



Driving Growth, Competitiveness, and Inclusion in KZN's Automotive Sector

Durban Automotive Cluster 2025 ANNUAL REPORT



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Who We Are

Our vision is to build an advanced and globally competitive KwaZulu-Natal automotive industry, attracting and developing top talent.

The Durban Automotive Cluster (DAC) is KwaZulu-Natal's dedicated automotive industry cluster: a public-private partnership established in 2002 to strengthen the competitiveness, sustainability, and transformation of the regional automotive manufacturing sector. With 91 member firms employing over 24,000 people, the DAC represents approximately 90% of the KZN automotive sector.

The DAC enables firms to collectively address structural industry challenges that cannot be solved individually. Through coordinated programmes in manufacturing excellence, skills development, localisation, and investment promotion, **the DAC generates measurable returns: over R135 million in new commercial opportunities unlocked, R25 million in operational efficiencies realised, and more than 450 employees trained across the past three years.**

DAC members collectively represent the full breadth of the regional automotive value chain, spanning OEM assembly through to tier-three supply and specialist services. The Cluster's convening power lies in its facilitation of shared learning,

industry collaboration, and alignment between firms, government, and policy stakeholders; This is what transforms individual effort into sector-wide impact. The DAC thus plays a critical role in supporting the long-term upgrading and resilience of the regional automotive manufacturing base.

In 2024, the DAC launched its 15-year strategic vision: to build an advanced and globally competitive KZN automotive industry, attracting and developing top talent. The DAC strives to achieve world-class value chain standards and foster socio-economic transformation for all our member firms through collaboration, knowledge exchange, skills development, benchmarking, and the continuous improvement of individual firms while critically linking high-potential black-owned SMEs to market access and commercial opportunities.

Looking ahead, the DAC's 2026-2029 Business Plan marks the "Pilot Growth" phase of this 15-year strategic journey. This includes scaling what works, deepening partnerships, and accelerating the transformation of the regional value chain.

Our Strategy

The Durban Automotive Cluster works to strengthen the long-term competitiveness, sustainability, and inclusivity of the automotive manufacturing sector in KwaZulu-Natal. The Cluster's vision is to support the development of a growing, globally competitive, and transformed automotive value chain that creates inclusive economic opportunity within the province and contributes meaningfully to South Africa's industrialisation objectives.

The DAC has developed a long-term vision, within which the cluster can effectively allocate resources and work towards an overarching objective while remaining agile in the face of short-term challenges. As such, the previous business plan outlined a 15-year vision. **The core ambition of the DAC is encapsulated by this vision: to create an advanced and globally competitive KZN automotive industry that attracts and develops top talent.**

Provincial employment

KwaZulu-Natal is home to one of South Africa's most significant automotive manufacturing nodes, anchored by Toyota South Africa Motors' (TSAM) vehicle assembly plant in Prospecton, Durban, and supported by a network of component manufacturers, tooling firms, and specialist service providers. The sector plays a vital role in provincial employment, export earnings, and industrial capability, with the broader automotive value chain contributing approximately R21 billion annually to the local economy.

R21 billion

added annually to local economy by the broader automotive value chain



This ultimate impact will stem from the main objective of the **15-year strategy, which is outcome-oriented: Achieving employment and manufacturing value-add (MVA) growth in line with national strategic targets for the sector.**

15 Year Strategy

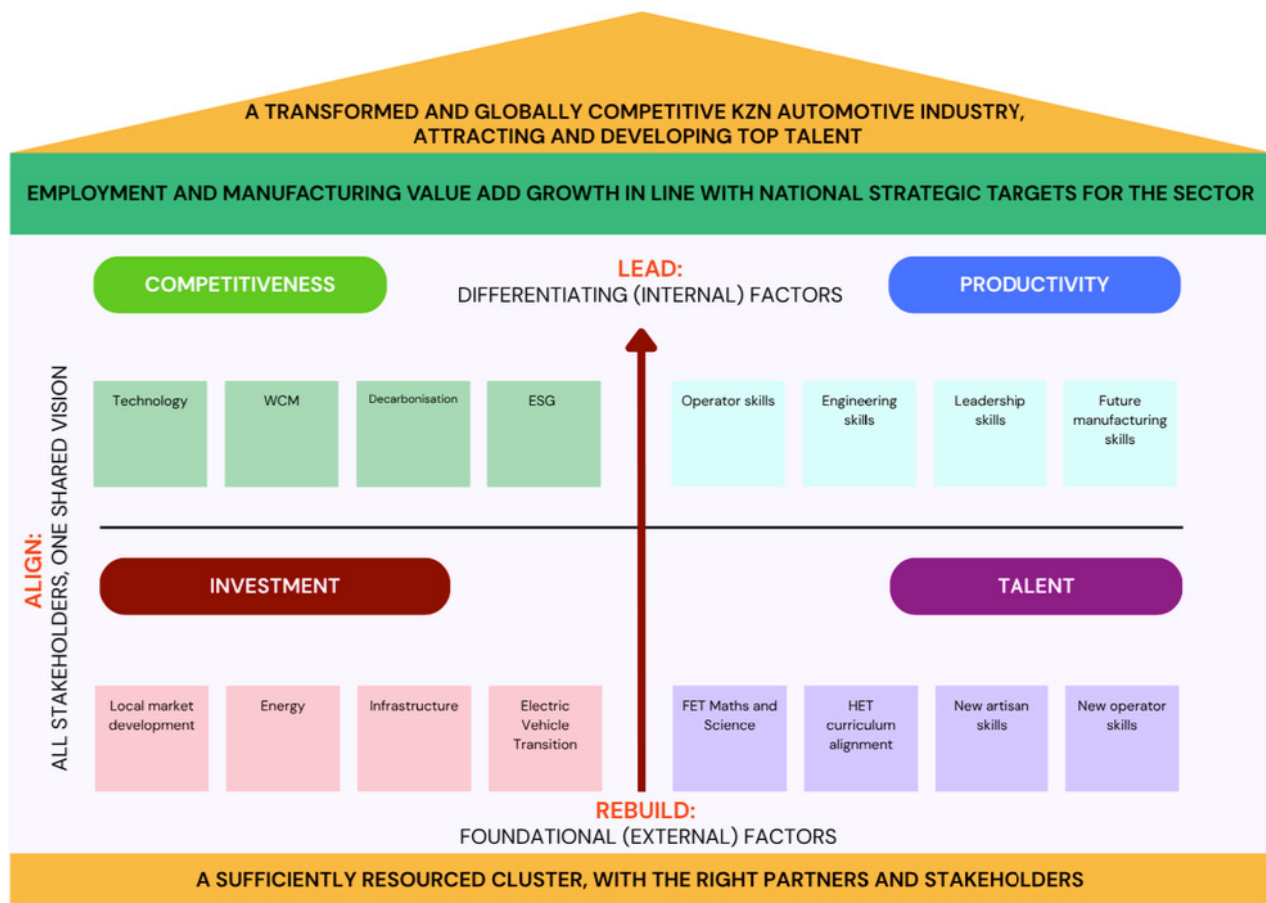
As seen in the graph below, programme delivery is organised through four strategic pillars, each with focused activities, KPIs, and measurable outcomes.

Each pillar's programmes are informed by the current state of the sector, designed to close specific performance and capability gaps, and tracked against

clear milestones. The pillars are not independent silos — they are mutually reinforcing: stronger productivity supports investment attractiveness; developed talent strengthens competitiveness; localisation deepens both.

Underpinning all four pillars is a well-resourced, high-performing cluster platform: a coordinated ecosystem of industry leaders, government partners, universities, SETAs, and funders working toward shared objectives. Without this platform, individual programme outcomes would be isolated. With it, they compound into sector-wide transformation.

DAC's 15-year Strategic Vision and Programme



Objective goal of each strategic pillar

The strategic pillars, shown in the graph below, are supported by a robust executive function that ensures strong governance, transparent reporting, effective stakeholder engagement, and data-driven decision-making. Together, they form the foundation for the DAC's contribution to KwaZulu-Natal's automotive future and to the broader objectives of the South African Automotive Masterplan 2035 (SAAM 2035).

Foundational Factor

Factors outside the direct control of the firm and require significant external stakeholder alignment and partnerships.

Differentiating Factor

Factors internal to the firm and are more in control of the company. As firms excel in these areas, they can differentiate and lead.

