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# Master/Strategic/Sector Plan Approach

## Regional Marula Workshop Windhoek, Namibia 4 November 2019

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All data is delayed

**ZAR/EUR**

▲ 16.58 (1.00%)

**ZAR/GBP**

▲ 19.19 (0.92%)

**ZAR/JPY**

▲ 0.14 (1.03%)

**ZAR/USD**

▲ 14.83 (0.99%)

**ZAR/AUD**

▲ 10.26 (0.87%)

# Taking away incentives will hit SA auto sector hard, industry body warns

Sep 18 2019 19:34 Lameez Omarjee, Fin24

**fin24**

Reducing rebates on excise duties will negatively impact the competitiveness of the auto industry, members of Parliament heard.

The Standing Committee on Finance on Wednesday heard inputs from the National Association of Automobile Manufacturers of South Africa (Naamsa) on the 2019 draft tax bills.

The amendment in question specifically relates to the calculation of ad valorem duty in the 2019 draft income taxation amendment bill. Naamsa has put forward that the amendment would result in substantial damage of the competitiveness of the local vehicle manufacturers and retail sales in South Africa.





All data is delayed

ZAR/EUR ▲ 16.58 (1.00%)	ZAR/GBP ▲ 19.19 (0.92%)	ZAR/JPY ▲ 0.14 (1.03%)	ZAR/USD ▲ 14.83 (0.99%)	ZAR/AUD ▲ 10.26 (0.87%)
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# Transformation in automotive industry non-negotiable - Davies

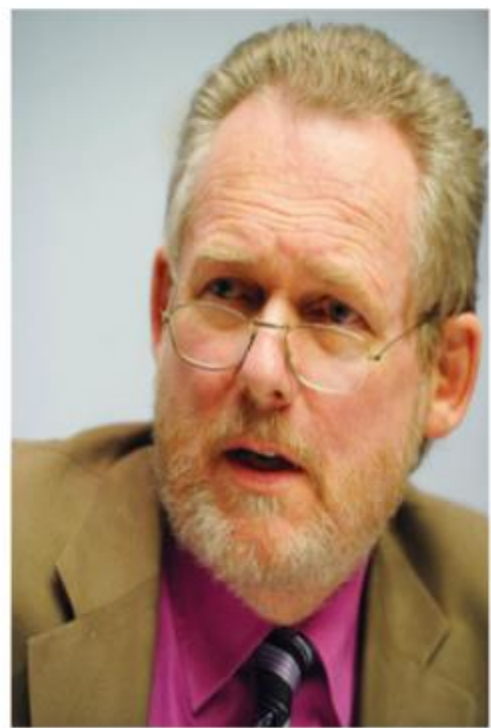
Apr 05 2017 17:44



Cape Town – Imports of automotive components have surged to historical levels at R50bn, while local content in vehicles have declined to below 39%, affecting employment in the sector, said Trade and Industry Minister Rob Davies on Wednesday.

Speaking at the inaugural National Association of Automotive Component and Allied Manufacturers (NAACAM) Show and Localisation Indaba, Davies said the auto component employment in South Africa has remained a concern, as it has “somewhat stagnated”.

“Through the 2035 SA Automotive Masterplan process,” Davies said, “government seeks to arrest some of the drawbacks in the sector, while also ensuring industry growth over the long term. This Masterplan process is also making us realise that to ensure the long term sustainability of the automotive assembly and



Rob Davies (File)

MOST READ EDITOR'S CHOICE

- Rand holds steady on Moody's review, but economists warn of downgrade to junk
- Mboweni on Moody's: South Africans, it is time to roll our sleeves
- Sell assets now, says Treasury. Unions push back
- Moody's changes outlook to negative - but SA's still not junk
- Prince Charles reportedly caught up in \$136 million fake art hoax

