

# NAAMSA: The SA motor industry can overcome challenges

Andrew Kirby, chairman of the National Association of Automobile Manufacturers of South Africa (NAAMSA) and president and CEO of Toyota SA Motors, says he is confident that the local motor industry will overcome its major challenges and that the industry will grow substantially into the future.



Source: [pixabay.com](https://pixabay.com)

Kirby addressed delegates at the recent NAAMSA Automotive Conference at the Festival of Motoring at the Kyalami Grand Prix Circuit and Conference Centre.

The conference, held in association with the Innovation Group, took place on the first day of the three-day Festival of Motoring in the AutoTrader Tech Zone. The theme of the conference was “Paths to the future” and a wide-ranging spectrum of speakers gave insight into many topics and focus areas that are highly relevant to the rapidly changing face of the global and local motor industries.

Kirby said that in his view, there were five main challenges facing the SA automotive industry:

- Responding to market changes
- Optimising regional integration
- Establishing infrastructure as an enabler
- Achieving global competitiveness
- Developing an inclusive value chain.

He said that the South African motor industry is undergoing its biggest disruption since the introduction of the Motor Industry Development Programme (MIDP) in 1995, when the country exported only 11,000 vehicles and imported 20,000, to the situation today where it is projected that production this year will total 609,000 vehicles and exports 340,000 units.

## Change in market

Kirby added that the market was changing fundamentally, driven by rapid technological developments in vehicles and the growth in digital media applications which were affecting customer behaviour as well as the overall automotive business environment, both wholesale and retail.

“Increasing exports into other African countries is a vital part of growing production volumes,” explained Kirby. “Increasing motorisation on the continent through a growing middle class is a key which could lead to the African market expanding from the current 1.2-million new cars and commercial vehicles to two million vehicles in five to ten years. However, a big obstacle to new vehicle sales growth is that many countries in Africa permit the importation of thousands of used vehicles. Fortunately, there are moves to curb this trend in the interests of growing the motor industry in several African countries.”



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## Infrastructural challenges

When discussing the infrastructural challenges faced by the local industry, Kirby said that one of the most important was the introduction of cleaner fuels, which will permit the importation of cleaner burning and more fuel-efficient engines. Most African countries still permit fuels to be sold which only meet requirements for Euro 2 or 3, at a time when many countries in Europe already require engines to meet Euro 5 or 6 standards.

Paved roads are another aspect of infrastructure that requires urgent attention when growing the vehicle market in SA, according to Kirby. He explained that only 21% of roads in SA are paved, amounting to 154,000km with a further 140,000km of roads in the planning stage but few new roads being built.

He added that ports and the rail network are other infrastructural aspects requiring attention if the SA motor industry is to become globally competitive and producing a million or more vehicles a year.

## Need for empowerment and training

Kirby was also adamant about the need for making the motor industry far more inclusive through empowerment and training initiatives in both down- and upstream operations.

“Despite the many challenges we face, there is an air of optimism among all members of the South African motor industry regarding the aspirational vision of the upcoming Automotive Masterplan as the path to the future,” concluded Kirby.