

Supporting Automotive Mechanics In South Africa's Low-Carbon Transition

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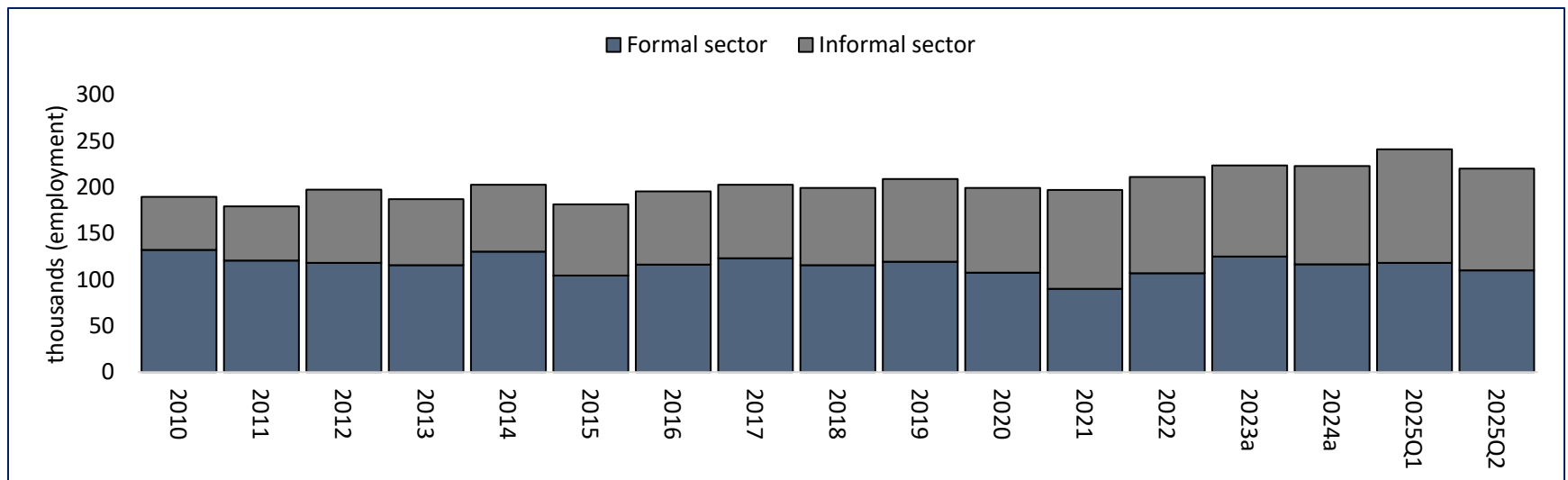


Outline

- ▶ Employment profile of South Africa's auto mechanics
- ▶ Impact of the transition on auto mechanics
- ▶ Available options for auto mechanics to adapt to the transition
- ▶ Recommendations

