

## CNN's 'Marketplace Africa' visits 'Africa's Detroit'

The Eastern Cape Province is well known for its auto-sector and the jobs it creates. This car-manufacturing hub hosts global players such as Volkswagen, Mercedes-Benz, Ford and General Motors who, by operating and manufacturing in the area, are creating jobs in one of South Africa's poorest provinces.



Whilst Africa is known for exporting raw material and importing finished goods, CNN 'Marketplace Africa' explores the implications of exporting finished goods such as cars for the nation's economic growth. The auto sector accounts for about 7% of South Africa's economic output - crucial to the economy. With this region a key driver of the country's vehicle exports, some say it could be compared to America's motor city: Detroit:

David Powels, MD of Volkswagen Group in South Africa, says: "we could fairly say that we are the Detroit, but with that comes quite a responsibility... the auto-sector is an anchor tenant in the province, we are an important driver of growth, but we have to recognize that that brings risks and also chances, the risk is if you're over dependent on that sector and we don't diversify the industrial base in the province over the medium to long term, there are risks in being over dependent on one anchor tenant".

This multiplying effect can be seen in the number of global automotive component manufacturers that have set up shop in this region. According to the Eastern Cape Development Corporation, the auto sector accounts for more than 40,000 jobs in the region- with 30,000 of those jobs created by supplier companies.

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