



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL COUNCIL OF PROVINCES

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 1505

##### *IDCs approved investment*

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

- (1) With reference to the Industrial Development Corporation's (IDC) approved investment of R1.5 billion into the Beijing Automotive Industry Corporation (BAIC) SA of which R48 million remained undisbursed, (a) what is the BAIC's projected export volumes for the (i) 2025/26 and (ii) 2026/27 financial years and (b) how such projections align with the original investment case that has been approved by Cabinet and the IDC;
- (2) (a) how many (i) direct and (ii) indirect jobs have been created by the BAIC SA to date compared to the number of jobs that have been originally committed at project inception, (b) what skills development and training initiatives have been implemented by the BAIC in partnership with local institutions, (c) how many South Africans benefitted to date and (d) how his department justifies the continued state financial exposure in the BAIC, given the current output levels and lack of returns when several South African automotive manufacturers are warning of job losses and divestment as a result of falling global competitiveness and lack of policy certainty;
- (3) whether the BAIC contributed to economic development initiatives in the Nelson Mandela Bay Metropolitan Municipality, including participation in township-based automotive parts distribution, supplier development or small, medium and micro enterprise empowerment; if not, why not; if so, what contingency plans and/or exit

mechanisms are in place should the BAIC fail to meet its production, localisation and export commitments with agreed timelines;

(4) whether his department commissioned an independent evaluation of the BAIC investment to determine its (a) effectiveness, (b) return on investment and (c) alignment with South Africa's industrialisation objectives; if not, why not; if so,

(5) whether he will provide the report in this regard; if not, why not; if so, when?

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**REPLY:**

(1) (a)(i),(ii) and (b)

BAIC anticipates zero exports in (i) 2025/26 and (ii) in the 2026/27 fiscal year. BAIC plans to produce approximately 1,000 units, primarily targeting exports to neighbouring SADC countries. (b) Export volumes are considerably lower than originally anticipated. BAIC planned to reach 20,000 units for exports in its original business plan. Its latest plan submitted for APDP registration indicates volumes of 9,000 units by 2030. Chinese overcapacity in an overtraded international market will make even these forecasts difficult to achieve.

(2) (a)(i)&(ii)

BAIC South Africa currently has 163 direct local South African employees and 87 indirect local South African employees compared to 784 jobs envisaged in total. SKD assembly has made the present numbers possible. CKD production is expected to meet the originally anticipated numbers. With the commencement of CKD production, the total headcount is expected to increase to 817 by 2027.

(b)

To date, BAIC's Skills Development effort has been focused on internal training for production readiness and legally required training interventions. The Company has commenced initiatives to further the professional knowledge of employees by funding additional formal education and has launched Team Leader and Supervisor Development programs in the form of SAQA-accredited Learnerships through external training providers. An Unemployed Disabled learnership program will commence in Q1 of 2026. The Company is also hosting 50 YES Learners,

through the support of an external service provider, to provide unemployed youth opportunities to grow their knowledge and work experience to further their chances of future employment.

(c)

Since inception, through the construction phase, and the support of empowered local suppliers, more than 3000 job opportunities have been created.

(d)

The Global Automotive Industry is changing to the benefit of Chinese (eastern) vehicle manufacturers. The challenge for South Africa is to support both legacy and up and coming players in this new international market in order to support the South African Automotive Masterplan objectives towards increased production volumes, localisation, transformation and job creation. Consequently, BAIC SA could potentially become a key investment in Africa within the BAIC Group's international supply chain, and support China's intention to penetrate the SADC and wider Africa region; This is a patient investment with the aim to meet all IDC developmental goals in the long term. Managing vested interests to achieve these objectives is **the dtic**'s challenge which at present is being skillfully handled.

(3) BAIC, through its investment in the Coega SEZ, contributed over R200 million, with a strong focus on SMMEs, to the local economy while building its plant. CBU and SKD imports support local logistics companies and other service providers. Upon the commencement of CKD production, employment is expected to ramp up to over 800. The IDC is working closely with BAIC, and providing guidance through its BEE Specialist to guide BAIC towards meeting its BBBEE targets. Enterprise, Skills, and Supplier Development are major areas of focus. Furthermore, the IDC is encouraging Localisation by facilitating exposure to other IDC investee companies in the component manufacturing space.

(4) (a),(b),(c) and

(5)

BAIC SA's official SOP is expected to be 2 January 2026. The focus at present is firstly on Sales volumes and secondly on commissioning of a capable CKD plant.

Sales volumes are essential for qualifying for APDP/AIS benefits. The appropriate time to then evaluate BAIC's contribution and alignment with the South African industrialisation objectives would be after one year of production and then annually until all support to achieve the industrialisation objectives has been terminated.

**-END-**