

GM restructures African business, seeking growth

By [Michael Bratt](#)

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General Motors (GM) has announced a new strategy for African business, which it hopes will allow GM to capitalise on the growing opportunities around the continent.



From the beginning of next year, GM's operations will be split into two sub regions, GM North Africa and GM Sub-Saharan Africa.

GM North will include Libya, Algeria, Tunisia, Morocco, Western Sahara and Mauritania and will be integrated into GM Egypt under its president and managing director Rajeev Chaba.

GM Sub-Saharan will include all other African countries, which will be integrated into GM South Africa under its president and managing director Edgar Lourencon.

"Africa's emerging markets offer tremendous long-term potential for General Motors," said Tim Lee, president of GM International Operations (GMIO).

"Our new business structure will align our growing business in Africa with the rest of GMIO and provide better visibility for the continent within our entire company."

Building business in Africa

Lee added: "By fully leveraging our existing structure as well as our global resources to focus on each individual market, we look forward to growing and strengthening GM's business across Africa."

GM's sales in Africa were positive in the first 10 months of 2010, rising 15% on an annual basis to 146 000 units, giving it 12.9% of the market.

Egypt and SA were the two strongest markets accounting for more than 70% of the companies African sales.

Responding to the announcement, Lourencon said that GM South Africa is well positioned to serve as the base from which General Motors can further grow its business in Sub-Saharan Africa.

"As part of our growth plans, we recently announced that we will be investing R1 billion in three new vehicle assembly programmes to build the new generation Corsa Utility and Isuzu KB, as well as the new Spark.

In addition to this we also recently opened our R250 million new state of art Parts Distribution Centre, providing an excellent platform to better service our customers in various African countries."

According to GM, the company has an agreement with Isuzu to jointly pursue business growth in Sub-Saharan Africa that will benefit with the new African strategy.

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