



Unlocking Affordability of New Cars through Mobility Services

Mobility Case Study

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Content

1. Mobility is a fundamental need yet to be addressed in Africa
2. To make Mobility affordable attach a value chain to it
3. Shape the continental political framework



Mobility is about a country's
economic performance



Mobility is about productivity



Customer perspective: In South Africa (2020)

- 55,5% business trips were made using private cars or truck as drivers.
- The second most used mode of travel for business trips were taxis at 20,5% (Household survey SA, 2020).
- In 2020, travel cost surpassed travel time as a national priority while travel time was important to 23,3% .

Supplier perspective:

- Mobility services with old imported fleet due to high cost of finance.



**Unsatisfied demand/
Inefficient supply**

Mobility is about market access



- Road transport accounts for 80% of passenger and freight transport in Africa.
- Internal transportation raises the total cost of African exports by one-third compared to below one tenth for all developing economies (UNECA).
- The highest number of road fatalities per capita is reported in SSA – estimated at 225,000 people yearly
- Old fleet and motorcycles affect air quality, high pollution-low GDP paradigm



Value subtraction

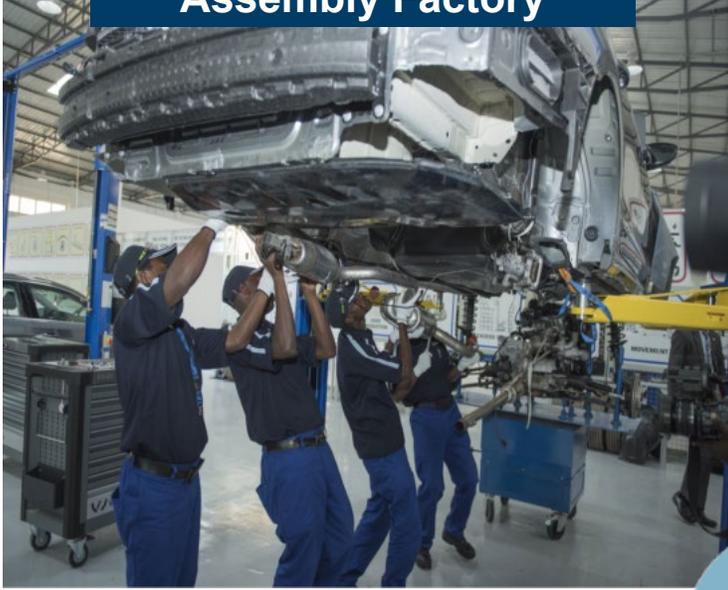


To make it more affordable,
attach a value chain to
mobility



Integrated Mobility Solution

Assembly Factory



Retail & Sales



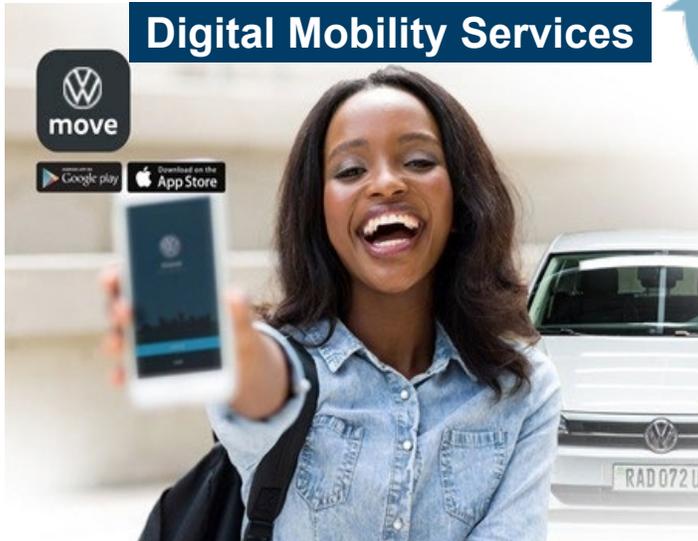
- Local assembly lowers the cost of new vehicles, start of industrialisation journey.

- Professional Sales and After Sales raises residual value of the car.

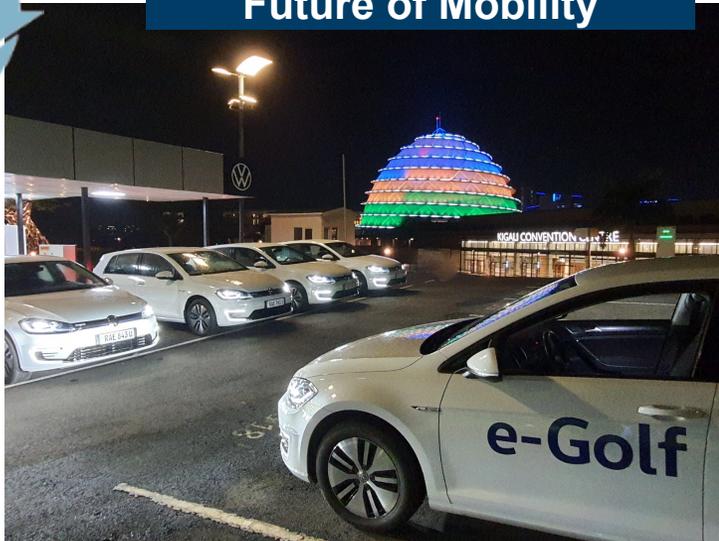
- Mobility services offer new cars on demand and those cars are sold as used vehicles after 2- 3 years.

