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NEWS 597,338

The number of vehicles sold in SA 2025, a 63% increase on the previous year

NEWS BUSINESS 7



Murundeni Liphazizi

## What has kept black economic power so elusive?

South Africa's black majority has spent 32 years nurturing political power while remaining far less successful at accumulating the economic power needed to reshape the country. This is not a criticism of democracy. It is a description of its unfinished business.

We have become exceptionally good at responding to racism. We debate racist statements, condemn racist ideologies, correct symbols and even the crests of apartheid, often rightly so. But another question deserves equal weight: what are we building?

Political liberation does not automatically translate into economic power. Economic power is not simply about having jobs. It is about owning productive assets, controlling capital, building companies, generating intellectual property (IP), creating institutions, influencing markets and governing the purchasing power to shape what an economy produces.

The conversation about Fikeni is instructive. Evaluating the institution primarily through profit and loss can miss something fundamental about its developmental purpose.

Established as the Electricity Supply Commission in 1923, its purpose was to provide electricity as an essential input into economic development.

Of course, Fikeni must be financially sustainable, operationally efficient and accountable for public resources. But if we judge a developmental institution only by whether it makes money, we risk confusing the means with the end. The more important question is whether reliable and affordable electricity enables South Africa to produce more, employ more people, build more businesses and become more competitive.

A modern economy cannot function without reliable electricity. This brings us to an uncomfortable reality. Black South Africans constitute the overwhelming majority of the population, yet demographic dominance has not translated into equivalent economic power. Stats SA 2022 census revealed the Black African population at 81.4% of the total, while income and wealth remain deeply unequal.

This is not simply a question of consumption. It is a question of ownership and productive capacity. A society can have millions of consumers without having millions of asset owners. Consumption keeps an economy moving. Ownership determines where wealth ends up.

A Black household buying goods from a multinational participates in the economy. A Black-owned company manufacturing those goods, employing workers, creating IP and retaining the profits exercises economic power. These are not the same thing.

South Africa therefore needs to broaden its definition of transformation. It cannot be measured only by employment, graduate numbers and government spending on social protection. These things matter. But transformation must also ask: who owns productive resources? Who owns businesses and IP? Who owns the capital? Who builds the technologies? Who owns the institutions that shape public understanding?

That last question matters. Understanding power and narrative power are connected. Media does more



Merely responding to racism is not enough. Building a broader economy requires a cultural shift from access to ownership

than report reality. It helps determine which issues become national priorities. The same applies to knowledge production. Our built environment, curriculum, design standards, software systems, accreditation frameworks and research infrastructure remain heavily shaped by institutions in the Global North. Epistemic ownership is not separate from economic ownership. It is one of its foundations.

The historical argument makes sense. South Africa's economic structure did not suddenly emerge in 1948. Apartheid intensified and institutionalised racial capitalism, but many foundations of unequal economic power were laid during colonial competition and the development of the mining economy before the National Party came to power. This helps explain why political change in 1994 could not, by itself, undo centuries of accumulated economic advantage.

The democratic state inherited an economy in which ownership, capital and productive assets were already highly concentrated. Three decades later, we should ask whether our transformation strategy has been sufficient. Perhaps we have focused too heavily on redistribution after wealth has been created and not enough on creating new sources of wealth and ownership. Perhaps we have spent too much time asking how to share the wealth and not enough on creating the economy and not enough asking how we build an economy in which they are owners, producers and capital providers.

How do we turn consumers into shareholders? How do we help informal businesses become formal, scalable enterprises? How can we build financing systems that recognise township entrepreneurs as economic actors

rather than perpetual beneficiaries? How do we ensure young people are trained not only to compete for employment, but also to create IP, companies and to-becomes?

The R500bn infrastructure pipeline presents an opportunity that township-based construction enterprises will benefit only if they have the capabilities to conceive and deliver, including digital construction skills as well as the ability to manage the digital, legal, financial and structured data delivery.

Infrastructure is one of the mechanisms through which economic power can be redistributed and created. If township enterprises can participate meaningfully in major infrastructure projects, procurement can become a pathway to ownership, skills development, technology transfer and wealth creation rather than simply another channel of expenditure.

