

Access to Markets for Manufacturers

FOR IMMEDIATE RELEASE

29 July 2019, Johannesburg - The global manufacturing landscape is experiencing a momentous shift, rendering value creation more important than ever before. This subsequently places manufacturing facilities under immense pressure to reconsider their business models and strategies with regards to internal proficiencies, external changes and evolving points of influence.

Rapidly changing consumer demands, the perpetual evolving nature of products, and the economics of production and distribution are all progressing at unprecedented rates. With that said, there is an increasing blurring of boundaries between manufacturing and technology as well as manufacturing and retail.

There are various elements at play empowering emerging manufacturers, more than ever before, to gain access to make their mark on both local and global markets. If such industrialists proactively employ responses to this favourable climate, they can reap the rewards of these new and once-prohibitive opportunities.

Advances in technology and changes in marketplace expectations are making it possible for relatively small manufacturers to gain traction and thrive in an industry where scale was once a virtual necessity. Digital technologies have removed once-prohibitive barriers to entry, rendering new manufacturing incumbents, legitimate competitors to their larger, established counterparts.

As digital technologies take over, industrialists are better able to circumvent traditional intermediaries which reduce a product's speed to market and broaden the distance between manufacturer and consumer, ultimately creating additional obstacles for manufacturers to access valuable consumer insights, consequently making them less responsive to changing consumer needs. Confronted with fewer obstacles enables industrialists more opportunity than ever before to enter manufacturing markets.

In addition, digitalization has enabled manufactures to connect with and mobilize an increasing variety of third parties in the fragmenting elements of the manufacturing landscape to create and capture value for its customers according to their increasingly personalized needs. In addition, such businesses not only profit from increased flexibility, but leverage finance and capabilities from those outside their entities. In this way, manufacturers ultimately lower risk, are empowered to maximise learning and performance and reduce

costs by profiting from accessible resources. Equally essential, is the forging and sustainability of trusted networks which remain fundamental in this progressive manufacturing ecosystem.

Similarly, smaller, less established businesses can leverage platform businesses for financing, learning, and prototyping, reducing capital investment while increasing speed to market. Though they may have little power to move the market individually, they can maximize their influence as part of a broader ecosystem.

Exports are fundamental in stimulating economic growth and promoting innovation in both the public and private sectors. The government has urged manufacturers to maintain the quality of their products so that South African exports can proficiently compete with global markets. With this said, reducing tariff barriers is a crucial approach with potential to proliferate African exports. Estimated to boost intra-African trade by 52 percent by 2022, the recent signing of the Continental Free Trade Agreement (CFTA) by 44 African countries is forecast to be an encouraging step for African industrial sectors.

Furthermore, the South African government is striving to empower emergent industrialists to gain access to global markets through implementation of various initiatives, such as policy revisions to improve core training of workers to fully capitalise on prevailing technological developments; provision of financing to ensure availability of credit and risk insurance to manufacturers so that they can enter and participate in the global exports market with confidence. and manufacturing opportunities will be made available to prospective entrants to assist them in kick-starting potential projects.

Committed to restoring the scarce presence of marginalised communities in South Africa's manufacturing sector, governmental leaders are proactively addressing the demographic reformation of industrial asset ownership, industrial inclusion and racially equitable enterprise control. Moreover, strategies are in place to significantly increase black and female industrialist participation to ensure an equal, competitive and successful economic environment. Thereby affording previously disadvantaged individuals and communities at large, the opportunity to become market entrants of the manufacturing sector.

Further, political stability realized in several leading African countries have resulted in gaining the trust and confidence of local and foreign investors, enticing them to investigate the advantages that the continent has to offer from an investment standpoint. This also provides manufacturers with additional opportunities to penetrate and compete in markets they never deemed possible.

The KwaZulu Natal Manufacturing Indaba 2019 is set to present a host of insightful and collaborative forums forecasted to promote accessibility into industrial markets of all levels (individuals, communities, small and businesses). Discussions will take into account prevailing economic regulation, size, complexity, and digitization, along with strategies to integrate these elements within the manufacturing industry, to empower businesses to



better determine the speed and intensity of impending changes to not only improve, but maintain their access to and competitive standing with both local and global markets.

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MORE ABOUT THE MANUFACTURING INDABA

The annual KwaZulu-Natal Manufacturing Indaba will be hosted at Durban ICC , Durban on the 14 – 15 August 2019. The aim of the Manufacturing Indaba 2019 and its provincial roadshows is to focus on and boost 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.

For more information on the event, please visit: <https://manufacturingindaba.co.za/mi-kzn/>

Facebook: <https://www.facebook.com/manufacturingindaba/>

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Hashtag: #MFGIndaba

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