

Unlocking the golden opportunity for electric vehicle manufacturing in South Africa

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28 Jun 2022

The future of transportation is electric vehicles, with many countries already putting a time limit on the future of fossil fuel-driven cars. In South Africa, this is both a challenge and an enormous opportunity.



Source: [Unsplash](#)

The import duties on these vehicles are prohibitively high, which means there isn't much incentive to bring them into the country. However, it also means that manufacturing them locally would be incredibly beneficial, not only in terms of carbon emissions reduction but also in job creation and economic sustainability.

We already have everything we need to unlock this opportunity, it is simply a matter of adjustment, and it could be a sustainable long-term solution for economic progression.

Poised for success

The difference between an electric vehicle and one driven by fossil fuels is the engine, and the battery storage needed. South Africa already has vehicle manufacturing setups in place, as well as manufacturing facilities for battery storage. We also have the capability to mine lithium locally, which is a vital component in the manufacturing of lithium-ion batteries.

Our climate in South Africa is ideal, and we already have functional ports in place for export as well as plans to expand ports in areas like Gqeberha and Richards Bay. There are also plans in place to extend the special economic tax-free zones for manufacturing, both on the coast and inland.

The rail infrastructure needs to be extended and improved, and the private sector needs to be more involved to enable greater efficiency, improved maintenance, and a more cost-conscious rail transport network. This is critical to facilitating more inland manufacturing of the various components.

Bringing it all together

South Africa has both the capability and the capacity to become a significant player in the electric vehicle manufacturing space, but all the elements need to be brought together, and supply chain and logistics challenges addressed so that we can unlock this significant opportunity.

This will involve collaboration between the government, state-owned entities, and the private sector since everyone will need to work together to offer an effective solution to the global market.



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The labour component

From a labour perspective, there is a great opportunity to build and connect the supply chain and create the entire ecosystem necessary for the manufacture, assembly, and export of electric vehicles. There are also therefore many job opportunities throughout the value chain.

Some of the jobs that will be created are highly specialised and skilled, so we will need to source this expertise globally and then ensure that local training and skills transfer takes place so that our engineers and designers can upskill, and this can filter downstream.

Upskilling, cross-skilling and preparing people for the different roles associated with the manufacture of electric vehicles are crucial. Having the right Temporary Employment Services (Tes) partner throughout the development and evolution of this up-and-coming sector can be hugely beneficial.

A reputable, experienced Tes partner will have affiliations with training companies and accreditations with the various Sector Education Training Authorities (Seta), which is vital for obtaining funding for training.

In addition, Tes providers can leverage this opportunity for individuals who have the skills and have had to seek work elsewhere to be repatriated back to South Africa and provide sustainable employment through a broad base of clients.

Unlocking the opportunity

Even looking at one area of battery manufacture, the opportunity is huge. If we manufacture the batteries here, they will be less costly for locals who wish to purchase electric vehicles. We will also be able to recycle them here, which is currently a significant environmental concern.

However, we need to start with manual skills, and then automate to reduce cost, which will, in turn, create greater demand, more growth, and a circular economy. There are so many opportunities, from one end of the supply chain to the other but having the right Tes partner lies at the very heart of unlocking this opportunity for economic progression.

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