- Future of mobility important to avoid building on sand.

Digital Mobility Services

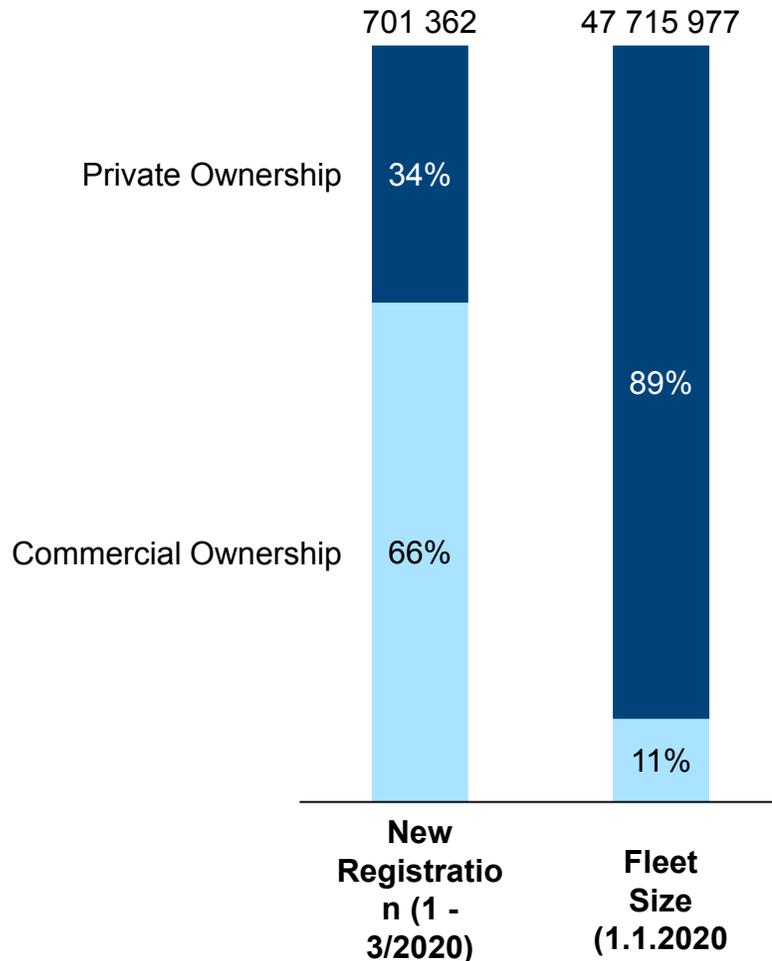


Future of Mobility



Role of mobility services in driving new cars sales

Private and commercial car ownership: new registrations vs existing fleet



- Mobility services companies drive the number of new registration, but all new registered vehicles in mobility services end up as privately owned cars.
- For every new car sold in SA, two used cars are sold, in Germany 7/10 ca sales are used cars.
- Used cars cannot disappear in Africa, but they should be younger and be made in Africa.



Car sharing for corporates and public institutions

RWANDAN PRODUCT PORTFOLIO



POLO



PASSAT



TERAMONT



TIGUAN



AMAROK

B2B/B2G OPERATING LEASE.

- Mobility services company are better placed to buy new vehicles due to bulk orders and financing opportunities.
- Rental companies were 12 % of new passenger cars sales in South Africa
- In Rwanda, mobility service took 42% of the new cars sales
- Africa's 1.1 billion citizens will likely double in number by 2050, but more than 50% will be younger than 25 years, not prospective clients for retail of new cars but users of mobility services. In Germany, the average age of a new car buyer is 53 years



Ride Hailing: Pay as you Drive

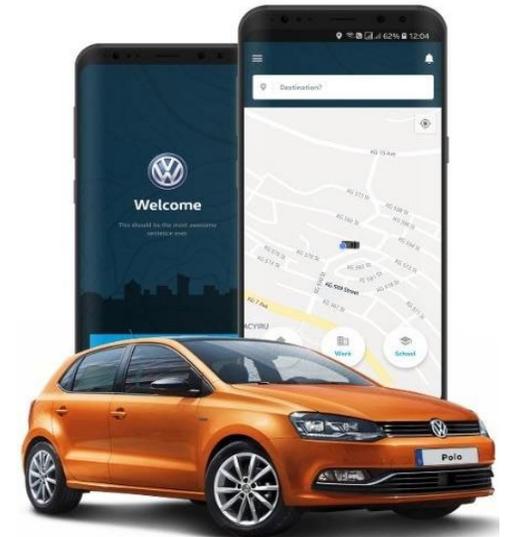


Imported cars

Made in Africa Cars



**Mobility
made easier**



Simple, Reliable and convenient.

Book your ride now



How private sector can help to shape the political framework



Shape political framework



Challenges	Solutions
Importation of used cars	Policy to limit importation of used vehicles
Low Fuel Quality	Policy on fuel standards & Purchasing adequate fuel
Low income / Affordability	Mobility Services & Asset-based financing
Poor or non-existing infrastructure	Public Private Partnerships to reduce logistic costs
Industrial Policy	Automotive Policy & the AfCFTA



African Automotive Index



Thank you.

