

## Strategic interventions to change the trajectory of the Eastern Cape Automotive Industry

### *MEC Mvoko encourages industry role players to press forward*

The recently adopted South African Automotive Masterplan (SAAM) sets ambitious targets for the development of the national automotive industry; not least of which an increase in local content from 39% to 60%. In response to this, the East Cape Automotive Industry Forum (ECAIF) has set five-year targets for growth for the local automotive industry and seeks to facilitate localisation and export growth in realization of:

- Supplier sales growth of R5,5bn
- Supplier investment of R6bn
- Tier 1 increase in local content, and
- 15 new entrant suppliers

Reacting to this commitment by ECAIF, the MEC for Economic Development, Environmental Affairs and Tourism (DEDEAT), Mr Mlungisi Mvoko said his Department is pleased to see ECAIF outlining clear targets and commitments which will give effect to the South Africa Automotive Master Plan 2035. "In the policy speech I delivered last week, I assured the people of the Province that this plan will enable us to place a significant focus on localisation, transformation and skills development within the automotive sector. I am happy to see that the industry is leading in embracing the master plan and want to encourage role players within this forum and other platforms work hard to ensure that these targets are pursued with vigour", says Mvoko.

ECAIF is a cluster initiative and public-private partnership, supported by DEDEAT and the local automotive component industry. The cluster was established to develop the automotive manufacturing industry in the Eastern Cape, with a particular focus on component manufacturer growth, competitiveness and transformation. It achieves this through various programmes to promote localisation and exports, improve competitiveness and skills development.

Since the adoption of ECAIF's localisation and growth objectives, the cluster has been active in driving this mandate.

### *The future of the local automotive industry*

Job creation, skills development and the development of a skills pipeline for the local automotive industry is high on the agenda of ECAIF and of the key programmes currently implemented by the cluster involves the training of unemployed youth and skilling them as operators for the automotive industry. ECAIF has recently completed the fully accredited training of 400 skilled operators and will launch another training wave later in 2019. The database of newly qualified operators is available from ECAIF and training partners, the Automotive Learning Academy.

The skills acquired through this training programme are valued highly by industry with Wafqi Lillah, Production Manager for Lumotech, noting that "the training has significantly increased the confidence of learners who are capacitated to speak up and engage positively in the workplace. Learners show high levels of motivation and attention to detail and Lumotech is continually impressed with the results they have shown".

### *A portfolio of high-value activities*

Skills development is not the only priority for the cluster, ECAIF has recently entered into a strategic partnership with the Automotive Industry Development Corporation (AIDC EC) in the development

of an automotive supplier and sourcing database to map the supply base in the Eastern Cape. This online tool is set to be launched later in 2020 and provides detailed profile information on suppliers and can be used as a strategic sourcing tool for finding and engaging with new entrant, Black-owned suppliers.

In addition to the above, the cluster has engaged in and delivered a number of high-value and high-impact workshops focusing on incentive access, skills development, inventory management and access to affordable financing solutions for the automotive industry.

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