

Samsung's first African factory goes up in Dube

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Electronics company Samsung has agreed to establish its first African manufacturing facility at KwaZulu-Natal's Dube Tradeport, after Dube's special economic zone (SEZ) status was approved by the Cabinet two weeks ago.



The DTI's Lionel October says that year-long negotiations have resulted in Samsung undertaking to open a manufacturing plant at Dube Tradeport in KwaZulu-Natal. Image: DTI

Lionel October, the Director-General of the Department of Trade and Industry, said that the South Korean firm would be an anchor tenant at Dube, following more than a year of talks between the company and his department.

Samsung, which is one of the world's 10 largest companies by value, already had a strong presence in the South African consumer-goods market and would make a multi-billion-rand long-term investment in South Africa.

"Samsung would initially manufacture household goods such as fridges and other appliances, but it could also make higher-value technology products, such as tablets, once it was established," October said.

Samsung had been waiting for Dube's SEZ status to be approved and had chosen Dube because of the region's infrastructure, trade links and the zone's tax incentives.

Local and African markets attractive

October said South Africa was benefiting from the improved prospects on the rest of the continent, with large multinationals increasingly looking to establish a presence in South Africa because of the growing African market.

"South Africa had an opportunity to be in Africa what Germany was in Europe, namely the major producer of high-value technology products," October said.

Meanwhile, Chinese electronics and consumer goods company Hisense last year opened a 25,200m² factory in the Western Cape at Atlantis, also identified as a potential SEZ hub.

Hisense injected R350m into the first phase of its Atlantis plant, which was established to initially supply sub-Saharan Africa with flat-panel televisions and refrigeration units.

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