



**REPORT TO: CITY MANAGER**

**TO BE REFERRED BY THE OFFICIAL TO MAYCO VIA THE RELEVANT *CORPORATE SERVICES* SECTION 79 COMMITTEE AFTER CONSIDERATION BY CITY MANAGER**

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**1. ITEM NUMBER**

**2. SUBJECT**

**FEEDBACK ON THE INTERNATIONAL/OUTSIDE THE BORDERS OF THE RSA TRIP UNDERTAKEN FROM 20 APRIL 2025 TO 03 MAY 2025 TO ATTEND THE SHANGHAI AUTOSHOW CONFERENCE AND EXHIBITION IN CHINA**

**INGXELO ENGEMVA KOHAMBO OLUYA PHESHEYA/NGAPHANDLE KWEEBHODA ZOMZANTSI AFRIKA OLUTHATYATHWE NGOWAMA20 KUTSHAZIIMPUZI UKUYA KOWE3 KUCANZIBE 2025 LOKUZIMASA INKOMFA KUNYE NOMBONISO WE 'SHANGHAI AUTOSHOW' ECHINA**

**TERUGVOERING OOR DIE INTERNASIONALE REIS (BUITE DIE GRENSE VAN DIE RSA) ONDERNEEM VAN 20 APRIL 2025 TOT 3 MEI 2025 VIR DIE BYWONING VAN DIE SHANGHAI AUTOSHOW-KONFERENSIE EN - UITSTALLING IN CHINA**

**LSU R3557**

### 3. EVENT SUMMARY

| EVENT DETAILS          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CONFERENCE/SEMINAR     | <b>SHANGHAI AUTOSHOW CONFERENCE AND EXHIBITION</b>                                                                                                                                                                                                                                                                                                                                                                                                             |
| OTHER                  | To gain a better understanding of developments in the New Energy Vehicle (NEV) market and broader eco-system, which is developing at a rapid pace. This improved understanding of NEV's, related charging infrastructure and government policies relating to NEV's will enable the officials to apply this knowledge in the development of a collaborative NEV strategy between the City of Cape Town and the Western Cape government that is being initiated. |
| DATE                   | 20 April 2025 - 03 May 2025                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| VENUE                  | Shanghai International Conference & Expo Centre and Wuhu City                                                                                                                                                                                                                                                                                                                                                                                                  |
| TOTAL COST TO THE CITY | R 256 118.82                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| CITY                   | Shanghai and Wuhu                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| COUNTRY                | CHINA                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| ATTENDEE DETAILS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| NAME AND SURNAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | DESIGNATION                                   |
| Mr Ernest Sass                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>EXECUTIVE DIRECTOR: CORPORATE SERVICES</b> |
| Mr Yaasier Ahmed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>DIRECTOR: FLEET MANAGEMENT</b>             |
| Ms Lihle Cetywayo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>PRINCIPAL FLEET TENDER OFFICER</b>         |
| PROVIDE SUMMARY OF HOST ORGANISATION / CITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                               |
| <p>China is acknowledged to be the leader in New Energy Vehicle (NEV) development and production, with global sales of Chinese OEM brands over the last five years far exceeding that of European and US competitors. The Auto Shanghai 2025 was the 21st iteration of this event, which has been held every two years since 1985. This international exhibition of automobiles and related technology and infrastructure, brings together vehicle manufacturers from across the globe, with international pavilions hosted by most of the well-known international OEMs, including BMW &amp; Mercedes (Germany), Toyota (Japan) Volvo (Sweden) being just a few examples. All major Chinese OEMs were represented including, inter alia, Chery, Geely, GWM, SAIC and more. The theme of Auto Shanghai 2025 was "<i>Embracing Innovation, Empowering the Future</i>".</p> |                                               |

#### 4. OBJECTIVE

The City's vision and stated goal is to achieve net-zero carbon neutrality by 2050 and transition towards a lower-carbon mobility future. To support this goal, Fleet Management has completed Phase I of the New Energy Vehicle (NEV) Pilot Project, which has demonstrated that transitioning to NEVs also offers a potential financial benefit to the City. A feasibility study on the transition to NEVs was conducted by GreenCape, a service provider to the City of Cape Town, with a presentation delivered to the Executive Management Team (EMT) on 23 August 2023.

