



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

GREEN TRANSPORT POLICY EVALUATION STUDY

EVIA CONFERENCE, 05-6 DECEMBER 2016
IDC CONFERENCE CENTER, SANDTON

Phillip Gcina. Ninela

Green Industries and Energy Efficiency

Industrial Development Division

National Department of Trade and Industry,

South Africa



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

OUTLINE OF PRESENTATION

- **INTRODUCTION-BACKGROUND**
- **RESEARCH STUDY FINDINGS**
- **CONCLUSION AND WAY FORWARD**



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

INTRODUCTION- BACKGROUND

- **Talks with industry, government and other stakeholders- concerns raised about our policy and legislative framework- fragmented and not proving enabling environment.**
- **Led to us initiating some research/ study to understand the policy and legislative landscape in SA with respect to green transportation.**
- **The idea has been to understand the policy gaps and some issues that require government attention.**
- **Study almost complete, but some key findings have been observed.**

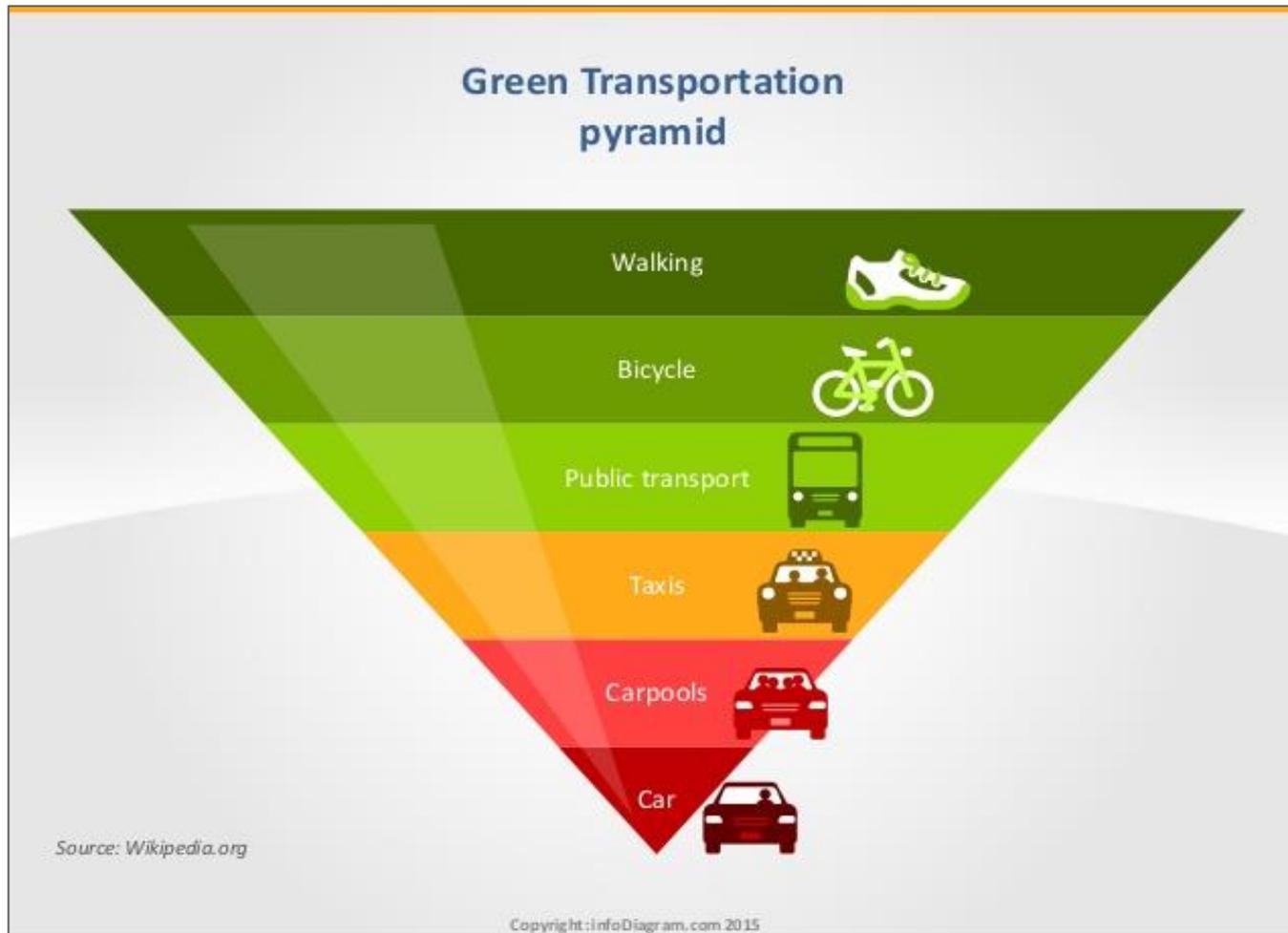


the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

I must say that, we understand that the green transportation pyramid is broader than what we investigated- we chose to focus not only on EV industry, but also on other green transportation sub-sectors: NGV through to biomass gas and biological liquid fuel sub-sectors

GREEN TRANSPORT PYRAMID





the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

INTRODUCTION/ BACKGROUND CONTINUES....

- **We chose to do so because these sub-sectors have different levels of contribution to the socio-economic and environmental improvement.**
- **So, we needed to eliminate biasness towards any single technology at this stage.**
- **Focus on the machines (what I call the hardware) as well as the energy/fuel (what I call the software).**
- **While these may not talk directly to the walking, bicycling and other modes in the green transportation pyramid: they are however applicable to public transportation, taxis, carpooling and private vehicle use.**



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

FINDINGS ON EVs

FOLLOWING THE COMPLETION OF THE STUDY, THESE FINDINGS WILL BE DISCUSSED IN DETAIL WITH THE INSTITUTIONS THAT DRIVE THE POLICIES/ LEGISLATION CONCERNED.

- Import duties
 - *phase down* to stimulate trade on components required for vehicle assembly and completely built up vehicles, but the 2020 cut off year considered too early for a nascent EV industry
 - *Environmental levy* on vehicles- EV emissions are less to “zero” depending on what you use- RE or fossil power. **By imposing it, you are kind of disincentivising the use of heavy emitters?**
