

NATIONAL ASSEMBLY

QUESTIONS FOR WRITTEN REPLY

QUESTION NUMBER: 990 [NW1226E]

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990. Dr M Q Ndlozi (EFF) to ask the Minister of Finance:

What total (a) amount in State incentives, such as tax cuts and direct investment, has been put into the automobile industry and (b) number of jobs has this resulted in? **NW1226E**

REPLY:

The automobile industry benefits from the Automotive Production and Development Programme (APDP) incentive scheme developed and administered by the Department of Trade, Industry and Competition (*the dtic*) and its public entity, the International Trade Administration Commission (ITAC). The incentive includes both investment grants (i.e., cash grants) and rebates (refunds) of custom duties.

Regarding the rebates, the benefits accruing to the automobile industry consist of **custom rebates** (i.e. Rebate Items 317.04 and 460.17) of Schedules Numbers 3 and 4 respectively, and **refunds** (i.e. Items 536.00; 537.00 and 538.00) in Schedule 5 of the relevant customs duties in Chapters 87 and 98 of Part 1 of Schedule No. 1 to the Customs and Excise Act No. 91 of 1964. The ITAC issues Production Rebate Certificates (PRCs) to qualifying final manufacturers of eligible products (i.e., vehicles, components, and automotive tooling), which indicate the amount of customs duty that can be rebated on imports into South Africa. Based on available data reported in Annexure B of the 2024 Budget Review, there was a total of R31.250 billion claimed in the 2018/19 fiscal year, R34.107 billion in 2019/20, R26.189 billion in 2020/21, and R34.165 billion in 2021/22.

From inception in 2011 to September 2024, a total of R20.6 billion was disbursed to component manufacturers and original equipment manufacturers under the automotive investment scheme.

The number of active jobs reported by companies is 48 273, of which 10 813 were newly created in 2023/24, and 37 460 were retained from previously created jobs.