

Why SA Can't Afford to Take a Backseat

Mobility 2030

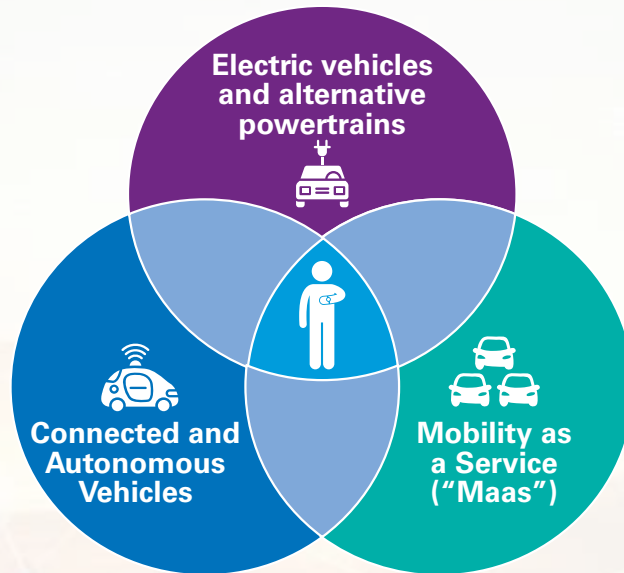


The way people and goods get from A to B is changing at an alarming rate. The future of mobility means our day-to-day journeys will become cleaner, safer, cheaper and more productive. This is currently happening in countries around the world. Global sales of Electric Vehicles expanded by 56% from 2016 to 2017 – driven by policy and regulatory changes, and also public interest in reducing emissions. Autonomous Vehicles are being tested on public roads in countries such as Singapore, US and Netherlands. Will South Africa embrace this change? In fact, we've already started.



Changing consumer and societal demands

Moving people
Moving goods



Mobility Value Chain



Collaboration in the future Mobility Ecosystem

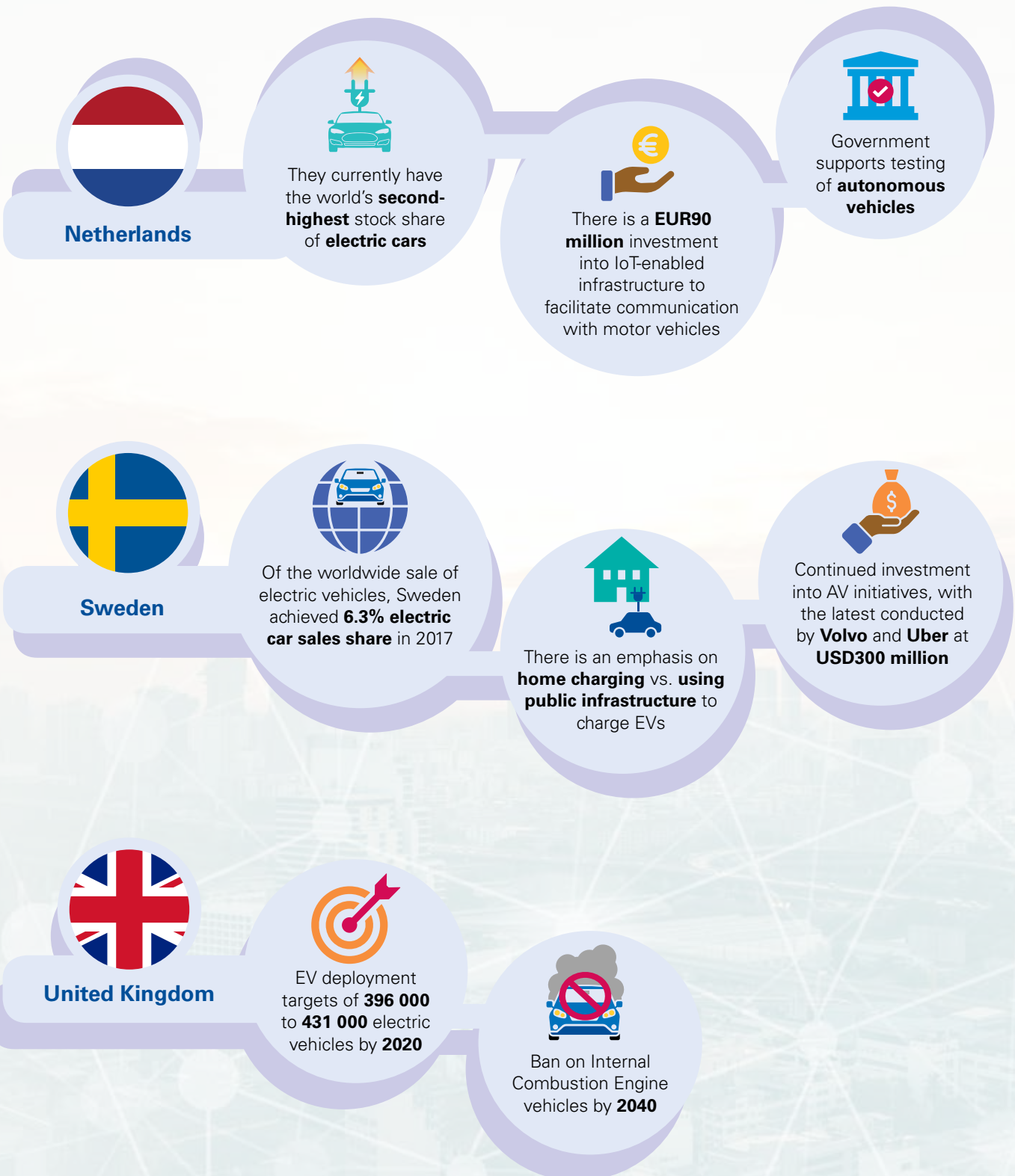
Mobility 2030 isn't a race to see who gets there first. It is a journey – a progressive move toward the future. While the road for South Africa is long in terms of readiness, we need to start thinking about our role as a global player. In the near future, pillars of the SA economy – such as manufacturing and mining – will be impacted by the shift in global demand, due to the change in value chain impacted by Mobility. KPMG South Africa is working with our clients, across all sectors, to prepare for imminent disruption. We understand the threats and we are ready to embrace the opportunities that lie ahead.

