

## New automotive factory an economic boost for KZN

President Cyril Ramaphosa says the investment commitment by both Ford and Metair Investments reflects long-term confidence in South Africa as a key link in the global automotive value chain.



Source: <https://unsplash.com/>

On Tuesday, President Ramaphosa officiated the launch of the Metair Investments subsidiary Hesto Harnesses, where a new 35,000sqm2 state-of-the-art manufacturing plant was unveiled in KwaDukuza, KwaZulu-Natal.

In partnership with Yazaki Corporation, Hesto Harnesses manufactures wiring harnesses and instrument clusters for supply to South African-based automotive Original Equipment Manufacturers (OEMs) Toyota, Isuzu, Nissan and Ford.

The president was very impressed at the grand opening of Metair's R500m manufacturing facility for automotive sector parts.

"I've never been as impressed as I am this morning by just walking on the floor of this factory and seeing the great enthusiasm on the faces of the workers. I saw not only enthusiastic faces and people, 70% of them women, all of them so

beautiful.

“The youthfulness of the people who work here and the cohesion. Just meeting the people here made my day. This has been a great exposure what Hesto does and exhibition of what we have achieved here,” the President said.

The President said that the reindustrialisation of South Africa’s economy is a key pillar of the Economic Reconstruction and Recovery Programme.

He said that government has developed several industrial policy measures and is implementing far-reaching reforms to unlock growth opportunities in priority industries.

These include the automotive industry and extend to areas such as clothing and textiles, chemicals and plastics, steel and metals fabrication, green industries, the digital economy and network industries like energy and transport.

## Localisation

Speaking on the concept of localisation, President Ramaphosa said that government will continue to drive increased localisation as the domestic sector moves into electric and other new energy vehicle assembly platforms.

“Wherever we go as we push forward with the concept of localisation, we are finding that industry players are responding quite positively to it and I would like to thank you for having responded positively to localisation, I have seen the localisation effort at play here.

“I was also impressed to hear how much localisation you have paid attention to, by getting certain percentage of workers from around the factory, which makes various communities to feel as one with the companies. As we move forward with our localisation efforts into various other platforms, we are moving forward with the objective that we have set ourselves,” the president said.

He added that he understood that Metair is both supplier and a business partner to the vehicle assemblers and that the company has been a driving force in achieving localisation targets.

Through these efforts, he said the company has secured multiple contracts from Ford South Africa to support their production expansion strategy in South Africa.



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The President emphasised that the automotive sector in South Africa is one of the biggest beneficiaries of foreign direct investment in the country.

Despite all the challenges, 2021 was a significant year for automotive investments.

“We need to work together to unlock new business opportunities, transformation and employment creation in South Africa’s component manufacturing landscape, just as we need to promote new investments in technology and skills. That is why the localisation rate in the Automotive Production Development Plan is targeted at 60% by 2035,” he said.

The president reiterated that South Africa remains one of the preferred investment destinations in Africa and is an important gateway for markets and other business opportunities throughout the continent.

He said that the African Continental Free Trade Area will further open opportunities for the development of export markets, the growth of industrial bases and the expansion of regional value chains.

“The South African economy has the potential to achieve a higher growth trajectory through unlocking competitive advantages in key sectors of the economy. As government, our role is to create an enabling environment for businesses such as this one to flourish. We are hard at work to implement institutional and governance reforms to support a sustained recovery in business and investor confidence,” he said.

## **Job creation**

The president has reiterated that unemployment remains one of the greatest challenges affecting the livelihoods of individuals, the well-being of families and the development of society.

“It is therefore significant and most welcome that this facility will create over 4,000 employment opportunities, which will translate into a R30m monthly spend on salaries and wages being injected into the iLembe District,” the President said.

He said that the benefits of this investment will also be felt by maintenance, catering and other service providers that will be contracted to support these operations.

## **Skills development**

The President highlighted the strong skills development mandate that is being implemented across the Metair stable, including a new multi-million rand bursary and apprentice training programme.

“It is pleasing that there is a strong focus on female candidates, as is the fact that Hesto Harnesses is predominantly a female-driven operation with 70% of employees being female,” he said.

President Ramaphosa commended Trade, Industry and Competition Minister Ibrahim Patel, KwaZulu-Natal Premier, Nomusa Dube-Ncube, the Mayors of Ilembe and KwaDukuza and iNkosi uDube and their teams for their contribution in making the project come to fruition.

He said that this project, like many other projects in the automotive sector, was made possible because of the policy certainty created by the Automotive Master Plan and the Automotive Production and Development Programme.

“In this project, we have demonstrated that we can build and rebuild together. We commend Ford for the confidence demonstrated by this major investment. We also laud the partnership between Hesto and Japanese company Yazaki,” the President said.

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