Open and predictable trade systems enhance economic resilience, enabling countries to diversify markets and reduce dependence on domestic demand alone. In an increasingly interconnected world, trade underpins global integration, co-operation and shared prosperity, making it vital for sustainable long-term economic growth. However, global trade at present stands at a cross-roads in view of the rising tariffs, fragmented supply chains, and weakening international co-operation that have left the global economy exposed to greater uncertainty and slower growth. Global trade has always faced shocks, from tariffs to pandemics to geopolitical rifts. What is different at present is that uncertainty itself has become systemic. If there is no predictability, it is impossible to plan, and without planning, capital investments are deferred. Perhaps the most damaging aspect is the breakdown in confidence. When policies are unclear or rules are selectively applied, governments turn to unilateral actions that invite retaliation. This cycle feeds volatility across supply chains. Restoring stability and predictability is essential for businesses to invest, for countries to grow and for trade to fulfil its role as a driver of development.

Given South Africa's open economy, the importance of international trade and its linkages in the country's economy play a pivotal role. The country is engaging in a wide network of preferential trade agreements, covering in the order of 90 countries, the latter representing a significant share of global GDP. Deepening existing trade relationships that add value through foreign direct investment, which again generates employment, contributes to taxes, and enables skills development and technology transfer, remains imperative. The domestic automotive industry needs to navigate the massive geopolitical shifts carefully in view of its significance to the South African economy, while via its synergies with various other ancillary industries, its performance also impacts other sectors of the economy.

MAIN AUTOMOTIVE TRADING REGIONS AND COUNTRIES

South Africa's automotive trade in 2025 reflected a diversified global footprint, balancing strong exports to developed markets, with imports, mainly from Asian countries, ensuring a broad product offering and competitive domestic market. While exports support industrial growth and job creation, imports ensure wider consumer choice and enhanced access to advanced technologies. The ongoing global shifts toward electrification and supply-chain diversification are increasingly reshaping South Africa's automotive trade dynamics. Overall, the domestic automotive industry's export strategy balances established markets with emerging regional trade to diversify and strengthen the industry.

It is imperative to understand the interconnectedness of the domestic automotive industry and global developments to be able to position the industry on a global stage. The current rebalancing of global trade dynamics has wide-ranging consequences for international business. Businesses must recognise how interconnected these threats are and how to strengthen their resilience. For the South African automotive industry, adapting to this new landscape requires strategic foresight. This includes reviewing manufacturing footprints, increasing local content to mitigate the impact of tariffs, adapting product lines to specific markets, reconfiguring supply chains to reduce exposure to global risks, all while navigating the rising technological transition.

The domestic automotive industry's top automotive regional trading partner in 2025 remained the EU. Vehicle and automotive component exports to the EU increased by R26,1 billion, or 16,7%, up from R156,7 billion in 2024 to R182,8 billion in 2025, mainly due to a rise in the value of vehicle exports to the region. Automotive imports from the EU also increased by R17,5 billion, or 12,6%, from R138,5 billion in 2024 to R156,0 billion in 2025, in line with higher original equipment component and vehicle imports from the region. The EU and Africa were the regions providing a trade surplus in 2025. The largest deficit was recorded with the 48-country Asia region, including countries such as China, India, Japan, and Thailand.

South Africa's main automotive regional trade partners – 2025

Year	Exports from SA (R billion)	Imports into SA (R billion)	Trade surplus/ (deficit) (R billion)
Total	291,0	357,5	(66,5)
EU	182,8	156,0	26,8
Africa (including SADC)	49,5	4,1	45,4
USMCA	23,7	24,7	(1,0)
Asia	20,0	163,5	(143,5)
Mercosur	1,3	5,4	(4,1)
Other regions	13,7	3,8	9,9