So, when can SA expect electric vehicles, autonomous vehicles and mobility services to become the norm? It has partially been realised already. In 2013, the ridesharing app Uber was launched in SA. That same year, car manufacturer Nissan introduced its electric vehicle offering to the market. It is clearly a matter of time before government, corporations and individuals fully embrace the future of mobility. Asking the right questions now will ensure that we adapt to imminent changes. The alternative? Becoming irrelevant in the future mobility ecosystem.

To further understand South Africa's current position, we have taken a look at where our global counterparts stand.

Europe Gives the Green Light

From an early stage, the Dutch government has supported the testing of driverless vehicles, making Netherlands one of the leaders when it comes to adoption of the mobility ecosystem. It is considered one of the prime examples of a mobility ready economy, due to its mature road network. Although lagging behind in EV adoption and investment into mobility infrastructure, the UK is still considered to be an attractive location for autonomous vehicle testing.



Source: International Energy Agency - Global EV Outlook 2018

Source: KPMG - Autonomous Vehicle Readiness Index

The Americas in the Fast Lane

The southern Ontario region in Canada is the 4th largest exporter of vehicles in the world. They have the perfect ecosystem for mobility, with manufacturing facilities for automotive manufacturers (such as Toyota and Honda) and their supply chains giving the region an advantage. This is in addition to the availability of mature high-speed mobile network infrastructure being available, which is complemented by forward-thinking government policies. And considering the number of companies involved in the mobility related industries, the United States leads from an innovation and technological advancement standpoint.



Canada



75% of new light-duty administrative fleet vehicles will be HEVs, PHEVs or BEVs from **2019**



Emphasis on government fleet procurements moving to **80%** zero-emission vehicles by **2030**



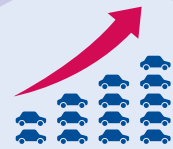
United States



Greatest number of autonomous vehicle and alternate drivetrain companies are headquartered in the United States, with **163 headquarters**



Federal government has introduced purchase share targets in **2015** for electric passenger vehicles of **20%** by **2020** and **50%** by **2025**



California's zero-emissions vehicle programme looks to accelerate the uptake of EVs, with target of **5 million** in California by **2030**

China Leads the Way

Movement in the private sector is supported by the government through the Made in China 2025 Plan, which seeks to position China as the clear leader in the mobility space. More than half of all global sales of EVs for 2017 were in China, totalling 40% of total global stock of EVs.