Investment

Accelerating localisation, building resilient supply chains, and positioning the sector for sustainable growth in local and global markets.

Talent

Building a future ready, inclusive talent pipeline aligned to talent need.

Competitiveness

Deepening global best practice within firms while inspiring and connecting the local supply base through sustained peer-to-peer learning networks.

Productivity

Increasing workforce efficiency and leadership and graduate capability within firms.





Letter From The Chairperson

The global automotive sector is undergoing a period of structural transformation. In 2025, the DAC delivered a strong programme of work designed to position KwaZulu-Natal as a centre of automotive manufacturing resilience and excellence.

Dear Valued Members, Funders, and Stakeholders,

As we reflect on 2025, it is with a clear sense of both the challenges confronting our industry and the resolve with which the Durban Automotive Cluster has continued to respond. The global automotive sector is undergoing a period of structural transformation unlike any in its history. Electrification, sustainability transitions, digitalisation, and Fourth Industrial Revolution technologies continue to reshape the sector.

Meanwhile, shifting trade regimes, and the reconfiguration of global supply chains are redefining the competitive landscape

within which our members operate. In South Africa, these global forces intersect with domestic pressures: infrastructure constraints, rising input costs, and the persistent uncertainty surrounding trade access to key markets, most notably the United States.

Against this backdrop, the DAC has not stood still. In 2025, the Cluster delivered a strong programme of work designed to strengthen the operational capabilities of our members, deepen collaboration across the value chain, and position KwaZulu-Natal as a centre of automotive manufacturing resilience and excellence. Our shared learning programme brought together hundreds of stakeholders across multiple sessions, covering topics from lean manufacturing and sustainability to the implications of global trade disruption.

Creating commercial pathways

Our SME Accelerator continued to build bridges between emerging suppliers and established manufacturers, creating pathways to market access and commercial sustainability. Additionally, our skills development programmes invested directly in the people who drive this industry forward.

2029 vision

Perhaps most significantly, 2025 saw the development of the DAC's new business plan for the period 2026 – 2029. This business plan addresses phase 2 within the DAC's 15-year strategic framework, and focuses on implementing catalytic pilot projects to advance localisation, deepen investment and strengthen industrial resilience.

Strategic Succession Planning

The first programme to emerge as an outcome of the new business plan is the DAC's Automotive Management Development Programme (AMDP), delivered in partnership with the Toyota Wessels Institute for Manufacturing Studies (TWIMS). This programme, launching in mid-2026, represents our future-oriented approach to strategic succession planning, and our most ambitious investment in leadership capability to date. It reflects our conviction that the competitiveness of KwaZulu-Natal's automotive sector will ultimately be determined by the quality of the leaders who guide it.

Accelerate localisation

Looking ahead, the Cluster enters 2026 with a clear strategic mandate. We will continue to deepen value chain integration, accelerate localisation, and ensure our members are equipped to navigate the transition to new energy vehicles and the digital transformation of manufacturing. We will advocate for the sector in provincial and national policy forums, and we will continue to build the kind of collaborative, evidence-based platform that enables firms to solve shared problems together.

To our Executive Committee, our facilitation team at BMA, and every member firm: the work we do together matters. I look forward to building on this foundation in the year ahead.

Andrew Velleman

CEO, CFAO South Africa

Chairperson, Durban Automotive Cluster



Letter From The City

The automotive industry is central to eThekweni's economic identity. It sustains thousands of direct and indirect jobs across the metropolitan area, drives significant export earnings and provides a platform for industrial skills development.

Dear Valued Members and Stakeholders,

As we reflect on another year of partnership with the Durban Automotive Cluster, we do so with genuine pride in what this collaboration continues to produce for the people and communities of KwaZulu-Natal. eThekweni Municipality is honoured to stand alongside the Cluster in this work, and encouraged by the momentum the past year has demonstrated.

A partnership to provide dignity

The automotive industry is central to eThekweni's economic identity. It sustains thousands of direct and indirect jobs across the metropolitan area, drives

significant export earnings, and provides a platform for industrial skills development and black economic empowerment. Behind every production line and every factory floor are people: families for whom this sector represents dignity, stability, and economic opportunity. This underscores our continued commitment to the partnership.

Real commercial outcomes

Inclusion is not simply a principle we endorse. It is something we have watched the Cluster pursue with practical intent. The SME development work of the past year is a clear demonstration of this. Through the DAC Accelerator programme and targeted capacity-building initiatives, emerging manufacturers have been given structured access to established value chains, commercial mentoring, and the practical tools needed to compete. These are not abstract outcomes. They represent real businesses taking meaningful steps into formal automotive supply chains.

An inclusive future for KZN

As the Cluster looks ahead to 2026, eThekweni Municipality stands ready to support that ambition. The launch of the Automotive Management Development Programme, the deepening of shared learning platforms, and the ongoing investment in skills development all signal a cluster that is building for the long term.

We believe in what the DAC is building, and we believe that KwaZulu-Natal's automotive industry has a competitive and inclusive future ahead of it.

To the DAC leadership, Executive Committee, facilitation team, and every member firm: thank you for your continued commitment to this industry and to the communities it serves.

Takalani Rathiyaya

Economic Development Directorate
eThekweni Municipality

KwaZulu-Natal's Automotive Value Chain



KEY TAKEAWAYS

4.9%

contribution to
GDP (2025)

114,352

direct jobs (2024)

51%

of Africa's
vehicle
production

≈500

local suppliers

The South African automotive industry continues to occupy a strategically important position within the national economy. The sector accounts for approximately 22.6% of South Africa's total manufacturing output and contributes an estimated 5.3% of GDP¹, split between automotive manufacturing and retail contributions (2.8% and 2.1% in 2025 respectively). The industry supported 114,352 jobs across vehicle assembly and component manufacturing

in 2024, with 81,153 of these in the component manufacturing sub-sector alone². South Africa accounts for approximately 51% of Africa's total vehicle production³.

Recovery in new vehicle market

In 2025, the industry recorded notable performance across several key indicators. The domestic new vehicle market showed notable recovery⁴ in 2025. Domestic

¹ naamsa Automotive Trade Manual 2025.

² naamsa (2025). Automotive Trade Manual 2025.

³ BMA (2025). DAC Business Plan 2026–2029. Prepared by Meghan King and Sabrina Loubser on behalf of the DAC Executive Committee, November 2025.

⁴ Autostats (2025). South African Vehicle Sales and Production Data.

new vehicle sales reached 596,818 units, representing a 15.7 per cent increase year-on-year, with passenger car sales rising 20.1 per cent to 422,292 units. Vehicle exports reached a record 414,268 units, a 5.9 per cent increase from 391,128 units in 2024⁵, with vehicles and components shipped to 109 countries. Europe remained the dominant export destination, receiving 332,695 vehicles, up from 295,762 in the prior year⁶. In 2024, approximately 68.7% of vehicles produced in South Africa were exported, with approximately 69% destined for the EU and UK⁷. The composition of local market sales, however, continues to shift: imports now constitute approximately 65% of domestic sales in 2025, up from 53.7% in 2015, indicating mounting competitive pressure on locally assembled vehicles⁸.

Uncertainty for exporters

2025 was also marked by significant trade disruption. The imposition of 25% tariffs on vehicles and automotive parts by the United States under Section 232 of the Trade Expansion Act, combined with the temporary lapse of the African Growth and Opportunity Act (AGOA) between September 2025 and its retroactive extension in February 2026, created material uncertainty for South African exporters. Vehicle exports to the United States declined by approximately 82% in the first half of 2025, falling from 16,112 units to just 2,875 units over the comparable period. While AGOA has since been extended to 31 December 2026,

the structural vulnerability of the sector's reliance on preferential trade access has been starkly exposed^{9,10}.

Localisation levels below target

The South African Automotive Masterplan 2035 (SAAM 2035) continues to provide the overarching policy framework for the sector, setting targets to grow domestic production to one per cent of global output (approximately 1.4 million vehicles annually), raise local content in assembled vehicles to 60 per cent, and double employment across the automotive value chain. Progress towards these targets has been uneven. While vehicle exports have grown strongly, localisation levels remain well below target¹¹, and the component manufacturing sub-sector has experienced notable pressure, with NAACAM recording 12 company closures over a two-year period affecting approximately 4,000 jobs¹².