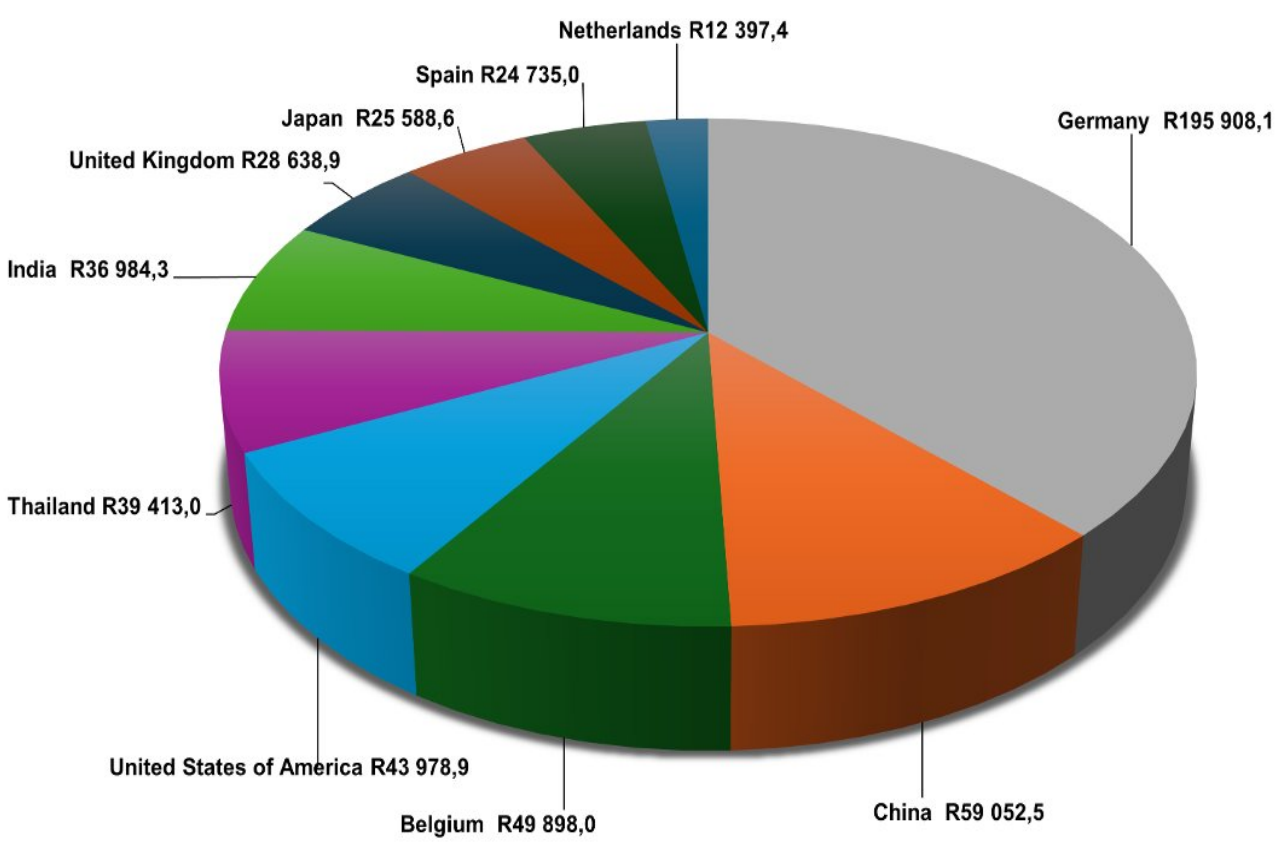
Source: **naamsa**, SARS

Germany, home to BMW, Volkswagen and Mercedes-Benz, remained the South African automotive industry's biggest single trading country partner (exports and imports combined) in 2025, increasing to R195,5 billion, significantly up from the R138,6 billion in 2024. The South African automotive industry's relationship with only two of its top trading countries, namely, Belgium and the UK, reflected a trade

surplus in 2025. There was just one change to South Africa’s top 10 automotive trading partners in 2025, with the Netherlands replacing the Czech Republic at number 10, while China improved its ranking year-on-year in 2025 from being ranked number 3 to number 2, Belgium from number 6 to number 3, and India from number 7 to number 6.

The global EV transition represents a structural shift that will test the South African automotive industry’s ability to modernise its automotive sector. Successful adaptation is required to preserve its role as an export-oriented automotive hub. In 2025, four OEMs were manufacturing hybrids and plug-in hybrid models in the domestic market, while several localisation opportunities for EV components have been identified, or already exist, and should contribute to substitute the losses in ICE vehicle component exports over the medium term.

