

# Cabinet lauds historic investment on Coega

**Pretoria** - Cabinet has welcomed the R11 billion investment by the Beijing Automobile International Corporation (BAIC) to establish an automotive manufacturing plant in the Coega Industrial Development Zone (Coega IDZ).

Describing the deal as historic, Cabinet said the transaction is the biggest automotive investment in Africa in the last 40 years and reaffirms South Africa as a top investment destination for global automotive producers.

Coega IDZ is situated in Port Elizabeth in the Eastern Cape.

“This was made possible through South Africa’s supportive policy environment, in particular the Automotive Production and Development Programme which has attracted automotive producers from across the world,” a Cabinet statement said on Friday.

The BAIC investment is an outcome of the Forum on China-Africa Cooperation (FOCAC) that was held in Johannesburg in December 2015, where President Jacob Zuma and Chinese Prime Minister Xi Jinping signed no less than 26 bilateral agreements valued at approximately R100 billion.

The Cabinet statement said the project positions the Eastern Cape as an automotive hub and has the potential of deepening the component supply chain, job creation and economic development.

The investment was expected to create 2 500 jobs directly and more than 10 600 jobs indirectly.

Earlier this year, Toyota announced that it would manufacture the new Toyota Hilux and Fortuner models as part of a R6.1 billion investment while BMW is to construct a R6 billion state-of-the-art body shop.

“These investments help advance our national priorities of reigniting economic growth, preserving existing and creating more jobs in the economy,” Cabinet said. – **SAnews.gov.za**