



EC UNEMPLOYMENT CRISIS PROTEST

MEMORANDUM

TO:	EASTERN CAPE PREMIER OSCAR MABUYANE
FROM:	DEMOCRATIC ALLIANCE
SUBJECT:	MEMO: EC UNEMPLOYMENT CRISIS
DATE:	FRIDAY, 1 MAY 2026

Today, on Workers' Day, we gather in front of the Office of the Premier in Bhisho, to highlight the painful reality that for far too many people in our province, there is no work to celebrate and no opportunities to pursue.

The Eastern Cape is facing the most severe unemployment crisis in South Africa. The official unemployment rate stands at 42.5%, while the expanded rate, which includes those who have stopped looking for work, exceeds 51%. In rural areas, unemployment rises to over 60%. Over the past year alone, 79,000 jobs have been lost, with 32,000 of those losses occurring in just the final quarter of 2025. In many communities, this means that more people are without work than in employment.

This crisis is not confined to rural communities. It is being felt sharply in metros such as Buffalo City and Nelson Mandela Bay, where weak service delivery, economic stagnation, and declining investor confidence are placing households under growing pressure. Nearly a third of municipalities are officially in distress. 16 out of our 39 municipalities can't deliver the most basic services. Which is leading to massive levels of disinvestment in our small towns and our metros.

The automotive sector, the cornerstone of the Eastern Cape economy, is facing a critical turning point. As the region's largest economic contributor, its vulnerability is a major driver of the province's economic and labour market decline. Nationally, the sector supports approximately 115,000 direct jobs and 500,000 indirect jobs, underscoring its importance.

In Buffalo City, core economic anchors such as Mercedes-Benz South Africa and the broader industrial network that depend on it is operating in an environment of weak growth, failing municipal services, and rising economic uncertainty.

The Nelson Mandela Bay Metro's manufacturing sector contributes 21% to provincial GDP, anchored by major firms such as VWSA and Isuzu. The province hosts around 150 component manufacturers and produces 45% of South Africa's vehicles, while accounting for over 50% of



exports. Exports have already plummeted by 87% following the United States of America's Liberation Day Tariffs, placing immense strain on the sector.

At VWSA, employing 4,000 workers, uncertainty looms due to delayed New Energy Vehicle (NEV) policy reform, lack of incentives for future production, energy instability, and poor logistics. Job losses are mounting, with 907 jobs lost at Goodyear in Kariega and over 700 at Mercedes-Benz South Africa, alongside ongoing shift reductions.

If the Eastern Cape is to break free of this unemployment crisis the government needs to create an environment for businesses to stay, invest, thrive and create jobs.

We therefore submit the following demands to the Office of the Premier:

- That the Provincial Government urgently table a **credible and comprehensive jobs and poverty Intervention Strategy** for the Eastern Cape, with a clear focus on how the province will intervene in terms of poor levels of basic service delivery and the challenges of the largest contributor of the Eastern Cape GDP – the automotive industry.
- That the Provincial Government in the province that is responsible for the largest automotive industry footprint and the majority of automotive jobs in the country, take the **lead in advocating** for decisive and immediate intervention to be undertaken in the automotive sector to prevent further decline. That such efforts focus on, urgent policy reform in terms of the New Energy Vehicle Policy, the prioritisation of rail and ports infrastructure upgrades, incentivising of local manufacturing and enhancing export competitiveness through the identification alternative markets to secure a sustainable and globally competitive automotive future.
- That the Chief Whip of the Legislature, Loyiso Magqashela, and the Speaker of the Eastern Cape Provincial Legislature, Helen Sauls-August, approve our request for an urgent debate, at next week's Legislature sitting on a **Matter of Public Importance** concerning the provincial government's response to the unemployment crisis.

The Eastern Cape urgently requires a credible blueprint for job creation and a clear plan to get the Eastern Cape working.

Hon. Dr Vicky Knoetze
Deputy Provincial Leader – DA Eastern Cape
Leader of the Official Opposition – Eastern Cape Provincial Legislature