South Africa’s main automotive trading partners – 2025 (R million)



Source: **naamsa**, SARS

The following tables reveal details and rankings of the South African automotive industry’s top 10 automotive trading partners in 2025 and also reflect the top 10 products exported and imported, where applicable.



1. Germany (Total trade R195 908,1 million) – 2025

Main products	Exports from SA R97 463,1 million	Main products	Imports into SA R98 445,0 million
Light vehicles	84 007,3	Original equipment components	59 975,7
Catalytic converters	8 817,4	Light vehicles	16 872,8
Engine parts	1 449,5	Axles	1 434,8
Clutches / shaft couplings	563,8	Brake parts	1 187,0
Axles	306,0	Steering wheels / columns / boxes	1 176,4
Automotive tooling	299,8	Transmission shafts / cranks	1 103,4
Tyres	221,0	Stitched leather seats / parts	870,1
Body parts / panels	140,9	Tyres	835,5
Silencers / exhausts	140,8	Automotive tooling	758,2
Filters	137,4	Shock absorbers / suspension parts	707,0
Other	1 379,2	Other	13 524,1

2. China (Total trade R59 052,5 million) – 2025

Main products	Exports from SA R661,8 million	Main products	Imports into SA R58 390,7 million
Light vehicles	407,8	Light vehicles	22 067,5
Transmission shafts / cranks	63,3	Original equipment components	11 032,8
Engine parts	14,5	Tyres	3 510,7
Clutches / shaft couplings	7,8	Engine parts	1 681,9
Ignition / starting equipment	6,5	Medium / Heavy vehicles	1 450,4
Brake parts	4,2	Transmission shafts / cranks	1 242,2
Silencers / exhausts	4,1	Brake parts	1 100,9
Steering wheels / columns / boxes	3,4	Automotive tooling	1 076,6
Gaskets	3,0	Ignition / starting equipment	767,5
Automotive tooling	2,5	Lighting equipment / parts	678,6
Other	144,7	Other	13 781,6

3. Belgium (Total trade R49 898,0 million) – 2025

Main products	Exports from SA R41 917,6 million	Main products	Imports into SA R7 980,4 million
Light vehicles	40 638,2	Original equipment components	1 912,2
Tyres	253,6	Light vehicles	1 496,5
Automotive glass	204,4	Medium / Heavy vehicles	982,3
Transmission shafts / cranks	174,8	Engine parts	350,8
Engine parts	110,0	Transmission shafts / cranks	291,5
Body parts / panels	58,9	Shock absorbers / suspension parts	208,3
Lighting equipment / parts	55,9	Axles	184,2
Engines	40,8	Stitched leather seats / parts	136,7
Radiators	33,6	Automotive tooling	119,9
Shock absorbers / suspension parts	30,1	Filters	112,7
Other	317,3	Other	2 185,3

4. United States of America (USA) (Total trade R43 978,9 million) – 2025

Main products	Exports from SA R20 426,4 million	Main products	Imports into SA R23 552,5 million
Light vehicles	16 566,1	Original equipment components	11 634,0
Engine parts	1 363,9	Light vehicles	2 963,1
Tyres	294,2	Engines	1 095,1
Catalytic converters	275,7	Transmission shafts / cranks	914,6
Lighting equipment / parts	238,9	Engine parts	801,8
Axles	232,4	Axles	774,8
Transmission shafts / cranks	167,1	Automotive tooling	558,2
Automotive tooling	115,2	Gear boxes	276,9
Silencers / exhausts	86,0	Gauges / instruments / parts	210,5
Gear boxes	55,9	Shock absorbers / suspension parts	168,2
Engines	50,4	Brake parts	158,0
Other	980,6	Other	3 997,3

5. Thailand (Total trade R39 413,0 million) – 2025

Main products	Exports from SA R2 297,4 million	Main products	Imports into SA R37 115,6 million
Catalytic converters	1 503,7	Original equipment components	26 531,4
Tyres	76,6	Light vehicles	4 140,4
Clutches / shaft couplings	20,7	Tyres	813,8
Engines	17,1	Stitched leather seats / parts	766,2
Transmission shafts / cranks	5,8	Automotive tooling	676,7
Brake parts	4,0	Brake parts	653,4
Lighting equipment / parts	3,6	Axles	434,0
Shock absorbers / suspension parts	3,4	Lighting equipment / parts	350,0
Engine parts	3,2	Wiring harnesses	293,5
Light vehicles	2,7	Filters	286,6
Other	656,6	Other	2 169,6