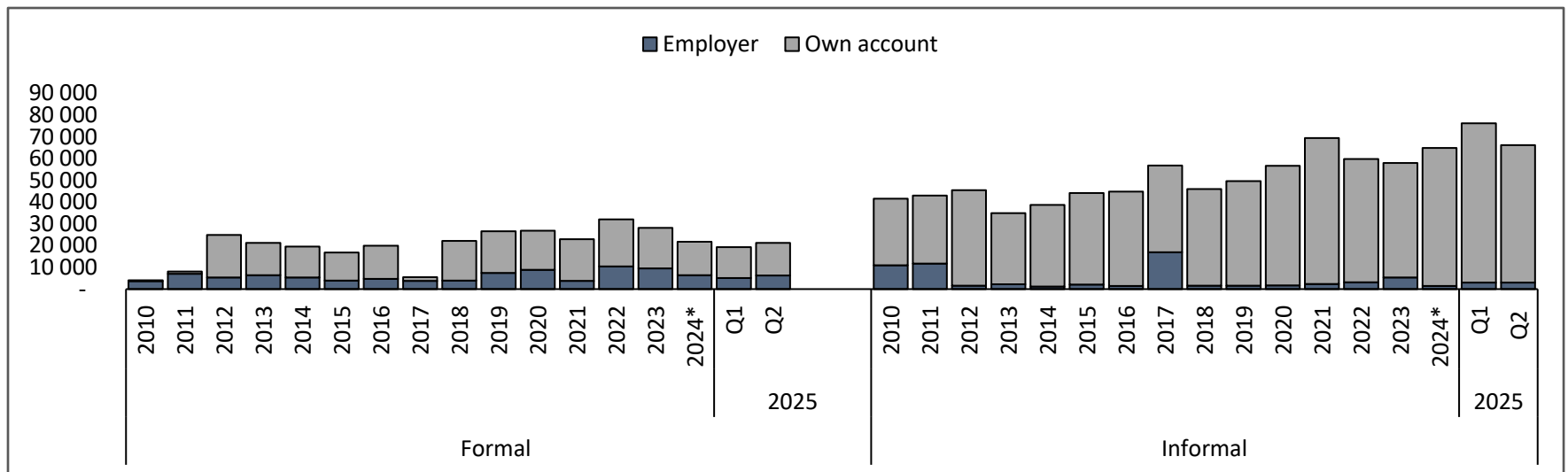
Auto mechanics total employment

- ▶ In 2025 Q2, South Africa had approximately 220 000 auto mechanics, with a median age of 40 years old.
- ▶ Employment was evenly split between formal and informal workers, with informal employment almost doubling between 2010 and Q2 2025.
- ▶ Many mechanics displaced during the pandemic did not return to formal employment
- ▶ In 2025 Q2 black mechanics accounted for 73% of all auto mechanics.



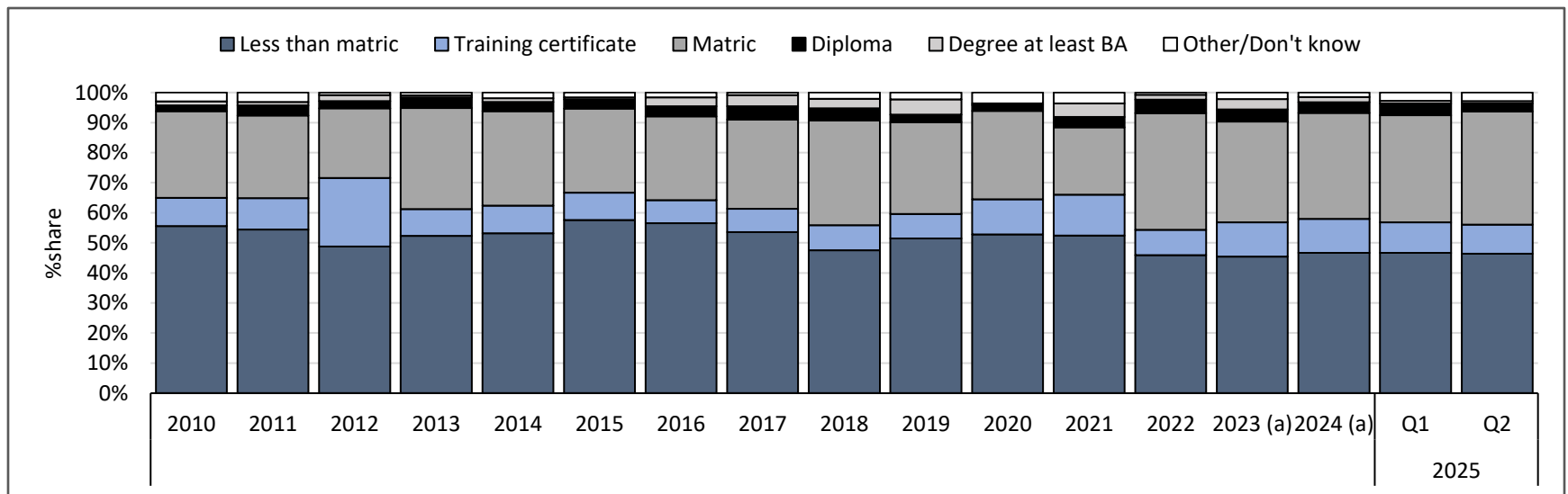
Self-employed auto mechanics

- ▶ Most mechanics operate as self-employed (own-account) workers without hiring employees
- ▶ Informal small businesses dominate the sector, with about 50 000 informal SMEs compared to 20 000 formal SMEs between 2010 and 2024.
- ▶ Growth in small business activity closely follows the rise in informal automotive mechanics
- ▶ Small businesses owned by auto mechanics are concentrated in GP, KZN, WC, and the EC.
- ▶ In 2021, formal mechanics earned a median wage of R7500, compared to R2200 for informal mechanics.

