

**AUTO WEEK 2025:
REFLECTIONS, DEBATE, AND CRITICAL PRIORITIES
FOR ADVANCING SOUTH AFRICA'S
MANUFACTURING AND AUTOMOTIVE
INDUSTRIES**

2 OCTOBER 2025

**NUMSA GENERAL SECRETARY
IRVIN JIM**







Ladies and gentlemen,

On behalf of the National Union of Metalworkers of South Africa (NUMSA), I welcome this opportunity to reflect and stimulate a critical debate on the future of our automotive industry.

1. The automotive industry has been a resilient, dynamic industry, built on the sweat and toil of automotive workers. Across seven original equipment manufacturers (OEMs) and countless component suppliers, these workers have consistently delivered the skilled labour that underpins this sector. We must continue to salute the generations of workers who have built and sustained this industry.

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2. We can say that the industry has been one that moves with times and with people. And it has been creating jobs, both in the sector and in terms of backward and forward linkages. We cannot take it for granted that all political parties who want to capture political power will continue to support the automotive industry. If we understand that political power is not a bag of oranges, and that politics is not static, we need not reflect hard; look to the USA today. Those who take elections and governance lightly risk profound consequences, as can be seen in today's global politics.
 3. We know of political parties who in their manifestos campaigned and told everybody that if they were to secure political power, they would scrap the incentives that have been serving as the support and backbone of this particular sector. Of course, in many cases, the voters rejected them.

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4. If the beginning of wisdom is to call things by their real name, we must applaud the ANC for continuing to support the automotive industry in successive governments. However, the ANC itself must not take for granted this acknowledgement we are making this morning; we are meeting today in serious conditions not of our own choosing. Today we meet under challenging circumstances, shaped by global economic headwinds and inward-looking tariff policies, such as those advanced by the Trump administration, reshaping trade in favour of narrow national interests.

 5. To the ANC leadership, NUMSA humbly submits that, given the current challenges, South Africa's response must be equally decisive. Our turnaround times must be sharp, and we must implement bold industrial policy measures that address both immediate and long-term challenges, securing the future of the sector. The rise of protectionist tariffs globally leaves no room for complacency. No other nation will do it for us.


6. Where weaknesses exist, whether within the automotive sector, the component supplier value chain, or the wider economy, government must lead, in partnership with industry, to protect our manufacturing capacity.
7. The sector has weathered many storms, thanks to decisive leadership and government support, from the MIDP and the Automotive Production and Development Programme (APDP) to the current South African Automotive Master Plan 2035 (SAAM35). These interventions have enabled the industry to survive the cyclical booms and busts inherent to capitalism.
8. This progress has been rooted in leadership attuned to the realities of a globalised economy with interdependent supply chains, where quality and competitiveness are paramount. South Africa must take the lead in championing manufacturing and industrialisation, prioritising the beneficiation of strategic minerals, building new sectors, and protecting existing manufacturing capacity.

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9. There must be no compromise on delivering a competitive electricity tariff, efficient rail networks and ports, and we must be decisive in protecting our industry by imposing tariffs where it is necessary.

In order to maintain our competitive edge, we must reflect and be decisive on defining an enabling environment that will lead to the competitiveness we seek to achieve if we are to compete in the global market.


To the extent that government has passed the Public Procurement Act, by now government should have issued public regulations to use procurement as a key lever to drive localisation and to create the necessary jobs to boost our local economy.

Average localisation has declined from 43% in 2013 to 39% in 2024, when - by the SAAM35 trajectory – local content should have reached 48.2%. This represents an almost R50 billion opportunity cost in local procurement for components.



10. Despite its resilience, the automotive sector is now under siege from global structural changes that must be addressed from the perspective of our own sovereign realities. South Africa is neither the US nor Europe; it remains a developing country that must engage with the developed world, but always in the interests of its own people. This means making unapologetically protective decisions for the sector.

11. The developed world, under leaders like Trump and others, has consistently protected its own economies and industries. It would be naive to see measures such as the CBAM as neutral; their real purpose is to safeguard Europe's economic interests. The global transitions underway – from fossil fuels to renewables, from combustion engines to new energy vehicles – must be understood for what they are. We have no choice but to participate, as being left behind is not an option. This underscores the need to position ourselves at the forefront of the Fourth and Fifth Industrial Revolutions, embracing artificial intelligence and ensuring our workers are equipped for the future of work.



