



Automotive & Mobility Sector Report

This is where Africa's mobility
revolution gets built.



South Africa



EXECUTIVE SUMMARY

Africa's Automotive Powerhouse Goes Electric

SOUTH AFRICA PRODUCES TWO-THIRDS OF AFRICA'S VEHICLES—599,755 units in 2024 from seven global automakers and over 500 component suppliers. This is the continent's most integrated automotive manufacturing base, exporting R268.8 billion worth of vehicles and components annually to Europe, the UK, and beyond.

BUT THE REAL STORY IS THE PIVOT: BMW's Rosslyn plant now builds plug-in hybrids exclusively for global markets. Ford invested R5.2 billion in battery assembly at Silverton. Volkswagen, Mercedes-Benz, and Stellantis are gearing plants for electric vehicle production from 2026.

THE SOUTH AFRICAN AUTOMOTIVE MASTERPLAN targets 1.4 million units by 2035 with 60% local content, while a R1 billion EV Transition Fund and ZAR128 billion transport window under the Just Energy Transition plan accelerate the shift.

FOR INVESTORS, THIS IS AFRICA'S ONLY AUTOMOTIVE CLUSTER with scale, supplier depth, and proven export logistics—now modernizing for the electric age while tapping mineral advantages in platinum-group metals, manganese, and nickel for batteries and fuel cells



EXECUTIVE SUMMARY

Sector Highlights

599,755

VEHICLES PRODUCED (2024),
68% OF AFRICA'S TOTAL

22nd

LARGEST AUTOMOTIVE
PRODUCER GLOBALLY

R268.8B

IN EXPORTS (2024, VEHICLES +
COMPONENTS); EU/UK/US PRIMARY
MARKETS

116,000+

DIRECT JOBS; ~500,000
ACROSS VALUE CHAIN

R30B+

OEM INVESTMENT
(2023-2025)

25%

SA-PRODUCED
EVs LAUNCHING 2026

60%

LOCAL CONTENT
SAAM 2035 TARGET:
4M UNITS/YEAR





FULL SECTOR BRIEF

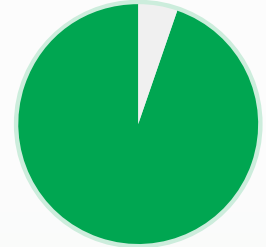
The Big Picture

South Africa is Africa's automotive manufacturing hub, producing 599,755 vehicles in 2024—roughly 68% of the continent's output and ranking 22nd globally. The sector contributes 5.3% of GDP, employs 116,000+ people directly and supports ~500,000 across the value chain. Automotive exports totaled R268.8 billion in 2024 (vehicles and components combined), down slightly from R270.8 billion in 2023, primarily serving the EU, UK, and US markets.

Seven global automakers operate in South Africa: BMW, Ford, Volkswagen, Mercedes-Benz, Isuzu, Toyota, and Nissan. Over 500 component suppliers form deep clusters in Gauteng (Pretoria), the Eastern Cape (East London, Gqeberha), and KwaZulu-Natal (Durban). These mature manufacturing ecosystems pair skilled workforces with competitive costs, specialized Special Economic Zones, and proven export logistics.

The South African Automotive Masterplan (SAAM 2035) charts the path forward: 1.4 million units annually with 60% local content by 2035. The 2023 Electric Vehicle White Paper, backed by a R1 billion EV Transition Fund and ZAR128 billion transport window under the Just Energy Transition Investment Plan, drives the shift to electric mobility.

South Africa exports vehicles to over 100 countries, with the EU, UK, and US absorbing the majority. In 2024, tariff pressures and global slowdowns trimmed export values from R270.8 billion (2023) to R268.8 billion, but the fundamentals remain strong.



