

## Secteur : Construction automobile

### Entreprises du « Top 500 des entreprises africaines » appartenant au secteur de la construction automobile et des équipementiers automobiles

Pays	Nom	Classement 2016	CA (MUSD)	Résultat net (MUSD)	Localisation	Source
Afrique du sud	Super Group	119	1231	81		Top 500 2016
Afrique du sud	Invicta Holdings	156	900	62		Top 500 2016
Afrique du sud	Eqstra Holdings	161	859	21		Top 500 2016
Afrique du sud	Metair Investments	221	626	54		Top 500 2016
Afrique du sud	Hudaco Industries	348	386	1		Top 500 2016
Egypte	Ghabbour Auto	84	1718	33		Top 500 2016
Maroc	Renault commerce Maroc	198	714	n.d		Top 500 2016
Maroc	Somaca	272	522	n.d		Top 500 2016
Maroc	Société de Promotion industrielle automobile au Maroc	434	284	n.d		Top 500 2016
Afrique du sud	Bell Equipement	247	569	6		Top 500 2016
Tunisie	Groupe Elloumi	124	1178	n.d		Top 500 2016
Afrique du sud	Kap International Holdings	116	1270	-6		Top 500 2016

## South Africa: A key sector for the economy

South Africa is traditionally the leader in Africa of the automotive industry. The country's main international manufacturers are BMW, Chrysler, General Motors, Fiat, Ford, Toyota and Volkswagen. These manufacturers are all concentrated in the Provinces of Eastern Cape, Gauteng and KwaZulu-Natal.

- ✓ Volkswagen have had a factory in Eastern Cape since the early 1950s, which now employs around 6,000 people and produces 120,000 vehicles per year, of which 40,000 are exported to fellow African countries. The Volkswagen group holds a market share of approximately 22.1% in South Africa.
- ✓ BMW caters for 5,000 employees in South Africa and manufactures around 55,000 a year, the BMW Rosslyn Plant in Gauteng was founded in 1968 and plays an important role in the production of equipment used in vehicles.
- ✓ Mercedes-Benz manufacturing plant was founded in South Africa, Eastern Cape around 1954 and produced 55,900 vehicles in 2010 and in the same year the local market saw Mercedes-Benz sell 25,400 cars and 6,100 trucks.
- ✓ MAN has been present in Africa since 1968 and positions itself well in South Africa, maintaining two plants and a "spares" depot, employing 393 citizens who produce around 2,500 vehicles annually find that they sell almost entirely on the Southern Africa markets.

The South African government has provided substantial support for the automotive industry in the past 20 years and is still identifying it as a key growth sector. In an the Department of Trade and Industry Budget Vote Address delivered in July 2014, Trade Minister Rob Davies said that “given that automotive manufacturer and components comprises 30% of our industrial sector, with strong linkages to other manufacturing sub-sectors, the impact of such investment on our domestic economy is significant.”

The Department of Trade and Industry has provided a series of programs in order to assist the sector. The first of the programs—MIDP—was introduced in 1995. The program had the following key objectives:

- Improvement of South Africa’s automotive industry’s international competitiveness  
Improvement of vehicle affordability in the domestic market
- Encouragement of growth in vehicle and component manufacturing, mainly through exports
- Stabilizing the employment levels in the industry
- Creating a better industry foreign exchange balance.

The program is considered a great success. Under the MIDP, the sector exhibits significant growth – it almost doubled its size since 1994.

Its successor is the APDP, which was implemented on January 1, 2013. The APDP’s main goal is to simultaneously stimulate the expansion of local production up to 1,2 million vehicles a year by 2020 and increase significantly the local content. The intention is to achieve that through investments, unlike the MIDP which relied mainly on exports. According to the National Association of Automotive Component and Allied Manufacturers (NAACAM), the program has four pillars: Import Duty, vehicle Assembly Allowance (VAA), production Incentive (PI), automotive Investment Scheme (AIS)-

The quality of car production in South Africa has been greatly increasing with the goal of production equal quality to car manufacturing plants in western Europe which are responsible for some of the world most quality controlled production in the automotive industry-With quality of cars reaching comparable levels to western European production exports are increasing. Production has been down but quality has went up and has yielded more profit from it.

Sources: 1/: [www.southafrica.info](http://www.southafrica.info); 2/: *Automotive in South Africa-Key information on the South African motor industry*; 3/: *IWIM - Institut für Weltwirtschaft und Internationales Management - The Export Performance of the South African Automotive Industry. New Stimuli by the EU-South Africa Free Trade Agreement? - Universität Bremen*

## **Egypt : The priority is to supply the local market**

Egypt boasts 26 automotive assembly plants of major car brands and is considered the fastest growing automobile market in the Middle East and Africa. Some 5.6 million vehicles are registered in Egypt, 32% of which are more than 17 years old. The market is experiencing a steady increase of an average 190,000 units per year.

Total production in 2011 was 133,000 units, while imported vehicles reached 97,000. In the more than two dozens years since, the Egyptian automotive assembly business has grown from just three plants relying on mostly imported components, to 16 businesses with 26 assembly lines, manufacturing now near 100,000 annually of passenger cars, light commercial vehicles, trucks, and buses, as well as 300 factories that produce most automotive components.

