Western Cape Government

WESGRO
cape town & western cape
tourism, trade & investment

- **Breakout EV Growth:** South Africa's electric vehicle (EV) market[1] is expected to grow at a CAGR of between 32.3 – 36.6%, reaching approximately R23.6 billion by 2030 - more than twice the growth rate of the US (12.61%) and nearly five times that of Germany (6.75%).
- **Untapped African EV Market:** South African exports of electric vehicles and lithium-ion (Li-ion) batteries into Africa have surged in recent years, with EV exports increasing by nearly 300% and Li-ion battery exports doubling between 2022 and 2024. EV exports within the SADC region grew at a CAGR of 293.4% over the same period.
- **Critical Resource Advantages:** South Africa holds over three quarters of global land manganese (77%) and platinum group metal (91%) deposits, facilitating lower input material costs during manufacturing.

WESTERN CAPE BATTERY AND EV INVESTOR OPPORTUNITY FACTSHEET

OUR UNIQUE SELLING POINTS

1 Advanced Charging Infrastructure

South Africa has over **500** public EV **charging stations**, with an EV-to-station ratio of **1:7** - exceeding the global best practice of 1:10.

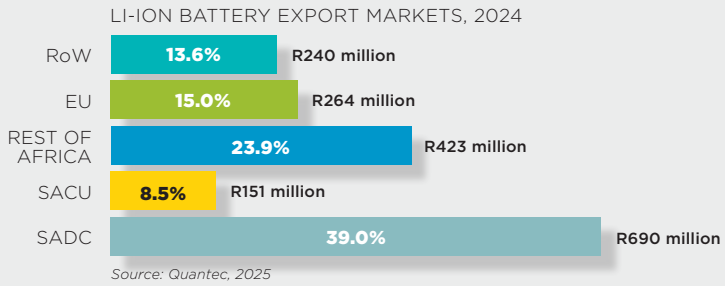
2 Solid Supply Chain with Lower Input Costs

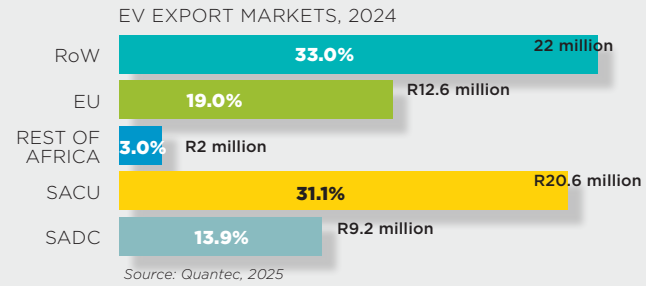
Western Cape benefits from **strategic** cheap **access** to key EV/battery inputs like platinum group metals, manganese, nickel and cobalt etc.

3 Skilled Affordable Talent Pool

Four top local universities, with UCT and Stellenbosch ranking among **Africa's top five** for electrical engineering - consistently produce skilled engineers and scientists, with **labour costs 40 - 60% lower than in the U.S. and EU**.

TOP SOUTH AFRICAN EV AND BATTERY EXPORT MARKET DESTINATIONS





[1] *The South African EV market refers to electric passenger vehicles, electric buses, electrification of freight and logistics, and electrification of last-mile delivery.*

CAGR = Compound Annual Growth Rate.

WHY INVEST IN THE WESTERN CAPE?

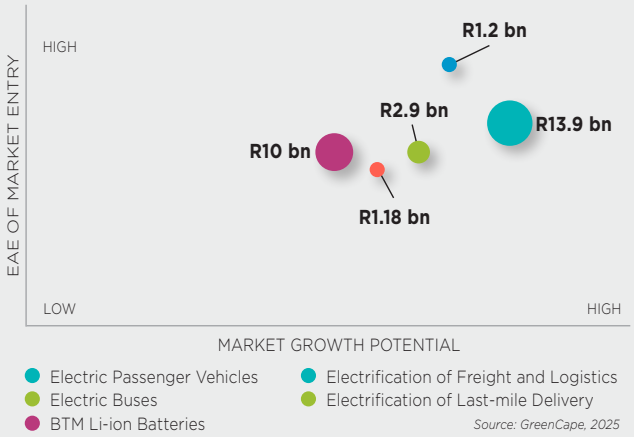
- **Government incentives:** **150% tax deduction** for EV and hydrogen vehicle manufacturing and related R&D. The **Industrial Development Support Programme** supports the shift from internal combustion to a more diversified vehicle market.

- **Carbon border adjustment mechanisms (CBAM)** will raise costs for carbon-intensive economies, **accelerating** the global **green transition**. With **Li-ion battery demand** projected to nearly **triple** to 4,700 GWh by 2030, the **Western Cape is well-positioned** to support both overseas and intra-African green economy transitions.

- **Strategic Export profile:** Western Cape accounts for **29.7% of South Africa's total** lithium-ion battery exports and nearly **40%** of those destined for **African markets**, underscoring its strategic importance in the regional and continental supply chain.

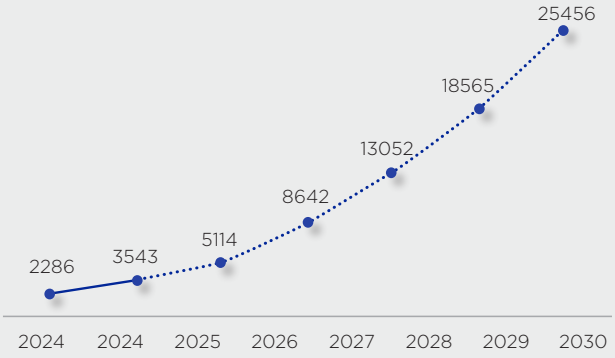
- With national passenger EV sales **projected to grow 7-fold** to 25,456 by 2030, South Africa is entering a pivotal phase of electric mobility. The **Western Cape stands out as a prime market for EV investment**, with its position as the country's green hub and progressive stance on sustainability and innovation.
  + Province boasts a relatively **affluent middle class**, well-aligned with current EV pricing trends – most 2023 EV sales fell between R800,000 and R1.5 million.
  + Western Cape offers a receptive consumer base for EV market expansion.

NATIONAL ADDITIONAL GROWTH IN MARKET SIZE, BY 2030



Source: GreenCape, 2025

CUMULATIVE PASSENGER EVs IN SOUTH AFRICA



WHERE TO INVEST IN THE WESTERN CAPE?

- **Lithium-Ion Battery Manufacturing:** Invest in production facilities in the Western Cape to capitalise on rapid export growth, low input costs, and rising global demand projected to nearly triple by 2030.
- **EV Charging Infrastructure:** Invest in expanding the public and private EV charging network, bolstering South Africa's favourable EV-to-charger ratio and early-stage infrastructure advantage.
- **Parts manufacturing and Assembly:** Western Cape is an unsaturated market for EV manufacturing with favourable business incentives enabling rapid investment growth.
- **Battery Recycling and Second-Life Applications:** Invest in battery end-of-life management and repurposing to capture emerging green economy opportunities aligned with global sustainability shifts.

KEY INDUSTRY OPERATORS IN THE WESTERN CAPE

ENERGAFRICA Sustainability through Innovation
solarMD
Deltec ENERGY SOLUTIONS
ZIMI mellowvans
ZOEY energy
BLUE NOVA energy
BALANCELL BATTERIES WITH BRAINS

Scan for more information

E-mail: Investment@westerncape.gov.za