



## **MEDIA RELEASE**

# **South Africa opens second minibus taxi assembly plant**

**13 November 2012**

**Status: For immediate release.**

Economic Development Minister Ebrahim Patel today launched a new minibus taxi assembly plant in Springs, Gauteng.

“The plant will create 470 jobs in the first phase, with fresh investment of R200-million, and is expected to grow over the next few years as the company increases its level of localisation,” the Minister said.

“This investment supports the New Growth Path goals of increased industrialisation and shifting South Africa away from reliance on imports of manufactured goods. It also gives effect to the Localisation Accord signed in October 2011, which commits social partners to support deeper industrialisation efforts,” he added.

The plant is run by one of China’s largest auto-makers, the Beijing Automobile Works (BAW), and will assemble vehicles locally, which had previously been imported. It is supported by the state agency, the Industrial Development Corporation (IDC).

Minister Patel pointed to an estimated annual domestic market demand of about 23 000 new minibus taxis, which since 2007 had been imported into South Africa.

In April this year, Toyota opened the country’s first minibus taxi plant in Durban.

“These developments will result, from next year, in about two-thirds – almost 16 000 – of the annual demand for taxis being assembled in South Africa,” Minister Patel said.

“This is a solid achievement over a short period,” he said.

“We see the assembly of taxis as a step towards full localisation and manufacture of taxis in South Africa. It is envisaged that this project will not only supply the South African market, but also create export opportunities to the rest of Africa – a consumer base of one billion people on a continent registering some of the fastest growth rates in the global economy,” Minister Patel said.

“While there are about 200 000 taxis on the road in South Africa, it is estimated that there are a further 100 000 in the rest of the Southern African Development Community (SADC), with an annual demand of about 12 000 taxis, or about 50% of the annual demand in South Africa,” he said.

“The opening of this BAW plant is one of the first projects under the IDC’s local bus, truck and minibus programme, which was initiated in 2010 to facilitate and actively develop projects supporting the development of the local Medium and Heavy Commercial Vehicle industry in South Africa, with the intention of creating jobs and enhancing production capacity, as well as promoting skills transfer in the industry. The skills transfer and skills development in this project will include extensive training of employees by BAW over the first two years, as well as employees receiving training at BAW’s plants in Beijing,” Minister Patel said.

#### **Enquiries**

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