

PRESS RELEASE

FOR IMMEDIATE RELEASE

naamsa RESPONDS TO THE STATE OF THE NATION ADDRESS "THE SA AUTOMOTIVE NEW ENERGY VEHICLE TRAJECTORY DEPENDS ON SOUND POLICY INTERVENTIONS AND INFRASTRUCTURE DEVELOPMENT".

FRIDAY, February 11, 2022: naamsa | The Automotive Business Council notes and welcomes President Cyril RAMAPHOSA's State Of the Nation Address delivered last night at the Cape Town City Hall which was declared a Parliamentary Precinct early this year.

The automotive industry is very pleased about the policy pronouncement made by the President that would see the removal of bureaucratic red tape that has, for the longest time, suffocated the country's potential to grow and develop new industries. Undoubtedly, this is the step in the right direction because it will help create an enabling environment that will stimulate growth to create the much-needed jobs for the economy. Our country's economic revitalisation objectives will be enhanced hugely if Government can immediately implement this policy decision and review all regulations that inhibits progress and growth.

naamsa is encouraged by the Infrastructure Fund R100billion fiscus allocation over the next 10 years, approximately 154,000 megawatts energy generation to be implemented in various bid windows and, the revitalisation of Transnet ports. The South African automotive industry new energy vehicle trajectory depends on sound policy interventions and infrastructure development. The government's impetus will go a long way in assisting the industry efforts to grow the local production as set out in the SA Automotive Masterplan 2035, supporting the South African automotive exports global competitiveness and the move to greener mobility.

Our automotive industry's immediate challenges include short to medium supply chain disruptions, such as the global shortage of semi-conductors and the finalisation of policies that will promote the New Energy Vehicle production in South Africa.

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Vice-President: Retailing OEMs | Gary SCOTT | Chief Executive Officer | Kia South Africa
Vice-President: Heavy Commercial OEMs | Filip VAN DEN HEEDE | Managing Director | UD Trucks
Immediate Past President: Andrew KIRBY | President and Chief Executive Officer | Toyota South Africa Motors

Executive Director: Chief Executive Officer: Mikel MABASA

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Following the massive COVID-19 pandemic related decline in new vehicle sales of 29,2% from 536,612 units in 2019 to 380,206 units in 2020, the new vehicle market reflected a strong rebound and resilience, increasing year-on-year by 22,2% to 464,493 units in 2021, while aggregate exports market increased by 9,9% to 298,020 units in 2021. The local production and import market increased by 11,8% to 493,868 units in 2021 and 28,1% to 268,645 units in 2021, respectively. Despite the sluggish policy reforms for NEVs, electric, plug-in hybrid, and traditional hybrid vehicle sales increased by 176,5%, from 324 units sold in 2020 to 896 units sold in 2021.

While noting the President's forward-looking approach to economic reforms, supporting businesses through infrastructure rollout and improving energy security amongst other measures, boosting small businesses efforts by bringing in external expertise, combating corruption, and supporting the poor through social grants; the strength of these commitments, should be measured by the speed of implementation, and impact to economic development. Furthermore, the Republic's state of disaster response, if not done away with entirely, should reflect the countries ambition to return to full production capacity, particularly given the deflating rate of COVID19 infection and the progressive strides made in the COVID19 vaccines rollout process.

END!

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 4.9% to GDP [2.8% manufacturing and 2.1% retail];
- in 2021, the export of vehicles and automotive components reached a record amount of R175.7 billion, equating to 13.9% of South Africa's total exports;
- the industry accounts for 18.7% of the country's manufacturing output;
- vehicles and components are exported to 147 international markets;
- we are the country's 5th largest exporting sector out of all 104 sectors;
- the manufacturing segment of the industry presently employs in the order of 110,000 people across its various tiers of activity [from component manufacturing to vehicle assembly];
- combined with the industry's strong multiplier effect, the industry is responsible for approximately 457,000 jobs across the South African economy's formal sector.

NOTES FOR EDITORS

- Since 2021 naamsa introduced associate membership that offers tangible benefits such as access to information, visibility to key industry issues, business exposure, as well as related discounts.
- **naamsa** is a pre-eminent industry representative that actively and responsibly represents, promotes, advances, and protects the interests of local manufacturers and assemblers of passenger, light, and heavy commercial vehicles and major importers and distributors of new vehicles in South Africa. We represent 41 companies;
- 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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