



FAW makes history in South Africa

For Immediate release

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South Africa, the Eastern Cape and the Coega IDZ are set for rapid growth as FAW Vehicle Manufacturers SA (PTY) LTD official opens its vehicle manufacturing plant.

Coega, 10 July 2014: Today marks a momentous event in SA's Automotive Industry history, as the first FAW commercial vehicle, built in South Africa, rolled off the assembly line at the FAW Vehicle Manufacturers SA (PTY) LTD production plant at Coega, in the Eastern Cape. With President of the Republic of South Africa, Jacob Zuma, in attendance together with numerous dignitaries from the Government of China, the country saw the culmination of a USD60 million investment in the Eastern Cape.

President Zuma said: "Following our BRICS trade agreements, this massive investment by a Chinese Corporation augers well for the future of this partnership between our countries.

"Today's FAW Coega plant opening has the added advantage that South Africa remains seen as an investment destination of choice. This is an example to other global companies, which can rest assured that the South African government is doing everything possible to maintain its world-class offering as a springboard into unlocking the potential of the African continent," said Zuma. "Our focus in the next five years is to provide a sustainable energy mix for the country. Energy security is key to enhancing SA's global competitiveness."



“As far as the current strike in the metal industries is concerned, I trust that this will be resolved amicably, without violence, reaching a speedy resolution. This is in the interest of all of South Africa,” Zuma said.

“Today, opening the FAW plant here in Coega, is a remarkable example of the positive co-operation that we as South Africans can attract from foreign investors. It is imperative to job creation, our growth and future prosperity,” Zuma concluded.

Minister of Trade and Industries, Dr Rob Davies, in his address indicated that FAW’s decision to build commercial vehicles locally from completely knocked down kits (CKD), the first OEM to do so across its entire range in SA, is a clear indication that government’s plan to extend the Automotive Production Development Plan (APDP) to the commercial vehicle CKD manufacturers, bus manufacturers and local component manufacturing industry, will attract further expansion in the automotive industry.

Mr Qin Huanming, Vice President of the China FAW Group Corporation, together with President Jacob Zuma and Minister Rob Davies, attended to the official ribbon-cutting ceremony, as the first locally produced FAW Truck rolled off the Coega plant production line.

“As a shining pearl on the African continent, South Africa enjoys sound political, economic and legal systems, as well as excellent infrastructure and abundant labour resources. These favourable conditions have strengthened FAW’s confidence to invest in South Africa,” Said Huanming.



The decision to build the FAW plant in South Africa is very significant from a global perspective, as it is one of the most important and largest investments made by a Chinese entity in South Africa to date. The total investment has been financed by China FAW Group Corporation, the China-Africa Development Fund (CAD-Fund) together with FAW Africa Investment Company LTD. This collaboration speaks volumes to the growing interest from global Chinese Industry in unlocking the true Africa potential.

A number of firsts for FAW Vehicle Manufacturers SA (PTY) LTD:

- At a cost of USD 60 million towards the establishment of this modern, high-quality vehicle production plant and all its associated infrastructure, this is truly the single biggest recent vote of confidence in the local vehicle industry.
- The Coega plant with its build-capacity of 5 000 units per annum, represents the first high-quality Chinese manufacturer to set-up and contribute on this scale, in the Eastern Cape region.
- FAW Vehicle Manufacturers SA (PTY) LTD will be the first OEM to build locally its entire range of commercial vehicles sold here – 14 models spanning the Medium, Heavy and Extra-Heavy Commercial Vehicle segments. Henceforth all FAW trucks in SA can carry the 'badge of honour' of 'Made in South Africa'.
- Future plans include the commissioning of a Body-building Facility at the Coega plant. Tipper Truck bodies, Mixers and Customised Trailers will be built in the facility, nearing completion, and adjoining the main plant. FAW will be the first SA-based OEM to offer its Body-building Facility to other Commercial Vehicle Manufacturers.



Originally announced in 2012, the decision to construct the local FAW plant was not one that was taken lightly, explains FAW Vehicle Manufacturers SA (PTY) LTD: “We could have gone to Kenya, or Tanzania where FAW has been present in sales and service for over 30 years – but in the end we chose South Africa because of the infrastructure. It then came down to a choice between East London and Coega.”

In the end Coega was chosen because, as Leiter says, “the infrastructure is perfect”.

The first-phase of the Coega plant, covering 103 000m² of land and a 28 000m² plant – complete with training facilities, will allow the company to provide its client base with a sense of pride and patriotism by ‘buying local’. Expected to ramp-up to produce 5 000 trucks per annum, the Coega assembly plant will supply trucks to the South African market, as well as to the rest of Africa, in both right-hand and left-hand-drive derivatives. The current projections are that 40% of production will be destined for the South African territories, while 60% will be exported.

FAW is positive about the future and the growth plan that has been formulated for the FAW brand in South Africa. FAW internationally, rose as a result of the political dispensation in China which allowed more free-market enterprise and encouraged overseas exports. As China grew then, so will Africa grow now, and FAW is ideally placed to benefit from the demand for vehicles on the continent as FAW has established a solid presence, where it counts.

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