There are harder questions than identifying a racist, but they may ultimately be more consequential. They will always be people who seek to protect, exclude or denigrate Black South Africans. We must challenge racism, but we cannot build a national economic strategy around responding to every provocation.

In some public agency, we fail to replace racism. The objective should not be racial exclusion. It should be building a broader economy in which the majority possesses enough economic power to participate meaningfully in determining its direction. That requires reliable electricity, productive infrastructure, education that produces creatives as well as engineers, financial institutions willing to finance new businesses, media institutions capable of producing independent analyses and companies that can move from township markets into national and international markets.

Above all, it requires a cultural shift from access to ownership. South Africa has spent 32 years asking how to share the wealth and not enough on creating the economy and not enough asking how we build an economy in which they are owners, producers and capital providers.

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## Missing laptops, missing pieces in a cost puzzle

Arthur Goldstock

Some large organisations, thousands of laptops disappear without giving anyone. They remain on desks, in cupboards, at employees' homes or in another branch, while the company's asset register positions them somewhere else. What looks like missing hardware is often just missing data.

And then unnecessary bills begin piling up as a replacement gets ordered for equipment already in service, or software remains licensed for machines that have been retired or reassigned.

"Unaccounted for doesn't mean lost or stolen," said Valene Najah, head of asset tracking and management at technology company V Track. "More often than not the device exists, but the records are wrong, assigned to the wrong person, sitting in a different location, in storage, or simply never updated."

"Where exactly haven't been regularly reconciled against physical assets, we've seen initial discrepancies of up to 20% of the total IT portfolio."

As a large enterprise with thousands of devices, that's a long list of machines with the wrong location or status. It might mean a number of missing laptops. "It's organizations that have lost visibility of key portions of their IT portfolio, and then those devices across offices, branches, remote workers and business units that couldn't be reliably reconciled against the asset register and they're not being implemented. Years of staff movements, device relocations and poor record keeping created these gaps."

By now, many teams are struggling to keep up the number of lost devices, but it has significantly increased the challenge of tracking them for years ago, most devices lived in an office; today they move between offices, homes, client sites and shared workspaces, using legacy manual tracking processes struggling to keep up. To make things worse, hybrid work has put far more devices between home and the office, while a spreadsheet degrades with every transfer that goes unrecorded.

"Software is often the bigger hidden cost," said Najah. "When we get visibility into what's actually deployed, we consistently find licenses sitting on retired or reassigned devices, duplicate installations and subscriptions still being paid for software nobody is using."

"One of the more common ways I've seen waste is simply replacing licenses that do not exist, or replacing licenses that were never purchased. In some cases, this alone has been enough to cover a significant portion of the total IT budget. It's not the asset management programme that's the problem."

One of the organisations using V Track to keep tabs on a large and growing IT fleet, North West University (NWU), said it assisted with the accurate asset reporting and current asset log on IT assets.

"The reporting value showed 'ghost assets' that should not be followed by the correct approval channels and have devices move inside the campus. This enabled the NWU to identify and remove these anomalies and address the risk before it became a full fledged challenge. This improved accountability across the organisation and reduced more internal management decisions regarding IT assets."

NWU has achieved 100% reconciliation of the world's most competitive new vehicle market. In 2025, consumers could choose between no more than 56 passenger car brands and 190 vehicle models. According to Naama, relative to the size of our market, this represents the greatest selection globally.

Companies, should act fast. If they're not, they're behind. Most believes South Africa has an opportunity to build on this retail success while simultaneously strengthening domestic manufacturing. The two should not be treated as competing industries.

The South African automotive market in 2025 must recognise manufacturing and retail as interconnected components of the same value chain. We need policies that encourage global manufacturers, including the new brands successfully establishing themselves in our market, to invest locally, develop suppliers, transfer skills and ultimately manufacture vehicles and components in South Africa.