Nascent NEV adoption

The global transition to new energy vehicles (NEVs) adds a further layer of complexity. Globally, electric vehicle sales are projected to exceed 20 million units in 2025, with more than one in four new vehicles sold worldwide expected to be electric. In South Africa, NEV adoption remains nascent but accelerating, with 16,716 units sold in 2025 (2.8 per cent of the new vehicle market), up from 15,611 in 2024. The South African government has signalled its intent to support this

⁵ Kirby, A (2026) State of the Motor Industry (SOMI) address. Toyota South Africa Motors, Prospecton, Durban. Available at: <https://www.youtube.com/live/GXnyY5PA8N8>

⁶ naamsa (2025). Automotive Trade Manual 2025.

⁷ naamsa (2025). Automotive Trade Manual 2025.

⁸ Ibid

⁹ Ibid

¹⁰ naamsa (2024). Quarterly Review of Business Conditions: New Motor Vehicle Manufacturing Industry, Q1 2024.

¹¹ Barnes, J. (2024). Revisiting the SAAM to 2035: Building Emerging Automotive Value Chains in Africa. Presentation at DAC AGM.

¹² Kirby, A. (2025). The South African Automotive Industry as a Catalyst for [Re]-Industrialisation. SA Auto Week, Port Elizabeth.

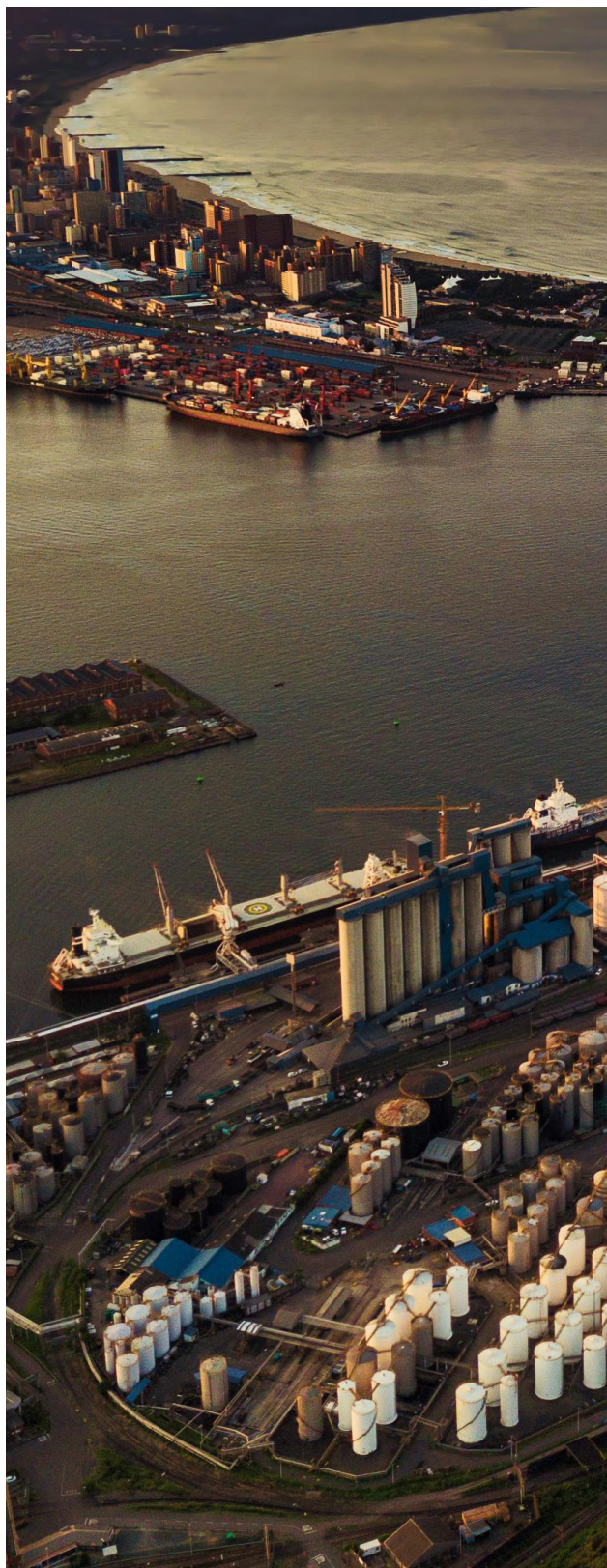
transition through a new investment incentive, effective March 2026, offering 150 per cent first-year deduction on qualifying investment in electric and hydrogen-powered vehicle production¹³.

Existential competitive threats

The South African automotive sector faces a significant global cost-competitiveness challenge. Overall production costs are estimated to be 30–40% higher than in lower-cost emerging markets such as China and India¹⁴. While KZN benefits from port proximity for importing components and exporting finished vehicles, total manufacturing costs are heavily impacted by logistics inefficiencies and import parity pricing from domestic suppliers. Chinese OEMs benefit from approximately \$230 billion in direct public sector subsidies and 25–30% structural cost advantages, posing an existential competitive threat to the local value chain¹⁵.

KZN's Position

Within this national context, KwaZulu-Natal remains one of South Africa's most significant automotive manufacturing nodes. KwaZulu-Natal accounted for 23.7% of national automotive employment in 2024: this translates to 27 101 direct jobs in the KZN automotive industry. The province's automotive ecosystem is anchored by Toyota South Africa Motors' (TSAM) vehicle assembly plant in Prospecton, Durban, which produces the Toyota Hilux, Fortuner, all Hino models, and the Ses'fikile taxi range. TSAM's operations contribute approximately R21 billion annually to the local economy and support an estimated 20,000 jobs across the direct and extended value chain¹⁵.



¹³ naamsa (2025). Automotive Trade Manual 2025

¹⁴ Naude, M.J. & Badenhorst-Weiss, J.A. (2012). Factors inhibiting the South African automotive industry from fully contributing to local economic development. Journal of Contemporary Management.

¹⁵ BMA (2025). DAC Business Plan 2026–2029. Prepared by Meghan King and Sabrina Loubser on behalf of the DAC Executive Committee, November 2025



Dube TradePort TradeZone 2. Image: Wade Howard

A significant development in 2025 was the establishment of Ogihara South Africa (OSA), a joint venture between Toyota Tsusho Africa (49 per cent) and Ogihara Thailand (51 per cent), which has constructed a new 32,000-square-metre facility at the Dube TradePort TradeZone 2. The facility, representing an investment of approximately R1.1 billion, produces pressed steel components for the Hilux and Fortuner and commenced production in January 2026, with employment expected to reach approximately 250 by mid-2026¹⁶. This investment underscores the province's attractiveness as a location for automotive component manufacturing and represents a meaningful step forward in the localisation agenda.

KZN's systemic constraints

Stakeholders have consistently identified Durban's infrastructure reliability, policy execution delays, and perceived investment risk as major barriers to

competitiveness. Firms face systemic constraints including¹⁷:

- Unreliable municipal services (water, sanitation, electricity) and deteriorating roads;
- Safety and security risks along employee transport routes;
- Administrative bottlenecks and fragmented engagement across municipal departments; and
- Persistent congestion and performance challenges at the Port of Durban, elevating logistics costs and threatening export reliability.

Rate increases compound these challenges. eThekweni recorded a 14.9% increase in water tariffs and a 21.9% increase in electricity tariffs in 2024/2025 — among the steepest nationally. These above-average increases, compounded by fixed charges and service reliability concerns, amplify the total cost of doing business for manufacturers within the metro¹⁸.

¹⁶ Comins, L. (2024). Toyota and Ogihara launch R1.1 billion plant in KwaZulu-Natal. Mail & Guardian.

¹⁷ eThekweni Manufacturing Roundtable: Findings (2024).

¹⁸ National Treasury (2025). Municipal Finance Data Tables: Income and Expenditure.

“kwazilience”

Despite these headwinds, Transnet has made material improvements to Durban Port performance, and the Presidential eThekweni Working Group has improved collaboration between industry and the city. The sector’s defining resilience — “kwazilience” — underpins a positive medium-term outlook¹⁹.

The Durban Automotive Cluster’s membership base of over 70 firms spans the full breadth of the regional value chain, from OEM assembly through to tier-three component supply and specialist service provision. The Cluster’s role in facilitating benchmarking, shared capability development, and direct value chain engagement contributes to strengthening

operational competitiveness and expanding the productive capacity of the KwaZulu-Natal automotive sector. Over the medium term, this positions the province to play an increasingly important role in South Africa’s automotive localisation and industrial development objectives.