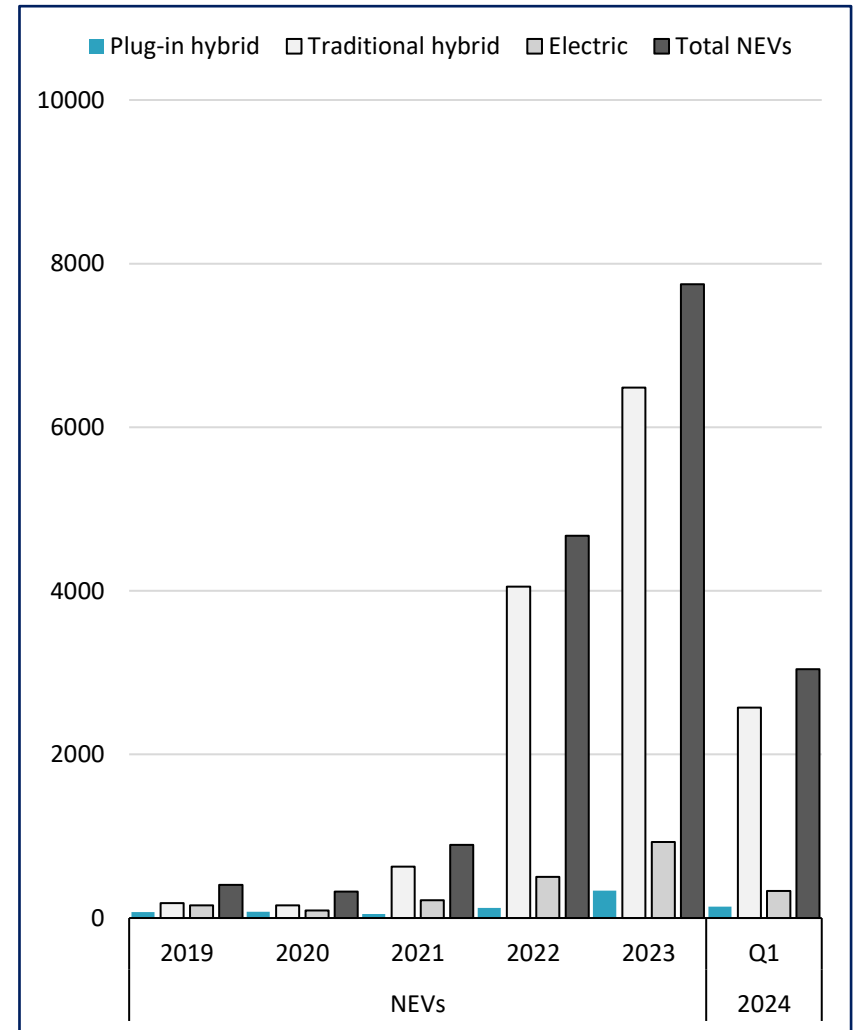
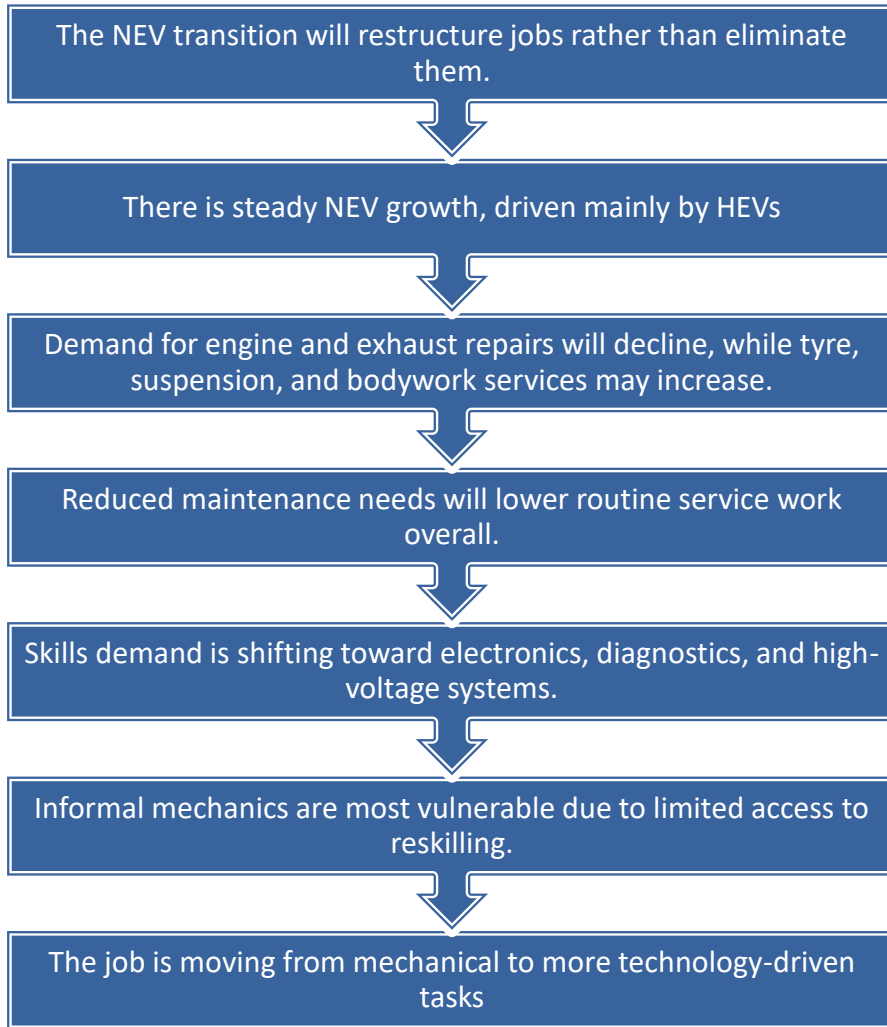


