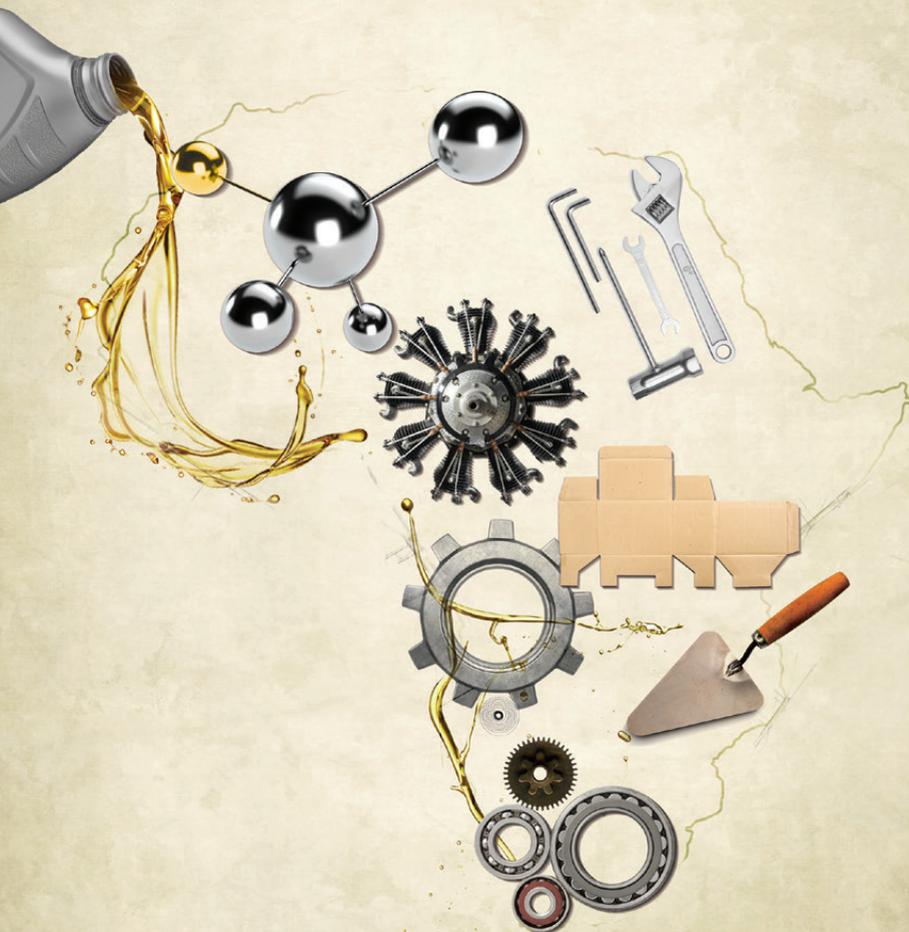


Deloitte.

Deloitte Africa Manufacturing
Enhancing competitiveness



Contents

The changing face of manufacturing	3
Deloitte manufacturing footprint	6
Manufacturing sub-sectors	7
• Automotive	7
• Construction	9
• Metals	11
• Chemicals	12
• Industrial Products and Services	13
• Forestry, paper and packaging	15
• Aerospace and defence	16
Manufacturing service offerings	18
Thought leadership	20
Contacts	25

Click on a title above to navigate directly to the required page.



Exponential technologies and advances in materials are accelerating the pace of innovation. This paradigm shift in manufacturing is creating new ecosystems, which challenge companies to alter their traditional business model boundaries and to rethink their strategies for growth.

The changing face of manufacturing

Exponential technologies and advances in materials are accelerating the pace of innovation. This paradigm shift in manufacturing is creating new ecosystems, which challenge companies to alter their traditional business model boundaries and to rethink their strategies for growth.

Quoting from a recent Deloitte publication, *Future of Manufacturing; Making things in a changing world*, “Manufacturing is no longer simply about making physical products. Customers demand personalisation and customisation as the line between consumer and creator continues to blur. Added sensors and connectivity turn ‘dumb’ products into ‘smart’ ones, while products increasingly become platforms – and even move into the realm of services. As technology continues to advance exponentially, barriers to entry, commercialisation and learning are eroding. Meanwhile, the boundary separating product makers from product sellers is increasingly permeable. And numerous factors are leading manufacturers to build to order rather than building to stock. In this environment, intermediaries that create value by holding inventory are becoming less and less necessary.”

Furthermore, the fourth industrial revolution, “Industry 4.0”, is upon us. This is the coming together of the manufacturing industry and advanced technology, which involves converting machines used in factories into smart hardware by adding technology and advanced analytics to improve the manufacturing process.