¹⁹ BMA (2025). DAC Business Plan 2026–2029. Prepared by Meghan King and Sabrina Loubser on behalf of the DAC Executive Committee, November 2025.





Our Impact

2025 In Review

In 2025, the Durban Automotive Cluster advanced competitiveness, SME development, and skills capability through the continued commitment of its members, partners, and the support of eThekweni Municipality.

The year unfolded against a challenging operating environment, characterised by global trade disruption, rising input costs, and the accelerating structural transformation of the automotive industry worldwide. Despite these headwinds, the Cluster's membership demonstrated resilience and a strong willingness to engage with new approaches to manufacturing excellence, leadership development, and supply chain collaboration.

In response, the Cluster prioritised strengthening collaboration across the value chain, deepening community networks, and creating platforms for shared learning. Key focus areas

included the practical adoption of lean manufacturing principles, growing awareness of the new energy vehicle transition and its implications for the component supply base, targeted capacity building for SMEs, and the development of the Automotive Management Development Programme as a flagship investment in leadership capability.

The progress achieved in 2025 underscores the value of collective action in addressing shared industry challenges. Through a more connected and capability-driven cluster, we have laid a strong foundation for continued growth and impact. We look forward to building on this momentum in 2026.



2025 Highlights

R135m+

new commercial opportunities
unlocked for 24 black-owned
automotive SMEs
(three-year cumulative)



450+

employees trained across
leadership, technical,
and lean manufacturing
programmes

R25m

in operational efficiencies
realised through lean and
problem-solving practices

1,600+

competencies
achieved



15

firms in the
Continuous
Improvement
programme

1,000+

participants in 25+
Shared Learning events

DAC Connect

platform launched
for collaboration and
strategic foresight



40%

revenue growth
for the cluster;
membership
expanded to ~70
firms

2025 Key Events

January

Shared Learning:
Made in Thailand Webinar
TLDP Learner onboarding



February

Shared Learning:
Mr Price DC Visit



April

DAC Q1 ExCo Meeting
Shared Learning:
Renewable Energy Implementation



May

DAC AGM
Shared Learning:
Ryan Tierney of Lean Made
Simple webinar



June

Shared Learning:
TWIMS AI in Manufacturing event

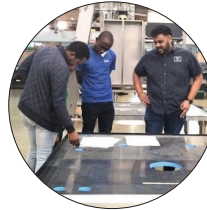
Shared Learning:
Mr Price DC Visit

2025 Key Events

July

Shared Learning:
Filtec Automotive Visit

Shared Learning:
ACA Thread's Sustainability
Business Case



August

NAACAM show

DAC Q2 ExCo Meeting



September

DAC Q3 ExCo Meeting

DAC business plan engagement
roadshow launched

DAC Business Plan Strategy and
Connect Session



October

naamsa's SA Auto Week Eastern Cape

Shared Learning:
Wastewater Management Webinar



November

DAC Q4 ExCo Meeting

DAC Business Plan 2026-2029 finalised

Shared Learning:
AI in Manufacturing Webinar

DAC 2025 General Meeting



The Durban Automotive Cluster's Annual General Meeting was held on the 15th of May 2025, bringing together members, funders, and industry stakeholders for a review of the Cluster's progress and a forward-looking discussion on the priorities shaping KwaZulu-Natal's automotive sector. The theme was "South African Trade in the Era of Trump:

"Trumponomics" and the Future of AGOA". The panel consisted of Prof. Adrian Saville, naamsa's Chief of Policy Tshetlthe Litheko, TSAM's Nigel Ward and BMA's Jake Morris. The discussion included implications for AGOA, various trade scenarios, and the dynamics, opportunities, and challenges faced by the automotive sector therein.

DAC Skills Development



The DAC's Skills Development Programme continued to invest in the human capital that underpins KwaZulu-Natal's automotive manufacturing competitiveness. The programme operates at multiple levels of the workforce, from frontline lean manufacturing training through to structured leadership development for emerging and senior managers. Graduates from the DAC's skills programmes have collectively saved

over R50 million for their workplaces through innovative improvement projects, demonstrating the tangible return on investment that structured capability development delivers. The Emerging Leader Development Programme (ELDP) has consistently achieved a return on training investment ratio of 1:30, underscoring the commercial as well as developmental value of these interventions.

2024 Cohort: Commercial Outcomes



KEY OUTCOMES

113

SME
applications

19

new commercial
opportunities

R150+

estimated
revenue over 5
years

The 2024 DAC SME Accelerator received 113 SME applications, from which 12 were selected based on highest potential to pitch their offerings to lead firms at the Dragons' Den. Across the three participating lead firms, Toyota South Africa Motors (TSAM), Toyota Boshoku South Africa (TBSA), and Hesto Harnesses, a total of 19 new commercial opportunities were identified. Of these, nine progressed to active delivery, unlocking an estimated R105m+ in revenue over a five-year horizon, a significant demonstration of the programme's ability to translate SME potential into tangible commercial outcomes.

Following the conclusion of the cohort, a review meeting was held with Toyota South Africa Motors to unpack the Commercial Outcomes Report and shape

the direction of the 2025 programme. Toyota Boshuko South Africa was re-engaged and confirmed continued interest in local supplier development, while the 2024 SME Alumni were consulted to surface any additional commercial opportunities unlocked since their participation. The impact of the programme extended well beyond the Dragons' Den: Sirius Manufacturing secured a supply opportunity with BT Industries, a fellow cluster member; Enormous Investments was awarded five 3M products and attained Tier 1 supplier status with TSAM; and Expert Automotive Trim unlocked a supply opportunity with YangFeng. A commercial Outcomes Report was distributed to Exco, participating lead firms, and eThekweni Municipality.

2025 Accelerator: SME Springboard Event



The programme culminated in the DAC SME Springboard Event (24 February 2026), sponsored by TSAM and eThekweni Municipality. The event represented a significant evolution of the programme's engagement model, providing a structured B2B platform through which SMEs, having undergone targeted preparation and presentation coaching, engaged directly with automotive lead firms. A total of 26 SME suppliers and 15 lead firms participated, generating over 150 one-on-one engagements centred on identifying collaboration opportunities and integrating SMEs into the automotive value chain. The event achieved an overall lead firm satisfaction rating of 83%, reflecting the quality and relevance of the engagements facilitated.

The event drew key stakeholders including the Industrial Development Corporation (IDC), Small Enterprise Development and Finance Agency (SEDFA), AIDC-GP, the Department of Trade, Industry and Competition (the dtic), and the Eastern Cape Development Corporation (ECDC), strengthening relationships across the broader automotive ecosystem. SME excellence was also celebrated, with AGP Manufacturing recognised for the Best Elevator Pitch, XO Collection SA receiving the Innovation Award for its creative approach and strong understanding of customer needs, and Phumelela Gasinga Engineering Solutions awarded Best Booth for its effective product showcase and stakeholder engagement.

DAC SME Accelerator Highlights

2024 COHORT

13

applications received

12

SMEs selected to pitch to lead firms

Sponsors

Springboard Event
(24 February 2026):
sponsored by TSAM and
eThekweni Municipality

19

commercial opportunities identified

9

progressed to delivery stage

R105m+

revenue over 5 years for
participating SMEs

3

lead firms engaged:
TSAM, TBSA, HESTO
Harnesses

2

LOIs signed (Expert Automotive Trim)

3

LOIs received (Sirius Manufacturing)

2025 PROGRAMME

26

SMEs engaged

15

lead firms

150+



Skills Development

KEY TAKEAWAYS

65

learners registered across TLDP and ELDP

541

competencies achieved (194 TLDP; 347 ELDP)

R7.5m

Savings realised through practical improvement projects

AMDP

Automotive Management Development Programme launching June 2026 with TWIMS

The Skills Programme registered a combined total of 65 learners and achieved 541 competencies across the Team Leader Development Programme (TLDP) and the Emerging Leader Development Programme (ELDP), reflecting the Cluster's sustained investment in workforce development and meaningful progress towards building a capable and competitive industry talent pipeline.

