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Ford to shift Focus plant to Australia

Thabang Mokopanele

Trade and Industry Correspondent



VEHICLE manufacturer Ford Motor Company of southern Africa will shift the production of the company's next-generation Focus range from SA to Australia in an effort to improve efficiency, eliminating 40% of its local production.

Group communication manager Ben Pillay said yesterday the reasons behind the decision to take production to Australia were prompted by the group's strategy to improve efficiency.

The company has been producing 30000 Focus range vehicles locally with 7000 of these destined for SA and the rest for the Australian market. The Focus was introduced in 2005.

Pillay said the decision would not result in retrenchments of workers as the company was looking at alternative products that could be manufactured locally to close the gap.

"Once a decision has been made on which other Ford products we can produce locally, workers will be absorbed. Going forward, we want to drive efficiencies. The decision only kicks in in 2010, so we have time."

Pillay could not divulge how much revenue Ford would lose in revenue due to the decision. On whether this would not affect the pricing of the Focus, as it would be imported from Australia, Pillay said: "Pricing is driven by the market. We obviously want to get competitive prices for our products."

He said the third-generation Focus would be manufactured at Ford Australia's Melbourne plant.

"About 40000 Focus units a year are being projected, many of which will be exported to SA, New Zealand and other right-hand-drive markets," Pillay said.

The Focus range of hatchbacks and sedans is being produced at the company's Silverton plant in Pretoria.

Sapa reported that Ford Australia president Tom Gorman said that the Focus production would "more than double" its export footprint. "It also reflects contemporary market demands for smaller vehicles and opens up significant export opportunities within the region," Gorman said.

Bloomberg reported yesterday that Ford, the second-biggest US vehicle maker, would probably report its eighth consecutive quarterly loss today.

Excluding expenses it considers one-time events, Ford lost 34c a share in the second quarter, according to the average estimate of 13 analysts surveyed by *Bloomberg*

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