

Megatrends, opportunities and challenges in manufacturing, automation

The Eskom challenges could take up to 30 months to sort out, impacting underground mining, manufacturing and automation, says economist Mike Schüssler. However, there are still opportunities amid the current challenges.

Automation is the future for the developed world, with opportunities driven by megatrends such as an ageing population, increased personal wealth and connectedness and shorter working hours. However, South Africa's automation progress will be hampered in the short term due to the current challenges faced by Eskom.

This is according to noted economist and owner of economic consultancy economistscoza, Mike Schüssler, who was speaking in Johannesburg last week at a business networking event for the upcoming Africa Automation Fair 2019.

"It could take anywhere from 18 to 30 months to sort out South Africa's power crisis, and this will hamper growth in the automation sector, as well as in power-intensive industries such as underground mining and manufacturing for some time to come," he noted. In addition to loadshedding and Eskom's massive debt and cost burdens, possible changes in Eskom's structures and a looming power price hike would impact the entire economy in the short term.

While the impact of the power crisis would be felt across sectors, Schüssler said he believed some sectors would feel the effects less than others. These included tourism, and less power-intensive industries such as the mobile and the ICT sector.

"There is potential for tourism growth in particular – even with loadshedding – and this may be the industry the country has to rely on to get back onto a growth path," he said.

In addition to the power challenge and typical election year caution impacting the economy, Schüssler said he believed South Africa would start seeing some economic growth in around two years' time.

"2020 is where South Africa's situation is likely to start improving. We will get back to growth and we will get things done. At least we're starting to see more honesty around Eskom's true situation we are now starting to address the problems," he said.

He said power-hungry industries would likely look to alternative power generation, the mining sector could focus on exploration, and that automation stakeholders could focus on potential growth sectors such as tourism and ICT for growth.

Marius Smit, General Manager at Africa Automation Fair organiser Reed Exhibitions, noted that IIoT/Industrie 4.0 technologies had the potential to help offset the new challenges mining and manufacturing were facing. “Africa Automation Fair 2019 will showcase Industry 4.0 innovations to drive cost reduction, productivity, availability, reliability, and performance,” he said. “Companies need to embrace automation to keep up with the growing demand,” Smit said.

“With the hope of a turnaround starting in 2020, now is the time for industry to start preparing to implement Industry 4.0 technologies to help drive the economy forward in future,” said Carol Weaving, MD of Reed Exhibitions.

The Africa Automation Fair 2019 exhibition, to be staged at the Ticketpro Dome from 4 – 6 June, will illustrate ways to overcome manufacturing stagnation and fast track growth, highlighting the latest technologies, solutions and models for next generation manufacturing. Exhibitors at the event will include solutions drivers for pain points in the industry, who will consult with delegates on sustainable solutions. Running alongside the fair, the Connected Industries Conference at Africa Automation Fair 2019 will focus on the economic impact of the Fourth Industrial Revolution (Industry 4.0 / IIoT) on South – and Sub-Saharan Africa, and how to bring this technology shift to South Africa.