5.3%

SECTOR CONTRIBUTION
TO GDP

68%

SHARE OF CONTINENTAL
SECTOR OUTPUT

500+

COMPONENT SUPPLIERS



FULL SECTOR BRIEF

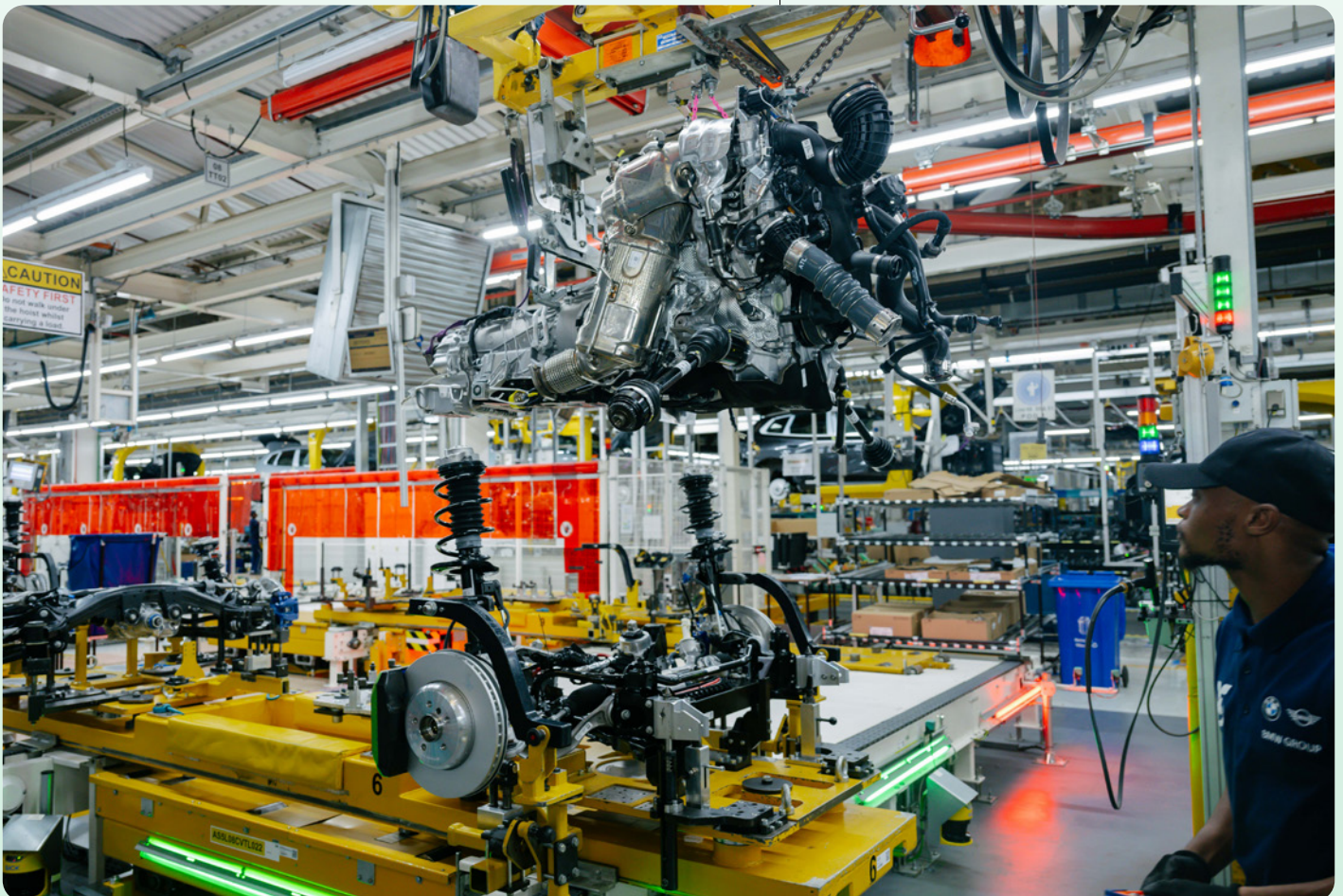
Export Platform Pivoting Electric

The electric transition is accelerating. BMW's Rosslyn plant produces the X3 plug-in hybrid exclusively for global markets following a R4.2 billion electrification investment. Ford added battery assembly at Silverton (R5.2 billion in 2023, building on R16 billion since 2021). Volkswagen's Kariega facility, which delivered a record 167,000 units in 2024, is commissioning an A0 SUV line with hybrid capability. Mercedes-Benz East London stands EV-ready. Stellantis will bring a R3 billion greenfield plant online at Coega from 2026 with electric and hybrid production.

The African Continental Free Trade Area adds strategic depth: South Africa can serve 40+ African markets from a single export base as regional vehicle demand grows ~3.9% annually

INVESTMENT OPPORTUNITY

Invest in upgrading assembly lines, body-in-white facilities, and paint shops for electric and hybrid models. APDP 2.0 incentives and export pipeline access to Europe, UK, and Africa provide scale.





FULL SECTOR BRIEF

Supply Chain Transformation

More than 500 component firms supply South Africa's automakers, representing 21.7% of total manufacturing output. The shift from internal combustion engines to electric platforms creates risk—legacy suppliers face displacement—but also opportunity.

The Automotive Production and Development Programme (APDP 2.0) offers volume-linked rebates for localizing electric vehicle components: battery housings, power electronics, drive modules, thermal systems. Component suppliers pledged R4.86 billion in new investments (2023-2024). The EV Transition Fund supports supplier reskilling and transformation, targeting hundreds of new Tier-2 enterprises by 2035.

