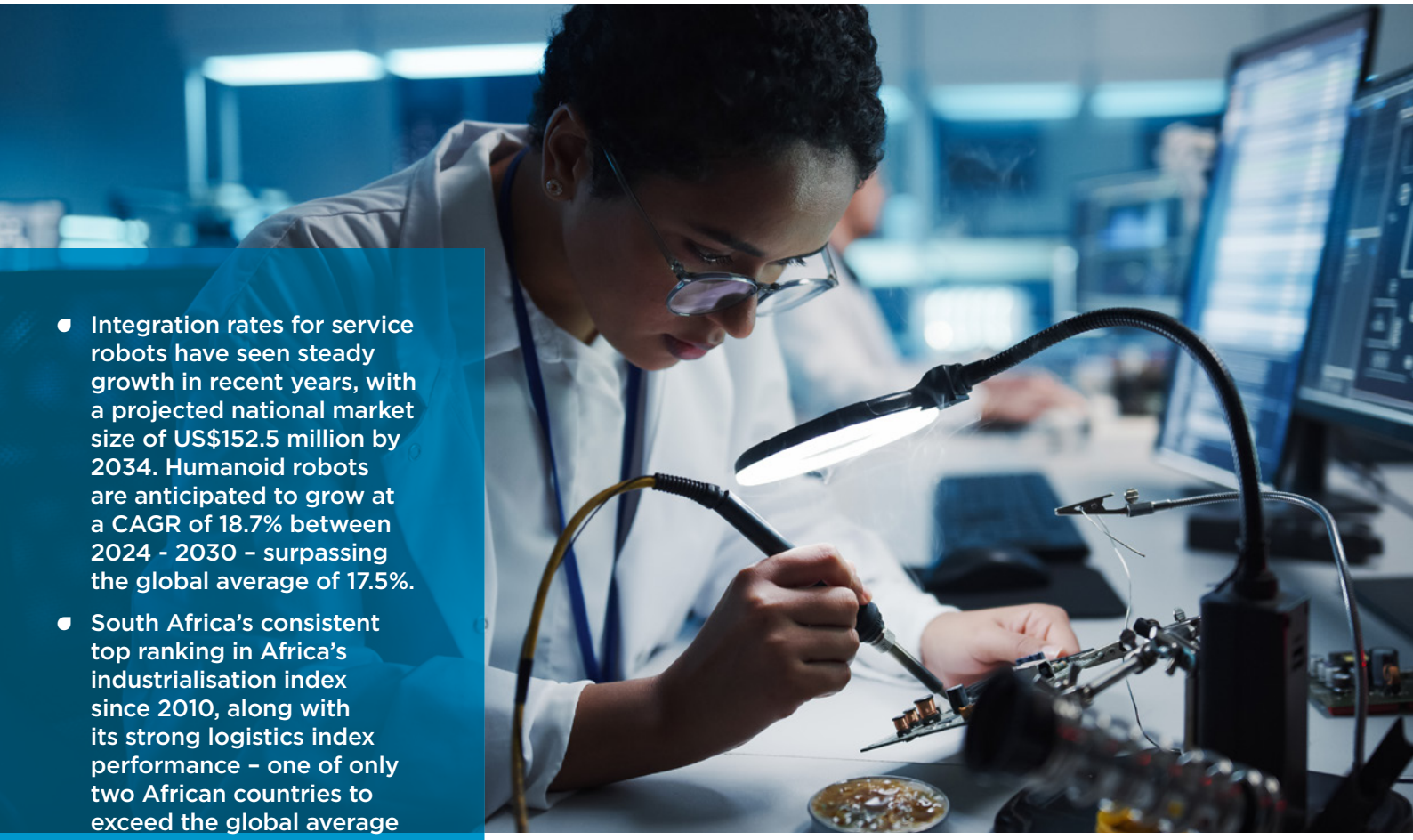
Western Cape Government

wesGRO
cape town & western cape
tourism, trade & investment



- Integration rates for service robots have seen steady growth in recent years, with a projected national market size of US$152.5 million by 2034. Humanoid robots are anticipated to grow at a CAGR of 18.7% between 2024 - 2030 – surpassing the global average of 17.5%.
- South Africa's consistent top ranking in Africa's industrialisation index since 2010, along with its strong logistics index performance – one of only two African countries to exceed the global average – has positioned it as a leading hub for advanced manufacturing. This is reflected provincially, where manufacturing is the third largest sector in the Western Cape – contributing R84.9 billion (14.1%) to GVA in 2024.

