SATMC
South African Tyre Manufacturers Conference

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MEDIA STATEMENT

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SATMC concerned over proposed discontinuation of Continental Tyre SA manufacturing operations

The South African Tyre Manufacturers Conference (SATMC) notes with deep concern the announcement by Continental Tyre SA regarding its proposal to discontinue manufacturing operations at its Gqeberha facility, subject to the outcome of the formal Section 189A consultation process.

This development represents another significant setback for South Africa's tyre manufacturing industry. It would mark the second major global tyre brand to discontinue local manufacturing operations within a period of just 15 months. Over this period, the industry has lost approximately 1,800 jobs, with further potential consequences for employment, industrial investment and the broader manufacturing value chain.

Commenting on the announcement, SATMC Managing Executive, Nduduzo Chala, said: “While we recognise the commercial and operational challenges facing the global tyre industry, we are deeply concerned about the cumulative impact of these developments on South Africa's manufacturing base. Behind every potential job loss are individuals, families and communities whose livelihoods depend on the sustainability of these manufacturing operations.”

SATMC is particularly concerned about the implications for affected employees and their families, as well as the wider Gqeberha community. Beyond the immediate employment consequences, the potential closure raises serious concerns about the continued deindustrialisation of South Africa and the erosion of domestic manufacturing capacity, technical expertise, industrial skills and institutional knowledge built over decades.

Chala further highlighted the broader national implications: “The loss of manufacturing capacity is about much more than the closure of a factory. It represents the loss of industrial capability, specialised skills, established supply chains and the capacity to produce locally. As a country, we must be concerned about the gradual erosion of our manufacturing base and what this means for our long-term industrial development ambitions, economic resilience and participation in global value chains.”

SATMC acknowledges that Continental Tyre SA has initiated a formal Section 189A consultation process in accordance with the Labour Relations Act. The organisation respects this process and will allow Continental Tyre SA, its employees, organised labour and other relevant stakeholders the necessary space to engage meaningfully on the proposal, including the consideration of alternatives and possible measures to mitigate its impact.

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As an industry body, SATMC remains committed to advocating for a sustainable, competitive and resilient local tyre manufacturing industry. The developments at Continental Tyre SA reinforce the urgency of addressing the structural challenges confronting domestic manufacturing, including the pressures of uncontrolled import penetration, the competitiveness of the local operating environment and the need for sustained support for industrial investment.

South Africa cannot afford to continue losing established manufacturing capabilities, industrial investment and the skilled jobs that underpin a resilient economy. The circumstances require serious reflection and a concerted effort by government, industry, organised labour and other relevant stakeholders to create an environment in which local manufacturing can survive, compete and grow.

ENDS

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