This profound change, driven by innovation, sees a need for high-skill, high-tech jobs. This holds particular challenges in light of the ambition

contained in South Africa’s National Development Plan (NDP) to create 5 million mainly low-skill jobs over ten years, given the need for innovation in this space.

At Deloitte, we look to partnering with South African manufacturing industry participants, assisting them to be agile in mastering both systematic complexity and commercial uncertainty, by recognising that collaborative partnerships can be an important enabler for speed, cost advantage and market access. The Deloitte Africa Manufacturing practice is optimistic about the future of the manufacturing industry and encourages collaboration between the public and private sector to enhance competitiveness for manufacturing in Africa. With manufacturing being one of the biggest drivers of the South African economy, it is to the enduring benefit of all that industry, labour and government find a way to work together to ensure South Africa becomes more competitive. Doing so will enable us to increase the trajectory of GDP growth, because only in that way will we be able to create the NDP’s envisioned 5 million jobs, and (this time) sustainable, high-tech ones.

This booklet is your reference guide to the service offerings, solutions and resources available to manufacturing sectors from the Deloitte Africa Manufacturing practice. We have listed details of our key leadership team, and we invite you to connect with us and to tap into our Southern African, African and global network of expertise to further grow your business.

Karthi Pillay
Africa Manufacturing Industry Leader

The Deloitte Africa Manufacturing practice is optimistic about the future of the manufacturing industry and encourages collaboration between the public and private sector to enhance competitiveness for manufacturing in Africa.

Deloitte manufacturing footprint

No matter the complexities or location, Deloitte is ready to help maximise your business potential.

Metals

Globally:
We serve **60%** of the **top 10** global steel producers

30+ clients in the steel sector, representing some of the world's largest companies dealing in steel segments

In Africa:
All significant **steel mills** within the South African market

Chemicals

Globally:
We serve **29 of the 39** largest process manufacturers in the **Fortune 500** list, including manufacturers and distributors of chemicals

78% of Fortune 1 000 chemical companies

100% of Dow Jones **30 industrials companies** (2 out of 2 chemical companies)

In Africa:
70% of all chemicals companies in South Africa

Automotive

Globally:
We serve **80%** of the **36** largest automotive companies in the **Fortune Global 500** list

Provide services to **76%** of the **top 25** Automotive OEMs in the FG 500 list

Provide services to **89%** of the **top 9** suppliers in the FG 500 list

In Africa:
Auditors to the **majority** of dealers and car rental groups

Aerospace and Defence (A&D)

Globally:
We serve **11 of the 15** largest aerospace and defence companies

30+ clients in the **A&D** sector, representing some of the world's largest companies dealing in commercial aircraft, defence industry and space industry segments

In Africa:
We serve six key clients, including the **single largest A&D company** in South Africa

Industrial Products and Services (IPS)

Globally:
We serve **18 of the top 21** industrial products and services companies

In Africa:
We serve a variety of **IPS clients across the African continent**. These include industrial machinery and components, industrial services, instruments and measurement, and electrical equipment companies.

Forestry, Paper and Packaging

Globally:
We serve **29 of the 39** largest process manufacturers in the Fortune 500 list, which include manufacturers and distributors of paper pulp products

In Africa:
We serve all of the **significant** forestry, pulp, paper and packaging groups in South Africa

Construction

Globally:
We serve **the top 10** construction and engineering companies **in the world**

In Africa:
We serve the **top 10** construction companies in South Africa

We are active participants in the quest to improve collaboration in the South African manufacturing industry to enhance competitiveness...

Hold ongoing relationships with a number of industry bodies

Knowledge partners to the South African Manufacturing Indaba in 2014 and 2015

Partnered with the Brand SA Competitiveness Forum in 2013

Provided content for the BRICS Conference from 2013 to 2015

Manufacturing sub-sectors



Automotive sector

Shifts in consumer demand, access to big data, and manufacturers' efforts to move closer to the customer are transforming the automotive landscape for original equipment manufacturers (OEMs), suppliers and dealers. In order to build market share and profitability in the short term, it is becoming increasingly important to position themselves for the future. We assist our automotive clients to deal with the challenges they face in this space, and to turn these challenges into innovative solutions.