6. India (Total trade R36 984,3 million) – 2025

Main products	Exports from SA R2 453,9 million	Main products	Imports into SA R34 530,4 million
Engines	22,6	Light vehicles	29 051,3
Automotive tooling	20,7	Original equipment components	1 467,8
Engine parts	20,4	Tyres	577,3
Transmission shafts / cranks	13,6	Engines	569,7
Silencers / exhausts	6,5	Gauges / instruments / parts	266,9
Clutches / shaft couplings	6,0	Axles	196,7
Catalytic converters	2,9	Engine parts	173,9
Gaskets	2,4	Medium / Heavy vehicles	146,5
Alarm systems	1,9	Lighting equipment / parts	140,8
Seats	1,9	Transmission shafts / cranks	108,8
Other	2 355,0	Other	1 830,7

7. United Kingdom (UK) (Total trade R28 638,9 million) – 2025

Main products	Exports from SA R21 201,7 million	Main products	Imports into SA R7 437,2 million
Light vehicles	20 097,8	Light vehicles	2 878,9
Tyres	172,1	Original equipment components	1 631,0
Catalytic converters	153,7	Engines	452,2
Engine parts	142,7	Automotive tooling	342,0
Automotive glass	102,4	Engine parts	197,5
Batteries	48,1	Alarm systems	126,5
Radiators / parts	40,5	Gauges / instruments / parts	123,8
Engines	38,0	Transmission shafts / cranks	97,9
Alarm systems	37,9	Brake parts	72,9
Shock absorbers / suspension parts	24,9	Ignition / starting equipment	70,2
Other	343,6	Other	1 444,3

8. Japan (Total trade R25 588,6 million) – 2025

Main products	Exports from SA R4 092,0 million	Main products	Imports into SA R21 496,6 million
Light vehicles	3 571,5	Original equipment components	9 917,4
Tyres	10,3	Light vehicles	6 904,4
Transmission shafts / cranks	7,5	Tyres	476,3
Lighting equipment / parts	6,3	Automotive tooling	465,7
Engine parts	6,0	Brake parts	363,7
Brake parts	5,7	Engine parts	316,7
Catalytic converters	5,5	Filters	210,1
Gauges / instruments / parts	4,0	Ignition / starting equipment	208,2
Springs	3,8	Transmission shafts / cranks	192,5
Other	226,1	Other	2 441,6

9. Spain (Total trade R24 735,0 million) – 2025

Main products	Exports from SA R12 168,9 million	Main products	Imports into SA R12 566,1 million
Light vehicles	11 457,7	Original equipment components	5 540,7
Catalytic converters	390,0	Light vehicles	3 958,6
Engine parts	69,5	Stitched leather seats / parts	484,9
Automotive glass	60,1	Batteries	380,8
Automotive tooling	45,2	Medium / Heavy vehicles	196,6
Road wheels / parts	25,8	Tyres	171,5
Wiring harnesses	18,7	Body parts / panels	97,0
Tyres	12,0	Automotive tooling	80,9
Steering wheels / columns / boxes	11,3	Engine parts	39,0
Transmission shafts / cranks	6,9	Brake parts	36,1
Other	71,7	Other	1 580,0

10. Netherlands (Total trade R12 397,4 million) – 2025

Main products	Exports from SA R1 456,7 million	Main products	Imports into SA R10 940,7 million
Engine parts	545,7	Original equipment components	6 768,1
Tyres	527,0	Tyres	356,7
Catalytic converters	181,2	Transmission shafts / cranks	348,9
Light vehicles	46,6	Automotive tooling	346,2
Transmission shafts / cranks	9,8	Engines	321,9
Body parts / panels	7,2	Gauges / instruments / parts	175,6
Engines	4,1	Engine parts	149,2
Automotive tooling	3,9	Filters	93,8
Road wheels / parts	2,6	Shock absorbers / suspension parts	70,9
Other	128,6	Other	2 309,4



AUTOMOTIVE INDUSTRY

TRADE BALANCE

The DTIC has set a strategic target of growing the value of South African exports to R3 trillion by 2030. Implementation is being pursued under the so-called “Butterfly Strategy”, where Africa represents the body of the butterfly and the wings represent the rest of the world. The strategy is anchored by the AfCFTA and aims to diversify exports both geographically and by product category, with a particular focus on increasing value-added exports.

