

Manufacturing Indaba to tackle poor performance in SA's manufacturing sectors

May 2015

The manufacturing industry in South Africa continues to face tremendous challenges. Statistics SA's recent quarterly manufacturing review revealed the seasonally adjusted volume of manufacturing output is at the same level it was in 2006 and flat-lining. Manufacturing sales between the last quarter of last year and first quarter of this year were down 3.1% or R14.7bn. Despite South Africa's current weak currency, our export performance is poor.

South Africa's manufacturing sector contributes about 15 % of gross domestic product and is vital for creating employment in an economy where, on average, one in four people has been unable to find work for over a decade. With this in mind, government plans to spend 5.8 billion rand over the next three years to help manufacturers affected by the global economic downturn upgrade their factories, improve products and train workers.

Brought to you by the South African Department of Trade & Industry (**the dti**), the Manufacturing Circle and the City of Ekurhuleni, along with knowledge-partner Deloitte, the **Manufacturing Indaba** taking place on the 29th and 30th June will bring together business owners, industry leaders, government officials, investors and professional experts to discuss challenges and brainstorm solutions to industrial development of the South African economy.

The aim of the Manufacturing Indaba 2015, at Emperors Palace, is to focus on the growth potential of key industry sectors, namely: automotive, construction, metals, forestry, paper & packaging, chemicals, aerospace & defence, industry products and services, and to provide a platform for informative and interactive sessions with the prime movers of the nation's manufacturing sectors.

The **Manufacturing Indaba (MI)** will address the most pressing issues facing manufacturing businesses such as financing, incentives, skills development and productivity. Decided upon by a steering committee comprising government, the private sector and industry experts, the MI programme themes and topics will allow delegates to be a part of exploring strategies for growth whilst learning about incentives available to South African manufacturers.

Here are some of the programme themes:

The Best of South African Manufacturing

This session will feature the industry best practice exemplars, providing the opportunity to hear from and question industry leaders on how they are achieving success and the factors that are driving this.

Advanced Manufacturing Partnerships for Innovation and Value Addition

Advanced Manufacturing is broadly defined as technology and knowledge-intensive manufacturing. Advanced manufacturing partnerships need to be between various stakeholders across society, including private firms, universities, science councils, government agencies, government departments and others. This session explores the type and nature of global advanced manufacturing partnerships that are working and how South Africa can emulate their example and apply their principles of success.

Industrial Financing, Incentives and Private Sector Investments

The South African government has provided incentives for value-added manufacturing projects, provided support for industrial innovation, improved access to finance, and created an enabling environment for small business development. Industrial development zones have been established in close proximity to major ports and airports, offering world-class infrastructure, dedicated customs support and reduced taxation. With financial incentives and government's various incentive programmes, the private sector can work with government to boost South Africa's manufacturing industry.

Localisation for Supply Chain Development and Local Production

The negative impact of the 2008/2009 recession resulted in the loss of an estimated 200 000 jobs in the manufacturing sector. Increasing domestic input costs, rental and property prices and soaring electricity costs coupled with load shedding, have made localisation of manufacturing production a challenge for South Africa's manufacturers. Government has fallen largely short of its growth and employment targets. Developing South Africa's manufacturing and production sectors is paramount if South Africa is going to reach its jobs target, which will contribute to GDP and economic growth. But first, South Africa needs an educated and skilled workforce.

Africa – The Opportunity for Manufacturers and the Value that Regional Integration Brings for Manufacturers

The current economic conditions in Africa make it the prime place and time for South African manufacturers to introduce their products to the African market. 800 million people are urbanising in Africa in this decade – the biggest urbanisation movement in the world. This means huge opportunities for manufacturers of fast-moving and durable consumer goods.

Spacial Interventions for Industrial Development including Aerotropolis Development and Special Economic Zones (SEZ)

The City of Ekurhuleni's Aerotropolis programme integrates a range of flagship interventions, such as the revitalisation of the manufacturing sector, the regeneration of CBDs and townships and their respective local economies, the revitalisation and harnessing of open spaces and precincts around lakes and wetlands, the building of connectivity of the city through an integrated rapid transit system, and the building of a smart city through investing in digital infrastructure for both municipal and citizen use.

Applying Manufacturing Intelligence to become an insight driven Organisation for improved competitiveness and readiness for Industry 4.0

The adoption of analytics into the manufacturing industry is driving a new approach to attaining competitive advantage. The convergence of digital technologies and traditional manufacturing is realising value through the application of Manufacturing Intelligence to predictively manage production quality, machine & environment degradation, and improved traceability linking consumer, product, and production line. Industry 4.0 is a concept that leverages Manufacturing Intelligence to proactively manage, via predictive analytic modelling, asset and process efficiency and empowers manufacturers with the ability to monitor product performances throughout the duration of the product life.

The Mining and Manufacturing Interface

There are important linkages between South Africa's mining and manufacturing sectors. More than 80% of overall spending by the mining sector on its input requirements is sourced from domestic suppliers of goods and services. An enhanced interface between the mining and manufacturing sectors has many spin-offs including expansion and/or diversification of production base in manufacturing sub-sectors, increased value addition in the domestic economy, infrastructure sharing potential, increased demand for mining sector products from an expanding domestic manufacturing sub-sector and reduced import penetration.

Energy Efficiency and Alternative Power for Manufacturing

South Africa's manufacturers require a stable and predictable electricity supply to ensure they are meeting production demands and remaining competitive. However, with South Africa's current power crisis and scheduled load shedding interfering with manufacturing production, manufacturers need to know where to source reliable, cost-effective and efficient alternative power.

Business and government need to continue to work together to promote prosperity through manufacturing, science and innovation and this is what the **Manufacturing Indaba** is all about.

For more info on this event, visit www.manufacturingindaba.co.za

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Issued by: Siyenza Management

Tel: 011 463-9184

For media enquiries contact:

Liz Hart: liz@manufacturingindaba.co.za

Nolene Martin: Nolene@manufacturingindaba.co.za



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