

Local Ford boss joins VW in concerns about justifying business presence in SA

By Imran Salie

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Ford Motor Company of Southern Africa's president Neale Hill has echoed similar sentiments to the ones recently made by Volkswagen's brand chief Thomas Schaefer on South Africa's economic circumstances affecting local operations. Hill was speaking to local media at the recent [launch of the new Ford Puma](#).



Schaefer said at the time that he was "worried" about Volkswagen's operations in the country because of load shedding and logistical issues impacting manufacturing at Volkswagen's plant in Kariega.



Volkswagen "very worried" about the future of its operations in SA

Joe Bavier 27 Nov 2023



Hill, however, said that he doesn't think the problems currently facing automotive manufacturers in South Africa will lead to a sudden unplugging of operations. He said the situation is more of a slow poison that Ford South Africa and other manufacturers will feel later down the line.

"I think the bigger risk we face is the slow poison that we are feeling because it's getting harder and harder to convince our principles that South Africa is worthwhile doing business in. We have to fly parts in versus using the sea because we can't get stuff through the ports.

"We are actually moving into a position where it's actually more expensive to produce a vehicle in South Africa as opposed to Thailand. My fear is that the investment decisions taken now are not going in our direction. But we are not going to feel that now but in five years time," he said.

Some of the problems that are making Ford's operations in Thailand more appealing is the fact that the company has resorted to air freight to bring parts into South Africa. Hill said these types of logistical problems have put an unnecessary strain on Ford South Africa's business. Transnet has faced problems with providing rail port services due to backlogs and equipment shortages.

Hill also said he's worried about South Africa not attracting enough investment as a result of the problems facing automotive manufacturers in the country. "Because we are a high-risk volatile country where unfortunately government is not enabling business and moving forward, I worry investment decisions won't go our way," he said.

Ford has been operating in South Africa for 100 years and recently made a significant [investment announcement of R5.2bn](#) for the production of new bakkies to be exported to other markets.

ABOUT IMRAN SALIE

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