In 2025, South Africa's total exports stood at R1 869,6 billion, while total imports amounted to R1 802,1 billion, resulting in a trade surplus of over R67,5 billion. The South African automotive industry is a strategic sector with vast economic significance and is one of the country's most meaningful economic contributors. The automotive industry's export value under the APDP2 in 2025 amounted to R291,0 billion, which comprised 15,6% (14,7% in 2024) of the total South African exports of R1 869,6 billion, while the industry's imports of R255,7 billion under the APDP2 in 2025, comprised 14,2% (12,7% in 2024) of total South African imports of R1 802,1 billion.

South African automotive trade revenue under the APDP2, amounting to a substantial R546,7 billion in 2025, comprised 15,3% of South Africa's total trade GDP, marginally down from 15,4% in 2024. The automotive export revenue of R291,0 billion in 2025 reflected an increase of R22,2 billion, or 8,3%, compared to the R268,8 billion export value in 2024. Although the vehicle export revenue increased by R24,4 billion, or 11,9%, to a record R229,8 billion in 2025, up from R205,4 billion in 2024, automotive component exports decreased by R2,2 billion, or 3,5%, from the R63,4 billion exported in 2024, to R61,2 billion exported in 2025. The automotive import value increased by R29,7 billion, or 13,1%, from R226,0 billion in 2024 to R255,7 billion in 2025, which could mainly be attributed to a year-on-year increase in the imports of vehicles in 2025.

In 2025, South Africa's automotive industry maintained a positive trade balance, despite rising vehicle imports as the export-driven industry helped sustain a trade surplus in automotive products, supporting economic growth and job creation amid global supply chain challenges and shifting market dynamics. Vehicle imports increased in 2025 due to the rising consumer demand for affordable passenger cars, along with an increase in automotive components not produced domestically. The following table reveals that the trade balance under the APDP2 measurement reflected a trade surplus of R35,3 billion in 2025, compared to R42,8 billion in 2024.

**The trade balance under the
APDP2 measurement reflected
a trade surplus of
R35,3 billion in 2025.**

APDP- and APDP2-related trade balance for the automotive industry: 2013 – 2025

Year	Imports into SA (R billion)	Exports from SA (R billion)	Trade surplus/deficit (R billion)
2013	126,7	102,7	(24,0)
2014	131,5	115,7	(15,8)
2015	146,2	151,5	5,3
2016	147,9	171,1	23,2
2017	154,6	164,9	10,3
2018	162,0	178,8	16,8
2019	174,6	201,7	27,1
2020	127,5	175,7	48,2
2021	168,4	207,5	39,1
2022	207,7	227,3	19,6
2023	249,7	270,8	21,1
2024	226,0	268,8	42,8
2025	255,7	291,0	35,3
Vehicles	99,0	229,8	130,8
Automotive components (excluding aftermarket parts)	156,7	61,2	(95,5)

Source: AIEC, **naamsa**, SARS

Under the APDP and APDP2, the basis for calculating the duty-free import credits is based on value added through the supply chain in the automotive manufacturing industry. There are certain eligibility requirements under the APDP and APDP2 to ensure that the beneficiaries are companies producing substantial quantities of automotive components for vehicle manufacturing, and to exclude accessories. The requirements include that automotive component manufacturers have to supply at least 25% of their total turnover, or R10 million annually, as part of an OEM supply chain domestically and/or internationally, to comply under the APDP and APDP2.

In view of the above, with the exception of automotive tooling, as all manufacturing operations require tooling, the imported replacement parts are generally not linked to value-addition in the country under the APDP and APDP2, and they are therefore not included in the automotive trade balance that is used to track the progress of the APDP and APDP2. Holistically, as was the measure under the MIDP, when imports of aftermarket parts had been included in the calculation, the industry as a whole still reflects a trade deficit (refer to the memo item and the following table).