Building on this progress, the Fleet Management Department is now moving forward with the next phase of this journey, which involves the development of a collaborative NEV Strategy. This strategy will be developed in partnership with the Western Cape Government Fleet Trading Entity, GreenCape and Academic Institutions.

#### 5. OUTCOMES

In developing the NEV Strategy, the focus will be on addressing the challenges faced by the City of Cape Town in exploring and engaging with innovative technologies. The project will provide the City with an update on feasible options for transitioning its vehicle fleet to cleaner alternatives, including battery electric vehicles (BEVs), hybrids, plug-in hybrid electric vehicles (PHEVs), and fuel cell electric vehicles (FCEVs).

The conference and exhibitions exposed City officials to industry expertise and best international practices, enriching their understanding of the latest trends and solutions in this fast-evolving space.

## 6. ACTIONS REQUIRED

The conclusion of the conference highlighted the need for the City to further explore both current and future developments in new energy vehicles and related technology that are fit for purpose within a municipal environment. The insights gained during the event have provided valuable information essential for the development of the planned New Energy Vehicle strategy for the City of Cape Town Fleet. This initiative will be carried out in collaboration with City Directorates as well as Western Cape Government departments.

During the visit, officials engaged with several stakeholders including Original Equipment Manufacturers (OEMs) for vehicles and charging infrastructure and these contacts will be maintained to inform future research. This will serve as a foundation for shaping future policy, regulations, and standards, guiding the City of Cape Town's transition to new energy vehicles.

## 7. IMPLICATIONS

7.1 Constitutional and Policy Implications      No ☒      Yes ☐

7.2 Environmental implications      No ☒      Yes ☐

7.3 Financial Implications      No ☒      Yes ☐

7.4 Legal Implications      No ☒      Yes ☐

7.5 Staff Implications      No ☒      Yes ☐

7.6 Risk Implications      No ☒      Yes ☐

### 7.7 POPIA Compliance

☒ It is confirmed that this report has been checked and considered for POPIA Compliance.

*NOTE: POPIA Section MUST be completed otherwise the report will be returned to the author for revision.*

*Contact your Directorate POPIA Stewards should you require assistance.*

**The City has a contract in place with Izani Embassy Joint Venture for the safe-keeping of Traveller's personal information as required by the POPI Act.**

## **8. RECOMMENDATIONS**

It is recommended that the feedback report on the **SHANGHAI AUTOSHOW CONFERENCE AND EXHIBITION** undertaken by Executive Director *Ernest Sass, Director Yaasier Ahmed and Ms Lihle Cetywayo* on 20 April 2025 to 03 May 2025 **be considered and noted.**

**Kundululwe ukuba makuthathelwe ingqalelo kwaye kuqwalaselwe ingxelo engemva *KWENKOMFA NOMBONISO WE'SHANGHAI AUTOSHOW'*** oluthatyathwe nguMlawuli weSigqeba uErnest Sass, uMlawuli uYaasier Ahmed noNkszn Lihle Cetywayo ngowama20 kuTshaziimpuzi 2025 ukuya kowe3 kuCanzibe 2025.

Daar word aanbeveel dat die terugvoeringsverslag oor die uitvoerende direkteur, Ernest Sass, die direkteur, Yaasier Ahmed, en me Lihle Cetywayo se reis vir die **SHANGHAI AUTOSHOW-KONFERENSIE EN -UITSTALLING van 20 April 2025 tot 3 Mei 2025** oorweeg word en dat daarvan kennis geneem word.

## **9. GENERAL DISCUSSION**

As part of our commitment to modernizing our municipal vehicle fleet and reducing its environmental impact, the visit to the People's Republic of China to gain first-hand knowledge of advances and integration of New Energy Vehicles (NEVs) and related technologies was critical. China leads the world in NEV development and adoption, offering practical models for implementation at both local and national levels.

This report outlines the key learnings from the visit and makes recommendations towards a phased, practical and sustainable approach for the City to transition its fleet to NEV's. This will require market testing, regulatory collaboration, OEM engagements, infrastructure piloting, and a long-term planning framework.

China's progress has been underpinned by national policy support, municipal planning, and deep public-private cooperation. Municipalities in China are already operating thousands of electric buses, taxis, refuse trucks, and administrative vehicles.

