

Automotive jobs revved up in Nelson Mandela Bay

New R3bn Stellantis plant in Coega and Benteler investment in Kariega welcomed with open arms




NEW ROADS: Key figures in the announcement of a new automotive plant at Coega are, seated from left, trade, industry and competition minister Ebrahim Patel and Stellantis Middle East and Africa chief operating officer Samir Cherfan. Standing, from left, are Coega chief executive Khwezi Tiya, trade and industry acting director-general Malebo Mabitje-Thompson, IDC divisional executive for manufacturing Imran Sayed and Stellantis SA managing director Leslie Ramsoomar

Image: Supplied

Nelson Mandela Bay is set to soon be home to a new R3bn greenfield plant operated by global automaker Stellantis, with the investment resulting in 1,000 new jobs at the facility and a further 2,097 throughout the Eastern Cape automotive value chain.

Completion of the plant in Coega's special economic zone is scheduled towards the end of 2025, and a range of 1-ton pickups, to compete in SA's popular bakkie market, are set to roll off the assembly line by 2026.



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The announcement came after delegates from Stellantis met officials from the department of trade, industry and competition and the Industrial Development Corporation (IDC) at the parliament buildings in Cape Town on Wednesday, further cementing a memorandum of understanding signed in March.

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Stellantis, headquartered in the Netherlands, is the parent company to more than a dozen popular car brands including Alfa Romeo, Chrysler, Citroën, Dodge, Ram, Fiat, Jeep, Maserati, Opel and Peugeot.

According to global production figures, the company produced about six-million vehicles in 2022.

To further cement the Eastern Cape as SA's automotive hub, vehicle component manufacturer Benteler Automotive SA officially opened a R500m extension to its Kariega-based plant on Tuesday.

Automotive Industry Development Centre Eastern Cape chief executive Thabo Shenxane said the investments were critical and welcomed.

“No-one is bigger than the Eastern Cape in the automotive industry and we should not be shy to say it,” he said.

“But to stay at the top we need to keep growing. Our economy depends on it.

“And that is why these developments are vitally important.”

Trade, industry and competition minister Ebrahim Patel said it was a good day for all South Africans.

Patel met Stellantis Middle East and Africa chief operating officer Samir Cherfan, who confirmed the company's intention to develop a greenfield manufacturing facility which is built with minimal or no existing infrastructure to increase production capacity.

“SA now has the capacity to produce close to 700,000 vehicles annually,” Patel said.

“This will add considerable additional capacity, just as we prepare to implement the African Continental Free Trade Area.

“The country remains a great investment destination and this commitment from Stellantis to invest in our local motor industry highlights the success of our manufacturing sector policy, its capability and potential.”

Eastern Cape premier Oscar Mabuyane also welcomed the investment by Stellantis.

“The government has been intentional in lobbying investors into our province.

“The arrival of Stellantis to our shores will mean that the province is home to five global automotive manufacturers.

“Our special economic zones continue playing a pivotal role in positioning our province as a key investment destination.

“As we welcome this investment and the thousand of jobs it comes with, we further affirm that the Eastern Cape is open for investment,” he said.

He said the province had patiently waited for the announcement.

“We are optimistic that this is unstoppable and we will do everything in our power as the provincial government to create a conducive environment for all our investors to stimulate appetite for new and potential investors.”

Mabuyane is at present on a trip to Tunisia and Egypt to promote trade and investment for the province.

“We are inspired by this good news. This will create more jobs and change the socioeconomic outlook of our province.”

Cherfan said the new plant would form a vital link in the company’s Dare Forward 2030 strategy as it looked to expand its share in the Middle Eastern and African automotive markets.

Production volumes at the plant are expected to reach up to 50,000 completely knocked down (CKDs) units annually including export, bringing 1,000 new jobs to the city.

The plant will be predisposed in terms of space and painting to go up to 90,000 units a year.

The company is aiming for a 22% share of the Middle Eastern and African market by 2030.

Coega Development Corporation chief executive Khwezi Tiya said with Stellantis joining other major manufacturers in the area it made the region the primary automotive hub in the country.

He said the global automotive giant's investment in facilities, human capital, training and skills transfers would be a boon for the region as its broader impact could potentially bring in R664m and 2,097 jobs across the Eastern Cape throughout the automotive value chain.

Meanwhile, Benteler added an additional 50 jobs to its staff complement of 700 with the launch of the 9,000m² extension to its Kariega plant.

The new hot forming line will boost production of the company's main product lines, which include chassis, frames and safety components.

On LinkedIn, Benteler's Kariega plant manager, Cleber Rossini, said with the expansion the company was strengthening its presence with local customers and making a significant contribution to the sustainable growth of the company.

"At the same time, we are supporting the local economy through this investment, underlining our commitment to the region."

Nelson Mandela Bay Business Chamber chief executive Denise van Huyssteen welcomed both investments.

Addressing the announcement about Stellantis's plans, she said: "This news comes at a time when the Bay desperately needs investment to create jobs so as to address the high unemployment and poverty levels."

She said further opportunities could be unlocked if the rail system between the Bay's two ports, Port Elizabeth and Ngqura, became fully operational and productive again.

“If all stakeholders can work together for a common purpose of ensuring that an enabling environment is in place, the potential is there to create employment and thereby grow our economy.”

Turning to Benteler’s investment, she said it was critical in helping to meet the demands of local manufacturers such as VWSA, Isuzu and other automotive companies across the country.

“We commend Benteler on this R500m investment, which increases their capacity and stake in our Bay.

“It is vital that all the stakeholders work together to ensure that stability returns to the operating environment, particularly in terms of electricity supply and improving the country’s rail and port logistics.

“This will help to encourage more investors to stay and to also retain and create much-needed jobs,” Van Huyssteen said.

She said almost half of SA’s 200 automotive component suppliers were located in Nelson Mandela Bay.

“From a vehicle manufacturing perspective, 53.5% of the country’s fully built-up vehicles were exported from Eastern Cape manufacturers last year, and assembled with a high proportion of components manufactured in Nelson Mandela Bay.

“It is very positive that multinationals continue to invest in the Bay, despite the challenging operating environment.

“The Bay has so much potential, particularly from an automotive skills perspective, which rates among the best in the world.”

She said the investment by Benteler had resulted in the creation of 240 new jobs throughout the automotive value chain.

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