



naamsa
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PRESS RELEASE

FOR IMMEDIATE RELEASE | Thursday, May 27, 2021

AUTO GREEN PAPER ON THE ADVANCEMENT OF NEW ENERGY VEHICLES IN SOUTH AFRICA

PRETORIA: Thursday, May 27, 2021: **naamsa**, The Automotive Business Council has today welcomed the release of the Auto Green Paper on the advancement of New Energy Vehicles [NEV] published by the Department of Trade, Industry and Competition [the DTIC] for public comment. **naamsa** said it needed time to carefully study and to extensively consult with its members on the proposed Green Paper before it issued a formal statement. “We welcome the progressive pronouncements and suggestions made in this Green Paper because this will firmly advance South Africa’s evolution in the electromobility space, said Mikel MABASA, **naamsa** CEO.

Europe has overtaken China as the centre of NEV growth globally. Various European countries have and continue to announce their intentions to ban and/or prohibit the sales of new internal combustion engine [ICE] vehicles from as early as 2025, such as Norway, and the United Kingdom [UK] from 2030. The UK has been the domestic automotive industry’s top export destination for vehicle exports since 2014 while three out of every four South African manufactured vehicle exports were destined for the EU in 2020. The ban of new vehicle sales announced by international markets include all electric vehicle technologies, excluding battery electric vehicles [BEVs]. This means that the South African automotive industry’s electromobility discussion will have to be accelerated to ensure its future sustainability.

The Auto Green Paper outlines the various policy instruments to address the current price differential between ICE and NEVs as well as for the local manufacture of electric vehicles and electric vehicle components. **naamsa** wishes to reiterate the importance for the seamless transition

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to NEVs, using a carefully implemented phased approach based on leveraging the policy instruments optimally.

naamsa concurs with the DTIC's statement that exporting remains key to generate sufficient economies of scale and achieving improved international competitiveness. If South Africa does not want to lose its major export markets and face significant job losses at plant level, export revenue, as well as a substantial drop in the automotive industry's contribution to the GDP, it must accelerate its NEV transformation in the country.

"**naamsa** will support and work with the DTIC and other key stakeholders in the development of a clear policy framework that will assist South Africa to accelerate this work", MABASA said.

NOTES FOR EDITORS

- **naamsa** is a pre-eminent industry representative that actively and responsibly represents, promote, advance, and protect the interests of local manufacturers and assemblers of passenger, light, and heavy commercial vehicles as well as major importers and distributors of new vehicles in South Africa;
- Our vision is to be the most credible and respected thought leader and partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa;
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