12. Over the past two and a half years, this industry has been bleeding jobs. We have experienced job losses in 5 of the 7 OEMs. In all 7 OEMs, workers have been subjected to not less than a month of layoffs or short time.

This directly and negatively affects the component value chain as it is automatic that the component manufacturers must send workers home when the OEM is on short time or lay off. As we speak, we are in the middle of fighting retrenchments; we are facing plant closures; short time; layoffs; and the component supplier value chain is under siege.

Big, small and medium sized companies are closing, and this is prevalent both in the sector and the component supplier value chain.


This cancer of job losses is as a result of how the automotive sector production is intrinsically linked to the global economy in terms of exports that are undergoing structural changes. But let's also face it: as a country we have not been decisive in creating our own pathways to champion manufacturing and industrialisation to reverse serious, stubborn levels of deindustrialisation.



13. The wars that have reshaped global geopolitics have only worsened the situation, contributing to a staggering loss of jobs in this sector. Thousands of positions have disappeared in the component supplier value chain due to plant closures and retrenchments.

To date, no fewer than 12 component plants have shut down, resulting in more than 4,000 workers losing their livelihoods. Current surveys and data indicate that, at the present rate of decline among small and medium-sized companies, a further 700 component jobs may be lost by year-end.

Even strategic companies such as Ford are retrenching, with at least 400 workers affected, while we urgently search for alternatives to preserve employment. Meanwhile, the closure of Goodyear South Africa has already cost us nearly 900 jobs, and we are working closely with the DTIC in an effort to reopen the plant and recover those opportunities.




14. Talk is cheap; our turnaround time to address the glaring challenges that are bleeding this sector and destroying jobs must be quick. We cannot be everything to everyone, nor can we be jacks of all trades and master of nothing when Rome is burning. Especially when this environment we are trying to characterise has been worsened by a powerful, developed country which didn't mince its words in addressing the UN last week. The Empire, the USA, has imposed 30% tariffs against South Africa and is reshaping trade in its own favour. They are very clear; their mission is to make America great again. As the US administration pursues its "America First" strategy, we must ask: what are we waiting for?



15. We must recognise that President Trump's first act in office was to withdraw from the Paris Accord, undermining global climate efforts. While we cannot adopt the same ideological stance, as a sovereign country we must manage the transition from fossil fuels to renewables on our own terms.

We have the right to choose an energy mix that powers our economy, keeps electricity tariffs competitive, and ensures communities are electrified. If that means extending the life of power stations or investing in nuclear, we must do so without external approval.


Our transition must occur at a pace and cost we can afford. We must also recognise that, while the global debate around the transition from fossil fuels to renewables continues, other countries are not merely consulting with environmentalists, they are actively drilling, searching for oil and gas, and extracting their strategic mineral resources wherever these are found. This is the reality; the gap between rhetoric and action in many parts of the world.



What then are the key challenges that the automotive industry, business, labour and government must confront head on requiring decisive government action?

