BIZCOMMUNITY

Industry 4.0: good or bad for manufacturing?

By Danette Breitenbach

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The two countries with the lowest employment in the world, Germany and Japan, are also home to the world's most automated manufacturing industries in the world. However, while it is a myth that automation takes away jobs, it cannot be denied that the 4th Industrial Revolution will affect the manufacturing sector.



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The topic of the 'Manufacturing the Future – Be part of the 4th Industrial Revolution' was discussed by a panel of experts at the recent Manufacturing Indaba that took place at the Sandton Convention Centre.

Impact on workforce

“We need to be realistic and acknowledge that there are going to be job losses,” says Marc Van Pelt from Pepperl+Fuchs. “What we want is for people who lose their jobs to move into other industries or work.” He calls it “reskilling and retraining people from the screwdriver to the tablet”.

The 4th Industrial Revolution will affect the manufacturing sector severely, so it is important to have a conversation about it, says Ally Angula of Leap Holdings. Her company operates in the manufacturing and retail apparel sector and food growing sector in Namibia. “Technology in the apparel sector is seeing one sewing board replacing 10 to 17 jobs as it can produce over a thousand pieces as opposed to 669 shirts by humans.”



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Riaz Haffejee from Sumitomo Rubber agrees. “Industry 4.0 a big challenge for us as a company and for the country. We are not entirely sure what it means, as we are still grappling with Industry 3.0 or automation which has brought about changes in factories. When we add the Internet of Things (IoT) as well as cloud computing, robotics, and AI to this, we have a much more efficient factory to meet the demands of the consumer globally, but this must be balanced against jobs,

investment into skills and costs," he says

"In our case, the industry we serve is about margin enhancement, and while our production processes are technology driven, we need to balance the challenges of being labour intensive and technology savvy," agrees Ayanda Mngadi from the Manufacturing Circle.

How we do this is to constantly learn and not inject fear onto the factory floor she adds. "We keep our workforce and community fully engaged, as we keep an eye on the future. Losing a company like this in the community where it has been operating for years would be tragic."

The need to become competitive

We are manufacturing for the world, not just South Africa, locally, but the reality is that South Africa is not a low-cost destination, says Thomas Schaefer, VW Group SA. "We have experienced double-digit wage increases and high logistic costs. Therefore, whether Industry 4.0 happens or not will be irrelevant unless the country can become more competitive," he says.

"Growth needs to come from the continent if this is to happen. This is where we need to grow, not Europe, if we are to be sustainable in the future. If we cannot get that right then we can say goodbye to the industry," he adds.



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On this note, Dr Tebogo Makube, of the Department of Trade and Industry (dti) asks: "Are we ready, or as Africans will we once again be left behind?

IT is an important element of the 4th Industrial Revolution and its reliability is key as is Intellectual Property he says. "Big industries are not needed, rather Silicon Valley type start-ups." He recommends a visit to the Innovation Hub in Pretoria, saying: "It is doing interesting things."

"As government how do we create opportunities for this Industrial Revolution to thrive. We need to ensure policy framework and regulations as well as financing and tax incentives and reforms."

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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