



Ford Invests \$1 Billion (R15.8) to Modernize, Expand South African Manufacturing for All-New Ranger; Adds 1,200 Jobs

- New advanced technologies and systems will modernize and grow the Ford Silverton Assembly Plant to support expanded production of the all-new Ranger pickup truck, starting in 2022
- Ford will hire an additional 1,200 team members to support expanded production, bringing its workforce in South Africa to 5,500 employees. The investment also will create an estimated 10,000 new jobs across Ford's local supplier network
- A US\$686 million (R10.3 billion) investment in technology, upgrades and new facilities at the Silverton plant will support high quality, efficient production of the all-new Ranger
- Annual installed capacity of the Silverton plant will increase to 200,000 vehicles from 168,000, for domestic sales and export to more than 100 global markets
- Silverton will become one of the first Ford plants globally to achieve "Island Mode" status, becoming entirely energy self-sufficient and carbon neutral by 2024
- Ford's private-public partnership with all three spheres of government in the Tshwane Automotive Special Economic Zone (TASEZ) is a crucial step toward unleashing the new production capacity

PRETORIA, South Africa, 2 February 2021 – Ford Motor Company today announced an investment of US\$1.05 billion (R15.8 billion) in its South African manufacturing operations – marking the biggest investment in Ford's 97-year history in South Africa. It also represents one of the largest-ever investments in the South African automotive industry, boosting Ford's production capability and creating new jobs.

"This investment will further modernize our South African operations, helping them to play an even more important role in the turnaround and growth of our global automotive operations, as well as our strategic alliance with Volkswagen," said Dianne Craig, president, Ford's International Markets Group. "Ranger is one of our highest volume, most successful global vehicles. This investment will equip our team with the tools and facilities to deliver the best Ford Ranger ever, in higher numbers and with superior quality."

Ford announced the investment at a media briefing attended by South African President Cyril Ramaphosa, as well as several key government leaders, including Trade, Industry and Competition Minister Ebrahim Patel, Department of Public Enterprise Minister Pravin Gordhan, Gauteng Premier David Makhura, City of Tshwane Executive Mayor Randall Williams, and senior Ford executives.

With this investment, Ford's Silverton Assembly Plant is expected to generate revenues exceeding 1.1 percent of South Africa's gross domestic product.

The annual installed capacity at the Silverton plant will increase to 200,000 vehicles from 168,000, supporting production of the all-new Ford Ranger pickup truck for the domestic market and export to over 100 global markets. The plant also will manufacture Volkswagen pickups trucks as part of the Ford-VW strategic alliance.

The expanded production will help create 1,200 incremental Ford jobs in South Africa, increasing the local workforce to 5,500 employees, and adding an estimated 10,000 new jobs across Ford's local supplier network, bringing the total to 60,000.

The overall investment includes US\$686 million (R10.3 billion) for extensive upgrades to the Silverton Assembly Plant that will increase production volume and drive significant improvements in production efficiency and vehicle quality.

These include construction of a new body shop with the latest robotic technology and a new high-tech stamping plant, both of which will be located on-site for the first time. Both facilities will modernize and streamline the integrated manufacturing process at Silverton while contributing to higher quality and reducing overall cost and waste.

The new stamping plant will use a high-speed line to produce all the major sheet metal components for the new Ranger. It includes a fully automated storage and retrieval system for stamping dies, which will be housed innovatively in the roof of the facility, thus eliminating related labour-intensive processes. In addition, a modern blue-light scanner system that scans surfaces for imperfections will ensure the highest-quality final product leaves the stamping plant.

Extensive upgrades also will be made to the box line, paint shop and final assembly to improve vehicle flow within the plant, along with the expansion of the container and vehicle yards.

Ford also will build new vehicle modification and training centres – the latter developed to ensure all Ford employees are equipped with the knowledge and skills required to maximize the efficiencies of the enhanced Silverton facilities.

“The extensive upgrades and new state-of-the-art manufacturing technologies will drive efficiencies across our entire South Africa operation – from sequenced delivery of parts direct to the assembly line, to increased vehicle production line speeds and precision of assembly to ensure the world-class quality that our customers expect,” said Andrea Cavallaro, director of Operations, Ford’s International Markets Group.

Island mode

The new investment program builds on the recently announced Project Blue Oval renewable energy project, which aligns with the company’s global target of using 100-percent locally sourced renewable energy for all its manufacturing plants by 2035 and achieving carbon neutrality by 2050.

The first phase of Project Blue Oval already is underway with the construction of solar carports for 4,200 vehicles at the Silverton plant.

“Our aim is to achieve ‘Island Mode’, taking the Silverton Assembly Plant completely off the grid, becoming entirely energy self-sufficient and carbon neutral by 2024,” Cavallaro said. “It will be one of the very first Ford plants anywhere in the world to achieve this status.”

Modernizing our supplier base

Ford also will invest US\$365 million (R5.5 billion) to upgrade tooling at the company’s major supplier factories.

“Supporting our suppliers with this new tooling will ensure we modernize together to deliver world-class quality for the all-new Ranger at higher volumes for our domestic and import customers,” Cavallaro said.

Economic growth

“As part of our extensive investment in the Silverton plant, we also are building a new Ford-owned and operated chassis line in the Tshwane Automotive Special Economic Zone (TASEZ) for this new vehicle programme,” said Ockert Berry, vice president, Operations, for Ford Motor Company of Southern Africa.

“Having this new line and our major component suppliers located adjacent to the Silverton plant in the TASEZ is key to expanding our production capacity, as parts will be sequenced directly onto the assembly line,” Berry added. “This will significantly reduce logistics costs and complexity, improve efficiency and allow us to build more Rangers for our customers.”

In addition to its representation on the TASEZ board, Ford also is working closely with all three spheres of government and relevant state-owned entities such as Transnet, in developing the Gauteng Province – Eastern Cape Province High Capacity Rail Freight Corridor. This will be a full-service line linking the Silverton Assembly Plant and the TASEZ with Port Elizabeth, which is home to Ford’s Struandale Engine Plant and the Coega Special Economic Zone.

The GP-EC High Capacity Rail Freight Corridor will channel all of Ford’s inbound and outbound logistics exclusively through Port Elizabeth to support the higher production volumes. It is projected to create thousands of jobs within the value chain.

“Ford’s investment in our South Africa manufacturing operations underscores our ongoing commitment to deliver ever-better vehicles to our customers in South Africa and around the world, while providing opportunities for our own employees, new team members and our communities,” said Neale Hill, managing director, Ford Motor Company of Southern Africa.

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