

MEDIA STATEMENT

FOR IMMEDIATE RELEASE | Wednesday, July 15, 2026

naamsa CLARIFIES ATTRIBUTION IN RECENT APDP MEDIA STATEMENT AND REAFFIRMS ITS COMMITMENT TO EVIDENCE-BASED PUBLIC DEBATE

PRETORIA: Wednesday, July 15, 2026: naamsa | The Automotive Business Council wishes to clarify an attribution contained in its recent media statement titled "The Real Economics of South Africa's Automotive Industry: A Fact-Based Response to Misleading Claims About the APDP and Automotive Tax Incentives."

Following a comprehensive review of the original BizNews interview between **Alec HOGG** and **Donald MacKAY**, together with the subsequent media reports that informed our response, **naamsa** has concluded that certain comments referenced in our previous statement were incorrectly attributed to Mr MacKAY.

Specifically, references describing the Automotive Production and Development Programme (APDP) as a **"R40 billion honeypot"**, the comparison that abolishing the APDP could reduce South Africa's Value Added Tax (VAT) rate from **15% to 12%**, and certain broader observations regarding the programme were introduced by interviewer **Alec HOGG** during the discussion.

Following a detailed review of the complete interview, **naamsa** accepts that our previous statement did not sufficiently distinguish between the interviewer's commentary and Mr MacKAY's own remarks.

Accordingly, **naamsa** apologises to **Mr Donald MacKAY** for incorrectly attributing certain comments to him which, upon review of the complete interview, originated with the interviewer. Our attribution resulted from reliance on subsequent media reports that associated those comments with Mr MacKAY, rather than from a detailed review of the complete interview. We regret this error.

This clarification relates **solely to the attribution of certain comments**.

It should not be interpreted as a withdrawal of **naamsa's** position on the broader policy issues discussed in the original media statement, nor does it diminish our responsibility to contribute constructively to public debate on South Africa's industrial policy and the Automotive Production and Development Programme.

THE IMPORTANCE OF AN INFORMED PUBLIC DEBATE

The interview has generated an important national conversation on issues that deserve continued public discussion and rigorous economic analysis.

These include:

- The long-term competitiveness of South Africa's automotive industry;
- The effectiveness and periodic review of the APDP;
- Infrastructure, logistics and port performance;
- Localisation and supplier development;
- South Africa's transition towards new energy vehicles;
- Industrial policy and fiscal sustainability; and
- South Africa's ability to compete for globally mobile automotive investment.

These are important public policy issues. **naamsa** welcomes continued engagement with economists, policymakers, researchers, industry stakeholders and commentators in pursuit of stronger industrial policy outcomes.

naamsa's Policy Position Remains Unchanged

While constructive debate is essential, **naamsa** continues to hold a different view on several public characterisations of the APDP that have emerged during recent public discussions and media commentary.

In particular, **naamsa** maintains that:

- The APDP should not be characterised simply as a subsidy programme. It is an investment-led industrial policy designed to attract investment, deepen localisation, increase exports and create skilled employment.
- Customs duty rebates should not be equated with direct fiscal transfers from the National Revenue Fund.
- Estimates of approximately **R40 billion** associated with the programme should not be interpreted as revenue that government would automatically recover if the APDP were abolished.
- Comparisons suggesting that eliminating the APDP could directly finance a reduction in VAT create a false fiscal equivalence because they overlook the broader impact on investment, exports, employment, economic growth and future tax revenues.
- Retail vehicle prices cannot, without rigorous economic analysis, be relied upon as evidence of the consumer cost of supporting the APDP because vehicle pricing is influenced by numerous domestic and international market factors.

These are matters of economic analysis on which reasonable people may legitimately hold different views. However, **naamsa** believes that public debate should be informed by empirical evidence, a comprehensive understanding of the programme and objective economic analysis.

These are legitimate matters of economic analysis on which reasonable people may hold different views. However, **naamsa** believes such debate should always be informed by evidence, a comprehensive understanding of the programme, and objective economic analysis.



Why the APDP Matters

South Africa's automotive industry remains one of the country's most successful industrial sectors and continues to play a strategic role in manufacturing, exports, investment and employment.

The APDP has been instrumental in:

- Attracting sustained domestic and foreign investment;
- Supporting one of South Africa's largest manufacturing sectors;
- Generating audited Local Value Addition across the domestic economy;
- Strengthening supplier development and localisation;
- Sustaining hundreds of thousands of direct and indirect jobs;
- Maintaining South Africa's position as a globally competitive automotive export hub; and
- Supporting industrial capability that would be exceptionally difficult to rebuild if lost.

Industrial policy should always be subject to review and continuous improvement. However, policy reform should strengthen South Africa's competitiveness rather than undermine one of the country's most successful manufacturing ecosystems.

naamsa regrets the attribution error identified in this statement and has taken steps to correct the public record.

At the same time, **naamsa** remains steadfast in its responsibility to contribute constructively to South Africa's industrial policy debate through evidence-based research, rigorous economic analysis and respectful engagement with government, industry, organised labour, academia and all stakeholders committed to strengthening South Africa's long-term economic growth and industrial competitiveness.

