

GM awards R6bn SA contract

 By [Henrie Geysers](#)

28 Jun 2013

General Motors South Africa (GMSA), in partnership with component manufacturer Tenneco South Africa, has been awarded a R6-billion contract to export catalytic converters to North America.



The catalytic converters, which will be manufactured at Tenneco South Africa's Clean Air Plant in Port Elizabeth, will be supplied for GM's next-generation V-6 engines that will be used for vehicles built and sold in North America from 2015 through 2022.

"The decision to award this contract to South Africa is a great show of support by our parent company, as it comes ahead of a clear legislative framework by the South African government to support the strategic growth of exports," said Mario A. Spangenberg, President and Managing Director, GM Africa.

This programme is a major boost to the Eastern Cape economy. It will create and retain employment through various value streams of manufacturing, supply and support services. In addition, the mining sector will benefit from a projected requirement of 10 tons of platinum group metals over the duration of the programme.

GMSA and Tenneco South Africa have worked together for over 12 years to produce catalytic converters and related components for the North American market. GMSA's current exports stand at 2.6 million catalytic converters per annum for application on 17% of vehicles produced by GM globally.

"Tenneco and General Motors have a long association and we are delighted to have been chosen for this important programme," said Gary Keen, Tenneco Country Manager.

General Motors International Operations Vice President of Global Purchasing and Supply Chain Johnny Saldanha said: "Supplier operations in South Africa are competing with other operations around the globe. In order to attract business, suppliers need to be globally competitive in the critical areas of both cost and productivity. In parallel to this, business needs to operate in an enabling economic environment supported by a stable labour force."

He added, "A key characteristic of vehicle manufacturing is that we often have to plan as far as five years in advance for the next vehicle programmes. We need to have a predictable and clearly defined legislative framework in order to accurately predict future trends and make realistic business plans."

ABOUT HENRIE GEYSER

Henrie Geyser joined the online publishing industry through iafrica.com, where he worked for five years as news editor and editor. He now freelances for a variety of print and online publications, on the subjects of cars, food, and travel, among others; and is a member of the South African Guild of Motoring Journalists. henrieg@africa.com

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