## Categories of New Energy Vehicles in the global market.

The trip provided insights into some of the wide range of NEV categories currently available in the global market, namely:

- a) Battery Electric Vehicles (BEVs)
  - Vehicles powered solely by rechargeable batteries.
  - Include passenger cars, buses, municipal trucks, and delivery vans.
  - Most widely adopted NEV category in China's cities.
- b) Plug-in Hybrid Electric Vehicles (PHEVs)
  - Use a combination of electric battery and combustion engine.
  - Useful for areas with limited charging infrastructure.
  - Seen as a transition technology in mixed urban-rural environments.
- c) Fuel Cell Electric Vehicles (FCEVs)
  - Use **hydrogen** fuel to produce electricity.
  - Predominantly used in heavy-duty logistics and long-range transport.
  - Still in early phases in China but expected to grow rapidly.
- d) Light Electric Vehicles (LEVs)
  - Include two- and three-wheelers used in courier services and urban mobility.
  - Can be integrated into informal transport and last-mile delivery.
  - These categories present diverse opportunities for fleet transition, depending on specific municipal needs and operational environments.

## Strategic Lessons Learned

The Chinese experience showed that transitioning to NEVs is a multifaceted effort requiring coordination across all levels of government and industry. Key lessons drawn from the visit include:

- **Government Policy Alignment:** Strong, coordinated and aligned national and local policies, incentives, and enforcement mechanisms were crucial to China's NEV success.
- **Infrastructure Investment:** Large-scale, phased rollouts of charging infrastructure supported rapid adoption.
- **OEM Engagement:** Regular engagement between cities and automakers ensure that vehicle types met real-world municipal needs.
- **Public Awareness:** Significant public education campaigns facilitated community buy-in and acceptance of NEVs.

To effectively begin our transition to NEVs and ensure long-term sustainability, we recommend the following actions for consideration:

### a) Fleet Request for Information (RFI) for insights into the NEV market

Before committing to a procurement strategy, it is proposed that the Fleet Management Department issue an RFI to gather insights from the South African NEV market and ecosystem on available NEV technologies and capabilities,

including New Car Assessment Programme (NCAP) safety standards, costs, and infrastructure requirements. This will help test supplier interest and readiness, inform the scope of a potential pilot programs and enable benchmarking with similar Cities or countries across the world that have already progressed along this path. [An example of one such country is Mauritius, which recently launched its NEV strategy and is now busy with implementing foundational policies.] *Leasing* a cross-section of new energy vehicles (NEVs) before committing to large-scale procurement may also offer several strategic, operational, and financial advantages. NEVs will introduce newer technologies to our fleets (e.g., batteries, charging systems). Leasing will allow the City to test their reliability, performance, and maintenance needs in real-world conditions, especially in a rapidly evolving ecosystem.

**b) Engage the National and Provincial Departments of Transport on introducing Differentiated Number Plates**

To in conjunction with Urban Mobility and Safety & Security Directorates support visibility, tracking, and incentivization of NEVs, we propose the introduction of distinct number plates for NEV's (In China, EV's are issued with number plates with a light green background).

Engagements with the National Transport department with the objective of introducing further differentiation of number plates for easy identification of public transport vehicles. This initiative will enable the City to more effectively enforce compliance with environmental as well as public transport and traffic regulations.

**c) Collaborate with OEM's for Future Planning**

Ongoing engagement with both local and international Original Equipment Manufacturers (OEM's) will be crucial to understand their strategies with regards to NEV production and timelines for introduction into South Africa for at least the next five years. This will ensure that relevant data and technologies are considered as we continue to develop the NEV Strategy.

The focus will be on low-cost, high-efficiency models that are suited to the needs of the City of Cape Town. These engagements will also explore opportunities to promote the localization of vehicle or component manufacturing to attract global OEM's to our shores and our City. In this regard, the City's Economic Growth Department and the Department of Trade, Industry and Competition, will be engaged and consulted.

**d) Pilot Charging Infrastructure with Companies**

The visit to Shanghai and Wuhu cities, as well as meetings with charging infrastructure companies at the Auto Shanghai expo, exposed the city officials to charging infrastructure technology such as Vehicle-to-Grid(V2G) stations. This technology would allow for electric vehicles to discharge spare battery charge into the grid when grid stabilization is required. The charging stations are registered with the municipality and a mobile App allows for vehicle owners to be paid for uploading to the grid. This process allows the municipal energy department to

enhance its energy resilience and integrate renewable energy solutions more efficiently.

