



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL COUNCIL OF PROVINCES

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 1504

##### ***IDCs approved investment***

**Ms H S Boshoff (Mpumalanga: DA) to ask the Minister of Trade, Industry and Competition:**

- (1) What are the reasons for non-disbursement of the final R48 million of funding from the Industrial Development Corporation's (IDC) approved investment of R1.5 billion into the Beijing Automotive Industry Corporation (BAIC) SA;
- (2) whether such undistributed amount is being withheld as a result of non-compliance with agreed performance milestones or conditions; if not, what is the position in this regard; if so, what criteria must still be met by the BAIC for this R48 million to be released;
- (3) whether the BAIC automotive facility at the Coega Special Economic Zone is currently operating as a Semi-Knocked-Down (SKD) plant; if not, what is the position in this regard; if so, (a) on what date is it expected to transition to Complete Knocked-Down (CKD) manufacturing as per the original commitments that have been made to his department and the IDC and (b) what was the total number of vehicles that have been manufactured at the BAIC facility from 1 January 2024 up to the latest specified date for which information is available in respect of each (i) month and (ii) model;
- (4) (a) what is the installed annual production capacity of the plant, (b) what percentage of such capacity has been utilised since commissioning in June 2023, (c) what return on investment has been realised to date on the IDC's 35% equity stake in the BAIC SA, (d) what is the projected timeframe for breakeven and

profitability, (e) what key performance indicators (KPIs) were attached to the IDC's investment, specifically those that are relating to production output, localisation targets, export volumes, job creation and transformation outcomes and (f) to what extent have these KPIs been met;

(5) whether the BAIC has received or claimed any benefits under the (a) Automotive Production and Development Programme or (b) Automotive Investment Scheme; if not, what is the position in this regard; if so, (i) what is the total value of such incentives to date, (ii) what was delivered in return in terms of production volumes and localisation, (iii) what is the current localisation content that has been achieved by the BAIC which is expressed as a percentage, (iv) what South African suppliers are currently integrated into its manufacturing value chain, (v) how many vehicles that are manufactured at the BAIC facility have been exported since its commissioning and (vi) what foreign direct revenue has accrued to South Africa as a result? CW1722E

**REPLY:**

(1) The R48 million was approved funding, but has as yet not been required for use by BAIC SA. This is part of working capital funding, which the company will need over a period of time.

(2) The amount is not being withheld as a result of noncompliance. The approved funding will be requested when the working capital need arises.

(3) (a),(b)(i)&(ii)

The construction of the BAIC Automobile SA production facility was completed and commissioned in June 2023. Limited production of semi-knockdown (SKD) passenger vehicles, mainly the Beijing X55, commenced in January 2024. (b) Between January 2024 and October 2025, the BAIC plant produced 3,403 passenger vehicles, comprising 3,298 X55 and 105 B40 units. A small batch of Foton pickups, manufactured by MH Commercial Vehicles, was also assembled.

(a) The plant plans to transition to CKD production from January 2026. The transformation of the plant for the CKD production lines for three models: the Foton G7 pick-up, X55, and B30 is close to completion.

During the fourth quarter of 2025, BAIC Automobile SA conducted small-scale trial assemblies, equipment calibration, and system debugging in preparation for the expected official Start of Production (SOP) on 2 January 2026.

(4) (a)

The annual production capacity of BAIC plant is approximately 50,000 units.

(b)

Since the plant was completed in June 2023, BAIC has not initiated CKD (welding, painting, and final assembly) assembly, only SKD (final assembly) production. In 2024, 1,014 units were produced; from Jan to Oct 2025: 3,403 units.

(c)

BAIC is not yet profitable. No ROI has as yet been earned.

(d)

According to the latest plan, it is expected that the factory can achieve break-even and profitability by 2030.

(e)&(f)

IDC's objectives with its investment were aimed at Job Creation, Industrial Capacity, and transformation. Project viability is based on achieving APDP required production volumes and local content requirements. The introduction of the CKD assembly of the above indicated models for the local and export markets will create the foundation to achieve these volumes.

(5)

To date, BAIC Automobile SA has not received any grants, tariffs, tax incentives, or exemptions from the Department of Trade, Industry and Competition (**the dtic**) as it has as yet not commenced CKD production. (a) No APDP or (b) AIS rebates or grants have as yet been claimed.(i) Zero incentives have to date been claimed. (ii) 3,403 passenger vehicles have been produced to date. (iii) Localisation is still low, limited to labour, fuel, logistics and general services and consumables. (iv) Other than batteries, no component supplier is as yet part of BAIC SA;s

manufacturing value chain. The process to localize will follow successful commissioning of the CKD assembly lines in 2026. (v) No vehicles have been exported to date. This is a point keenly being debated between BAIC and the IDC. Although BAIC Group have a declared strategy of South Africa forming a key part of their internationalisation strategy, Chinese over capacity puts strain on executing this strategy. (vi) No foreign direct revenue has been earned as yet.

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