Memo item:

For the purposes of comparison of the 2012 MIDP data with the 2013 to 2025 trade balance data under the APDP and APDP2, based on a holistic view of total automotive exports and imports (including vehicles, OE components and aftermarket parts), total automotive imports amounted to R357,5 billion in 2025, up by R30,5 billion, or 9,3%, compared to the R327,0 billion in 2024. The overall trade deficit widened to R66,5 billion in 2025 compared to R58,2 billion in 2024, which could mainly be attributed to much higher vehicle imports of affordable entry and small vehicle models where limited manufacturing occurs in the domestic market.



Automotive industry trade balance, including all automotive products – 2012 to 2025

Year	Imports into SA (R billion)	Exports from SA (R billion)	Trade surplus/(deficit) (R billion)
2012*	137,2	94,9	(42,3)
2013	166,5	102,7	(63,8)
2014	177,9	115,7	(62,2)
2015	196,7	151,5	(45,2)
2016	204,0	171,1	(32,9)
2017	208,4	164,9	(43,5)
2018	219,1	178,8	(40,3)
2019	233,7	201,7	(32,0)
2020	179,1	175,7	(3,4)
2021	231,8	207,5	(24,3)
2022	280,9	227,3	(53,6)
2023	333,2	270,8	(62,4)
2024	327,0	268,8	(58,2)
2025	357,5	291,0	(66,5)
Vehicles	99,0	229,8	130,8
Automotive components (including aftermarket parts)	258,5	61,2	(197,3)

Source: AIEC, **naamsa**, SARS

*MIDP calculation

The South African automotive industry is a highly export-oriented sector that capitalises on trade agreements to access global markets. These frameworks reduce tariffs, improve market access, and integrate the domestic automotive industry into global and regional value chains, enabling the industry to serve both the domestic market and export programmes. The automotive trade balance, however, is anticipated to increasingly face pressure as the global automotive landscape shifts towards electric vehicles, which may reduce demand for traditional internal combustion engine vehicles and related components. The domestic automotive industry's ability to adapt by increasing local content in vehicles and developing EV-related manufacturing programmes, therefore, will be critical to sustaining its trade surplus under the APDP2 in coming years.

**The South African
automotive industry is a
highly export-oriented
sector.**

SOUTH AFRICAN AUTOMOTIVE INDUSTRY GROWTH PROSPECTS

It remains a key priority for the South African government to support the manufacturing sector, which is recognised as essential for sustainable economic growth, job creation, and in fostering the circular economy. Government's 2026 Budget prioritised a massive R1,07 trillion infrastructure investment drive built on private sector investment and public-private partnerships to renew infrastructure, which includes transportation. However, infrastructure is not important just for its own sake, the real benefit is in enabling companies to access markets and operate effectively. Efficient ports, rail and road logistics are essential for export-driven manufacturing industries such as the automotive industry. Structural reforms increase economic capacity, reduce the cost of doing business, and enhance competition, which will support international competitiveness and foster sustained growth.

Since 2025, a necessary evolution has been underway in the restructuring of the country's logistics network. What has changed is not that the challenges have disappeared, but that the response has become more coherent. South Africa's rail reform journey, which now includes open access to freight rail, will contribute to a more efficient, reliable and sustainable rail system that promotes inclusive growth and job creation. The policy direction, particularly around private sector participation, concessioning and reconfiguration of roles between the state and private operators, has moved from abstract debate to implementation. Blending public ownership with private sector operational expertise and global benchmarking on the rail networks and at the ports will be an optimal outcome. These developments ensure that South Africa offers investors a favourable proposition as a resilient, credible and reform-oriented investment destination with strong fundamentals.

South Africa's automotive industry, as the cornerstone of the national manufacturing sector, is entering new territory as it is under pressure to transition towards a more sustainable and ever-increasingly globally competitive future. The localisation of emerging technologies presents levers for industrial revitalisation, for skills development, and for socio-economic transformation. Emerging technologies offer the domestic automotive industry the ability to build new domestic value chains, from battery pack assembly to EV charging networks, empowering new entrants and innovators, especially Black-owned and youth-led enterprises.