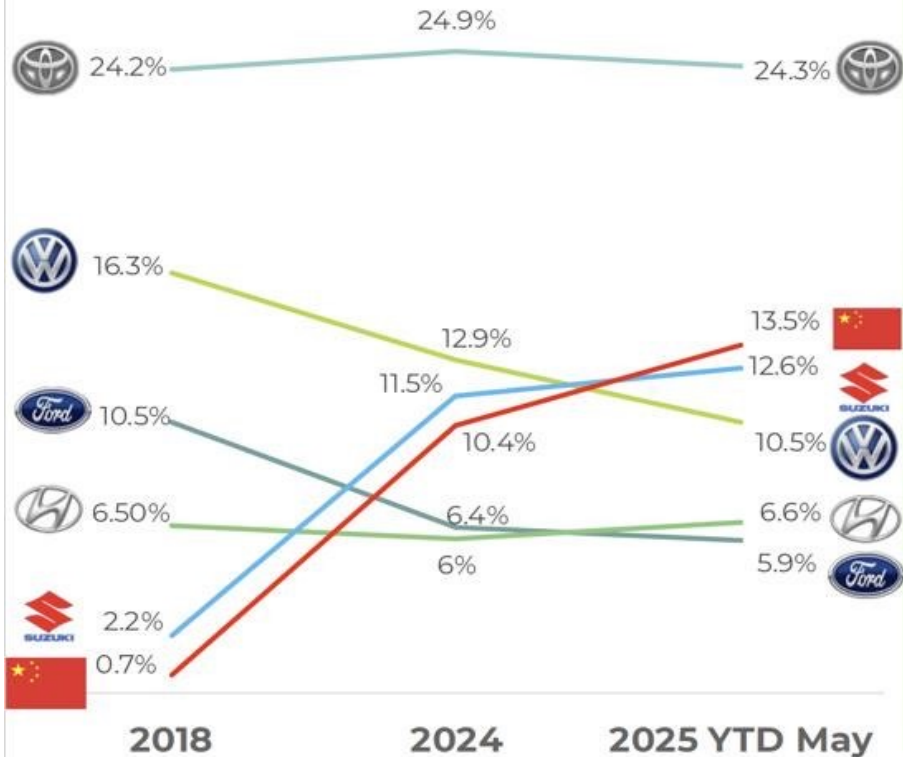
1. Protecting the domestic market

- As a union, we must state honestly; we cannot normalise what is abnormal. It is deeply problematic to tolerate the current levels of penetration of imported vehicles into our local market. Today, 63% of the vehicles sold in SA are imports. The sheer number of foreign brands flooding our market leaves us with no other conclusions than this: we have effectively lost our domestic market.

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- At this pace, the industry will not achieve its target of 60% localisation by 2035. NUMSA has consistently called on government to act decisively; insist that foreign brands establish plants in SA and localise their manufacturing.
 - Government should not hesitate to raise tariffs and enforce stricter homologation measures. At the same time, the industry must commit to increase in localisation by 5% - 10 % in the next two years. Even a 5% increase would inject over R30 billion in economic opportunities into the component value chain, helping to stem the massive job losses we are experiencing.

1. ↑ Chinese Market Share in SA

Chinese market share has grown to **13,5%** YTD May.



2. ↑ Chinese Brands and Models in SA (Passenger)

#	Brand	# Models YTD 2025	2025 New Expected Arrivals
1	Chery	4	Leapmotor C10 (BEV) – Q3
2	Haval	3	BYD Seagull (BEV) – TBC
3	GWM	4	LDV D90 (ICE) – TBC
4	Omoda	2	Omoda C7 (HEV) – Q2
5	Beijing	2	Dongfeng Box (BEV) – Q2
6	Jaecoo	1	
7	Proton	4	
8	Jetour	2	
9	BAIC	3	
10	BYD	5	
11	MG	2	
Total Passenger Models		32	


3. ↑ Chinese Brands and Models in SA (LCV)


#	Brand	# Models YTD 2025	2025 New Expected Arrivals
1	GWM	2	Riddara RD6 (EV) – May
2	FAW	1	
3	JAC	2	JAC T9 PHEV – Q2/Q3
4	Foton	2	
5	BYD	1	
Total LCV Models		8	


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- From the perspective of the global South, BRICS remains a strategic platform. However, we cannot shy away from the fact that there is a glaring trade deficit between the trading partners, particularly China and India.
 - **This imbalance must be addressed. In 2018 both China and India imports were less than 1%. In 2025 both China and India imports are approximately 26%.**
 - It is time to take stock of the value of trade that benefits South Africa, especially the automotive industry and other sectors between SA, India and China.
 - For this reason, there can no longer be any debate: our government must act decisively to promote local manufacturing and drive meaningful localisation.
 - This is why we are demanding the implementation of public regulations to enforce the Public Procurement Act. The continued delays, whether due to parliamentary procedures, or the outsourcing of responsibilities that rightfully belong to the National Treasury, constitute procrastination we can no longer afford.

2. Extraordinary Measures for our Stagnant Economy

- NUMSA believes that while the auto industry and government must respond to today's structural challenges – both domestic and global – the stagnant economy requires extraordinary measures. Government must issue a clarion call to the automotive sector and beyond, signalling its readiness to intervene decisively in the economy. This means adopting an expansionary budget strategy, with targeted infrastructure investments to stimulate growth, and urging all sectors, including automotive, to reinvest in the real economy.
- Only by unlocking economic growth and creating decent jobs that pay a living wage can we restore the purchasing power needed for people to buy cars, thereby boosting government revenues. In line with this, we strongly advocate for the rebating of the ad valorem tax for vehicles sold by domestic producers to stimulate domestic vehicle demand.


