

## Ford SA ready to step up sustainable production

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CEO Jeff Nemeth says carmaker is doubling local production each year and employing more environmentally friendly processes

ALISTAIR ANDERSON

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FORD Motor Company South Africa is ready to compete more strongly with South African automotive market leaders Volkswagen and Toyota, according to Jeff Nemeth, president and CEO.

Mr Nemeth told Business Day this week that his staff were on track to double production each year until 2016, mostly due to a focus on manufacturing Ford Rangers while using more efficient and environmentally friendly processes.

"Things are going strongly," he said. "We are doubling our production annually, which means we have to be aggressive in implementing the best and most cost effective technologies."

He is confident Ford will achieve its South African goals given customer demand for its cars, which rose noticeably over the past few years.

Mr Nemeth added, however, that a lack of government service delivery, despite sound policies, meant the company had to proceed carefully.

"Government policies encourage people to deliver an output," he said. "South Africa can be tougher because of the instability in service delivery and we have to allow for associated risks with respect to this."

Mr Nemeth said Ford SA was focusing on producing the Ford Ranger. The long-awaited Automotive Production Development Programme (APDP), to be implemented in South Africa next year, will allow vehicle manufacturers with a plant volume of at least 50000 units a year to import a percentage of their components duty-free.

Vehicle manufacturers have said they can be more efficient if they build more units of fewer car models.

The APDP will set a production target for the industry of 1,2-million vehicles a year by 2020, with associated deepening of the components industry. It aims to boost local production for domestic and export use, unlike 1995's Motor Industry Development Programme, which focused on exports.

Standard Bank economist Shireen Darmalingam said the APDP would help the industry grow and create jobs.

Mr Nemeth also said all Ford production worldwide was administered with sustainable practices in mind.

Ford as a global company said in its annual sustainability report in June that it had reduced the amount of energy required to manufacture one vehicle by 22% in the past six years and that it planned to cut energy usage by a further 25% per vehicle by 2016.

Initiatives featured in the report included lower water use, less waste sent to landfill and reduced carbon-dioxide emissions, as well as improvements in vehicle fuel economy and safety.

"Sustainability has moved from the periphery to the centre of our strategy for succeeding in the marketplace and helping to address global challenges," said Robert Brown, vice-president of sustainability, environment and safety engineering for the global group.

Mr Nemeth said Ford SA would find new ways of reusing, reducing and recycling waste. Since 2009, the company has reduced its waste-to-landfill volumes 41%, largely by using returnable pallets.

Its next target is to reduce waste a further 49% by 2014 by using less plastic in the masking process for vehicle painting and panelling, and by incinerating waste.

[andersona@bdfm.co.za](mailto:andersona@bdfm.co.za)

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