Besides GM, giants such as BMW, Nissan, Hyundai, and Daewoo produce a majority of their product line in their factories in Egypt. In fact, the BMW assembly line in Egypt is the only factory outside Germany where the BMW 7 Series is produced. Many internationally known auto manufacturers, including General Motors, Daimler/Chrysler (Jeep Cherokee), Mercedes, Peugeot, Hyundai, Suzuki, BMW, and Citroen have established assembly plants in Egypt.

According to the European Partnership, Egyptian products are expected to be allowed into Europe free of custom duties – and European products into Egypt – but only after a transition period of 10-12 years. Automotive industrialists believe that Egypt should make use of those years and of the support offered by Europe to develop its industry and to export as much as possible.

Manufacturers are said to be less enthusiastic about exporting than the Egyptian government is, however. Most Egyptian-made products lack the quality to compete in Europe, and excluding Egypt, Common Market for Eastern and Southern Africa (COMESA) member countries together have a market of only 60,000 cars a year. Also, except for Egypt and Sudan, all other COMESA member countries are right-hand drive, which would require an adaptation of vehicles that is not justified by the size of the market.

Feeder industries have developed greatly in the past few years to serve the increasing number of car factories as well as the aftermarket. Today, they include at least 338 factories employing around 70,000 workers with an annual production of \$455 million, according to the Egyptian Automobile Manufacturing Association (EAMA) statistics.

The importance of the auto industry in Egypt stems from its support of a huge base of labor-intensive feeder industries that embrace almost every sector of the economy. Even though sales of new vehicles are only around 70,000 vehicles annually, including passenger and commercial vehicles, both locally assembled and imported, many companies have been locally established to supply parts needed for local assembly.

By law (a Ministry of Industry Decree 192), the local content in assembled vehicles must be at least 45% for passenger cars and 70% for trucks and buses. As a result of local content laws, typically some 15% of the car value is in painting and manpower needed for the assembly process. Every assembler deals with at least 30 local suppliers who provide components such as glass, tires, upholstery and batteries. To comply with local content requirements, the following automobile components were developed in the local market and are now being manufactured in Egypt at or very close to international standards: - Tires and inner tubes. - Glass and windshields. - Aluminum parts. - Electrical wires. - Leaf springs. - Oil filters. - Air filters. - Upholstery material. - Plastic parts and bumpers.

The relatively recent local content laws have caused a lot of problems for many local manufacturers, especially those assembling sophisticated cars like Mercedes and BMW. Experts in the automotive industry believe that 45% is the maximum that car manufacturers could reach in terms of local content, as any additional increase would mean having to make parts of the engine or the body in Egypt. While it is certainly possible in technical terms to manufacture those parts locally, production would not be in large enough quantities to cover the high investment cost.

Today, apart from the public sector firm NASCO, there are other car producers in Egypt manufacturing more than sixteen brands and models:

### **1. Al Fotouh Car Assembly Company**

Assembler of the BMW 500 series

### **2. Arab American Vehicles**

A joint-venture between AMC and the Arab Organization for Industrialization

(assembler of the Jeep Cherokee and Jeep Wrangler)

### **3. El-Tramco**

Assembler of the Polish and Czech vehicles, Rama and Jawa

### **4. General Motors Egypt S.A.E**

is a car and motor vehicle manufacturer based in Maadi, Cairo The company's car factory is located in the 6th October City . A 100%-owned subsidiary of General Motors that assembles the Opel Vectra, Chevrolet and Isuzu trucks, and Frontera 4x4 vehicles

### **5. Ghabbour Brothers**

Assemblers of Hyundai passenger cars and Scania buses. is an Egyptian manufacturer of Automobile, Buses, Trucks and motorcycles located in Cairo the Group is manufacturing vehicles for a lot of brands such as Bajaj, Hyundai and Volvo With an output of annual 150,000 units is the Ghabbour Group currently the largest automobile manufacturer of the Middle East.

### **6. Gorika Egypt**

Assembler of trucks

### **7. JAC**

Assembler of Citroen

### **8. Mercedes Egypt**

Assembler of the Mercedes E200, E240, C180 and C200

### **9. Suzuki Egypt**

Assembler of Suzuki passenger cars

### **10. Wagih Abaza Company**

Assembler of the Peugeot 405

### **11. The Bavarian Auto Group**

Is an Egyptian enterprise for manufacturing and selling BMW vehicles on the local market. It was founded by BMW in March 2003 as a competitor to the Egyptian German Automotive Company Joint -venture MB The assembly plant of the company is located in the 6th October City

#### **12. Speranza Motors, Ltd**

Is an Egyptian auto manufacturer based in Maadi, Cairo It is a part of the **Daewoo Motor Egypt** (DME) which itself belongs to the **Aboul Fotouh Group**. The factory is located in the 6th October City

#### **13. The Seoudi Group**

Is an Egyptian automobile manufacturer which was founded in 1975 with its current head office in Cairo he company began its work with the Modern Motors S.A.E. which is specialized for manufacturing Nissan Vehicles

#### **14. The Egyptian German Automotive Company**

Or short EGA, is an Egyptian car assembler which is located in the 6th October City assemble vehicles of the Mercedes Benz

#### **15. El Nasr Automotive Manufacturing Company)**

Is Egypt's state owned automobile company, founded in 1960 in Helwan, Cairo Since 1979 the company has produced licensed versions of the Fiat

*Source : Automotive Industry in Egypt – Thai Trade Center, Cairo – October 2013*