**COMPANY SNAPSHOT**

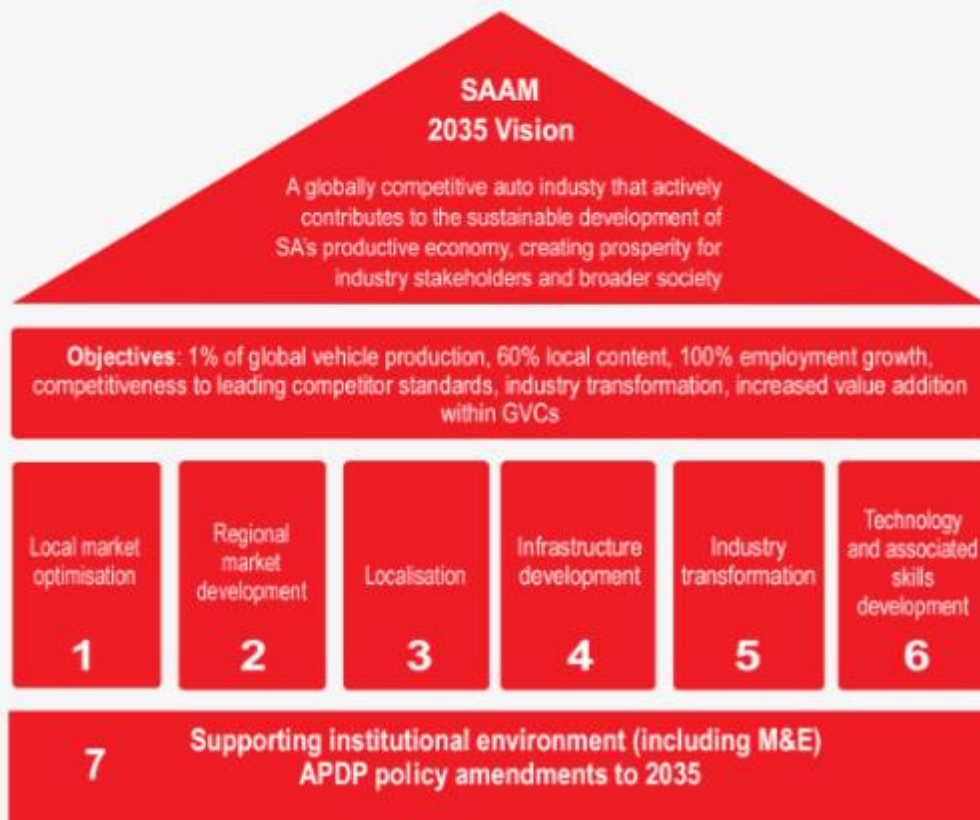



# NAACAM Media Statement: SA Automotive Masterplan 2035

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## NAACAM

NAACAM (National Association of Automotive Component and Allied Manufacturers) welcomes the finalisation of the SA Automotive Masterplan process and the announcement of the policy that will be used to achieve the objectives of the sector by 2035.





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## Minister Rob Davies: South African Automotive Masterplan and Extension of Automotive Production and Development Programme

23 Nov 2018

Minister Rob Davies media statement on the South African Automotive Masterplan 2035 and the Extension of the Automotive Production and Development Programme with amendments

Key Summary of SA Auto Masterplan 2035

### RELATED INFORMATION

[APDP policy amendments\\_1](#)

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**BUSINESS MAVERICK**

# New national motor plan is geared up and ready to go

By Ruan Jooste • 7 August 2019



## Master Plans and industrial policy

### OVERVIEW

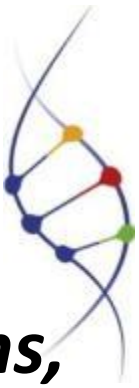
The relaunch of industrial policy from early 2019 included proposals for Master Plans for priority industries. The Master Plan approach sets a framework for constructive engagement and implementation that can respond to changing circumstances and evidence. This policy brief draws on experience with the development of Master Plans for various sectors as well as the experience of sector strategies in the auto industry to propose a standard methodology for the process.