Collaborating with local and international technology providers and NEV manufacturers will be essential in exploring how V2G can be integrated in South African cities. These stakeholders could provide insights into the technical aspects to be considered, and advise on possible pilot programs, industry standards, and best practices for testing in the City. Running small-scale pilot projects with a select number of new energy vehicles and V2G infrastructure can provide real-world data on the performance, scalability, and integration of such systems into the City's energy grid. This will allow the City to monitor and address potential challenges before a broader roll-out. Tellus Energy, a manufacturer of NEV charging infrastructure, based in Shanghai, agreed to explore a pilot site in their visit to South Africa later this year in key areas which may include public areas such as municipal depots, city centres, shopping centres to name a few. Fleet Management officials will engage with Energy Directorate officials for them to take the lead in this regard.

#### e) Conduct In-depth Feasibility Studies on NEVs

As we progress with the development of a joint NEV Strategy for the City and Province, it is crucial to form an inter-governmental task team to conduct the following studies in collaboration with the academic institutions already working closely with the City and Provincial departments:

- Evaluate NEV applications across the province, covering energy, transport, and administrative fleets.
- Analyse lifecycle costs, maintenance needs, and total cost of ownership for various NEV options.
- Develop a detailed transition roadmap to guide the full adoption of NEVs by 2030.

This collaborative effort will ensure that the City makes informed decisions as we work towards a sustainable and cost-effective transition to New Energy Vehicles.

Transitioning to NEVs offers multiple long-term benefits to the municipality and will require consideration of Ecological Benefits as well as Commercial Value.

When procuring New Energy Vehicles (NEVs), the municipality must carefully balance ecological benefits with commercial value. **Ecological benefits** include reduced greenhouse gas emissions, improved air quality, and a lower carbon footprint, thus contributing to the City's sustainability goals. On the other hand, **Commercial value** considers the cost-effectiveness, long-term savings on fuel and maintenance, and the potential for economic growth through the adoption of green technologies. By weighing both factors, the municipality can ensure that its NEV procurement supports environmental objectives while also being financially sustainable in the long term.

**With the right partnerships, collaboration and policies, we can ensure a holistic approach to the creation of a supportive and sustainable ecosystem for New Energy Vehicles and create a cleaner, healthier, and more efficient city for all.**

## 10. ANNEXURES

### Annexure A: Approved Travel Report

#### FOR FURTHER DETAILS, CONTACT:

|                |                               |                |              |
|----------------|-------------------------------|----------------|--------------|
| DATE           | 19/05/2025                    |                |              |
| NAME           | Yaasier Ahmed                 | CONTACT NUMBER | 021 444 0008 |
| E-MAIL ADDRESS | Yaasier.Ahmed@capetown.gov.za |                |              |
| DIRECTORATE    | Corporate Services            | FILE REF No    |              |
| SIGNATURE :    |                               |                |              |

#### EXECUTIVE DIRECTOR

ERNEST SASS

The ED's signature represents support for report content and confirms POPIA compliance.

COMMENT:

SIGNATURE:

NAME

DATE

#### MANAGER: INTERNATIONAL RELATIONS

DR. DENVER VAN SCHALKWYK

SIGNATURE:

DATE

COMMENT:

☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

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**LEGAL COMPLIANCE**

☐ NON-COMPLIANT

**COMMENT:**

NAME \_\_\_\_\_

Certified as legally compliant based on the contents of the report.

TEL \_\_\_\_\_

DATE \_\_\_\_\_

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**CITY MANAGER**

☒ NOTED

☒ REFER TO THE MAYORAL COMMITTEE VIA THE RELEVANT SECTION 79 COMMITTEE

DATE \_\_\_\_\_

**COMMENT:**

**PLEASE NOTE THAT THE ABOVEMENTIONED CITY MANAGER'S SIGNATURE IS ONLY TO BE OBTAINED FOR OFFICIALS TRAVELLING AND NOT FOR COUNCILLORS.**

**THE CITY MANAGER WILL RECOMMEND THAT THE REPORT IS REFERRED TO MAYCO VIA THE RELEVANT SECTION 79 PORTFOLIO COMMITTEE BY THE OFFICIAL. IN SUCH INSTANCES, THE CITY MANAGER'S SIGNED REPORT SHOULD BE ATTACHED AS AN ANNEXURE TO THE REPORT TO THE SECTION 79 PORTFOLIO COMMITTEE AND MAYCO.**