With its depth of manufacturing expertise, ability to manufacture export-quality vehicles and automotive components, and strategic mineral wealth, the domestic automotive industry's prospects for 2026 and long-term sustainable growth depend heavily on its ability to navigate global trade risks, successfully transition to NEV production, and leverage AfCFTA opportunities. Beyond NEVs, the industry must continue diversifying exports, expand skills pipelines, unlock SME-driven innovation and localisation, and expand the aftermarket parts market. By leveraging AIS, APDP2, and enterprise supplier development (ESD), the industry has the tools at its disposal to address external pressures and drive growth. Transformation provides access to financial support, secures stronger supply chains, and ensures that businesses are aligned with national policy goals under the SAAM 2035.

The 2026 review of the SAAM 2035 and APDP2 will, therefore, be imperative to realign South Africa's automotive policy with global industry changes, strengthen localisation and investment, and ensure that the domestic automotive industry remains globally competitive, while protecting jobs and industrial development. The automotive industry is highly dependent on long-term investment decisions by multinational corporations, and South Africa's automotive value chain operates within these global allocation frameworks. Through decisive leadership, collaboration and smart interventions the review can

assist in improving the business case for expanded investment in the South African automotive industry. The OEMs and their suppliers account for more than 113 000 high-skilled manufacturing jobs, and along with the retail side, account for around 500 000 formal jobs in the automotive supply chain.

Growth prospects for the South African automotive industry will depend on a combination of effective and progressive policy support, strong export markets, increased localisation, technological transition to NEVs, improved logistics and infrastructure, and dynamic adaptability to a highly unpredictable global environment. Geographically, South Africa, as a technology-forward, future-ready manufacturing hub on the continent, will remain well positioned to be a leader in the mobility aspirations for the African new frontier.

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African new frontier.**

METHODOLOGY

The methodology utilised and applied in the *Automotive Trade Manual – 2026 – South Africa* publication remains unchanged from the previous publications to enable meaningful comparisons. All values are presented at nominal prices. The trade data in this publication is reflected for South Africa. Despite the free movement of goods between customs union member countries, from a customs point of view within the Southern African Customs Union (SACU), South African trade with member countries, comprising Botswana, eSwatini, Lesotho and Namibia are included in South Africa's trade data to provide a more accurate reflection of the country's trade.

The trade data in the *Automotive Trade Manual – 2026 – South Africa* publication is based on the detailed Customs and Excise statistics for products eligible under the APDP and APDP2, obtained from the South African Revenue Service (SARS). The Customs and Excise values reflect free on board (FOB) values in nominal terms. The export values of the latest year (2025) are used to rank the countries in order of priority, from the most to the least important export country destination. The same principle is applied to prioritise the export and import data regarding regions, vehicles and component categories. South Africa exported commodities, including precious metals, minerals, vehicles, automotive components, and agricultural products to 230 country export destinations in 2025 as listed by SARS. For purposes of relevance, one million Rand (R1 million) is used in the *Automotive Trade Manual – 2026 – South Africa* publication as a cut-off level (measure) to determine the top South African automotive export country destinations. For ease of reference and for comparison purposes, the data with respect to the component categories, where applicable, is placed in alphabetical order. Percentages are rounded off.

The main purpose of this publication is to discern and highlight trends in export and import data, to prioritise export country destinations, to prioritise countries of origin, to identify opportunities via potential country and region growth destinations, to measure the impact of the country's trade arrangements on automotive trade patterns, and to identify growth in products exported to specific country destinations. The publication also serves as a guide to track the export and import performance of the South African automotive industry under the APDP and APDP2. Due to certain limitations, Customs and Excise statistics cannot always distinguish between the automotive components eligible in terms of the APDP and APDP2 and non-eligible components, therefore certain categories, such as automotive tooling, may contain a small percentage of non-APDP/APDP2 components.



