

Chinese Company To Build Car Plant In SA: Report

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Chana Auto Company (ChangAn), the Chinese state-owned vehicle manufacturer, will invest US\$80 million (about R662.4 million) in South Africa, Business Report said on Tuesday.

This would happen within the next five years as the company set up a production plant with an annual capacity of more than 50,000 units, the newspaper said.

Yang Qing, the general manager of Chana International Corporation, told Business Report the investment, expected to create 1000 job opportunities, would be set up in three phases.

The establishment of an assembly plant would be the final stage, once Chana had a four percent share in the local market, he said.

Tony Twine, a motor industry analyst and director of Econometrix, said this would be the first investment in a greenfields auto assembly operation in South Africa in the past 40 years.

Other phases of ChangAn's investment included the setting up of a company to promote Chana sales in South Africa as well as a vehicle financing company with its strategic financial institution partners, including China Construction Bank, Absa and WesBank.

According to Business Report, Chana entered the South African market in 2006 through Abrina, a local import and distribution company.

"To date, about 7000 Chana vehicles have been sold into the domestic market," the report said.

ChangAn is China's fourth-largest vehicle manufacturer.

Chana had not yet finalised the location for its assembly plant, the report said.

Iqbal Sharma, the deputy director-general at the department of trade and industry, was quoted as saying the investment by ChangAn was a landmark moment in the relationship between South Africa and China.

Source : Sapa /jr/gj

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