Monitoring the trends

- **Brand competition:** New brands of cost-effective, innovative and "greener" cars are entering the market, making it increasingly difficult to stay relevant.
- **Cost reduction driving OEMs:** High cost per unit, competitiveness with other global plants and increasing labour costs (although, the new APDP programme has resulted in certain OEMs investing significantly in their South African plants).
- **Gen Y disruption of traditional ownership models:** Younger generations are highly interested in models that provide access to mobility, that allow them to remain connected (and productive) and that reduce costs. This fundamental shift in buying behaviour with a new generation of consumers presents significant opportunities and challenges for OEMs.

The areas in which we serve our clients include:

- Improving relationships between management and blue-collar workers in the sector
- Advancement of technology and its impact on the industry, e.g. 3D printing
- Use of data analytics to enhance decision making, increase financial performance and strengthen control of risk
- Improving the overall customer journey
- Efficient use of grants and incentives
- Market entry strategies for accessing different regions of the African continent

Contact our automotive sector leader



Karthi Pillay

Africa Manufacturing Industry, Automotive and Industrial Products & Services Leader
Email: kpillay@deloitte.co.za
Tel: +27 82 883 7337

Karthi Pillay is a mechanical engineer and a director in the Deloitte firm. He has 18 years' experience in the manufacturing industry from a technology and project risk management perspective. A large part of his experience is in advising automotive clients on effective governance, risk and compliance on large projects.





Construction sector

The construction industry has been through a constrained cycle, but future growth on the African continent will be driven by infrastructure requirements and supported by rapid urbanisation across Africa. Infrastructure requirements are primarily in the energy and transport sectors and these could provide the impetus for the next cyclical upswing.

Monitoring the trends

- **Cross-border growth:** Construction entities are increasingly looking for cross-border growth opportunities as construction in South Africa experiences low growth and government spend. By 2040, Africa is expected to have more than 100 cities of more than 1 million inhabitants and seven cities of more than 10 million.
- **Underperforming businesses and capital allocation:** Difficult trading conditions in several sectors are placing pressure on overall business performance. This is compounded by low margins across most construction sectors, with entities needing to revisit business models and service offerings to remain feasible.
- **Cash flow, capacity and complexity:** The industry is under significant cash and working capital challenges, due to legacy contracts and work in progress that is taking long to resolve. There is also overcapacity in the South African market, but at the same time, severe technical skills capacity at lower levels. The industry is in dire need of extensive training at the trade levels. At the same time, mega projects are becoming increasingly complex, placing more demand on advanced skills.

The industry is in dire need of extensive training at the trade levels.

- **Accessing to funding:** Projects in both private sector and public sector are under pressure to raise funding for projects. While project funds are available, a key challenge is matching project concepts to bankable feasibilities.

Some of the areas where we serve our clients

- Independent project assessments for assurance purposes
- Finance strategy and operating models
- Business process improvements
- Corporate and growth strategy
- Health and safety reviews
- Audit and internal audit
- Risk frameworks

Contact our construction sector leader



Dave van der Merwe

Africa Construction Leader
Email: dvandermerwe@deloitte.co.za
Tel: +27 82 804 3827

Dave is an associate director in our Strategy & Innovation Consulting practice. He focuses on Capital Projects & Finance Transformation across energy, resources and construction. He has extensive experience, strong leadership skills and strategic thinking capability. He has successfully turned around several businesses and has a deep understanding of performance improvement.



Regional and local infrastructure spend is positive for the metals market.



Metals sector

Traditionally, companies in the global metals and mining sector have viewed energy as a necessary cost of doing business, an overhead item to be managed in line with the budget. However, over the past several years, the very notion of energy has changed. Whether because of expense, unreliable supply or environmental concerns, traditional sources are no longer a simple answer. Today, companies are presented with more options. Choice is certainly good, but it also requires that companies shift their thinking and begin to consider energy not as an expense but as an asset, one that can be managed strategically to create shareholder value and competitive advantage.

Monitoring the trends

- **Emerging markets:** Regional and local infrastructure spend is positive for the metals market. Chinese and now Indian demand for steel and metals is growing due to increased urbanisation.
- **Cost control:** As a consequence of the supply/demand imbalance, the following continue to receive management focus:
 - Managing volatile commodity and raw material prices
 - Rationalising production facilities
 - Sourcing cost-effective and reliable supplies of both raw materials and energy

- **Industry consolidation:** This has been forced by factors such as technological and structural transition, and competition, together with rising costs of raw materials.
- **Pricing:** Locally, the continued threat of cheap imports, significant shortage of skills and the possible threat of price regulation, add to the above challenges.

