# #NADA Connect

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# Context

The Automotive Retail & Aftermarket:
A large and resilient cornerstone of the automotive sector

# The End-to-End Mobility System That Keeps SA Moving

## A nationwide ecosystem powering mobility, safety, affordability and daily economic activity

### *Auto Retail & Aftermarket within sector value chain*

Vehicle Manuf. → Auto Retail & Aftermarket

Dealerships | Workshops | Parts, Tyres | Engine re-man

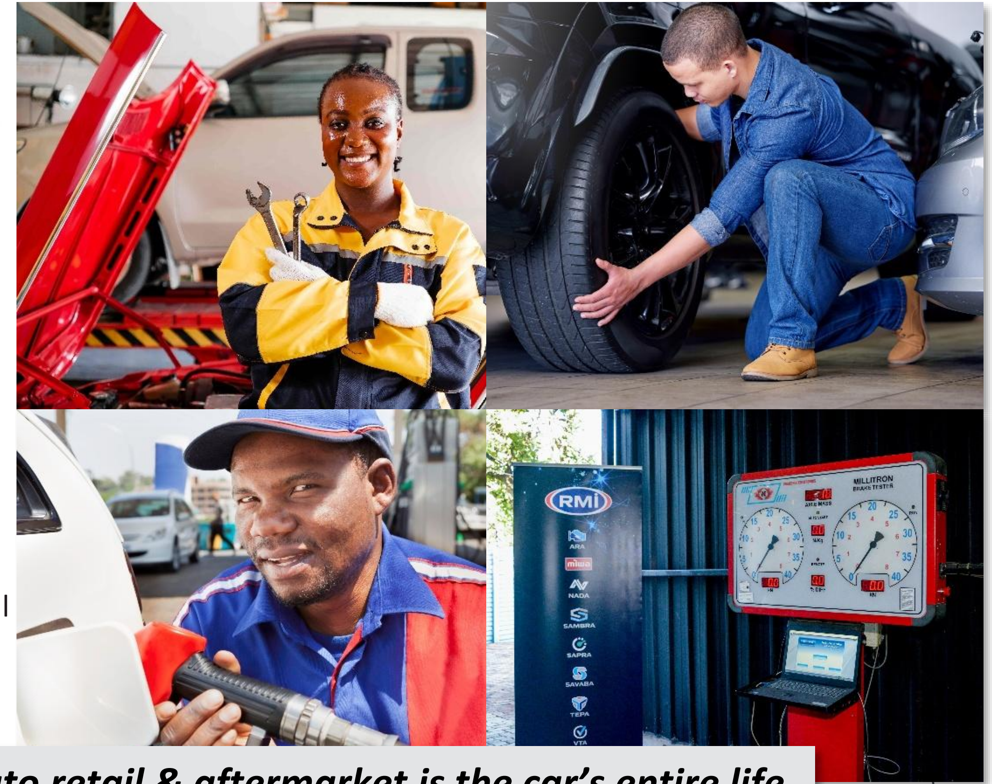
Body Repairs | Fuel | Vehicle Testing

**Auto Retail & Aftermarket:**

- Present in every district; every household interacts with it
- Mobility enables GDP, productivity and access to opportunity

**Government Impact:**

- DTIC: SAAM cannot achieve domestic-market optimisation without recognising the true size of the retail & aftermarket economy.
- DoT: The sector's national footprint is the backbone of practical roadworthiness enforcement.
- DHET / merSETA: Trades trained here are essential to SAAM ambitions

