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# Automotive

South Africa is a leader in the automotive sector in Africa, accounting for well over 50% of total vehicle production on the continent. Global manufacturers take advantage of the country's relatively low production costs and set up factories to assemble their vehicles in South Africa. In addition, local trade agreements provide access to SADC and European markets for car exports. The export value of vehicles and automotive components constitutes around 15% of South Africa's total exports.

Large-scale employment of a highly skilled workforce and substantial direct foreign investment make the automotive industry an important sector within the South African economy.

Our lawyers advise local and international original equipment manufacturers (OEMs), manufacturers of automobiles, motorcycles, trucks, military vehicles, and buses, as well as suppliers of automotive parts on the exceptional opportunities the local market has to offer. This advice extends to manufacturers, financiers, fuel suppliers and retailers, dealerships, vehicle insurers, car parking providers, and taxi services.

We offer legal support in acquisitions, disposals, and other commercial transactions, as well as regulatory advice, and will attend to your intellectual property, licensing, product liability, dispute resolution, employment, competition law, and real estate requirements.

The automotive industry is undergoing fundamental change. Environmental concerns are pushing for alternatives to petrol-driven vehicles. The development of electric cars and self-driving cars requires a keen understanding of the challenges of introducing these technologies in the local markets.

The advent of ride-hailing services are also offering alternatives to private ownership of motor cars, and has the potential to change the landscape of this sector worldwide. While this may, over time, reduce the demand for privately-owned vehicles it creates a need for greater regulation of this type of service and a clear understanding of the impact it may have on the sector.

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**THE CORPORATE &  
COMMERCIAL LAW FIRM**  
A member of the LEX Africa Alliance  
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Our legal team provides guidance through our legislative landscape and offers unique insights into the local market.

Some of our significant engagements include :

- Advising Peugeot France and its local subsidiary, Peugeot Citroen South Africa in relation to its local operations, including issues pertaining to general corporate and commercial matters, competition law, exchange control and employment law;
- Acting as legal advisor to Nissan South Africa Proprietary Limited;
- Advising Steinhoff Africa Holdings Proprietary Limited in the sale of its Unitrans automotive business to CFAO Group;
- Acting as legal advisor to BAIC Automobile SA Proprietary Limited in connection with the establishment of its local passenger car manufacturing plant in Coega, Port Elizabeth (one of the largest greenfield auto-manufacturing projects in South Africa);
- Acting as legal advisor to Isuzu Motors South Africa Proprietary Limited, including in relation to the acquisition of the business of General Motors South Africa Proprietary Limited;
- Representing Venture Otto South Africa Proprietary Limited (a major international supplier of bumpers and other vehicle components for the South African market) in relation to its local operations, including the negotiation and drafting of complex automotive supply agreements and agreements for the development of new automotive plants;
- Acting as legal advisor to a major foreign OEM in relation to its South African operations, and assisting in the negotiation and resolution of contractual disputes with local vehicle manufacturers in relation to the manufacture and supply of vehicle chassis;
- Advising a major international commercial vehicle financing business in relation to the establishment and financing of its South African operations;
- Acting as external legal counsel to the largest taxi finance business in South Africa, and assisting in the raising of capital, including through the establishment of funding structures designed to access the local and international debt capital markets;

## Key Contact:



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