 - **APDP**- While positive, a call to revisit and improve the current auto incentive schemes, e.g. the applicable production threshold of 50 000 units- considered a bit high for a nascent industry like EVs.

THE EV INDUSTRY ROADMAP PROPOSALS

- TAX INCENTIVE FOR EV BUYERS- Rejected by NT
- 35% REBATE ON EV PRODUCTION
- PREFERENTIAL TARIFF FOR EV CHARGING
- ENERGY STORAGE R&D FUNDING
- EV PROCUREMENT POLICY

THE EV INDUSTRY ROADMAP PROPOSALS

- TAX INCENTIVE FOR EV BUYERS- Rejected by NT
- 35% REBATE ON EV PRODUCTION
- PREFERENTIAL TARIFF FOR EV CHARGING
- ENERGY STORAGE R&D FUNDING
- EV PROCUREMENT POLICY



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

NEGATIVE FINDINGS

Import duties

- **EVs still classified/ considered as luxury- So are charged Ad Valorem tax** (tax on luxury goods- goods with a retail value above a certain threshold)- EVs have a high CAPEX value compared to OPEX value.
- **No incentive for the resale/ export of electricity from public EV charging points** to the grid limited by strict rules for electricity generation and distribution in SA... have to have a generating licence, competitive bidding process, e.g. REIPPP, etc. No REFIT/ feed in tariff.
- **EVs not yet able to benefit from the import- export offset credit scheme-** While conventional vehicles can always offset the import duty with exports credits..... it is not yet the case for EVs since none are currently being exported due to the nascent nature of the industry. So you pay the duty in full.



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

MIXED- GOOD AND BAD

Proposal to introduce tariffs on car battery disposal

- Extended producer responsibility- good to promote reduced negative impacts associated with improper disposal of batteries.
- Bad in increasing the price of EVs, hence making it harder to buy and hence to manufacture them in SA.



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

CONCLUSION

- **The focus on the EV side of things was conducted in line with UNIDO Low Carbon Transport project- which will be presented later in the programme**
- **Electric vehicles go hand in hand with renewable energy, only then we can talk of zero emission EVs.**
- **The study did not evaluate policy implications for the development of renewable energy specifically to feed the increasing use of EVs in SA.**
- **Perhaps in future it would be good to have research on how renewable energy is being deployed to power EVs in South Africa.**
- **When the study is complete, we can make it available**



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

THANK YOU

Contact details

+27(0)12 394 3649

Email: Pninel@thedti.gov.za

**Customer care: International: +27(0) 12 394
9500, www.thedti.gov.za**