# Purpose, Process and Elements

### BACKGROUND AND AIMS

- Willingness by both government and the dominant companies to ensure high-level

# Master/Strategic/Sector plan approach



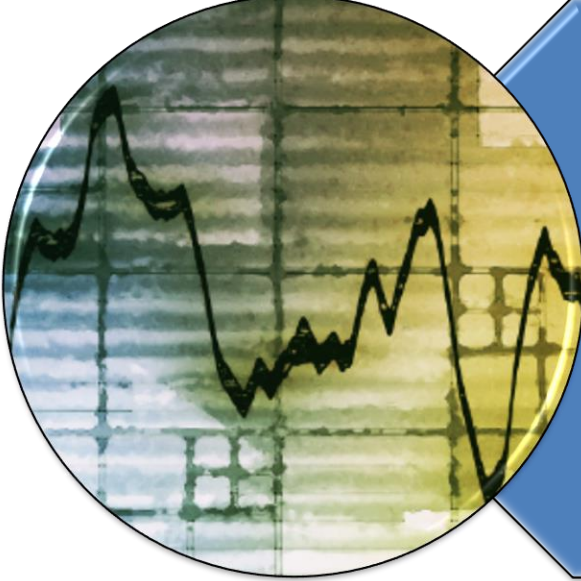
1. The dual aim to:

- ❖ ***Generate a short list of key strategic interventions,***
- ❖ ***Establish a platform for future high-level engagements to address problems.***

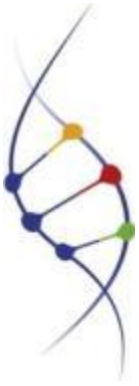
***2. A strong evidence base focused on analysis of economic and technological trends in the industry both local, regional and abroad,***

***3. Extensive engagement between government and industry,*** to reach agreement & help resolve disputes about current trends and potential solutions.





# 1. Status Quo



## **Domestic analysis (baseline)**

- Agreed methodology
  - a. Production
  - b. Employment
  - c. Exports
  - d. Investment
  - e. Scope for new business

## **Global analysis (benchmark)**

- a. Demand
- b. Production
- c. Trade
- d. Raw material cost
- e. Human Resource
- f. Technology

