

## **South Africa To Maximise Opportunities In Sub-Saharan Africa To Further Re-Industrialisation**

South Africa's re-industrialisation is inevitable, but crucial to this process will be investment led trade and regional integration with the country's neighbours. With relative ease of access to Sub-Saharan Africa and an understanding of the region, South African manufacturers can get ahead of other investors looking to Africa for new opportunities. Africa represents a large and growing opportunity for the sales of South African manufactured products.

Sub-Saharan Africa (SSA) is now widely seen as a region of great opportunities, however, sustained growth and job creation, requires structural transformation for an economy to industrialise and constantly generate new fast-growing activities, initiating an effective, socially responsible and sustainable means to economic transformation.

The SSA region has enormous potential to exploit its large reservoir of natural and agricultural resources through diversifying its resources from a predominantly agricultural to an industrial base. There is now a consensus among African leaders and stakeholders that this is a path to the promotion of sustainable development and employment. The growth of the industrial sector brings with it more high-income jobs, upstream linkages to domestic firms and triple effects throughout the economy for both formal and informal workers.

Although economic pressure experienced in the last few years has brought with it serious challenges, the continent remains resilient and the non-resource dependent economies are sustaining higher growth for a longer period. With dynamic private sectors, entrepreneurial spirit and vast resources, Africa has the potential to grow even faster and more inclusively.

Promoting deeper regional integration in goods and services within Africa, would generate the right conditions for the emergence of 'Factory Southern Africa', a regional value chain that could feed into global production networks and boost manufacturing through intraregional trade. South Africa could play a central role in such a chain, leveraging the scale of the regional market, exploiting sources of comparative advantage across Africa, to reduce production costs, whilst providing other countries in the region a platform for reaching global markets.

South African companies are some of the largest investors in other parts of the Southern African continent and it is imperative that South Africa contribute to their continental partners. Opportunities in other African countries should not be overlooked and not merely in trading, but investment, adding value in the form of a mutually beneficial integration in Africa.

These key issues will be delved into at the **4th annual Manufacturing Indaba**, hosting two renowned African Industry leaders, Ally Angula, the Director and founder of Leap Holdings, Namibia and Vishal Agarwal from GE Africa in Kenya. Giving us insight into the opportunities for collaboration and adding value to other African countries, bringing with them an understanding of the importance of promoting integrated regional markets and the ability it has to improve the chances of attracting FDI to South Africa and Africa alike. The knock-on effect of this being on skills development and job creation, taking into account, the benefits to be gained from pulling together in ways that make the whole better than the sum of the parts.

African regional economic integration is, therefore particularly vital to creating larger markets for the domestic firms. This calls for a greater emphasis on regional infrastructure projects, harmonisation of industrial policy, national economic goals as well as reforms to reduce other

costs of trading across borders, enabling domestic firms to produce quality products at a competitive price.

The degree to which South African manufacturers will be able to leverage opportunities in Africa, will be a significant driver of their attractiveness to investors all over the world and the terms of trade they are able to negotiate with their non-African trade partners. It is critical that South African manufacturers move swiftly to maximise the African opportunity.