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NATIONAL ASSOCIATION OF  
AUTOMOBILE MANUFACTURERS  
OF SOUTH AFRICA

# REIMAGINING THE FUTURE TOGETHER

ECONOMIC IMPACT OF COVID-19 ON THE SOUTH  
AFRICAN AUTOMOTIVE SECTOR, MAY 2020

AUTOMOTIVE INDUSTRY TRANSFORMATION INITIATIVES



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**National Association of Automobile Manufacturers of South Africa [NAAMSA]**

“the most credible and respected thought leader and partner of a globally competitive and transformed automotive industry that actively contributes to the sustainable development of South Africa”

# Economic Impact of COVID-19 on the South African Automotive Industry

## NAAMSA

PRETORIA | Date: MAY 2020

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### Automotive Industry Transformation Initiatives

There are several OEM specific initiatives such as the R86 million VW black-supplier fund, R42 million Toyota black-empowerment trust, and Ford and Nissan incubations. The Automotive Supply Chain Competitiveness Initiative's [ASCCI] initiative involves a list of 119 black-owned companies who have the potential suppliers to become incorporated into the automotive supply chain.

The Automotive Industry Transformation Fund [AITF] is a R6 billion industry-wide initiative, earmarked to transform the industry by broadening and deepening the participation of black and historically disadvantaged entrepreneurs, in efforts to grow and develop the South African automotive industry. The fund's mission is to accelerate the empowerment of black South Africans within the auto sector; the upskilling of black employees and aspirant auto entrepreneurs; the expansion of black-owned dealerships, authorised repair facilities and workshops; a substantial increase in the contribution of black-owned automotive component manufacturers within the automotive supply chain; and creating sustainable employment opportunities for young and female black South Africans.

The AITF will play a key role in the implementation of the South African Automotive Masterplan, especially on localisation and industry transformation. The SAAM 2021-2035 target is 25% of tier 2/3 suppliers being Black-owned by 2035, off a very low base currently.

## **ADDITIONAL NOTES FOR INFORMATION**

- This is section 1.4 of the NAAMSA document - Economic Impact of COVID-19 on the South African Automotive Industry.
- NAAMSA is a pre-eminent industry representative body that actively and responsibly represents, promote, advance and protect the interests of local manufacturers and assemblers of passenger, light and heavy commercial vehicles as well as 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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