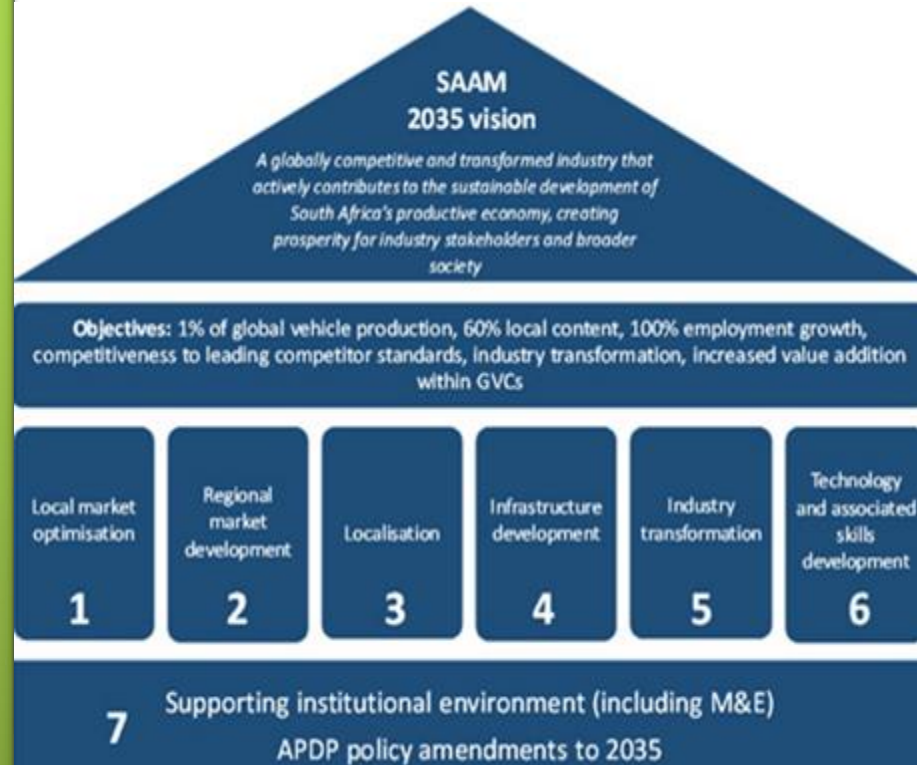


## 2. Development of scenarios & sector plan

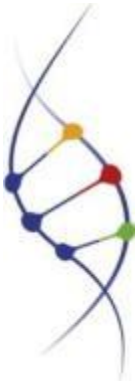
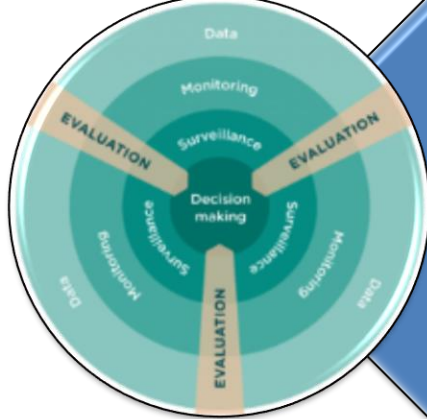


### Scenarios projecting targeted outcomes eg:

- without a Master/Sector Plan
- with a Master/Sector Plan but with slow overall growth,
- with a Master/Sector Plan and at least moderate economic growth.



# 3. Evidence based M&E



**Institutionalisation through a authoritative framework to**

- lead implementation.
- coordinate, monitor and evaluate progress against objectives
- accountability across the spectrum of responsible stakeholders.



## SAAM 2035 vision

*A globally competitive and transformed industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society*

**Objectives:** 1% of global vehicle production, 60% local content, 100% employment growth, competitiveness to leading competitor standards, industry transformation, increased value addition within GVCs

Local market  
optimisation

1

Regional  
market  
development

2

Localisation

3

Infrastructure  
development

4

Industry  
transformation

5

Technology  
and associated  
skills  
development

6

7

Supporting institutional environment (including M&E)  
APDP policy amendments to 2035

## SAAM 2035 vision

*A globally competitive and transformed industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society*

### ***Objectives:***

- 1. Grow domestic vehicle production to 1% of global output (projected to reach 140 million units annually by 2035)*
- 2. Increase local content in South African assembled vehicles to 60% (from 39% in 2015)*
- 3. Double total employment in the automotive value chain (from 112,000 to 224,000)*
- 4. Improve automotive industry competitiveness levels to that of leading international competitors*
- 5. Achieve industry transformation across the value chain*
- 6. Deepen value addition across selected commodities/technologies*

## SAAM 2035 vision

*A globally competitive and transformed industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society*

## 2. Regional Market Development

....to develop a regional market dynamic. There is presently no Sub-Saharan African (SSA) economy with a new vehicle market exceeding 30,000 units of annual demand due to a variety of reasons, key being the importation of second-hand vehicles and the size of the economies.

It is important therefore to develop a business case for the establishment of a regional automotive trade and production block that positions SSA as a viable automotive space.





# Vision

**Key objectives:** production and sales growth, employment, competitiveness and investment

1.

Growing domestic, regional & export market

2. Quality & standards

3. Value-addition & beneficitation

4. Technology & Innovation

5. Skills development & capacity building

6. Sustainable use & reliable supply

7. Ongoing engagement on unblocking and growth  
Coordination, Consultation, Monitoring & Evaluation  
Compliance, enabling policy and regulation: ABS, IKS, etc.



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# Thank you!

## Questions?

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