

Kenyan carmaker Mobius accepts bid from undisclosed buyer

Kenya's Mobius Motors, which makes low-priced SUVs designed for Africa's sometimes poor-quality roads, has accepted a takeover bid from an unidentified buyer, it said on Thursday, 14 August, staving off voluntary liquidation.



A showroom of Kenyan car maker Mobius Motors is seen in Nairobi, Kenya on 6 March 2019. Picture taken 6 March 2019. Reuters/Baz Ratner/File Photo

Mobius, founded just over a decade ago by London-born investor Joel Jackson who experienced the continent's bumpy roads while working for a forestry company in Kenya, has attracted a lot of interest since announcing earlier this month that it would wind down voluntarily.

"Both parties are looking to close the transaction within 30 days," Mobius said in a statement, without disclosing either the buyer or financial terms of the deal.

Mobius initially produced a boxy, no-frills SUV designed for the modest budgets of African consumers priced at around 1.3 million shillings - equivalent to about \$13,000 at the time or roughly half the price of an imported second-hand SUV. It later launched updated versions with extra features.

But it has found the going tough in recent years due to debt and high taxes. High interest rates in Kenya have also dampened demand for vehicles, industry executives say.



DEALERS

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Mobius, whose backers include Britain's Playfair Capital, was part of a push by investors and governments

on the continent to create jobs by launching home-grown vehicle manufacturers.

They included Uganda's Kiira Motors, Ghana's Kantanka and Nigeria-based Innoson Motors.

At the same time, global automakers such as Japan's Toyota Motor Corp and Germany's Volkswagen AG also boosted their investments in markets including Kenya and Rwanda to tap into growing economies and rising consumer demand.

They all, however, faced the same challenges: stiff competition from second-hand imports from abroad.

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