

Zuma sets up auto industry team

PRETORIA: President Jacob Zuma has set up a team to follow up on matters raised by the automotive sector during a meeting in Port Elizabeth, said the Presidency. The president met with industry leaders in Port Elizabeth on Wednesday, 28 September 2011.

"The visit was aimed at promoting job creation and Vision 2020 for the auto industry, which is aimed at ensuring the growth of the sector to produce at least 1.2 million vehicles per annum. The current output is more than 500 000," Presidential spokesperson Mac Maharaj said in a statement.

This comes as government's Motor Industry Development Programme is to be replaced by a new programme - the Automotive Production and Development Program (APDP) in 2013.

The objectives of the programme include the stimulation of expansion of vehicle production to 1.2 million vehicles per annum by 2020.

The plan was welcomed by the industry which also requested the president to look into an increasing level of imports on the domestic market, performance of the global economy affecting aggregate demand in key export markets, relatively cheaper vehicle components from low cost countries such as India and China, rising input costs, for example energy tariffs and port cargo duties and the relatively small size of the domestic market (less than 1% of global the market) and distance to key automotive markets.

Minister of Rural Development and Land Reform Gugile Nkwinti, who chairs the Management Committee of the Presidential Infrastructure Commission, will work with economic development Minister Ebrahim Patel, who chairs the Secretariat of the Commission, to lead discussions with the industry as well as the Eastern Cape provincial and local government leadership to find solutions.

They will report to the President on an ongoing basis.