

## **MEDIA RELEASE**

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#### **NAACAM WELCOMES NEW CABINET APPOINTMENT IN SOUTH AFRICA**

The National Association of Automotive Component and Allied Manufacturers (NAACAM) congratulates the newly appointed members of cabinet to deliver on the mandate of South Africa's seventh democratic administration. This cabinet, framed under that of a government of national unity marks a significant milestone, and NAACAM looks forward to collaboration with government and other stakeholders to ensure continued growth of the domestic automotive manufacturing sector.

#### **Policy Continuity and Stability**

The importance of policy continuity and stability, particularly within the automotive industrial policy framework, cannot be overlooked. The automotive sector is a cornerstone of South Africa's industrial landscape, contributing 5.3% to GDP and 21.9% to manufacturing output in 2023 whilst providing a strong base for employment, exports and new business creation. Consistent policymaking and implementation are essential for maintaining investor confidence and ensuring sustained growth of the industry.

#### **Commitment To Automotive Industrial Policy**

The appointment of the new cabinet presents an opportunity to reaffirm the government's commitment to the South African Automotive Masterplan 2035 (SAAM35) and policy framework of the Automotive Production and Development Programme (APDP 2). Commenting on this, NAACAM President Ugo Frigerio notes that "APDP 2 is an essential policy package that has fostered a domestic automotive sector which remains conducive for investment, as seen by the component sector and Original Equipment Manufacturers (OEMs) being major investors of productive capital in a post covid environment." It is critical that the seventh administration maintains sector policies and equally identifies opportunities to strengthen the operating environment to unlock sector growth towards SAAM35's vision of a globally competitive and transformed automotive industry.

#### **Critical Ministry for Automotive Sector**

NAACAM CEO, Renai Moothilal welcomed the appointment of Minister Parks Tau and Deputy Ministers Godlimpi and Whitfield into the critical ministry for automotive manufacturing policy. "In ongoing support to reach the objectives of SAAM35, NAACAM will work closely with the newly constituted cabinet, and particularly at the Department of Trade, Industry and Competition (dtic) under Minister Tau's direction, to harness opportunities for sector development and address production challenges".

## Conclusion

Unlocking those opportunities lie with improving levels of localisation, and the sector needing to increase the average local content level of a vehicle by approximately 20% over the next 10 years to achieve the SAAM target of 60% local content. Through strong public-private partnerships this can be achieved. NAACAM reiterates its well wishes to the incoming government administration and remains dedicated to advocating for policies that promote the sustainability and competitiveness of the South African automotive manufacturing sector, in a rapidly changing global automotive landscape.

## ENDS

### About NAACAM:

NAACAM is recognised as the voice of the South African automotive component industry. As a member driven organisation it is at the forefront of industry leadership, representation and stakeholder engagement for automotive component manufacturers

### Queries:

Renai Moothilal  
CEO  
[renai@naacam.co.za](mailto:renai@naacam.co.za)