China



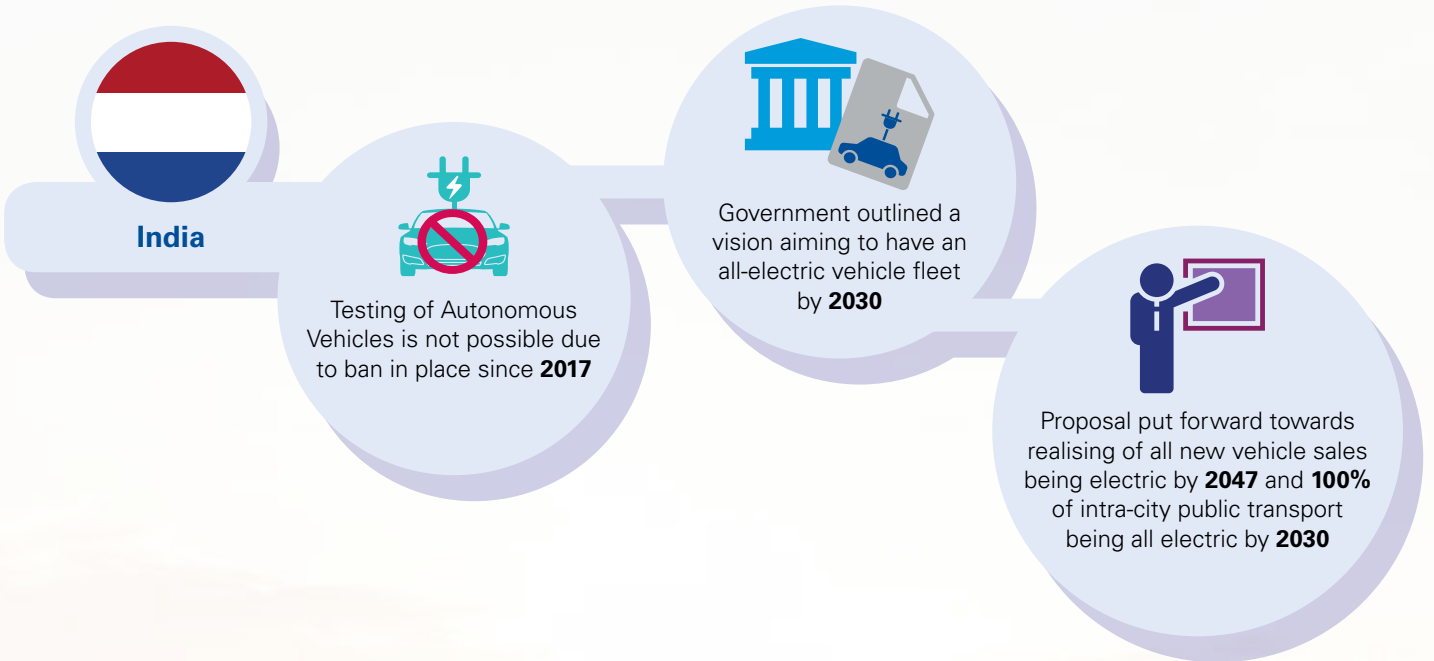
Three quarters of the world's publically available charging infrastructure (both fast and slow) are in China



Policies introduced by **Chinese government** to reduce emissions will continue to contribute towards accelerated uptake of non-ICE motor vehicles

India Sets Plan in Motion

The ban in place – which means use of AVs is not possible – puts the brakes on India's ambition of becoming a global mobility player. The goal is to achieve 100% uptake of Electric Vehicles by 2030. The Automotive Mission Plan, which aims to raise its automotive industry to the top 3 globally, means effort will be needed from both government and the private sector to realise its goal.



Source: International Energy Agency - Global EV Outlook 2018

Source: KPMG - Autonomous Vehicle Readiness Index



Where Does That Leave SA

Judging from our friends abroad, we have a long way to go in terms of readiness. However, we cannot afford to sit back and wait to see what happens. Opportunity lies in asking the tough questions now. How can we adapt in order to stay relevant in the global market? What is our role in global mobility? Where do we see mobility in the near future? These are questions our clients are already asking themselves. Will your industry be disrupted, or will you be part of the disruption? It's up to you.

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