

VW to extend footprint

Volkswagen Group South Africa is making inroads into its ambitious regionalisation strategy through the establishment of its new sub-Saharan region, where it aims to play a leading role in developing the automotive industry in a region which encompasses 49 countries with a combined population of around 920 million people.



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Considered a blank spot on the German carmaker's global vehicle production and distribution map, the plan to significantly expand and ultimately entrench the company's footprint in the vast region will be driven by VWSA chairman and managing director Thomas Schäfer.

Outside of its home European market, Volkswagen now considers the new sub-Saharan Africa region as the latest addition to its quartet of regional markets which also include North America, South America and China.

Next logical step

Schäfer said the development of the sub-Saharan region was the next logical step in Volkswagen brand's strategy to position itself in focus areas.

"Africa is still one of the blank spots on the Volkswagen map. There is, however, enormous potential in the region to meet the mobility needs of a burgeoning middle class," he said.

"We will drive forward the development of these new markets in cooperation with African governments and gradually strengthen and expand the new sub-Saharan Africa region."

VW began building cars in South Africa during 1951, started vehicle assembly in Nigeria in 2015 and launched an assembly operation in Kenya late last year.

Undeveloped, almost non-existent automotive industry

With a largely undeveloped, and in some areas almost non-existent automotive industry in the sub-Saharan region, VW is in the process of developing innovative concepts and programmes to establish and increase its footprint in these areas.

The company is investigating its involvement in mobility, rather than the traditional methods of establishing dealerships or assembly plants.

"While still very much in the concept stage, Volkswagen plans to launch an integrated mobility concept in Rwanda at the end of this year," VW communication head, Matt Gennrich, said.

App-based mobility solutions

"The concept provides for app-based mobility solutions such as car sharing and ride-hailing.

"For this purpose, an environmentally compatible vehicle production facility is to be established in the capital city Kigali, to cover vehicle demand for the integrated mobility concept."

Gennrich said the concept would be introduced into Rwanda's population of around 11 million people who would be able to use the Uber-type app to secure transport on the basis of a taxi service or the very short-term use of vehicles.

"To give you an example of our approach, the vast majority of people in South Africa have never had a telephone landline, they leapfrogged their entry into voice communications straight into cellphones," he said.

"We are looking at leapfrogging a number of challenges in these markets and going straight into the technology available there, such as app-based mobility solutions."

Source: Herald

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