Some of the areas where we serve our clients

- Deep attest experience
- Transfer pricing
- Cost reduction
- Efficiency improvement

Contact our metals sector leader



Eugene de Klerk

Africa Metals Leader

Email:

edeklerk@deloitte.co.za

Tel: +27 82 558 8304

Eugene is an experienced Consulting director in the Business Process Solutions service area, with 24 years' consulting experience. He has worked with many large organisations in Southern Africa, CIS and the Middle East. He brings deep insight into business re-engineering, business intelligence and integrated performance management in the areas of financial excellence, supply chain and enablement.

Leading chemical companies are involved in open innovation for new ideas and technologies.



Chemicals sector

The chemicals sector is facing a number of challenges in the South African market. Deloitte offers a wide range of expertise and solutions that can be specifically tailored to meet each of our clients' individual needs. We have also contributed to the sector in a number of ways, including through our involvement in the development and launch of the South African Chemicals Report – a project by Global Business reports.

Monitoring the trends

- **Onerous regulatory requirements:** In particular in the health/safety and environmental arena. Chemical manufacturers need to be prepared and understand its impact on strategy, risk management and enterprise applications.
- **Agriculture, water and mining in Africa:** All of these factors are becoming increasingly topical when looking to expand into the rest of Africa. Chemical manufacturers will need to have a good understanding of these in order to successfully expand. Particularly relevant are the current constraints in South African mining, as these have a direct impact.
- **Transport infrastructure:** Majority of the major chemical companies would prefer to transport chemicals through government-owned transport utilities; however, there are challenges with road/rail infrastructure, including safety issues.
- **Volatile input costs:** These are a major challenge for chemical producers, even as they focus on improving profits. With feedstock positioning from emerging markets growing as a strategic option, companies are linking commodity prices with selling prices to manage risks and align strategy.

- **Innovation:** The chemical industry is investing in R&D in the fast-growing emerging markets, leading to reduced research intensity in developed markets. Additionally, leading chemical companies are involved in open innovation for new ideas and technologies.

Some of the areas in which we serve our clients

- Advanced Materials Systems, which combines advanced chemistries and materials with creative business models and partnerships, and value-enhancing systems
- Africa market expansion strategies, combining merger and acquisition activities with research into new product offerings
- Agrichemicals and water; positioning our client to best meet the massive needs for food and water across Africa
- Manufacturing incentives
- Strategic alignment, whereby we assist clients to align their business models and operations with their strategies for the African market

Contact our chemicals sector leader



Patrick Earlam

Africa Chemicals Leader
Email: pearlam@deloitte.co.za
Tel: +27 82 556 9464

Patrick leads the Chemicals sector team for Deloitte Africa, as well as the

Manufacturing Industry team for Deloitte Tax in Africa. Patrick has over 20 years of consulting experience, mainly in the areas of corporate income tax, tax strategy and tax risk management. He coordinates multi-disciplinary teams on tax and related engagements for a number of large clients, primarily in the chemicals, construction and other manufacturing sectors.



The industrial products and services sector is consistently changing in response to globalisation.

Industrial Products and Services (IPS) sector

The industrial products and services sector is consistently changing in response to globalisation. The shift of bases to the emerging nations makes companies closer to customers to reduce (manufacturing, transportation and supply-chain) costs, while reducing overall prices for customers in both the developed and developing world. Industrialisation in these developing markets is fuelling the need for resources. By understanding the industry and offering global solutions that are both forward thinking and innovative, we collaborate with our industrial products and services clients to grow the sector.

Monitoring the trends

- **Positive growth outlook:** The fundamental outlook for this sector is positive, based on various industrial activity metrics that indicate that manufacturing and machinery usage continues to expand, and our belief that stronger growth in emerging economies will likely drive the rebound in global markets.
- **Shorter product lifecycles:** This is as a result of the race for better technology in industrial machinery.
- **Cost:** Increasing competitiveness and rising commodity costs have an impact on margins.
- **Fast-growing African countries:** These represent a growth opportunity; however, moves into Africa will present major logistics challenges.
- **Improved materials:** These are creating opportunities for better products and new applications.

Some of the areas in which we serve our clients

- Training and development
- Use of data analytics to enhance decision making, increase financial performance and strengthen control of risk
- Improving relationships between management and blue-collar workers in the sector
- Advancement of technology and its impact on the industry, e.g. 3D printing
- Emerging market strategies
- Efficient use of grants and incentives

Contact our industrial products and services sector leader



Karthi Pillay

Africa Manufacturing Industry, Automotive and Industrial Products & Services Leader
Email: kpillay@deloitte.co.za
Tel: +27 82 883 7337

Karthi Pillay is a mechanical engineer and a director in the Deloitte firm. He has experience in the manufacturing industry from a technology and project risk management perspective. A large part of his experience is in advising industrial products and services clients on effective governance, risk and compliance on large projects.



