

Stellantis says it will invest R3 billion in a greenfield manufacturing facility in Coega



Stellantis N.V. is a multinational automotive manufacturing corporation formed from the merger of the Italian American conglomerate Fiat Chrysler Automobiles and the French PSA Group. The company is headquartered in Amsterdam

Vehicle manufacturer Stellantis says it will invest R3 billion to develop a greenfield manufacturing facility in Coega, in the Eastern Cape, along with the Industrial Development Corporation (IDC) and the Department of Trade, Industry and Competition (dtic). The manufacturing plant is scheduled for completion by the end of 2025.

The first vehicle to be built, planned for early 2026, is a one-ton bakkie, with volumes expected to reach up to 50 000 units a year for the local as well as export markets.

The plant's capacity, as determined by space and the paint plant, is 90 000 units a year. Direct employment to support initial volumes is expected to be 1 000 jobs.

The localisation of parts is targeted at more than 30%.

Stellantis owns and sells the Fiat, Fiat Professional, Abarth, Alfa Romeo, Citroën, Jeep, Opel, Peugeot and MOPAR brands.

Trade, Industry and Competition Minister Ebrahim Patel and senior officials from the IDC recently met Stellantis Middle East and Africa COO Samir Cherfan at Parliament, in Cape Town, to shake hands on the manufacturer's investment in the South African motor industry.

Stellantis says it continues to "work closely" with the IDC in developing a viable joint venture (JV) partnership.

"Stellantis' success with similar manufacturing plants around the world is well-known and our planned JV with Stellantis to build another greenfield plant in South Africa is progressing well," says IDC CEO TP Nchocho.

"The investment is in line with the IDC's intent to drive investment that supports the development of the regional automobile value chain."

The IDC's other domestic automotive plant JV, with Chinese manufacturer BAIC, also in the Eastern Cape, is yet to yield a single production unit, although already completed for some time now.

"We are delighted with the speed at which we are progressing on this project, thanks to the commitment of Minister Patel and the great collaboration with the IDC, Coega Development Corporation (CDC) and dtic teams," says Cherfan.

"This project reflects our focus and trust in South Africa as one of the most important markets in Africa and the Middle East."

"It is also the execution of our Dare Forward 2030 Strategy to reach over 22% market share in the region by 2030, with 70% regional localisation of our sales, leading to over one-million units produced," notes Cherfan.

"It is a wonderful day for all South Africans when a global company of Stellantis' proportions decides to expand its manufacturing footprint in South Africa, to assemble completely knocked-down units," comments Patel.

"This is a much needed and welcomed economic boost for the Eastern Cape, with an anticipated economy-wide impact on the province's gross domestic product of R664 million," adds CDC CEO Khwezi Tiya.

"Household income is anticipated to increase to R558.4 million within the Nelson Mandela Bay municipality, and R577.4 million for the entire province."

"Most importantly, an anticipated 1 800 jobs will be created in the metro and around 2 097 for the Eastern Cape province."