

AfCFTA: Alive with possibilities

By [Onalenna Mhlongo](#)

12 Feb 2021

The South African government says it will maximise the opportunities presented by the African Continental Free Trade Area (AfCFTA), which came into operation on 1 January 2021, following the adoption of the Johannesburg Declaration by the African Union (AU).



©Gui Yongnian via www.123RF.com

The AfCFTA is set to create a massive market and demand for locally-produced machinery, clothes and food; provides a platform for South African businesses to expand into markets across the continent, and for South Africa to position itself as a gateway to the continent.

Delivering the 2021 State of the Nation Address on Thursday, President Cyril Ramaphosa said South Africa was already at work to reindustrialise the economy.

This, the President said, was being done through initiatives such as the Ford Motor Company's investment into the economy. The company recently announced a R16bn investment in the South African market, which is expected to majorly bump up jobs and local production.

"Last week, the Ford Motor Company announced a R16bn investment to expand their manufacturing facility in Tshwane for the next generation Ford Ranger bakkie. This investment will support the growth of around 12 small and medium enterprises

in automotive component manufacturing,” the President said.

Nearly half of the procurement spend on construction of the bulk earthworks and top structure at the Tshwane Special Economic Zone during this phase is expected to be allocated to small, medium and micro enterprises (SMMEs), an amount equal to R1.7bn in procurement opportunities.

Furthermore, the President reiterated Toyota's investment in its KwaZulu-Natal facility to start production of the first generation of hybrid electric vehicles to come off a South African assembly line.

“This follows investment announcements by Nissan, Mercedes Benz and Isuzu in expanded production facilities, all of which cement South Africa’s position as a global player in auto manufacturing. This year, our focus will be on getting the industry back to full production, implementing the Black Industrialist Fund and working on a new platform for expanded auto trade with the rest of the continent.

“This will be part of our concerted effort to boost the manufacturing sector,” the President said.

For more, visit: <https://www.bizcommunity.com>