

Toyota SA pours billions into the economy

Toyota South Africa Motors (TSAM) announced that it is investing a cumulative amount of R4,28bn between 2019 and 2021 during its third instalment of the State of the Motor Industry (SOMI) address in Kyalami. The current wave of TSAM's investment drive will straddle across different divisions, including parts distribution at Atlas Warehouse in Johannesburg as well as various manufacturing projects at the Prospecton Plant in Durban.

 By [Naresh Maharaj](#) 11 Feb 2022



The Lexus LS Hybrid | image credit: Naresh Maharaj

The lion's share, a staggering R2,43bn, has been earmarked for the production of a new passenger-car model at Prospecton from October 2021. The new passenger model will replace the Corolla (not Quest) production line, which is due to end in 2020. TSAM is also proud to announce that this includes, for the first time on the African continent, the production of a Toyota Hybrid Synergy Drive vehicle as a variant.

According to president and CEO of TSAM Andrew Kirby: "With this investment, Toyota South Africa Motors is solidifying its long-term commitment to local manufacturing as well as the South African automotive industry. The investment will generate an additional R2,85bn towards the South African economy per annum and approximately 1,500 new jobs. It is of particular importance to note that this investment would not have been possible without industrial policy certainty in the form of APDP-2, and I would like to thank all the role players involved in paving the way to practical implementation of the new policy regime in 2021."



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Other pockets of investment include substantial enhancements to the local production of Hiace Ses'fikile (R450m) as well as its production volume increase (R91m) from 14,000 to 18,000 units per annum (culminating in 270 new jobs), and the establishment of a packing plant to support TSAM's knockdown

business of Hilux in Kenya (R20m).

TSAM is also investing R365m to double the size of its Atlas Warehouse from 40,000m² to 80,000m². When completed in 2021, the facility will be the largest automotive parts warehouse in the Southern Hemisphere. The organisation also has a number of ongoing projects between 2019 and 2020, including investment into the new Corolla Quest and several facilities upgrades at the plant, that come to a total of R928m.

TSAM has invested more than R12bn in the South African economy over the past 10 years in areas such as manufacturing facilities, equipment updates and dealer operations.

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