

Fabricated Metal Products & Machinery (including Automotive)

The industry employs more than 7 000 people in vehicle manufacturing operations and almost 28 000 people in the vehicle retail sector. There are also a number of vehicle component manufacturers based in KwaZulu-Natal with a total annual turnover of R9.5 billion, which employs around 13 500 workers.



The key automotive player in the Province, Toyota South Africa, which has been the market leader for the past 26 years, produced a total of 125 000 units in 2005. It is supported by a sophisticated components' sector with strongly developed national and international linkages. Toyota is the number one selling vehicle brand in South Africa, and is gearing up for a major vehicle export programme. Toyota says its programme to enter the export market will see it achieve a production capacity of 200 000 units annually by 2007, of which around 80 000 will be sold locally, leaving 112 000 for export. The current production capacity of Toyota SA's plant in Durban is in excess of 100 000 vehicles annually. This is set to expand to 220 000 units per annum by 2008. The South African operation now exports built up units to both Australia and Europe.

Toyota SA has demonstrated their commitment to the economic development of the KwaZulu-Natal region by attracting component suppliers to the region as well as investing further in its own expansion programme to cater for increased production in the future. One of the latest developments, currently under construction, is an environmentally friendly, high tech water based paint plant. The new paintshop, due for completion in July 2006, will have the capacity to paint 220 000 units a year.

Toyota SA has entered into a public private partnership with the KwaZulu-Natal provincial government and eThekweni Municipality to establish an automotive supplier park in Durban. The R450-million park will be South Africa's third such supplier park, but the first for the KZN province. The other two are situated in Uitenhage, in the Eastern Cape and in Rosslyn, near Pretoria. Already, at least 13 automotive component suppliers have shown interest in setting up business in the park in an environment that would be to the benefit of suppliers and producers alike, enabling savings on transport and just-in-time management across the board.

Another important manufacturer, Volvo South Africa, is presently relocating its truck plant from Gaborone, Botswana, to Durban. Denso, Japan's largest and the world's third largest automotive component manufacturer has just purchased an equity stake of 25% in Prospecton-based Smiths Manufacturing, leading to the establishment of their Toyota Boshoku and Toyota Gosei factories. The province is also home to Man truck and bus in Pinetown.

The Durban Automotive Cluster (DAC) was established to support the automotive manufacturing industry in Durban and the Province of KwaZulu-

Natal. The cluster is supported by 35 automotive firms, which represent more than 80% of the regional industry, the Department of Trade and Industry, the provincial government and Durban local government. It has a simple mandate to enhance the competitiveness of the regional automotive manufacturing industry through the co-ordination and facilitation of information sharing and joint activities.

There are numerous advantages in choosing Durban as a site for an automotive component manufacturing facility which include

- A world-beating cost advantage on short runs.
- Transport costs are distance related and there is a set of markets that are geographically well placed relative to South Africa.
- South Africa is a right-hand drive country, so it is logically well suited to manufacturing right-hand drive vehicles.
- Novel South African-developed technologies.
- First world production facilities.
- The car terminal recently became the first terminal in the port to achieve a five-star safety award.