KEY MOTOR INDUSTRY CONTACT DETAILS

The automotive industry remains a cornerstone of South Africa's economy, supporting manufacturing output, exports, skilled employment and investment. It drives industrialisation, strengthens trade links, anchors regional value chains, and contributes significantly to GDP, tax revenues and technological development across the broader industrial ecosystem. The organisational structure in the manufacturing and retail sectors of the South Africa automotive industry include **naamsa** | The Automotive Business Council, the National Association of Automotive Component and Allied Manufacturers (NAACAM), and the Retail Motor Industry Organisation (RMI). The National Union of Metalworkers of South Africa (NUMSA) represents the labour constituency in the automotive industry. The major OEMs in South Africa, as well as NAACAM, are also affiliated with the independent African Association of Automotive Manufacturers (AAAM), while the Motor Industry Ombudsman of South Africa (MIOSA) is the industry's accredited dispute resolution body.

The AAAM is an independent automotive association focused on Africa.

African Association of Automotive Manufacturers (AAAM)	
Telephone: +27 (0) 82 801 0300 Email: info@aaamafrica.com Website: www.aaamafrica.com	152 Western Service Road Woodmead Sandton 2191

The Department of Trade, Industry and Competition is the department of the South African government responsible for trade and industrial policy.

Department of Trade, Industry and Competition (DTIC) Trade and Investment South Africa (TISA) Export Marketing & Investment Assistance Scheme (EMIA)	
Telephone: +27 12 394 9500 (International) Telephone: +27 861 843 384 Email: contactus@thedtic.gov.za (Customer Care Centre) Website: www.thedtic.gov.za	77 Meintjies Street Sunnyside Pretoria Gauteng 0002

The MIOSA office acts as the only accredited dispute resolution forum within the automotive and related industries in South Africa.

Motor Industry Ombudsman of South Africa (MIOSA)	
Telephone: +27 10 590 8378 Email: info@miosa.co.za Website: www.miosa.co.za	Building 14B CSIR Campus Meiring Naude Drive Pretoria East 0184

NAACAM represents the interests of the automotive component manufacturers in the country.

National Association of Automotive Component & Allied Manufacturers (NAACAM)	
Telephone: +27 10 599 6166 Email: info@naacam.co.za Website: www.naacam.org.za	152 Western Service Rd Building 5 - 1st floor Woodmead Gauteng 2191

naamsa | The Automotive Business Council represents the collective, non-competitive interests of the new motor vehicle industry in South Africa.

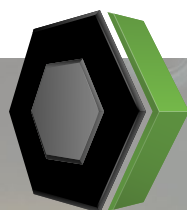
naamsa The Automotive Business Council	
Telephone: +27 12 807 0086/0152 Email: info@naamsa.co.za Website: www.naamsa.net	Block F, Alenti Office Park 457 Witherite Street The Willows, X82 Pretoria 0184

NUMSA is the trade union representing the labour constituency in the automotive industry.

National Union of Metalworkers of South Africa (NUMSA)	
Telephone: +27 11 689 1700/1/2/3 Email: info@numsa.org.za	153 Lilian Ngoyi Street Newtown Johannesburg 2001

The RMI represents the retail motor trade sector of the automotive industry.

Retail Motor Industry Organisation (RMI)	
Telephone: +27 11 886 6300 Website: www.rmi.org.za	16 Thornhill Office Park 84 Bekker Road Vorna Valley Midrand 1686

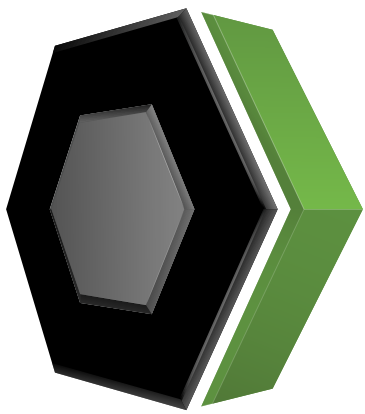


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Standard disclaimer

The trade data is based on eligible APDP and APDP2 products, while the new vehicle market data is provided by Lightstone Auto, the **naamsa** service provider. **naamsa** cannot vouch for the accuracy of the information obtained from the sources. Due to certain limitations, Customs and Excise statistics cannot always distinguish between automotive components eligible in terms of the APDP/APDP2 and non-APDP/APDP2 components. The main purpose of this trade data is to discern trends in exports and export destinations, as well as imports and countries of origin. As far as the new vehicle market data is concerned, a meticulous verification process ensures the accuracy of the data, but minor corrections in historic data may occur, such as in instances when new entrants start reporting, providing retrospective data.





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