

Aspen's new facility to create more jobs

Trade and Industry Minister Rob Davies has launched Aspen's R1bn high containment facility that will create over 500 jobs.



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Launched in Port Elizabeth in the Eastern Cape, on Monday, the High Potency suite, more correctly called the HCS – High Containment Suite – Unit 4 will lead to the creation of a further 500 jobs.

The sterile facility was a partnership between the Department of Trade and Industry (dti) and Aspen. The pharmaceutical company benefited from the dti's 12I Tax Incentive with a tax credit of about R209m.

Minister Davies said this is a significant investment which is taking South Africa into a new level of manufacturing space and creating the necessary jobs that South Africa needs in the manufacturing sector.

"If we look at the pharmaceutical industry, South Africa's population is the largest consumer of pharmaceutical products. When we look at some of these statistics, I think we can see that there are huge challenges in that we have a huge trade deficit of around R20bn. This means we import R20 billion of pharmaceutical products than we export," said Minister Davies.

The Minister said the contribution of manufacturing in the pharmaceutical sector is about 0.48% of South Africa's Gross Domestic Product (GDP) which plays a small part in the economy and employs about 9,600 people.

"I think when we look at the manufacturing value chains in the world, South Africa will be better off if we are involved in the production of value added products, even if it is just basic manufacturing than simply importing."

Minister Davies congratulated Aspen for investing in South Africa, adding that the company has become a multinational player that continues to retain its roots in South Africa and uses its global presence to constantly deepen its manufacturing capacity in the country.

Group Chief Executive of Aspen, Stephen Saad, said the company is a serial investor in the South African pharmaceutical industry.

He added that the company is pleased that its capital expenditure (Capex) investment into the South African market over the past two years has out-stripped the investments made into the industry over the past decade.

"We are pleased that over 90% of the jobs that will be created in the new facility will be local jobs, mostly drawn from surrounding communities such as New Brighton township, these employees go on to become world class, highly skilled people, that can hold their own anywhere and in most facilities, globally. A further aspect of our DNA, particularly in pursuit of creating a better country, is partnering with government where possible," said Saad.

The 12I Tax Incentive is designed to support Greenfield investments (i.e. new industrial projects that utilise only new and unused manufacturing assets), as well as Brownfield investments (i.e. expansions or upgrades of existing industrial projects). The incentive offers support for both capital investment and training.

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