WESTERN CAPE MECHATRONICS INVESTOR OPPORTUNITY FACTSHEET

OUR UNIQUE SELLING POINTS

1

Labour Supply:
Western Cape receives approximately 600 mechatronic and mechanical engineering graduates annually with a steady supply of skilled factory floor labour. Mechatronic programmes at Stellenbosch, UCT and CPUT provide a steady flow of provincial graduates.

2

Low Operational Costs:
Median pay for an early career mechatronics engineer in South Africa is R 354,000 p.a., roughly 65 % - 85 % lower than equivalent roles in Germany (≈ R 1,073,377 p.a.) and the United States (≈ R2,153,320 p.a.). South Africa's national minimum wage rose to R 27.58 / h in March 2024.

3

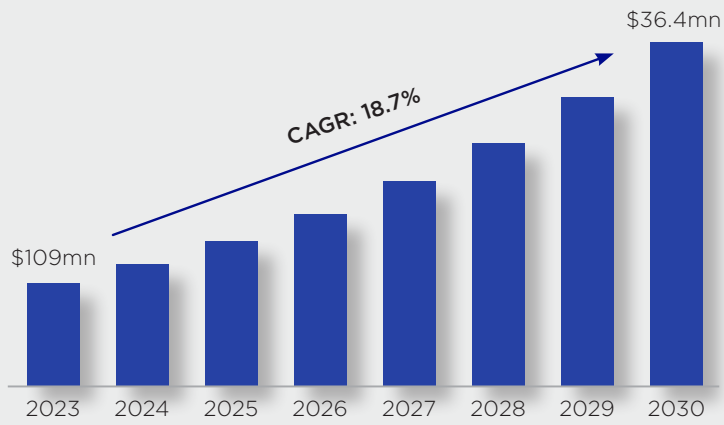
Logistics and Infrastructure:
Western Cape is served by two deep seaports in Saldanha and Cape Town. In the World Bank's 2023 Logistics Performance Index, South Africa ranked 19th globally – the highest in Africa.

CAGR = Compound Annual Growth Rate.

WHY INVEST IN THE WESTERN CAPE?

- **Business-friendly Environment:** Special economic zones (SEZ) like the Atlantis SEZ offer tax incentives (15% corporate tax rates) and infrastructure support for manufacturing investment, expedited work permits for specialised talent through the critical skills Visa programme. The Western Cape also enjoys a healthy ecosystem of part and service suppliers.
- **Unsaturated Market:** With fewer than 100 specialist SMEs and no Tier-1 robot OEM, the market remains sparsely populated; early entrants can lock in supplier and channel partnerships before scale-up. Manufacturing SME count derived from Wesgro sector directory (2024) — mechatronics is a small slice of the 7 300 manufacturing firms registered in the province.

SOUTH AFRICA HUMANOID ROBOTICS MARKET



- **Cross-industry Applications:** The sector works across multiple fast-growing sectors, including renewable energy, health technology, and agri-technology ensuring strong market demand.
- **Gateway to Africa:** South Africa enjoys favourable trade access to neighbouring African countries through AfCFTA.

WHERE TO INVEST IN THE WESTERN CAPE

- **Component Manufacturing:** Including the manufacturing of sensors (LiDAR, infrared etc.), actuators & motors, controllers and processors as well as medical devices.
- **Software Services:** Integration services, telemetry, training modules and software updating.
- **Key Economic Sectors:** Given the portfolio of the Western Cape economy, target sectors for integration include agriculture (agri-robotics, drones, automatic tractors etc.), energy (renewable energy systems), logistics & warehousing (transportation and handling, sorting and packaging, and surveillance) and health technology.

MECHATRONIC-ADJACENT MANUFACTURERS IN THE WESTERN CAPE

CUBESPACE
COMPACT ROBOTICS
Bosch Rexroth Africa
Sinapi biomedical

Scan for more information

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