

Dube TradePort SEZ will play a major role in growing KZN's automotive sector

The over R1.175-billion automotive components manufacturing facility that was officially launched at Dube TradePort's (DTP) TradeZone 2 today (August 22) is not only a celebration of substantial foreign direct investment in KwaZulu-Natal but an indication that the province's automotive sector is shifting up a gear.

Speaking at the launch of the joint venture manufacturing operation between Toyota Tsusho Africa (Pty) Ltd (TTAF) and Ogihara Thailand Corporation Ltd (OTC), MEC for EDTEA, Rev Musa Zondi, said that this launch was indicative of continuing momentum in the KwaZulu-Natal economy and that Special Economic Zones (SEZs) such as the DTP would play a strategic role in further development of the vital automotive sector.

Ogihara SA's 32 000 m² site at DTP'S TradeZone 2 will include a manufacturing and assembly plant relocated from Thailand that will produce pressed steel components for supply to Toyota South Africa Manufacturing. Construction of the facility has commenced and the company aims to resume its manufacturing operations in June 2025.

Ogihara SA is the single largest investment secured by DTP since its inception, alongside Durban's King Shaka International Airport. This is the second automotive sector investor to set up in DTP after Mahindra South Africa commissioned its state-of-the-art vehicle assembly facility in 2018.

Rev. Zondi said it would not be the last, as, based on its successful track record to the north of Durban, the DTP will be both the developer and operator of the proposed Durban Automotive Supplier Park (ASP), in collaboration with the eThekweni Municipality. In the advanced planning stage, this will be located to the south of Durban and also aims to attract component manufacturing and car assembly firms.

"We are exceptionally pleased that after an extensive site selection process, Ogihara SA decided to locate its state-of-the-art manufacturing facility at Dube TradePort's TradeZone 2.

"We believe that is because we can meet the needs of the private sector in a stable environment that is secure, well operated, and has sustainable and green energy, as

internationally, green supply chains and green production are becoming very important for the final product and market,” said Hamish Erskine, CEO of Dube TradePort. [\[XS1\]](#)

Ogihara SA, which was registered in 2023 to manufacture automotive components for on-line fitment to support the localisation efforts of Toyota South Africa Manufacturing’s next generation Hilux IMV build programme, marks a significant step towards Toyota Tsusho Africa’s local value addition improvement strategy as well as achieving national targets.

It is one of the largest localisation projects undertaken by TSAM to date and an important benchmark for further large-scale localisation projects under consideration.

Speaking at the event, Andrew Kirby, CEO and President of Toyota South Africa Motors, says, “This joint venture marks a significant step towards our Local Value Addition (LVA) improvement strategy by localising the production of these critical components. The inclusion of Ogihara SA in our local manufacturing ecosystem will not only create new job opportunities but also enhance our capabilities in producing high-quality body parts for the automotive industry. This collaboration exemplifies our commitment to localisation and underscores the possibilities for growth and development in the KZN province.”

The automotive industry is South Africa’s largest manufacturing sector. Currently, KZN’s automotive manufacturing sector is concentrated in the south of Durban, contributes about R21 billion to the local economy per year, and employs some 20 000 people.

According to the Department of Trade, Industry, and Competition (dtic), the manufacturing segment of the automotive industry currently employs around 115 000 people across its various tiers of activity (from component manufacturing to vehicle assembly), which, combined with the industry’s strong multiplier effect, leads to it being responsible for around 320 000 jobs in the South African economy.

According to the Automotive Business Council (formerly Naamsa), the automotive industry contributes 5.3% to national GDP. In 2023, record-high vehicle exports ensured that the automotive industry outperformed the rest of the manufacturing sector. The export value of vehicles and automotive components increased by R43,5 billion, or 19.1%, from R227,3 billion in 2022 to a record R270,8 billion in 2023, accounting for 14.7% of total South African exports.

“As outlined in the South African Automotive Masterplan (SAAM 2035), a key objective of the country’s automotive industry is to increase domestic vehicle production to 1.4 million units by 2035, representing approximately 1% of global output. Achieving this goal requires progress across several key industry goals, including increasing local content, employment, industry competitiveness, and driving transformation in the local industry,” Rev. Zondi pointed out.

Rev. Zondi noted that the economic knock-on effects of this investment should not be underestimated. With the short-term creation of 230 jobs, which will scale up to 300 within five years, this would have a material impact.

Through manufacturing products for TSAM in Durban with indirect exports of the finished product through TSAM's distribution network, Ogihara SA also offers an important lifeline to South Africa’s troubled steel sector, where the future of mining giant ArcelorMittal's steel plant in KwaZulu-Natal still hangs in the balance.

“Through its commitment to source 90% of steel sheets locally, Ogihara SA will strengthen South Africa's steel manufacturing sector, which is critical for the country’s industrialisation objectives. The industry is known to accelerate economic growth through its contribution to large infrastructure and manufacturing projects. Because 54% of a vehicle's manufacturing comprises steel, this investment is an important contributor to the growth and sustainability of this sector too,” he said.

In addition to sourcing steel locally, Ogihara SA will further contribute to the local economy by sourcing services related to packaging, pallets, office supplies, garden services, building maintenance, canteen services, and maintenance consumables from local businesses.

Ogihara SA is one of seven private sector investors secured for Dube TradeZone 2, with a total private sector investment value of close to R2 billion and an expected job creation of around 600 within the next five years.

Going forward, the 45-hectare Dube TradeZone 2 will continue to target further investors in the manufacturing and assembly, logistics, and automotive sectors. To date, Dube TradePort

Corporation has attracted a total of R4.6 billion in private sector investment and created more than 5,000 permanent



The CEO of Toyota South Africa, Mr. Andrew Kirby, Minister of DTIC, Mr. Parks Tau