Progress and Enrolment

The TLDP cohort was successfully concluded with all key milestones met, with participants demonstrating strong engagement and consistent achievement across all training modules. The ELDP was subsequently launched with 30 learners registered at inception, drawn from 7 member firms, namely Bell Equipment Company SA (Pty) Ltd, Commercial Auto Components SA, Enermous, Feltex Fehr, MAHLE, Trident Steel Africa, and Feltex Trim.

Competencies Achieved

The Skills Programme achieved a combined total of 541 competencies

across both streams. The TLDP contributed 194 competencies at team leader level, with learners attaining competencies in Basic Principles of Lean (31), Customer Value (30), Identifying Waste (29), 6S (29), Support Waste Reduction (28), Team Leadership and Visual Management (24), and Problem Solving (23). The ELDP contributed 347 competencies at leadership level across Operations Management, Innovation, Strategy and Change Management, Project Management, Leadership and People Management, and Financial Management.

Key Highlights

A graduation ceremony was held on 6 March 2025 at the Royal Golf Club to recognise and celebrate the achievements of TLDP graduates, attended by representatives from member firms, funders, and key stakeholders. The successful launch of the ELDP following the conclusion of the TLDP reflects the cluster's commitment to a continuous and structured approach to skills development across its membership.

Shared Learning

The DAC's Shared Learning Programme is a key part of the Cluster's value proposition, giving members and the wider automotive community access to industry knowledge, best practices, and peer engagement opportunities.

In 2025, the programme delivered webinars, factory visits, and in-person events on lean manufacturing, sustainability, renewable energy, automation, continuous improvement,

and supply chain resilience. Sessions featured member firms, industry experts, and international practitioners, combining global insight with local relevance.

The programme achieved high satisfaction ratings, with participants highlighting practical value and actionable takeaways. Events also created valuable networking opportunities that strengthened trust and collaboration across the value chain.

LESSONS	10	Ten sessions delivered (webinars, factory tours, hybrid events)
TOPICS	8	Lean manufacturing, sustainability/green manufacturing, renewable energy, AI adoption, steel supply chain, automation, wastewater management
PARTICIPANTS	150+	150+ participants at peak sessions Global Lean Insights webinar 28 May 2025
RATINGS	80%	Consistent satisfaction ratings above 80%
INTERNATIONAL PERSPECTIVE	1	Made in Thailand webinar (Lessons for SA manufacturing)
FLAGSHIP FACTORY TOURS	80%	Mr Price Distribution Centre, Hammersdale (held twice: February and June)

CASE STUDY



CI In Action 27 August 2025

The CI in Action Hybrid Event showcased continuous improvement results from three DAC SME members — Webroy, Enormous Tapes, and Thekwini Wire. Webroy demonstrated an improvement in scrap metal pricing (from R5/kg to R8/kg) through smarter sorting and supplier negotiation. Enormous Tapes reduced daily management waste through structured problem-solving. Thekwini Wire cut its pickling process time from one hour to fifteen minutes. This event exemplified the DAC's core value proposition: peer learning that generates real, measurable change on the factory floor.

CASE STUDY



Global Lean Insights 28 May 2025

The Global Lean Insights webinar, featuring Ryan Tierney (Director, Seating Matters and author of Lean Made Simple), attracted over 150 participants — the highest attendance of any 2025 session. Tierney's approach to building lean culture resonated strongly with both large manufacturers and SMEs, with participants rating the session's practical applicability particularly highly. The session reinforced the DAC's role as a connector between global best practice and local implementation.



Competitiveness and Productivity

Cost competitiveness remains the defining challenge facing South Africa's automotive component manufacturers. In a sector where margins are under constant pressure from global competition, rising logistics costs, and escalating utilities tariffs, the gap between what a factory produces and what it costs to produce it determines whether firms can sustain operations, retain employment, and attract the investment needed to remain competitive.

The DAC's competitiveness programme supports member firms through structured performance benchmarking, productivity assessment, and targeted improvement interventions. By enabling firms to measure their operational performance against industry standards and peer benchmarks, the programme provides the evidence base needed to identify improvement opportunities

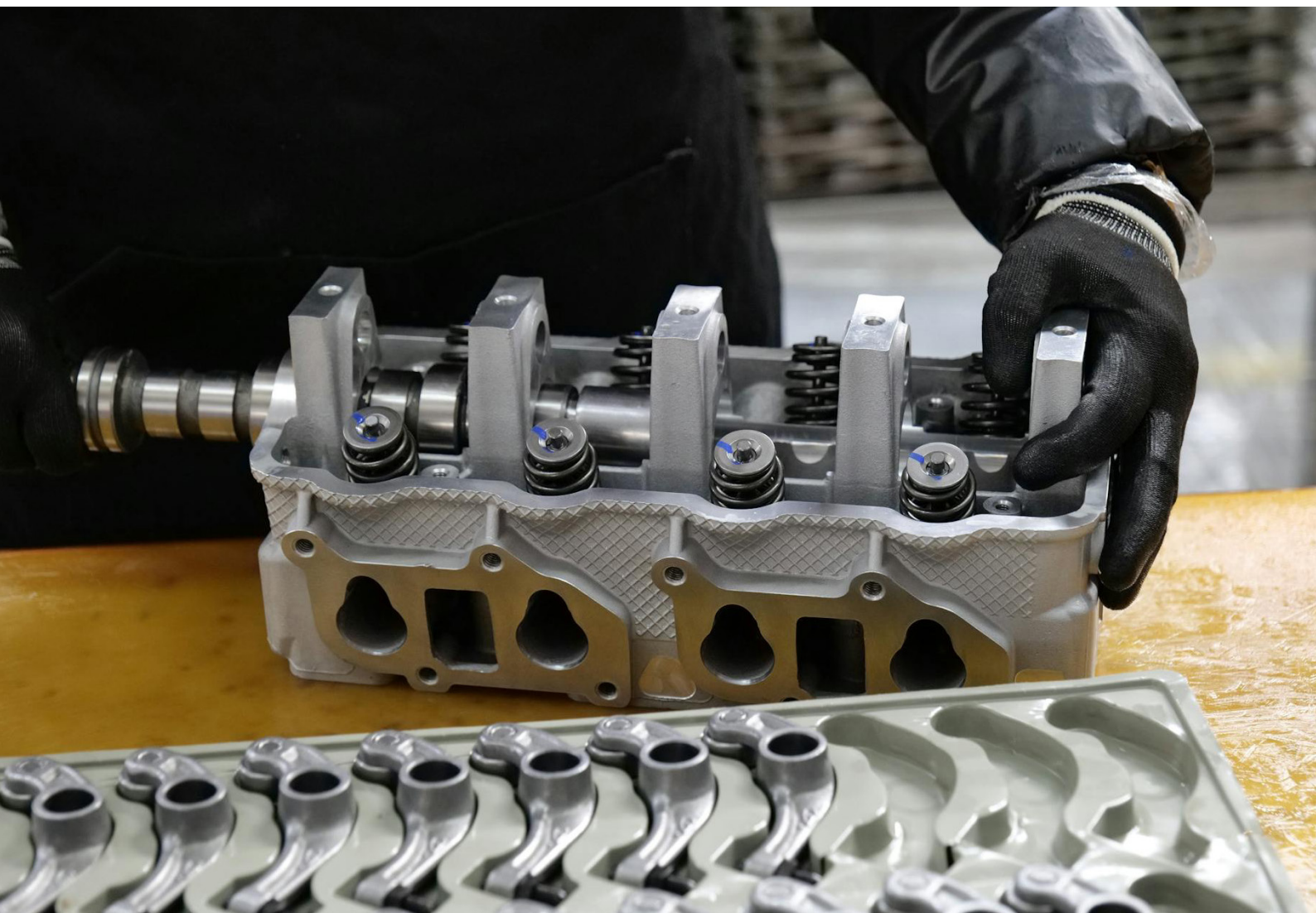
and prioritise investment in capability development.

DAC Productivity Improvement Programme

In 2025, the Compete Programme engaged 11 of 15 automotive firms in KwaZulu-Natal, focusing on productivity enhancement to drive cost competitiveness.

The methodology linked productivity directly to financial performance, shifting focus away from detailed operational metrics toward assessing operational maturity. This approach made the programme less onerous for firms, produced results that were more comparable across participants, and ensured outcomes were directly relevant to financial performance and cost competitiveness.