The significant growth of Chinese and Indian sourced vehicles poses something important. South Africa still wants to buy cars when they can offer the affordability, technology and value they are looking for. That is an opportunity. The challenge now is to turn growing consumer demand into even greater investment, skills development and sustainable employment across the entire automotive value chain.

South Africa's automotive future should be built on competition, not complacency, affordability, not exclusion. As the growth boom moves beyond the dealership floor. For the thousands of MSA members who have, finance, repair, support and supply the vehicles South Africans drive every day, a growing and competitive market is good news.

Market competition, which can bring greater affordability. Greater affordability brings more customers into dealerships. And more vehicles on the road means more business for the service and repair sectors. "Records are usually accurate when equipment is first purchased and deployed," said Najah. "Records are usually accurate when equipment is first purchased and deployed, but they're not updated or quarterly physical audits. It's inefficient or absent when you have a large fleet of equipment in use on manual systems that depend entirely on one person keeping them current."

## Competition puts retail motor industry into high gear

Something significant is happening in South Africa's retail motor industry. Consumers are returning to dealership floors, new brands are challenging established players, vehicle prices are becoming more competitive and new vehicle sales are projected to rise more than 60% next year.

For Africa, the Motor Industry Staff Association has reached more than 80,000 members, this matters enormously because industry vehicle sales in South Africa have been declining for years.

The turning point came last year, up 28.6% from September last year when South Africa recorded 54,700 new vehicle sales, the highest monthly total in 10 years and an extraordinary 24.5% increase compared with September 2024. That was not an isolated good month. The year-on-year growth in new vehicle sales was 507,338 new vehicles sold, an impressive 15.7% increase on the 538,000 vehicles sold in 2024. That growth has been a surprise. What has changed?

There is no single explanation. Lower interest rates, improved access to credit, post-pandemic demand and periods of improved consumer confidence have all contributed. But one of the most important structural changes has been the disruption of established vehicles and the competition created by Chinese brands and vehicles imported from India.

The members tell an extraordinary story. According to Naama's 2025 Automotive Trade Manual, South Africa imported 20,287 light vehicles last year, up 28.6% from 15,745 the previous year. India was by far the biggest source, supplying 25,796 vehicles or 56.2% of all new vehicle imports. China supplied another 1,226 vehicles, accounting for 23.7%. Together, India and China then supplied almost 80% of imported light vehicles. China's transformation has been particularly striking. There were 13 Chinese brands competing in the South African new vehicle market last year, almost double the eight recorded in 2024.

This increased competition has fundamentally altered South Africa's motor industry from a new



Mark Kuyler

technology, extensive standard equipment, attractive warranties and competitive pricing.

That forces everyone to compete harder. Established manufacturers cannot simply rely on brand loyalty. Dealership have to compete for customers. Suppliers have to compete for customers. Pricing pressure, finance packages and customer service.

The ultimate beneficiary is the consumer for whom there is another side to this success story that deserves greater recognition: retail motor industry employment. A vehicle does not simply arrive in South Africa and disappear into the economy. It must be marketed, financed and sold. It requires sales executives, finance and insurance personnel, administrators and dealership support staff. It must be serviced and repaired, creating work for technicians, apprentices, service advisors and workshop employees. It requires parts, tyres, accessories and repair facilities and ultimately an entire after-sales ecosystem. Every additional vehicle entering South Africa's vehicle park creates an entire activity loop after it leaves the showroom.

When the growth boom moves beyond the dealership floor, the retail motor industry is one of the most labour-intensive parts of South Africa's automotive value chain. More than 20,000 employees are formally registered within the scope of the motor industry bargaining council and the wider automotive industry remains hundreds of thousands of South Africans.

When dealerships are selling vehicles, workshops are repairing them. When workshops are repairing them, parts suppliers are supplying them. When parts suppliers are supplying them, manufacturers are manufacturing them.

increases, businesses must invest more in skills and customer service to retain those customers.

We should therefore recognise what the influx of new competitors has achieved. South Africa has become one of the world's most competitive new vehicle markets. In 2025, consumers could choose between no more than 56 passenger car brands and 190 vehicle models. According to Naama, relative to the size of our market, this represents the greatest selection globally.

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