LSF

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FROM EVIDENCE TO ACTION

Localisation of Automotive Aftermarket Components in South Africa

WORKSHOP REPORT



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Executive Summary

On 18 August 2026, the Localisation Support Fund (LSF) convened approximately 60 stakeholders at the Industrial Development Corporation in Sandton to move South Africa's automotive aftermarket localisation agenda from evidence towards coordinated action. Representatives from industry, government, regulators, finance and technical organisations tested the published EY (Ernst and Young Advisory Services Pty Ltd) study's findings against operational experience and considered the partnerships and first steps needed for implementation.

The study estimates the automotive aftermarket at approximately R106 billion in 2025 prices, with projected annual growth of 7-10%. It screened more than 1,000 parts across over 30 vehicle systems and shortlisted 12 components. Lead-acid batteries, automotive glass and brake pads emerged as the strongest near-term opportunities based on demand, existing industrial capability, competitiveness and potential economic impact.

The workshop broadly validated these three priorities, while making clear that no single policy or funding instrument alone will unlock them. Progress depends on credible standards enforcement and testing; effective trade measures and market surveillance; lawful demand intelligence and buyer participation; as well as competitive production and investment support.

Component groups highlighted stronger verification, traceability and demand coordination for batteries; better demand forecasting and alignment between insurers, fitment networks and compliant local supply for glass; and an independent testing and enforcement pathway, buyer access and a clearer price-gap diagnostic for brake pads.

Next, LSF will confirm its focal point, engage mandate holders, establish a small implementation core and select a pilot with clear ownership to move the research into action. A six-month review will test whether ownership has been accepted and implementation started. Workshop proposals did not bind organisations: representatives, roles and commitments must therefore be confirmed as part of this review process.

Event overview

On 18 August 2026, the Localisation Support Fund (LSF) hosted the Localisation of Automotive Aftermarket Components workshop at the Industrial Development Corporation (IDC) in Sandton. Approximately 60 stakeholders from original equipment manufacturers, component manufacturers, aftermarket businesses, regulators, development-finance institutions, industry associations and technical organisations participated.

The workshop marked the next step in translating the evidence from LSF's Localisation of Automotive Aftermarket Components study into a focused implementation agenda. Participants tested the study's recommendations against operational experience, identified where implementation could stall and considered the practical actions, institutional roles and partnerships needed to move forward.

Why this workshop mattered

South Africa's automotive aftermarket is a substantial and growing industrial market, yet it has historically received less policy and supplier-development attention than original-equipment supply chains. The EY study estimates the aftermarket at approximately R106 billion in 2025 prices, with projected annual growth of 7-10%.

R106bn	**1,000+**	**12 → 3**
estimated aftermarket value	parts screened across more than 30 systems	shortlisted components narrowed to three immediate priorities

The study assessed demand, existing manufacturing capability, competitiveness and economic impact to identify where localisation could be pursued most credibly. Lead-acid batteries, automotive glass and brake pads emerged as the strongest near-term opportunities. The workshop brought the organisations that influence production, regulation, investment and market access together to interrogate what implementation would require.

Highlights from the day

RESEARCH FINDINGS PRESENTATION

EY presented the scale and structure of the aftermarket, the component-screening process and the business cases for the 12 shortlisted products. The presentation showed that localisation is not equally viable across all components: the strongest opportunities are those where demand, industrial capability, competitiveness and enforceability align.

PANEL DISCUSSION

The panel emphasised that no single policy instrument alone will unlock localisation. Funding and incentives must be combined with credible standards enforcement, sufficient market volume, competitive local production, tooling and technical capability, and practical access to buyers. Participants also highlighted the need to connect original-equipment and aftermarket policy more deliberately, recognising that many manufacturers serve both markets.

COMPONENT ACTION LABS

Participants worked in component-focused groups to test the proposed roadmaps against their own operational and institutional experience. The discussions were practical and candid, focusing on the friction that prevents good ideas from being implemented, the responsibilities that sit across different mandates and the actions that could build momentum during the first six months of implementation.

THE STUDY'S FINDINGS, BY COMPONENT

The published EY study sized each priority component individually: lead-acid batteries at an estimated R1.8 billion aftermarket value and 2,431 jobs, automotive glass at R1.4 billion and 1,975 jobs, and brake pads at R1.0 billion and 1,297 jobs.

WHAT THE RESEARCH RECOMMENDED

Across the three components, the study pointed to four consistent priorities: (i) stronger enforcement of existing standards and import rules; (ii) better coordination of demand; (iii) targeted incentive and investment support; and (iv) stronger technical and tooling capability. For batteries, this meant reforming the used-battery export regime and tightening quality verification. For glass, it meant enforcing minimum quality standards and developing shared tooling for new vehicle models. For brake pads, it meant strengthening enforcement against non-compliant imports and improving access to existing incentives.

WHERE THE ROOM PUSHED BACK

Participants did not accept every recommendation without qualification. On brake pads, manufacturers noted that prioritising high-volume products is already standard commercial practice, not a policy lever on its own: the more useful question was how a testing pathway could hold up to scrutiny. On batteries, who should pay for import testing - the importer, the regulator or the retailer - remained unresolved. For automotive glass, driver-assistance tooling needs OEM and industry involvement, not furnace investment alone. And across all three components, participants cautioned that export growth should follow, not substitute for building stronger domestic demand first.