Data was collected and processed from these firms using a new benchmarking methodology based on 12 **headline financial indicators**. The Financial Snapshot covers 4 themes to investigate comparative business performance and improvement opportunity:

1. **Growth:** How is the business growing?
2. **Profit:** What is the cost breakdown and how much profit is made on sales?
3. **Productivity:** How much value is created per Rand of labour & capital in 1 year?
4. **Cash:** How much value is created per Rand tied up in operating assets?

The benchmarking revealed that upper-quartile Kwa-Zulu Natal automotive firms matched the productivity levels

of global comparators, highlighting significant opportunities to support more firms in reaching this level of global competitiveness.

The programme successfully concluded the FY24 Continuous Improvement event series and launched the FY25 cycle with strong firm engagement. Challenges were minimal, primarily related to the sensitivity of financial data, which limited participation from some firms. Future plans included refining the benchmarking methodology, expanding the international database, and delivering 11 financial snapshots for automotive firms in 2026 to sustain continuous productivity improvements and enhance cost competitiveness in the sector.

Looking ahead to 2026

As the Durban Automotive Cluster enters 2026, the strategic context facing KwaZulu-Natal's automotive sector demands both clarity of purpose and agility of response. The global automotive industry continues to undergo a fundamental structural transformation, driven by the accelerating shift to new energy vehicles, the digitalisation of manufacturing processes, and the reconfiguration of global supply chains in response to geopolitical and trade policy shifts.

2026 Priorities

Key priorities for the Cluster in 2026 include:

- **Launch of the Automotive Management Development Programme (AMDP):** Commencing in June 2027 in partnership with TWIMS, the AMDP will equip senior and emerging managers from across the membership base with the strategic, operational, and leadership capabilities needed to navigate the sector's transformation.
- **Deepening localisation and supply chain integration:** Working with OEMs and tier-one manufacturers to identify and develop local sourcing opportunities, particularly in the context of new investment such as the Ogihara South Africa facility at Dube TradePort.
- **Navigating trade policy uncertainty:** Supporting members to understand and respond to the implications of AGOA uncertainty, US tariff regimes, and evolving European market access

Building A Base

June 2023 -
June 2026

Ensuring that cluster has the right information, identify the right partners and scope the right projects to deliver against its vision.

Pilot Growth

July 2026 -
June 2029

The execution of several strategic and catalytic pilot projects to transform the industry. Refinement of methodologies and learn with learnings.

Scaling Up

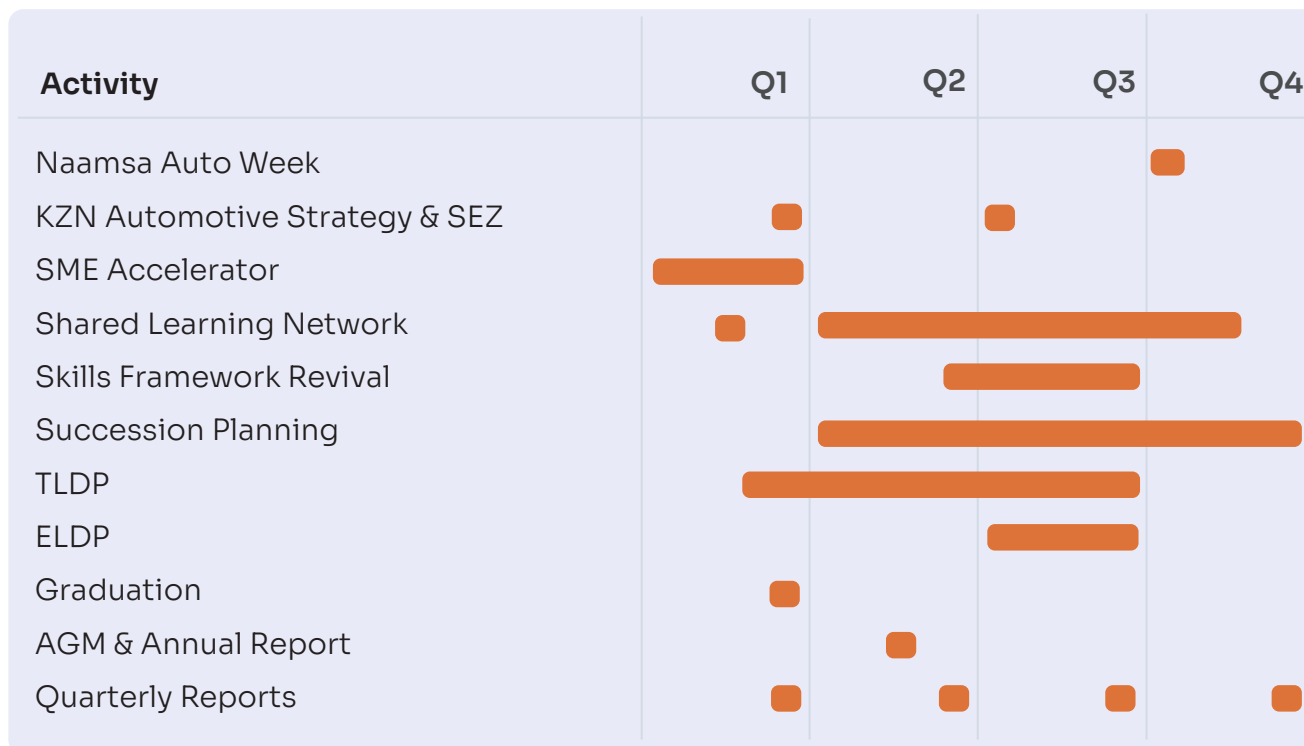
July 2029 -
June 2032

Establishing the right mechanisms and investing in the right areas to ensure the cluster can deliver catalytic, transformative projects at scale.

Full Scale

July 2032 -
June 2035

The delivery of catalytic projects at scale that can meet industry demand and transform the sector.



requirements, including the impact of the EU's Carbon Border Adjustment Mechanism (CBAM).

- **Accelerating the NEV transition readiness:** Ensuring that the component supply base is equipped to participate in the shift to electric and hydrogen-powered vehicle production, including through skills development, technology exposure, and strategic planning support.
- **Expanding shared learning and peer engagement:** Building on the momentum of the 2025 programme through an expanded calendar of factory visits, study tours, webinars, and networking events.
- **Strengthening SME development:** Continuing to build the pipeline of

competitive, transformation-compliant emerging manufacturers through the DAC Accelerator and targeted capacity-building initiatives.

- **AGM 2026: Engineered to Last:** The DAC's 2026 Annual General Meeting, to be held on 18 May 2026 at the Toyota Wessels Institute for Manufacturing Studies (TWIMS), will explore the theme of "Engineered to Last: Succession Planning for KZN's Automotive Future", bringing together industry leaders, academics, and policy stakeholders to address the critical importance of leadership continuity and talent pipeline development in the sector.



Our Partners

Executive Committee

Name	Firm	Designation	
Andrew Velleman	CFAO South Africa	CEO	Exco Chair /Director
Alex Holmes	Hesto Harnesses	Managing Director	Exco Director
Mark Gutridge	Brink Towing Systems	Managing Director	Exco Director
Paul Vermaak	Hesto Harnesses	Human Resources Director	Exco Director
Theunis Rootman	Toyota South Africa Motors	Vice President: Purchasing Division	Exco Member
Riaz Haffejee	Toyota South Africa Motors	Senior Vice President	Exco Member
Russell Curtis	Invest durban	CEO	Exco Member
Ravesha Govender	eThekwini Municipality	Programme Manager: Economic Development & Investment Unit	Funder
Takalani Rathiyaya	eThekwini Municipality	Economic Development Directorate	Funder
Nigel Ward	Toyota South Africa Motors	Executive Vice President	Exco Member
Michael Waldburger	Toyota South Africa Motors	General Manager	Exco Member
Judith Serafim	Imvusa Interior Trim	Managing Director	Exco Member
Meghan King	BMA	Director	Chief Facilitator

Our Partners

eThekwini Municipality

eThekwini Municipality's public funding for the DAC is overseen by the Economic Development and Investment Promotion Unit (ED&IPU), which is mandated to promote economic development, job creation, economic transformation, and economic intelligence within the municipal region. The ED&IPU is guided by policies established by national and provincial government and articulates the approach to economic development through the Municipality's Integrated Development Plan (IDP) and an Economic Development Strategy (EDS).

