

The Future of African Manufacturing: Making Things in a Changing World

As the world continues to shift, subsequently affecting all aspects of industry as we know it, Africa's manufacturing sector has proven resilient

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JOHANNESBURG, 11 September 2023; The world is changing at an unprecedented rate in terms of innovative technologies, shifting customer expectations, as well as increasing social awareness of gender equality and restoration of previously marginalised communities. These major shifts have a considerable impact on the future of Africa's manufacturing sectors. If African manufacturers can efficiently balance a combination of efficient economics of production and supply chains; strong and reputable products; loyal customers, an established logistics network as well as reliable online business elements, they will be well positioned in the future industrial marketplace.

Technological advancements have given rise to the revolutionary Industry 4.0. This phenomenon represents the complete digitisation of factories and manufacturing facilities that will ultimately merge with the unique needs of individual customers, resulting in benefits such as customised product design and manufacturing processes as well as speed to market to maximise customer satisfaction levels. Moreover, Industry 4.0 brings with it a host of additional benefits for manufacturers such as cost, productivity, profitability and operations that manufacturers are striving to control, streamline, optimise and enhance. Similarly, these opportunities extend to small and medium businesses, allowing them to establish new business models and integrate into global value chains.

Despite concerns that the continent lacks the requirements of global advancements to capitalise on innovative technological initiatives, African countries are uninhibited by infrastructure legacy challenges, thereby providing a higher degree of flexibility than their developed counterparts. Accordingly, Industry 4.0 remains a considerable opportunity for African manufacturers, ultimately giving the continent a leading edge over the global economy.

Further to this, the Fourth Industrial Revolution will provide improved levels of safety to manufacturing facilities. Human beings are restricted by the tasks they're able to carry out in hazardous environments as well as the degree of accuracy to which they can complete them. Machines, on the other hand, are far superior in terms of executing these tasks safely as well as their level of competency, essentially minimising workplace accidents along with Workman's Compensation claims. By encouraging industrial safety, automated machinery

enables producers to reduce medical claims of workers, reduce downtime, save on long-term capital expenses and improve overall productivity for African industrialists.

In the face of increasing digitalisation, barriers to entry with reference to the manufacturing sector are dwindling, translating into a positive outlook for new African market entrants who are more flexible than their larger, more cumbersome counterparts, thereby providing products and services that were once the exclusive domain of major incumbents.

Further, digitalisation is set to empower the continent's rural and small business owners, whereby advanced data analytics available to them on their smart phones can enhance partnerships among stakeholders along the entire value chain. Such connectivity provides support for their daily operations through tasks such as acceptance of digital payments and gaining insight into their customers so they can devise appropriate marketing strategies responsive to collected data. This ultimately places them on an equal footing with larger, more established businesses with the capital to access this data via expensive in-house software development. This access unlocks the opportunity for small business owners to apply for bank loans at long last, as they have incontestable evidence (data) supporting their revenue and cash flow projections.

Experts purport that Africa conveys a positive economic growth trajectory, deeming it a feasible alternative to other markets. Africa is regarded as the world's fastest-growing continental economy, and its Business-to-business market is fundamental to this boom. B2B expenditure in the continent's manufacturing is projected to reach \$666.3 billion by 2030, \$201.28 billion more than it did four years ago. As the buying power of Africa's middle class continues to rise, demand for products and services across the continent subsequently increases, thereby enabling sustainable economic growth and much-needed integration amongst regions.

Radical transformations within both a global and African manufacturing context will be integrated into the entire supply chain, thereby optimising operations, and ultimately stimulating efficiency and innovation for years to come. By successfully assimilating advanced technologies into their systems, existing and prospective African industrialists can expect to realise even greater revenue and profits from their investment.

As the world continues to shift, subsequently affecting all aspects of industry as we know it, Africa has proven steadfast: Improved political stability, growing investment prospects, business-friendly trade agreements, Industry 4.0, enforcement of policies empowering black and female manufacturers in addition to governmental funding solutions, to name a few, are pivotal factors demonstrating a positive and thriving manufacturing future for Africa.

As the flagship symposium of the continent's entire industrial sector, the upcoming **Manufacturing Indaba** taking place in October 2023 in Johannesburg, is set to empower its manufacturers to rise on an international scale and realise their true potential at long last.

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