Key messages and quotes

KEY MESSAGES FROM THE ROOM

- **Credible enforcement matters.**
- **Scale depends on demand.**
- **The aftermarket belongs within automotive industrial strategy.**
- **Implementation requires coordinated public and private action while regulatory independence is preserved.**

Enforcement is the binding constraint.

Existing standards and trade measures have limited value without adequate testing, effective trade measures, market surveillance and coordinated follow-through.

> **"We have good trade policy in many places. Enforceability is the challenge."**

Scale is a market-coordination challenge.

Manufacturers require clearer demand intelligence, high-volume product selection and credible buyer participation before they can justify new tooling, automation and production capacity.

> **"Scale is not simply a production issue. It depends on where demand sits, who buys, and whether that demand can be aggregated lawfully."**

The aftermarket is part of the automotive industrial system.

Policy and incentives should recognise that many firms serve both original-equipment and replacement markets.

> ***"The aftermarket has too often been treated as an afterthought, despite being a substantial and growing industrial market."***

Implementation must be shared.

Industry can contribute data, expertise and capability, but mandated public institutions must retain authority for regulatory and policy decisions.

“If implementation is left entirely outside this group, the roadmap will struggle to move from discussion to delivery.”

FEEDBACK FROM PARTICIPANTS

"We now have a clearer view of the actions needed across standards, demand, market access and productive capability. The priority is to convert that shared direction into a practical first pilot."

"The opportunity is real, but investment will follow only when compliant local manufacturers can compete fairly and when buyers provide sufficient certainty about demand."

"This workshop moved the conversation beyond identifying opportunities. The next task is to bring the right institutions and market actors together around a focused set of actions that can unlock competitive local production."

"The strength of the day was the willingness to test the research against practical experience. Participants were clear about where implementation becomes difficult and equally clear that progress will require shared ownership across institutional mandates."

What was agreed

The workshop broadly validated lead-acid batteries, automotive glass and brake pads as credible near-term localisation priorities. Participants also agreed that these opportunities should be advanced through an integrated approach rather than isolated interventions.

Priority	Direction emerging from the workshop
Lead-acid batteries	Stronger verification of product performance and traceability; improved coordination of domestic demand; and further assessment of recycled-lead recovery, scrap arrangements and trade enforcement.
Automotive glass	Better demand forecasting for high-volume products; closer alignment between insurers, fitment networks and compliant local supply; and improved enforcement, tooling and calibration capability.
Brake pads	A credible independent-testing and enforcement pathway; improved access to automotive incentives and buyers; and a component-level diagnostic of the price gap between local and imported products.
Across all components	Closer coordination on enforcement and testing, lawful demand intelligence, aftermarket policy inclusion, appropriate local-content options, data and traceability, and targeted productive-capability support.

Important qualification. The workshop established direction and proposed institutional roles; it did not formally bind organisations or appoint all action owners. Institutional mandates, representatives and commitments will be confirmed during the next phase.

What's next

LSF will provide the initial convening platform for the next phase. The immediate focus will be to establish credible ownership and select a manageable first intervention, rather than activating the entire roadmap at once.

This report reflects the confirmed outcomes and direction agreed at the workshop. Follow-up engagement is already underway with government, SABS, brake-pad manufacturers, and NAACAM, among other participating institutions, to carry this work forward. A more formal implementation structure, including named component champions and technical task teams, is planned for 2027.

This includes discussions with the dtic on incorporating aftermarket evidence into the SAAM/APDP review, with SABS and NRCS on testing and enforcement capacity, with brake-pad manufacturers on an independent testing pathway, and with NAACAM on component-manufacturer coordination.

1	**Confirm the implementation focus** LSF will confirm its internal focal point, available coordination resources and what it can credibly support during the first six months.
2	**Engage mandate-holding institutions** Targeted discussions will be held with the relevant policy, standards, regulatory, customs and trade institutions to confirm mandate alignment and decision-capable representatives.
3	**Establish a small implementation core** Confirmed institutional representatives, industry and component champions, buyers, finance partners and technical organisations will refine priorities and resolve cross-cutting dependencies.
4	**Select an initial bounded pilot** The implementation core will prioritise one pilot, or a tightly connected set of actions, based on ownership, available evidence and capability, resource requirements and the likelihood of demonstrating progress.

5	**Review and report progress** A six-month review will assess whether ownership has been accepted, evidence mobilised and implementation initiated. LSF will share a public progress update with the wider stakeholder network.

THANK YOU & ACKNOWLEDGEMENTS

LSF thanks the EY study team for the research and presentation; the IDC for hosting the workshop; the panellists for sharing their perspectives; the UJ PEETS facilitation team for guiding the working sessions; and every participant who contributed evidence, challenged assumptions and helped shape the emerging implementation agenda.

Get involved

Organisations interested in contributing to the automotive aftermarket localisation programme, providing evidence or participating in future implementation activities are invited to contact the Localisation Support Fund.

LOCALISATION SUPPORT FUND
Email: info@lsf-sa.co.za
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Read the EY study: Localisation Opportunities for Automotive Aftermarket Components

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