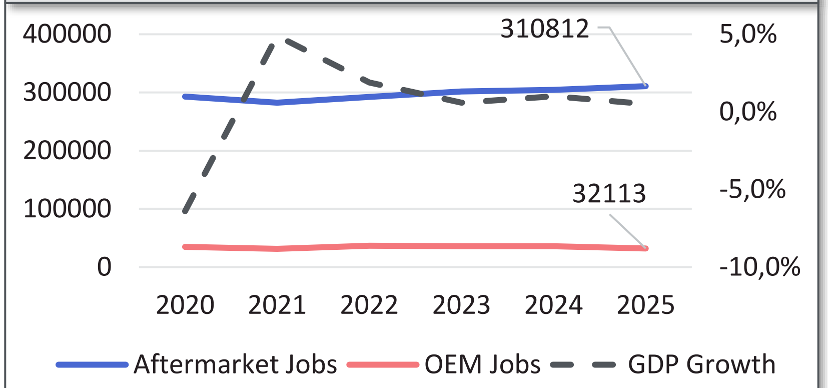



***If vehicle manufacturing is the birth of a car, auto retail & aftermarket is the car's entire life***

# SA Auto Aftermarket – A Resilient Cornerstone

## A job-rich, SME-driven economy that grows even when GDP slows — the backbone of national mobility

***Job growth 1.2% CAGR despite headwinds***




- Headwinds include slow GDP growth, lack of technical skills, ageing fleet, demand for cost-effective maintenance, shifting consumer behaviour & high cost of compliance

**Auto Retail & Aftermarket:**

- Largest employer (70% of jobs) in the automotive value chain
- Job growth remains resilient despite a challenging macro environment
- Aftermarket jobs grew at 1.2 % CAGR (2020–2024)
- Stabilising force for jobs and skills in the sector, even during economic downturns
- 23 000+ businesses; ~80% SMEs
- RMI represents 8 500 businesses, the largest employer body in the sector (>80% of represented businesses)
- Balance of union voices – MISA (majority) & NUMSA, RMI negotiates wages for more than 300 000 employees and 23 000 businesses
- SA vehicle parc age: 10.8 years
- Ensures affordability and mobility for households & business

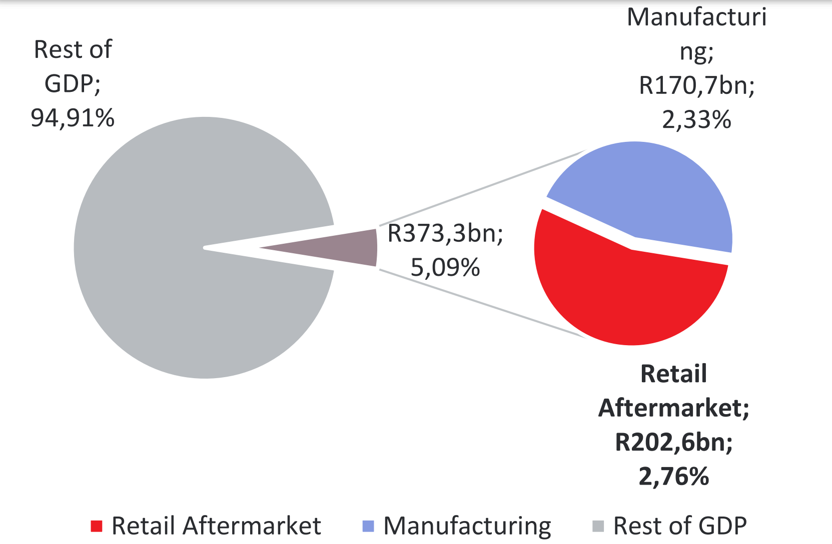
***The auto retail & aftermarket is the largest labour absorption mechanism available, touches every household & business, directly shaping SAAM outcomes***

Sources: MIBCO data, jobs numbers cover ~20 000 component manufacturing jobs; Aftermarket jobs 270 036 against 386 049 total sector, implies aftermarket jobs ~70% of jobs

# The Majority Contributor to Automotive Value-Add in SA

**More than half (>54%) of automotive value-add is from retail & aftermarket; a reality long underestimated in policy design**

***Retail aftermarket Value Add >54% of auto***




**Economic:**

- Essential for mobility of households & businesses
- Affordable, safe mobility → higher productivity → GDP contribution

**Consumer Safety:**

- Standards, diagnostics and testing reduce road accidents

***National Treasury, DoT, DHET and DTIC all rely on mobility. When vehicles become unaffordable or unsafe, state systems absorb the cost***

***Correcting this figure reshapes SAAM targets, resource allocation, localisation incentives and demand-side policy coherence***

