

Namibia to build Peugeot and Opel vehicles

In a surprise announcement, Groupe PSA, the parent company of automotive brands Peugeot, Citroen and Opel, says it will begin assembling vehicles in Namibia.



Grandland X. Photo: Opel

This comes after Opel production ended in SA in 2017 with the decision by Opel's former parent company, General Motors, to disinvest from the country.

The assembly will begin in the second half of 2018 at a facility in Walvis Bay as part of a joint venture between Groupe PSA and the Namibian Development Corporation.

Groupe PSA said it intended to reach an annual production of 5,000 vehicles by 2020.

The first vehicles to be assembled would be sport utility vehicles, the Opel Grandland X and the Peugeot 3008. The group said other products would follow if there was sufficient demand.

It will be a semi-knockdown (SKD) operation, with the vehicles being imported into Namibia without a number of key components. They will then be reassembled for distribution within the Southern Africa Customs Union region of SA, Namibia, Lesotho, Swaziland and Botswana.

Business Day has learned that discussions to establish the facility began 18 months ago, although neither the distributors of Opel nor Peugeot products in the region were involved in the plans.

"As this facility gets up and running, we will source from it," said Brian Hunter, general manager of Unitrans Opel Distributor in SA.

It appeared there were no discussions about the possibility of assembling the vehicles in SA. Nico Vermeulen, director of the National Association of Automobile Manufacturers SA, said this was not surprising.

"In SA in order to get rebates you would need to have full CKD (complete knockdown)," he said. That would require a full manufacturing plant producing 50,000 vehicles per year.

The announcement came at a time when Opel was looking to expand its global presence including doubling sales outside of Europe by 2020.

"Increasing profitable sales significantly in markets outside of Europe is one of the key pillars of our strategic plan 'Pace!'. We are making great progress in this area," said Opel/Vauxhall CEO Michael Lohscheller.

"This investment in Namibia is part of the long-term strategy of Groupe PSA to increase its sales in Africa and the Middle East, consistent with our target to sell 1-million vehicles in 2025," said Jean-Christophe Quemard, the executive vicepresident for Middle East and Africa region at Groupe PSA.

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