

Taxi plant launched in Springs

By [Alexander Parker](#)

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In a move with the potential to shake up the local taxi market, Beijing Automobile Works SA announced the opening of a minibus taxi assembly factory in Springs on Wednesday (13 November). The company said it expected to move to full manufacturing by 2015.



While the local taxi market is relatively small producing between 20,000 and 25,000 units a year, the company's head of sales and marketing, John Jessup, said it had an eye on exporting into sub-Saharan Africa. Currently the market is dominated by the Durban-manufactured Toyota *Sesfikile*.

He also said the company would start to import "fully built-up double-cabs and SUVs".

BAW SA is a joint venture between Beijing Automotive Works (itself a subsidiary of the Chinese state-owned Beijing Automotive Industry Holding Company, China's fourth-biggest vehicle manufacturer), which holds 51% equity, the Industrial Development Corporation (24.5%) and the balance of shares belonging to China Africa Motors (CAM), a company owned by James Chung, which until now has been importing the BAW minibus taxi known locally as the *Inyathi*.

Chung has been appointed chief executive of BAW SA.

The IDC said in a press release on Tuesday that the combined investment was R196m and would, including at an expanded dealer network, create approximately 1,000 jobs.

Geoffrey Qhena, chief executive of the IDC, said that the investment "underlines the continued strong co-operation between the Brics countries. The assembly plant is expected to provide many benefits to South Africa, including increased localisation of the automotive industry and export opportunities".

Jessop said the company would initially start off by assembling semi knock-down kits of the *Inyathi*, a taxi based on the fourth-generation Toyota Hiace and known in China as the Haice.

But it would also begin to assemble the next-generation Haice, codenamed 009, which he said "looks a bit like the [Toyota] Quantum".

Toyota South Africa's Leo Kok said they would not normally comment on competitor's products, but added that Toyota Motor Corporation had "no partnerships" with BAW, either here or in China.

Jessop said the *Inyathi* would be "rebranded as BAW" as a result of BAW's investment here and that the first BAW taxis would "roll off the line in January". He said the plant would eventually have the capacity to assemble 9,600 vehicles annually, but that he expected the company to be producing between 200 and 300 units a month by mid-year.

Jessop said the company would be "manufacturing for the whole of sub-Saharan Africa," itself unsurprising as Chinese firms look for growth opportunities as their domestic market cools.

He added that while there were currently 25 former CAM dealers, BAW SA was hoping to expand the network to "35 to 40 dealerships".

BAW is the first Chinese manufacturer to set-up a minibus assembly plant in South Africa. Rumour abounds that Nissan is in the process of developing a minibus taxi for local manufacture, and that Peugeot are keen to introduce a product locally too. If that came to pass, given Toyota's 20 000-units-a-year capacity for *Ses'fikile* at its Durban factory, the market could become extremely competitive, or even over-traded.

Jessop said BAW SA will continue to offer the *Inyathi* at about R185,000, and that the 009, which "has an aircon and ABS", would cost about R265,000 and come with a two-year, 200,000km service plan.

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