



FOILWORX

Engraving & Tooling



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The industry voice of Africa

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SPECIAL REPORT ■ Rotolabel: driving self-adhesive label initiatives across the value chain for four decades

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African market opportunities

presentation on the opportunities in the South African and African rotogravure packaging market at the European Rotogravure Association's (ERA) DQXDOBFJLQJHFRUDWHBQIHUHQFHKHOG LQ%DYHQR,WDOWRP&SWHPEHUWR

The conference hosted 12 speakers presenting to around 100 Europeans. Interesting topics covered included the ecological sustainability of the rotogravure process, sustainability and energy balance of water-versus solvent-based inks, economic development in Europe during the Covid-19 pandemic, the geopolitical consequences of Russia's invasion of Ukraine and the impact on European cohesion, and the future use of Chromium trioxide and an environmentally less harmful HelioChrome Neo alternative.

Kaku Kholi from India and I were the only two presenters tasked with providing a developing market alternative for growth opportunities in the rotogravure printing and packaging industry. I was thrilled and extremely proud to share my thoughts on the opportunities on the African continent by emphasising the projected growth statistics of a population of 1.7-billion by 2030 and the subsequent consumer spend potential on packaged FMCG as the income level of the population increases.

The inevitable increase in urbanisation will see a shift from subsistence farming to a reliance on retail packaged goods. Furthermore, the average age of Africans is 18 compared to mid-30s in developed markets such as Europe, highlighting the future spend potential on the continent.

However, many inhibiting challenges continue to hamper growth potential in Africa, such as a lack of broad-based infrastructure, over-reliance on key sectors for growth, restrictive labour practices, corruption, unclear business practices, slow adoption of technological advancements and single resource dependencies such as oil and high energy costs, to name a few.

Notwithstanding these challenges, there would be a compelling case for the global rotogravure print and packaging industry to recognise the potential across the continent, as it is recognised as one of the fastest growing consumer markets in the world. At times there is an oversight on the part of multinationals who sometimes see Africa as a single economy when in fact it is made up of 54 countries that are all

unique sociopolitically and economically. Success is largely dependent on a sound understanding of the challenges and complexities that come with dealing in each country. The notion that size doesn't always matter is an important one, and Ethiopia is a case in point with its impressive 6% per annum GDP growth. Multinationals such as Coca-Cola and Heineken have realised this and are making significant investments in that country.

There are 11 countries that make up roughly 80% of Africa's total GDP, so generally the large percentage of people who call it home are poor but extremely brand savvy and loyal. Consumer expenditure is expected to peak at around \$2.1-trillion/annum by 2025 and \$2.5-trillion by 2030, making it an exciting investment prospect for future growth and potentially the new frontier for the rotogravure printing and packaging industry.



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4Packaging Africa highlights in Germany

On the eve of the conference, ERA's general assembly voted in a new board that saw long-standing president Manfred Janoschka replaced by David Garavaglia. I was proud of the appointment of my colleague, David Möller, MD of 4Packaging, to the board of directors.

The last week of the trip was yet another reminder of the benefit of global partnerships as another colleague, Nkosi Mazendala, and I spent valuable time with our partners, 4Packaging in Dissen, Germany. I always enjoy spending time at this operation with the warm family-oriented team. I was grateful that Nkosi could join me as he took full advantage of the opportunity to discover and introduce many of the learnings at our operation in Benoni.

4 PACKAGING AFRICA

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