For more information on the eThekwini Municipality visit www.durban.gov.za



Cluster facilitation and Service Information



BMA

BMA provides facilitation services to the Durban Automotive Cluster. Since its founding in 1997, BMA has been dedicated to helping grow manufacturing profitably and sustainably. They deliver specialised, high-value services designed to support sustainable industrial development to governments, NGOs, manufacturing clusters, industry associations, and both retail and manufacturing companies. Driven by their commitment to building dignity and generating opportunities through production-led economies, BMA's mission is to enhance manufacturing competitiveness and growth for private firms, development organisations, and governments.

Their strong foundation in policy development and firm-level performance benchmarking, combined with their history in lean training and consulting,

equips BMA with a comprehensive understanding of the macro and micro aspects of manufacturing. Their expertise, along with their extensive experience in facilitating and managing industrial clusters, allows them to integrate data-driven insights with market-oriented strategies and collaborative approaches, producing exceptional results.



For more detailed information about our services and projects, visit our website at www.bmanalysts.com.

Get in Touch

+27 (0)31 764 6100
dac@bmanalysts.com
Block B, Bellevue Campus, 5 Bellevue Road,
Kloof, 3610

Meet the team

The DACs facilitation team has a proven track record in automotive manufacturing and industrial clustering, with deep sectorial expertise and a history of facilitating collaborative growth within the industry. The experience of the

team below spans cluster development, stakeholder engagement and operational excellence, with deep experience in automotive manufacturing and clustering. The DAC facilitation team is led by Chief Facilitator Meghan King.



MEGHAN KING
Chief Facilitator



JAKE MORRIS
Head of Productivity
Improvement Project



SEAN ELLIS
Shared Learning and
Special Projects



SABRINA LOUBSER
Facilitator



JUSTIN SNELLING
Skills Development



KUDZAI CHIVIYA
ESG expert



YOLANDA DZINGWA
SME Development



QUERIDA SCHULTZ
Programme Coordinator



ROXANNE MOODLEY
Cluster Management
Finance Lead

Governance and Compliance



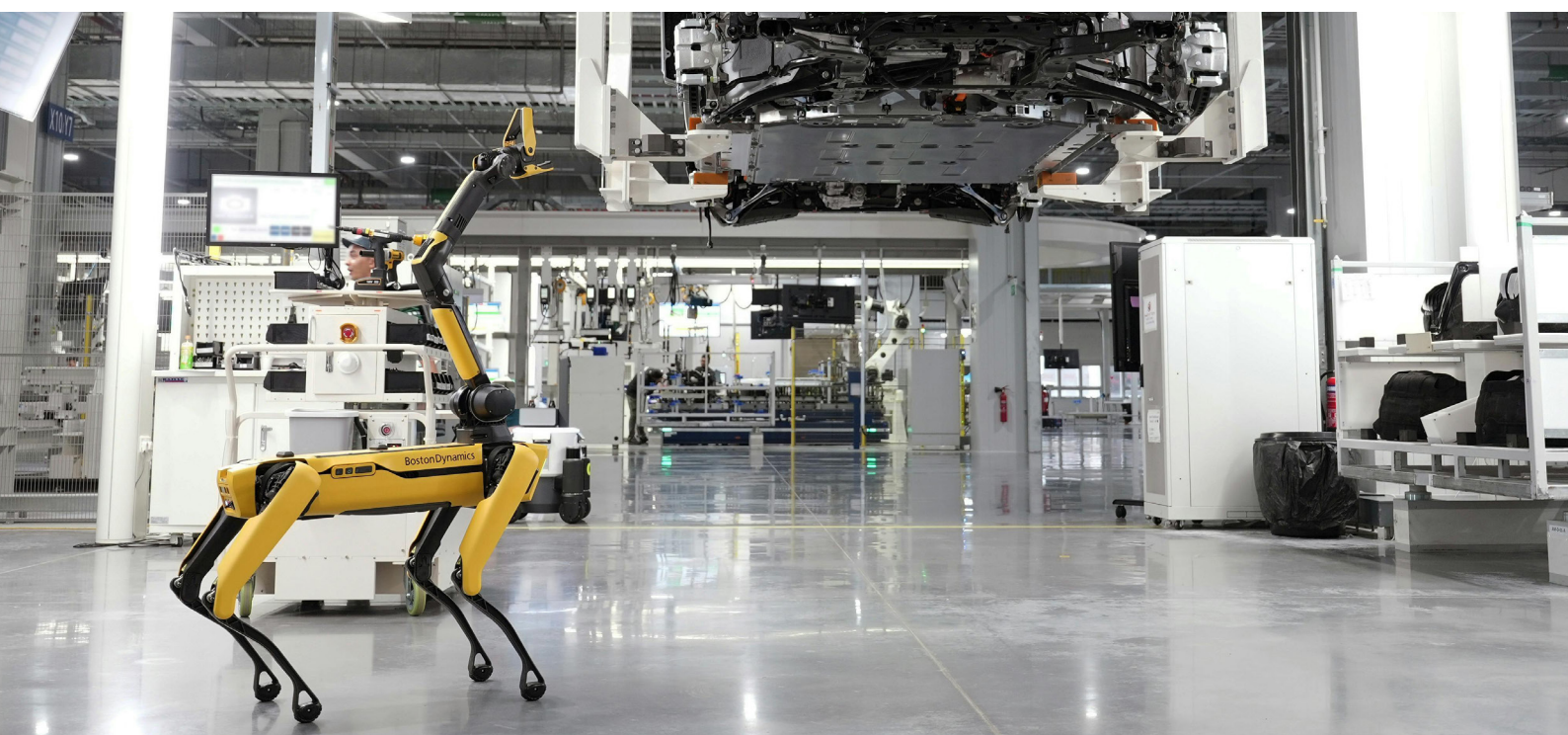
- Registered as a non-profit company.
- The DAC Memorandum of Incorporation (MOI) entrenches the public-private partnership (PPP) model of transparent governance and clear accountability.
- Clear business plan and accompanying implementation plan, updated annually.
- Memorandum of Agreement (MOA) in place governing the relationship with eThekwin as the primary funder.
- Effective and efficient performance management and reporting systems in place.
- Financial control systems are effective, efficient, and transparent.
- Adequate solvency and liquidity provisions in place.
- Clean, unqualified annual financial audit – complete upon audit.
- Risk management practices in place that are effective, efficient, and transparent.
- Competition Law checklist and related safeguards complied with; effective, efficient, and transparent procurement processes and systems in the Cluster.
- Service Level Agreement (SLA) in place governing the relationship with the facilitation service provider.
- Compliance with funding agreements.
- Compliance with the Companies Act, the Income Tax Act, Consumer Protection Law, the Public Finance Management Act, the Municipal Finance Management Act, and the POPI Act.
- Broad-Based Black Economic Empowerment (B-BBEE) contributor. Expenditure can therefore be claimed as Preferential Procurement.
- Broad-Based Black Economic Empowerment (B-BBEE level 4 contributor)

Member Listing

DAC Members	
Adventure Automotive Products Pty Ltd	Member
Aeroklas Duys	Member
Allied Steel Rode	Member
Aunde South Africa	Member
Aveng Trident Steel/ Trident Steel Africa	Member
Bell Equipment SA (Pty) Ltd	Member
BAP South Africa	Member
Brace Able Manufacturing (Pty) Ltd	Member
Brink Towing Systems (Pty) Ltd	Member
Brits Nonwoven	Member
BT Industries t/a Connecto Fasteners	Member
Commercial Auto Components	Member
Enermous Foam Tapes & PSA	Member
Ethekwini Precision Works	Member
Expert Automotive Trim	Member
Eguchi Iwao	Member
Federal-Mogul Powertrain (DriV)	Member
Feltex Automotive Trim (KAP Automotive)	Member
Feltex Fehrer (Pty) Ltd	Member
Freudenberg Nonwovens (Pty) Ltd (KZN)	Member
GUD Holdings	Member
Hesto Harnesses (Pty) Ltd	Member
Horizon Components (Pty) Ltd	Member
Hulamin Operations (Pty) Ltd	Member
HW Schmidt Industrials Proprietary Limited	Member

