



ABOVE: (From left to right) Prof. Marco Taisch; Premier of Gauteng, David Makhura; Executive Mayor of Ekurhuleni, Cllr Mondli Gungubele; Prof. David Romero and Garth Strachan



**MANUFACTURING INDABA**

# Business leaders converge to ‘manufacture the future’

The third edition of the Manufacturing Indaba took place in June and despite challenging economic times, the event has continued to attract high profile speakers, a growing trade exhibition and an increasing number of delegates.

The theme was ‘Manufacturing the future’ and the Indaba was characterised by a high level of consensus between the public and private sectors to re-establish manufacturing as the primary motivational drive behind the nation’s economic recovery. Minister for Trade and Industry Dr Rob Davies reinforced this goal when he called for greater cooperation between government and business and a redoubling of efforts to boost national output. The Minister stressed that events of this nature are ever-growing in importance as they provide platforms for representatives of government, manufacturing companies, labour and academia to come together in sharing ideas of common interest and concern.

“It is imperative that South Africa address the deep seated structural problems that characterise the domestic economy. This is why the Industrial Policy Action Plan has included the need to grow the production sectors of the economy, particularly value-added manufacturing.”

Minister Davies added a number of other priorities, including the importance of linkages between manufacturing and the mining and agricultural sectors, the need to break the domestic economy’s dependence exporting resources, the maximisation of the benefits of a robust services sector to support manufacturing, moving to a less energy and carbon intensive growth path and the imperatives of addressing racially skewed patterns within the economy.

He went on to outline in some detail how government had provided assistance in incentives across a variety of industries. These included the automotive industry, clothing and textiles, locomotive production and boat-building. Looking forward, he stressed the need for further focus on exports, an industrial finance incentive and a procurement programme that would support a value proposition for inward direct foreign investment. He added that the minimisation of red tape was a key ingredient for the creation of a development- friendly investment and reindustrialisation effort, and explained that cooperation with the private sector had identified a range of regulatory processes that could be simplified.

At the conclusion of a detailed and wide ranging speech the minister took the opportunity to bring delegates up to date with the economy’s performance for the first quarter of 2016. “Manufacturing production picked up, the Purchase Managers Index rose to a higher level and South Africa recorded a trade surplus in March as exports rose to R96 billion.”

RIGHT: Minister of Trade and Industry, Dr Rob Davies, called for greater cooperation between government and industry.



He added however that if there are there are any readymade quick fixes to overcoming the global headwinds and domestic constraints, they have yet to be discovered. “It will require a sustained collaborative effort involving all the key players from government, business and labour. This Manufacturing Indaba is one of the many platforms we must create and sustain to enable this collaborative effort.”

### Let's do it!

Despite a backdrop of economic uncertainty exacerbated by the United Kingdom's Brexit referendum to quit the European Union, several good news stories were shared over the two-day gathering. These included comment on our thriving motor industry, the growing revival of the textile sector, the Department of Trade and Industry's (dti's) Black Industrialist Programme and the host city's Aerotropolis vision. The latter sees the city capitalising on its location – the presence of the OR Tambo International Airport and its historical industrial capability – to act as a springboard for generating rapid industrial growth and the redevelopment of its many communities.

Stavros Nicolaou, senior executive of Strategic Trade at Aspen Pharmacare, who acted as one of the Indaba's moderators, urged delegates to align themselves with this type of philosophy. “Reindustrialisation needs to be placed at the centre of economic policy. If you're not converted into a manufacturing activist yet, I hope you will be by the end of today,” said Nicolaou.

Garth Strachan, deputy-director general of the dti's industrial division, made the point that while the way forward was clear, it was far from an easy task. “Reindustrialisation is complicated and there aren't any quick wins. We've got to collaborate to get it done. We've faced bigger battles as South Africans; we can do it together, so let's do it,” urged Strachan.

Mpact CEO Bruce Strong, who also chairs the Manufacturing Circle, expressed how heartening it was to see such strong attendance in what he described as difficult and turbulent times. “This Indaba gives the manufacturing community a chance to interact with government in pursuit of what I believe is a common goal, a better life for all South Africans. We cannot ignore the aspirations of so many South Africans for decent jobs, decent housing and decent education for their children. As leaders in South Africa at this time, we need to balance the wave of cynicism and pessimism with trust and optimism. For those of us who believe in this country and its future, we have to acknowledge that to successfully ‘manufacture the future’ we must engage. We can't do it on our own.”

He also urged the audience to set a standard of understanding, and get things done. “Let us work towards policies that enable private sector business growth and employment. Let us work on legislation generated at a rate that matches industry's capacity to absorb and implement it. Let us work towards alignment across business and government departments. Let us work together in the development of black-owned businesses and the promotion of inclusive growth.”



Strong (pictured above) said that a good point of departure was to ask what lies in industry's hands. “We have a history of manufacturing in our country, we have successful exporters and other pockets of excellence and there's resilience among South Africans. We have an established business community here for the long haul, despite the many challenges. “

Addressing the Minister on behalf of the Manufacturing Circle, he said that industry players welcomed the opportunity to partner with government in pursuit of job growth in South Africa. “We thank you and your department for your willingness to engage business, and you can count on our commitment to finding sustainable solutions.”

Professors Marco Taisch and David Romero were brought out by the Department of Science and Technology. The former is the current chair of the World Manufacturing Forum 2016 – the world's leading global manufacturing event. He predicted that in future companies will go from mass production to the customisation of mass production. “They will have to go from product design to usage like car sharing or bike sharing for increased value-adds and from industrial automation to cognitive automation.”

Prof Romero, who is a senior researcher at Mexico's National Graduate School of Science, Engineering and Technology, shared lessons and examples taken from that country's vibrant manufacturing sector and provided illustrations from nations that are at the vanguard of the ‘Fourth Industrial Revolution’.

### Aligning priorities

It was Gauteng Premier David Makhura who delivered the closing address. He underlined the importance of attending the Indaba, describing it as an opportunity ‘to keep us on our toes so we don't miss the train and do things that are late and lose time and money’. The premier described the occasion as a ‘laboratory’ helping us to reindustrialise Gauteng. “This is a place where we can reflect and explore strategies to boost and revive this sector.”

The conclusion that can be drawn from the 2016 Manufacturing Indaba is that as a country living in a digital era South Africa needs to develop its own solutions and make intelligent choices to encourage innovation, constant learning and skills development. Priorities, with which the commercial sector and government are in full agreement. ■