Skills development is critical: 50,000+ workers need reskilling by 2035. Manufacturing, Engineering and Related Services SETA, OEM academies, and Technical and Vocational Education and Training colleges are expanding dual-education tracks combining robotics, AI-driven quality systems, and electric powertrain expertise.

INVESTMENT OPPORTUNITY

Back suppliers producing battery housings, thermal management systems, power electronics, and lightweight interiors. APDP rebates and localisation targets make entry attractive.





FULL SECTOR BRIEF

Battery Ecosystems & Mineral Linkages

South Africa's mineral endowment creates vertical integration advantages. Platinum-group metals power fuel cells. Manganese and nickel feed battery cathodes. Linking mining to mobility positions South Africa uniquely in the global electric vehicle value chain.

Battery assembly is underway at Ford's Silverton plant. Opportunities extend to pack assembly, battery management systems, power electronics, and recycling infrastructure for second-life storage applications. Over 400 public chargers operate nationally (2025), with GridCars and OEM partnerships scaling fast-charge corridors and fleet depot charging

INVESTMENT OPPORTUNITY

Fund pack assembly plants, component R&D, and recycling infrastructure.

South Africa's mineral reserves enable vertical integration from mine to module.





FULL SECTOR BRIEF

Special Economic Zones & Industry 4.0

Three automotive-focused SEZs—Tshwane, Coega, and East London—provide land, permitting advantages, and logistics integration. These zones house OEM plants, supplier clusters, and innovation hubs deploying robotics, digital twins, and AI-enabled quality control.

Industry 4.0 upgrades are transforming productivity: BMW's Rosslyn facility uses advanced automation, Volkswagen operates digital design labs, and Ford integrates smart logistics across its 200,000-unit Silverton campus serving 100+ export markets.

INVESTMENT OPPORTUNITY

Deploy robotics, AI-driven quality systems, and digital twin technology. Investment aligns with global OEM productivity standards while accessing transformation financing.





LOOKING AHEAD

Investment Opportunities

1 **EV PLATFORM LOCALIZATION**
Invest in upgrading assembly lines, body-in-white facilities, and paint shops for electric and hybrid models. APDP 2.0 incentives and export pipeline access to Europe, UK, and Africa provide scale.

2 **TIER 1-2 SUPPLY CHAINS**
Back suppliers producing battery housings, thermal management systems, power electronics, and lightweight interiors. APDP rebates and localisation targets make entry attractive.

3 **BATTERY ECOSYSTEMS**
Fund pack assembly plants, component R&D, and recycling infrastructure. South Africa's mineral reserves enable vertical integration from mine to module.

4 **CHARGING INFRASTRUCTURE**
Scale fast-charge corridors and depot charging for commercial fleets. Proof of concept exists; investor capital can accelerate national rollout linked to AfCFTA logistics hubs.

5 **INDUSTRY 4.0 UPGRADES**
Deploy robotics, AI-driven quality systems, and digital twin technology. Investment aligns with global OEM productivity standards while accessing transformation financing.



LOOKING AHEAD

Challenges & Fixes

- ✓ **TARIFF PRESSURES** including 2025 U.S. shocks and emerging EU carbon border measures—threaten export values estimated at R35 billion.
- ✓ **MITIGATION INCLUDES** APDP 2.0 expansion, export diversification into Africa, and accelerated electric vehicle localisation meeting EU decarbonisation timelines.
- ✓ **ENERGY RELIABILITY** is managed through embedded solar, wheeling agreements, and co-generation at OEM plants.
- ✓ **SKILLS GAPS** are addressed via dual-education pathways and OEM academies.
- ✓ **COMPETITION** from Morocco and Egypt is countered by South Africa's deeper clusters, SEZ advantages, and mineral linkages.
- ✓ **GOVERNMENT SUPPORT** includes SAAM 2035 coordination, APDP 2.0 volume incentives, the EV White Paper framework, and SEZ infrastructure. The Department of Trade, Industry and Competition coordinates supplier development and transformation financing targeting black-owned Tier-2 enterprises.



IN SUMMARY

The Bottom Line

South Africa combines scale (599,755 units, 68% of Africa), integration (seven OEMs, 500+ suppliers), and transition momentum (R30B+ investment, first EVs 2026).

For investors, it's Africa's only automotive platform offering export-proven clusters, electric vehicle policy clarity, and mineral-to-mobility vertical integration—all positioned to capture regional growth as the continent electrifies.

GET IN TOUCH WITH BRAND SOUTH AFRICA

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