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- However, this must be done linked to real conditionality and firm commitments around localisation. It cannot be a case of adding incentives without extracting additional economic benefits especially on the jobs front. Furthermore, as part of the DTIC's review of the APDP, government must address the abuse of credit certificates generated from vehicle exports and traded without restriction, practices that undermine the local market. That is not what the programme was set up for.
 - Workers are not losing jobs because they are lazy or unskilled. They are losing jobs because government policy has been distorted in favour of traders and importers. The excess rebate certificates that were meant to incentivise OEMs to buy local components are instead being sold to importers. We must shut this tap immediately: incentives must benefit production and employment, not short-term profits.


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- The APDP levers meant to strengthen local production have been hijacked, sold off to traders who flood our market with imported vehicles while the country exports jobs. This is why factories are closing, and communities are suffering. We say: these incentives must be locked into production. They must serve workers, not traders.
 - Local content in our vehicles is going backwards – from 43% to 39% – when by now it should already be climbing towards 50%. That drop is not an abstract number; it is thousands of stolen jobs. For every point of localisation lost, our people are robbed of dignity, of wages, of futures. Localisation must be enforced decisively, as a non-negotiable demand of workers. Companies must be held accountable for the jobs they create or the jobs they destroy.

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- We cannot pretend that an economy survives by opening its doors to every imported vehicle while our plants stand idle. Other countries defend their industries with tariffs and strict rules; so must we.
 - Raise the duties on imported cars and parts. Shut the loopholes that let companies get away with screwdriver SKD assembly while killing full-scale manufacturing.
 - If foreign brands want to sell in South Africa, they must build here, buy here, and employ here. This means that it is compulsory for business, labour and government to be clear on what real manufacturing is; not a policy that claims to support manufacturing but is actually subsidising cheap imports on our roads.

3. Constraints Facing the Industry

- Despite the clear vision articulated in SAAM 2035, particularly regarding regional integration, it goes without saying that South Africa and Africa's right to industrialise in the best interests of their people is both compulsory and sacrosanct. The pressing question for the people of South Africa is how we unapologetically ensure that our industrial policy truly champions beneficiation, manufacturing – especially in the leading automotive sector - and broader industrialisation rooted in the continent's mineral wealth. Central to this is the issue of representation.

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- This is why NUMSA, acting on behalf of workers across the African continent (represented by OWATU, IndustriALL, and the Transport Global Federation) raises the critical question: why is African labour not represented in the African Continental Free Trade Area (AfCFTA) when business enjoys full representation in this powerful structure? It is important to clarify that this critique is not directed at son of the soil and General Secretary, Wamkele Mene, who has served with flying colours.
 - The Automotive Production and Development Programme (APDP2), South Africa's automotive manufacturing sector faces significant constraints. These are reflected in the struggles of the component manufacturing subsector, evidenced by job losses, lapses in export contracts, and the closure of key plants.


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- The final point to emphasis is this: in the face of widespread plant closures, massive job loss – which have coined a massive job loss bloodbath, and an economy weighed down by a deep global structural crisis of capitalism, we cannot afford half measures. History teaches us that great crisis demand great solutions, and that no crisis should ever be wasted.
 - NUMSA therefore issues a clarion call to government's economic cluster led by the DTIC, to act decisively by developing a bold and vibrant industrial policy to confront this catastrophic wave of job losses and the worsening deindustrialisation of our country.



As part of this response, government must declare a moratorium on retrenchments, both in the automotive sector and across the broader economy. It must introduce packages of incentives to safeguard workers. This should include:

- **Training layoff schemes** that must provide workers with cutting edge skills instead of consigning them to unemployment.
- **Monthly stipends of not less than R30,000 per worker**, funded through SETAs and the UIF, to support retrenched or at-risk workers during training.
- **Employer top-ups**, where companies intended to retrench should, by agreement, contribute additional support to ensure workers retain income security.

This is the scale of intervention required if we are to stem job losses, rebuild our industrial base, and restore hope for workers and their families.



South Africa's workers, government, and communities have stood by the global automotive industry for decades, investing skills, public funds, and loyalty. Now, as the world moves to new energy vehicles, we must not be abandoned or reduced to a dumping ground for obsolete technologies.

Our call is clear: these companies that have benefitted from our incentives, our skills, and our public support, must commit to making South Africa a part of the NEV future, through investment, technology transfer, and jobs.



Thank you!