Auto mechanics educational levels

- ▶ In 2025 Q2, 46% of auto mechanics had no matric, 38% had completed matric, 3% held a post-matric certificate, and 10% possessed a training certificate.
- ▶ The proportion holding a Bachelor's degree (BA) has declined
- ▶ Most auto mechanics do not contribute to UIF, but approximately 80% of formal auto mechanics make UIF contributions
- ▶ Most informal auto mechanics do not contribute to medical aid, with approximately 27% of the formal auto mechanics contributing.
- ▶ Informal auto mechanics generally do not belong to trade unions, whereas about 31% of formal auto mechanics are unionised.



Impact of the transition on auto mechanics



Available options for auto mechanics to Adapt

Upskilling & Reskilling

- Essential as NEV adoption grows.
- Higher education levels boost ability to learn NEV skills.
- Informal mechanics can expand services and increase income.
- New tools, diagnostics, and specialised skills are required.
- Early skills investment is vital, even with low current NEV adoption.

RPL Program

- Formally recognises existing skills and experience.
- Supports transition to NEV roles
- High trade test costs and limited funding are barriers.
- Skills Development Levy could improve access.
- Time and cost constraints limit participation for some mechanics.

Income Support

- Protects workers from transition-related income loss.
- Effective during COVID-19 disruptions.
- Options include Social Relief of Distress grants and expanded UIF.
- Informal businesses need financial aid to adapt.
- Barriers include limited finance access, low collateral, and low financial literacy.

Training the Next Generation

- High youth unemployment offers a chance to train future mechanics.
- Training in NEV technologies meets future industry demand.
- Workforce is ageing; retirements are approaching.
- HEVs allow gradual reskilling.
- EV growth requires advanced technical skills.
- TVET colleges and Training of Trainers programmes are essential.

Recommendations

Streamline coordination in skills development

- A streamlined and collaborative approach is needed to align stakeholders.
- Stakeholders should work together to jointly prepare, train, and retrain auto mechanics for emerging NEV technologies.
- This coordination would improve responsiveness to skills and ensure more targeted and inclusive interventions.
- Key stakeholders include the DHET, merSETA, RMI, dtic, IDC, AIDC, unions, and OEMs.

RPL for informal mechanics

- Many informal township and rural mechanics rely on ICE-based skills
- They remain the most accessible and affordable service providers and will still be needed
- It is essential to extend training that builds on their existing experience while equipping them with NEV-related technical skills.
- Strengthening RPL will help formally recognise their skills
- Informal mechanics face safety risks when working with high-voltage EV systems, making training and support critical.

Recommendations

Scale training for qualified auto mechanics

- Advanced training must be scaled
- Current training, is insufficient to meet growing demand
- Access to training should be broadened across the sector

Introducing a UIF mechanism for informal workers

- Few informal auto mechanics contribute to UIF, limiting their access to income support
- A mechanism should be introduced to extend income support to informal workers.
- Short-term support measures could help vulnerable workers.

Improving access to finance for informal small business owners

- Small businesses face limited access to finance from institutions.
- This limits their ability to invest in tools, training, and business adaptation.
- Improved access to finance is essential for their survival and competitiveness

Thank you