Press Release

Continental Considers Discontinuing Tyre Production at Its Gqeberha Plant in South Africa

- **Consultation process launched in accordance with South Africa's Labour Relations Act**
- **Approximately 950 employees could be affected by the proposed closure, with alternatives and support measures to be discussed**
- **South Africa remains an important market for Continental; with local sales operations continuing to serve all customers on the African continent**

Gqeberha, 20 November 2026. Continental is considering discontinuing tyre production at its plant in Gqeberha, South Africa. The reason for this is the underutilisation of local production capacity, which has not improved over several years despite extensive turnaround efforts. This trend has been exacerbated by intensifying price competition from low-cost imports and increasingly challenging market conditions. The proposed closure could affect approximately 950 employees. Continental has initiated a formal consultation process in accordance with Section 189A of South Africa's Labour Relations Act to explore viable alternatives and discuss measures to mitigate the potential impact on employees. Should no viable alternative be identified through the consultation process, operations at the Gqeberha site could be discontinued by early 2027.

Continental commits to constructive consultation and employee support

Continental is committed to maintaining an open and constructive dialogue throughout the consultation process. The company is aware that the proposed closure creates significant uncertainty for employees, and that these changes may be challenging for those affected. It is therefore committed to managing the process with transparency, and respect for every employee. Continental sincerely appreciates the dedication, professionalism and contributions of everyone who is working at the Gqeberha plant.

Africa and South Africa, in particular, remain important markets

The African continent and South Africa remain important markets for Continental. While the company is considering the future of tyre production at its Gqeberha facility, it remains committed to serving customers and maintaining its commercial presence across the region. Continental's local sales organisation will continue to serve customers in South Africa and across the region out of Gqeberha as usual. Its local retail network of BestDrive will also remain unaffected by any potential changes to production operations at the Gqeberha plant.

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Gqeberha plant faces sustained pressure from challenging market conditions

The plant has been manufacturing tyres in Gqeberha since 1947, producing various brands over the decades. Production of Continental branded tyres began in 1985, supplying automotive manufacturers operating in South Africa and serving the African replacement market.

However, the facility has faced sustained competitive and operational challenges over several years. Intensifying price competition from low-cost imports has placed significant pressure on the African tyre market. These challenges have been compounded by rising energy costs, supply chains disruptions and an increasingly fragile infrastructure – all of which have increased manufacturing costs and made it harder to plan ahead. As a result, production capacity at the Gqeberha tyre plant has been significantly underutilised in recent years, despite various turnaround efforts aimed at improving its operational performance.

Continental is a leading tyre manufacturer and industry specialist that develops and produces safe and convenient solutions for automotive manufacturers as well as industrial and end customers worldwide. Founded in 1871, the company generated sales of €19.7 billion in 2025 and currently employs around 76,000 people in 54 countries and markets.

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