IMVUSA TRADING	Member
L&J Tools and Engineering	Member
Lumen Special Cables	Member
MAHLE Behr South Africa	Member
Maxe Premium Automotive Accessories	Member
Natal Gaskets (Pty) Ltd	Member
Notefull Engineering	Member
Ramsay Engineering (Pty) Ltd	Member
Smiths Manufacturing (Pty) Ltd	Member
Sumitomo Rubber South Africa (Pty) Ltd	Member
Thekwini Wire & Fasteners (Pty) Ltd	Member
Toyota Boshoku South Africa (Pty) Ltd	Member
Toyoda Gosei South Africa (Pty) Ltd	Member
Toyota South Africa Motors (Pty) Ltd	Member
Toyota Tsusho Africa (Pty) Ltd	Member
Wave Paper (Pty) Ltd	Member
Webroy (Pty) Ltd	Member
Zululand Filters	Member
DAC SME & Associate Members	
AGP Manufacturing	SME Members
AZIB Manufacturing Technologies	SME Members
Feasible Plastic	SME Members
Ikamva Fleet Management	SME Members
Mechgen Engineering	SME Members
S Mach Engineering	SME Members
Small Mpongo Primary Cooperative	SME Members
Umbondo Trading	SME Members
Bundu Gear	SME Members

Wasomi Enterprises	SME Members
Yenza Manufacturing	SME Members
Sizundawo Engineering Pty Ltd	SME Members
X Haulted Trading & Projects	SME Members
ST Projects pty Ltd	SME Members
Phumelela Gasinga Engineering Solutions	SME Members
Plastech Industiral CC	SME Members
Prospect Metals International	SME Members
WRC Automotive Components	SME Members
Dixocron Management Pty LTD	SME Members
KCM Environmental	SME Members
Human Scale Printers	SME Members
HNA Machine Solutions Pty Ltd	SME Members
Futama Protection Services	SME Members
Springmaster (Pty) Ltd	SME Members
Afrilaser	Associate Member
Artav	Associate Member
AGP Manufacturing	Associate member





Connectco	Associate Member
Crisp-Air	Associate Member
Engtec Engineering	Associate Member
Finlam Technical	SME Members
Gamamboh Engineering	Associate Member
Kala Metal Finishings	Associate Member
Kholeka Engineering	Associate Member
Microfinish	Associate Member
Production Logix	Associate Member
Rubbertek	Associate Member

DURBAN AUTOMOTIVE CLUSTER NPC
(Registration number 2005/035247/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of cluster-based development and support to the automotive sector.
Directors	P Vermaak A G Holmes A P Velleman M J Gutridge
Registered office	Block B, Bellevue Campus 5 Bellevue Road Kloof 3610
Business address	Block B, Bellevue Campus 5 Bellevue Road Kloof 3610
Postal address	Postnet Suite 10139 Private Bag X7005 Hillcrest 3650
Banker	Investec Bank Limited
Auditors	Forvis Mazars Registered Auditor
Company registration number	2005/035247/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MJ Cassan Chartered Accountant (S.A.)
Issued	12 May 2026

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Index

The reports and statements set out below comprise the annual financial statements presented to the directors:

	Page
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Independent Auditor's Report	5 - 7
Directors' Report	8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
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Notes to the Annual Financial Statements	14 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	17

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs® Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

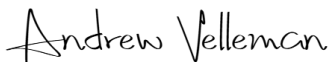
The directors have reviewed the company's cash flow forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 7.

The annual financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, were approved by the board on 12 May 2026 and were signed on its behalf by:



A G Holmes



A P Velleman

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Durban Automotive Cluster NPC for the year ended 31 December 2025.

1. Nature of business

Durban Automotive Cluster NPC was incorporated in South Africa with interests in the provision of cluster based development and support to the automotive sector. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements and do not in our opinion require further explanation.

3. Directors

The directors in office at the date of this report are as follows:

P Vermaak
A G Holmes
A P Velleman
M J Gutridge

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

The directors have approved the appointment of new auditors for the next financial year-end. The formal engagement and appointment process is in progress.

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Financial Position as at 31 December 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Trade and other receivables	2	179,967	69,090
Cash and cash equivalents	3	475,022	200,849
		654,989	269,939
Total Assets		654,989	269,939
Equity and Liabilities			
Equity			
Accumulated surplus		287,536	197,404
Liabilities			
Current Liabilities			
Trade and other payables	4	367,453	72,535
Total Equity and Liabilities		654,989	269,939

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue	5	5,445,140	5,200,642
Other income	6	59,752	103,254
Operating expense		(5,421,915)	(5,236,692)
Operating surplus	7	82,977	67,204
Investment revenue	9	7,155	18,262
Surplus for the year		90,132	85,466

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2024	111,938	111,938
Surplus for the year	85,466	85,466
Balance at 01 January 2025	197,404	197,404
Surplus for the year	90,132	90,132
Balance at 31 December 2025	287,536	287,536

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from/(used in) operations	11	267,018	(339,381)
Interest income		6,071	16,120
Net cash from operating activities		273,089	(323,261)
Cash flows from investing activities			
Interest Income		1,084	2,142
Total cash movement for the year		274,173	(321,119)
Cash and cash equivalents at the beginning of the year		200,849	521,968
Total cash at end of the year	3	475,022	200,849

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Trade and other payables

Trade payables are recognised initially at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in bank and is initially recognised at fair value plus transaction costs and subsequently at amortised cost.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Government funding is accrued by referring to the amount specified in the agreement undertaken in respect of funding between the municipality and the cluster.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
2. Trade and other receivables		
Trade receivables	63,270	7,222
Value added tax	116,697	61,868
	179,967	69,090
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	475,022	200,849
4. Trade and other payables		
Trade payables	367,453	72,535
5. Revenue		
Membership fees	1,320,582	1,320,233
eThekweni Municipality	3,082,038	2,880,409
Other project income	1,042,520	1,000,000
	5,445,140	5,200,642
6. Other income		
Decrease in provision for bad debts	59,752	103,254
7. Operating surplus		
Operating surplus include the following expenses:		
Competitiveness	1,128,428	462,050
Employee productivity	919,105	458,813
Increase in provision for bad debts	-	59,752
Investment attractiveness	2,085,418	2,677,444
Management and administration	930,100	769,265
Sector strategy	258,438	648,406
Talent pipeline	34,627	39,113
	5,356,116	5,114,843
8. Auditor's remuneration		
Fees	43,616	39,630
9. Investment revenue		
Interest revenue		
Bank	7,155	18,262

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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10. Taxation

Non provision of tax

No provision has been made for 2025 tax as the company is exempt from South African normal tax in terms of Section 10(1)(d)(iv)(bb) of Income Tax Act.

11. Cash generated from (used in) operations

Net surplus before taxation	90,132	85,466
Investment income	(7,155)	(18,262)
Changes in working capital:		
Trade and other receivables	(110,877)	224,034
Trade and other payables	294,918	(630,619)
	267,018	(339,381)

12. Related parties

Relationships

Entity under common management

B and M Analysts Proprietary Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in trade payable regarding related parties

B and M Analysts Proprietary Limited	357,905	62,987
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Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties

B and M Analysts Proprietary Limited	5,356,116	5,055,090
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B and M Analysts Proprietary Limited acts as an anchor service provider distributing a portion of funds to additional third party contractors.

13. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Notes to the Annual Financial Statements

Figures in Rand	2025	2024
14. Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	475,022	200,849
Trade and other receivables	63,270	7,222
	538,292	208,071
Financial liabilities at amortised cost		
Trade and other payables	367,453	72,535

15. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

16. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2025
Detailed Income Statement

Figures in Rand	2025	2024
Revenue		
Membership fees	1,320,582	1,320,233
Other project income	1,042,520	1,000,000
eThekwini Municipality	3,082,038	2,880,409
	5,445,140	5,200,642
Other income		
Decrease in provision of bad debts	59,752	103,254
Operating expenses		
Auditor's remuneration	43,616	39,630
Bad debts	19,856	80,015
Bank charges	2,327	2,204
Competitiveness	1,128,428	462,050
Employee productivity	919,105	458,813
Increase in provision for bad debts	-	59,752
Investment attractiveness	2,085,418	2,677,444
Management and administration	930,100	769,265
Sector strategy	258,438	648,406
Talent pipeline	34,627	39,113
	5,421,915	5,236,692
Operating surplus	82,977	67,204
Investment income	7,155	18,262
Surplus for the year	90,132	85,466