STATEMENT ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 5.2% to GDP [3.3% manufacturing and 1.9% retail];
- in 2025, the export of vehicles and automotive components reached a record amount of R291.0 billion, equating to 15.6% of South Africa's total exports;
- the industry accounts for 23.8% of the country's manufacturing output;
- vehicles and components are exported to 154 international markets;
- the manufacturing segment employs 113,000 people; and
- combined with multiplier effects, the industry sustains 498,000 jobs across the formal economy.

NOTES FOR EDITORS

- Since 2021, **naamsa** introduced associate membership with tangible benefits including industry data access and visibility;
- **naamsa** represents 42 companies manufacturing, assembling, distributing and importing new vehicles;
- Our vision is to be the most credible and respected automotive industry thought leader and partner for a globally competitive and transformed South African auto sector;
- Enquiries: Mr. Tshetlhe LITHEKO, Chief Policy Officer - tshetlhe@naamsa.co.za; +27 64 021 9400
- Website: www.naamsa.co.za.

naamsa OFFICES: PRETORIA | Wednesday, July 15, 2026



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naamsa CLARIFIES ATTRIBUTION IN PREVIOUS APDP MEDIA STATEMENT AND REAFFIRMS ITS COMMITMENT TO EVIDENCE-BASED INDUSTRIAL POLICY

“This clarification relates solely to the attribution of certain comments. It should not be interpreted as a withdrawal of naamsa’s position on the broader policy issues discussed in the original media statement.”



FOLLOWING A COMPREHENSIVE REVIEW of the original BizNews interview between Alec HOGG and Donald MacKAY, together with subsequent media reports, **naamsa** has concluded that certain comments referenced in our previous statement were incorrectly attributed to Mr MacKAY.



SPECIFICALLY, references describing the APDP as a “R40 billion honeypot”, the comparison that abolishing the APDP could reduce South Africa’s VAT rate from 15% to 12%, and certain broader observations were introduced by interviewer Alec HOGG during the discussion.



ACCORDINGLY, **naamsa** apologises to Mr Donald MacKAY for incorrectly attributing certain comments to him. Our attribution resulted from reliance on subsequent media reports that associated those comments with Mr MacKAY, rather than from a detailed review of the complete interview. We regret this error.



THIS CLARIFICATION RELATES SOLELY TO THE ATTRIBUTION OF CERTAIN COMMENTS.

It does not alter **naamsa**’s position on the broader policy issues discussed in the original media statement, nor does it diminish our responsibility to contribute constructively to public debate.

THE IMPORTANCE OF AN INFORMED PUBLIC DEBATE

The interview has generated an important national conversation on issues that deserve continued public discussion and rigorous economic analysis. These include:



The long-term competitiveness of South Africa’s automotive industry



The effectiveness and periodic review of the APDP



Infrastructure, logistics and port performance



Localisation and supplier development



South Africa’s transition towards new energy vehicles



Industrial policy and fiscal sustainability



South Africa’s ability to compete for globally mobile automotive investment

naamsa welcomes continued engagement with economists, policymakers, researchers, industry stakeholders and commentators in pursuit of stronger industrial policy outcomes.

naamsa’s POLICY POSITION REMAINS UNCHANGED

While constructive debate is essential, **naamsa** continues to hold a different view on several public characterisations of the APDP that have emerged during recent public discussions and media commentary.

In particular, **naamsa** maintains that:

- ✓ The APDP should not be characterised simply as a subsidy programme. It is an investment-led industrial policy designed to attract investment, deepen localisation, increase exports and create skilled employment.
- ✓ Customs duty rebates should not be equated with direct fiscal transfers from the National Revenue Fund.
- ✓ Estimates of approximately R40 billion associated with the programme should not be interpreted as revenue that government would automatically recover if the APDP were abolished.
- ✓ Comparisons suggesting that eliminating the APDP could directly finance a reduction in VAT create a false fiscal equivalence because they overlook the broader impact on investment, exports, employment, economic growth and future tax revenues.
- ✓ Retail vehicle prices cannot, without rigorous economic analysis, be relied upon as evidence of the consumer cost of supporting the APDP because vehicle pricing is influenced by numerous domestic and international market factors.

“Industrial policy should always be subject to review and continuous improvement. However, policy reform should strengthen South Africa’s competitiveness rather than undermine one of the country’s most successful manufacturing ecosystems.”

WHY THE APDP MATTERS

South Africa’s automotive industry remains one of the country’s most successful industrial sectors and continues to play a strategic role in manufacturing, exports, investment and employment.



Attracting sustained domestic and foreign investment



Supporting one of South Africa’s largest manufacturing sectors



Generating audited Local Value Addition across the domestic economy



Strengthening supplier development and localisation



Sustaining hundreds of thousands of direct and indirect jobs



Maintaining South Africa’s position as a globally competitive automotive export hub



Supporting industrial capability that would be exceptionally difficult to rebuild if lost



naamsa regrets the attribution error identified in this statement and has taken steps to correct the public record.

At the same time, **naamsa** remains steadfast in its responsibility to contribute constructively to South Africa’s industrial policy debate through evidence-based research, rigorous economic analysis and respectful engagement with government, industry, organised labour, academia and all stakeholders committed to strengthening South Africa’s long-term economic growth and industrial competitiveness.

STATEMENT ENDS