

Mercedes-Benz local boss urges South Africa to speed up EV shift

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South Africa needs to regulate swiftly to spur demand for electric vehicles (EVs), the co-CEO of the local unit of Mercedes-Benz said on Wednesday, as the country's automotive industry risks being irrelevant to the global market.



A model E400e 4Matic of Mercedes-Benz at the 2023 Munich Auto Show IAA Mobility, in Munich, Germany, 4 September 2023. Reuters/Leonhard Simon/File Photo

For South Africa as a whole, three-quarters of its vehicle production is exported.

The luxury carmaker Mercedes-Benz exports 90% of its total South African output, primarily to Europe, which plans to ban sales of new petrol and diesel cars from 2035.

At the same time, South Africa's policy paper on EVs is two years behind schedule. The government has said it will be published this year.

"The train (EV shift) is a global one, and it's leaving the station. If South Africa doesn't jump onto the train, it runs the risk of being left behind," Mark Raine, co-CEO Mercedes-Benz Cars South Africa, told *Reuters* in an interview.

"A concrete EV Policy is definitely required and would support the inevitable evolution of the automotive industry to electric vehicles," he said further, adding the policy needs to be implemented "soonest".

Specifically, South Africa will need to boost local demand by cutting the import tax for EVs, setting up large-scale EV charging stations and investing in skills needed for the new ecosystem that EVs bring, he said.

The German carmaker has a plan to phase out diesel and petrol cars from its factories globally starting 2030, but in the absence of a robust local ecosystem, the transition in South Africa is proving to be challenging, Raine said.

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