Sources: Stats SA 2024 data

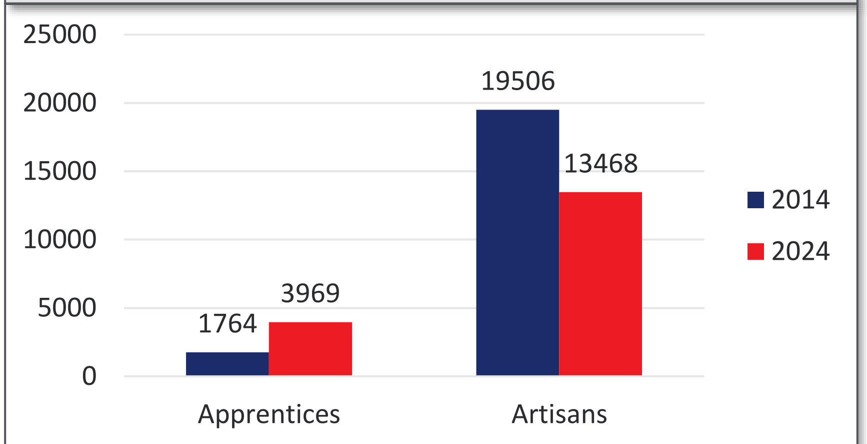

# Skills & Transformation

Delivering key SAAM pillars at scale — despite being excluded from the original plan

# Decline in Critical Auto Trades Threatens Safety, Economic Mobility & Transformation

**Falling artisan numbers increase costs, delays, safety risks for millions of South Africans while hindering transformation**

***More than 30% of Skilled Artisans lost over 10 years***




**Skills challenge:**

- 31% decline in artisans over 10 year period, due to global competition for scarce skills
- 125% increase in Apprentices not resulting in increased artisans

**Safety & economic mobility impacted without skills:**

- Longer repair times; higher repair costs
- Lower compliance and increased roadworthiness failures
- Undermines SAAM delivery

**Transformation:**

- Slows transformation opportunities for township economies & youth employment
    - Job entry to the sector has a low barrier to entry, often not even requiring a matric qualification
    - Pathway from technician → artisan → owner

***SAAM objectives cannot be fully realised without resolving skills***

Sources: MIBCO Data (2025)

# A National Skills and Enterprise Pipeline Already Working — Ready to Scale with DTIC

**A proven ecosystem for artisans, entrepreneurs and future technologies — designed for rapid national expansion**

Attracting talent → Training → Placement → Win-Win

ARA · miwa · NADA · SAMBRA · SAPRA · SAVABA · TEPA · VTA

**RMI already delivering on skills:**

- R132.6m merSETA funding; 2 555 learners in pipeline
- 580 ARPL seats across 9 trades; early cohorts already placed
- Project Dineo: Matric → apprenticeships → artisans → enterprise creation
- "Training the trainers" for EV and advanced diagnostics
- National partnerships: RMI, AIDC, merSETA, DHET, TVET colleges, OEM academies

***Government can activate this pipeline immediately through SAAM's skills and technology pillars***

# Road safety & compliance

A vehicle-first approach delivers the fastest, most affordable and most sustainable safety gains

# High-Impact Levers for Safety, Affordability & Sustainable SME Growth

**Modern testing + proportional compliance = safer roads, stronger SMEs and better consumer protection**

| 11 418 Fatalities<br>From 9674 crashes (2025) | 4 in 5 Cars<br>Untested Annually | R205.13Bn<br>(562m a day) |
|---|---|---|
| Scale of Harm | Testing Gap | Cost of Crashes (2023) |

**Lack of testing affects lives and economy:**

- Roadworthiness failures = 25–30% crash severity (OECD)
- No full accident investigations → true mechanical failure impact unknown
- Better vehicle compliance → fewer fatalities
- Cuts emergency response + socio-economic costs
- Safe, compliant vehicles encourage safer driving
- 14 schoolchildren died in one crash — driver error + vehicle non-compliance = fatal outcomes.

**Compliance Burden:**

- Compliance burden results in SMEs being held to the same costs and burden as Large enterprises
- Cost of compliance creates barriers to entry and reduces cash for business needs such as working capital

**Risk base adjusted compliance:**

- Maintains safety while reducing unnecessary burdens
- Supports informal → formal transitions
- Protects SMEs, jobs and affordability

***Periodic Vehicle Testing is the single most effective national safety intervention; risk-adjusted compliance protects SMEs while raising standards***

Sources: RTMC State of Road (2023) | DoT Festive Season Roar Safety Campaign Media Briefing

RMI

# Thank You