

New energy vehicles gain ground in South Africa

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New Energy Vehicles (NEVs), including both hybrid and electric cars, are slowly but surely gaining traction in the South African car industry. While Mzansi has historically relied heavily on fossil fuels, there's a growing appetite for NEVs, driven by their fuel efficiency, reduced emissions, and new-age tech.



South Africa has a growing appetite for new energy vehicles.

The NEV market in South Africa saw a strong showing in 2023, with sales reaching 7,693 units – a hefty 65% jump from the year before. Hybrids are still king of the castle, making up 84% of total NEV sales.

However, there's a growing taste for electric vehicles, with sales shooting up by an impressive 85.4% in 2023 compared to 2022.

The number of available models has also more than doubled in the past year. Manufacturers like Volvo, BMW, and Mini are leading the electric charge, while brands like BYD and GWM are making waves with more affordable options.



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However, government's approach to NEVs has drawn mixed reviews. There's a push to boost domestic production for the export market, but incentives for local consumers are a bit scarce.

There is a large risk of straining the national grid and a lack of charging stations – which is cited as the reason they're holding off on big tax breaks or rebates at the moment.

“We're thinking of a two-phase approach,” said Minister Ebrahim Patel. “First, we get more electric vehicle production facilities set up, and then we can introduce incentives for consumers.”

Challenges and opportunities

Despite the progress, NEVs are still a small fish in the big pond of the South African car market. High import taxes and a developing charging network remain hurdles to widespread adoption.

Industry leaders like Mikel Mabasa, CEO of the National Association of Automobile Manufacturers of South Africa (Naamsa), have emphasised the need for balance and incentives to make the switch to NEVs smoother for both domestic buyers and manufacturers.

There are challenges, but the South African NEV market also holds exciting opportunities. As technology gets better, costs come down, and infrastructure improves, there's a real chance for significant growth in the coming years.

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