Forestry, paper and packaging sector

The forestry, paper and packaging industry (as a significant player in the South African economy in the manufacturing sector) has unique issues and challenges, such as long business cycles in forestry, and the challenge with financial reporting for biological assets. With our involvement with many of the key players involved in these businesses and our ability to tap into expertise across the Deloitte global network, we are able to assist industry players to deal with their challenging issues.

Monitoring the trends

Forestry

- **Uncertainty and climate change:** Water scarcity, sustainability issues and the resolution of land claims are all concerning factors to mitigate.
- **Cost management:** This especially affects transportation with the influence of the fuel price, driven by global markets and a volatile rand.

Pulp and paper

- **Digital media:** Pulp consumption and the manufacture of paper have been affected by changing consumption patterns, the primary driver being consumer preferences for digital media over traditional print media. However, new applications of pulp are emerging in the clothing, food, film and pharmaceutical industries.
- **Ageing equipment:** This drives up costs in pulp and paper mills, resulting in restructuring of operations and closure of certain mills (and it is environmentally unfriendly). Moreover, cheaper imports into South Africa from the East have slashed margins and forced cost reduction plans in order to compete.

Packaging

- **Innovation:** While packaging has a utilitarian function, the importance of well-designed niche packaging that acts as a marketing pull for the product means that this sector needs to constantly innovate.
- **Environmental consideration:** The new society focus on sustainability and environmental concerns places additional responsibilities on packaging businesses to be socially responsible through recycling and biodegradability of their products.



Some of the areas in which we serve our clients

- Strategy, innovation and thought leadership – understanding global trends and access to information from our Global Manufacturing Nerve Centre
- Considering the impact of 3D printing on the packaging industry
- Financial advisory services on capital projects and accessing favourable tax incentives established in South Africa to enhance competitiveness of manufacturing industries
- Specialist knowledge of financial reporting and valuation of forestry assets for businesses owning plantations
- Audit and tax services for this industry sector
- Opportunities in the rest of Africa – tapping into our broader Pan-African Deloitte firm to support businesses operating and investing in the rest of Africa

Contact our forestry, paper and packaging sector leader



Roy Campbell

Africa Forestry, Paper and Packaging Leader

Email:

rcampbell@deloitte.co.za

Tel: +27 82 567 6227

Roy has experience in dealing with a variety of business issues in manufacturing. He understands the importance of applying sound thinking to all aspects of a business issue (including strategic, operational, financial, regulatory and taxation) to arrive at appropriate solutions to a client's needs. His experience with, and understanding of, the forestry, pulp, paper and packaging industry enables him to provide value to clients, with the assistance of specialists from the global Deloitte network.

Aerospace and defence sector

The aerospace and defence industry is potentially one of the most challenging environments globally. It offers a hybrid of manufacturing challenges, OEM services, changing globalised markets, specialised aerospace and defence systems, including a huge focus on the potential within the commercial sector.



Monitoring the trends

- **Increased competition:** This has been driven by the consolidation of many role players in order to optimise their sustainability and market position. There are opportunities from globalisation and access to international markets such as co-operation, commonality and interoperability of systems with other nations.
- **Declined defence spend:** As a result, there have been global budget cuts, delays, and sometimes, cancellations of orders in the defence industry.
- **Shift in focus:** Towards broader security and intelligence markets such as information, surveillance and dissemination, unmanned controlled vehicles and software development
- **Increased commercial aerospace sector profits:** Expected to set new records for aircraft production. The accelerated replacement cycle of obsolete aircraft with next generation fuel-efficient aircraft, and growing passenger travel demand are key drivers behind this trend.

Some of the areas in which we serve our clients

- Product innovation and diversification
- Business strategy and analysis services
- Cost, supply chain and control optimisation strategies
- Compliance reviews and certifications
- Cyber-risk and resilience services, as the protection of critical infrastructure is key (As product offerings become better defined globally, the need for solutions and management will grow rapidly.)
- Data Analytics – business insights and Continuous Control monitoring
- Tax services, including customs and manufacturing grants and incentives

- Talent strategies – such as talent optimisation, which becomes important, especially during times of lower orders, as well as efforts to retain key and core talent
- Business Process Improvement: employing smart business practices and processes aiming to improve productivity and conquer, for example, advanced and complex supply chain processes. This includes negotiations with government procurement agencies.

Contact our aerospace and defence sector leader



Igna Gray

Africa Aerospace and Defence Leader

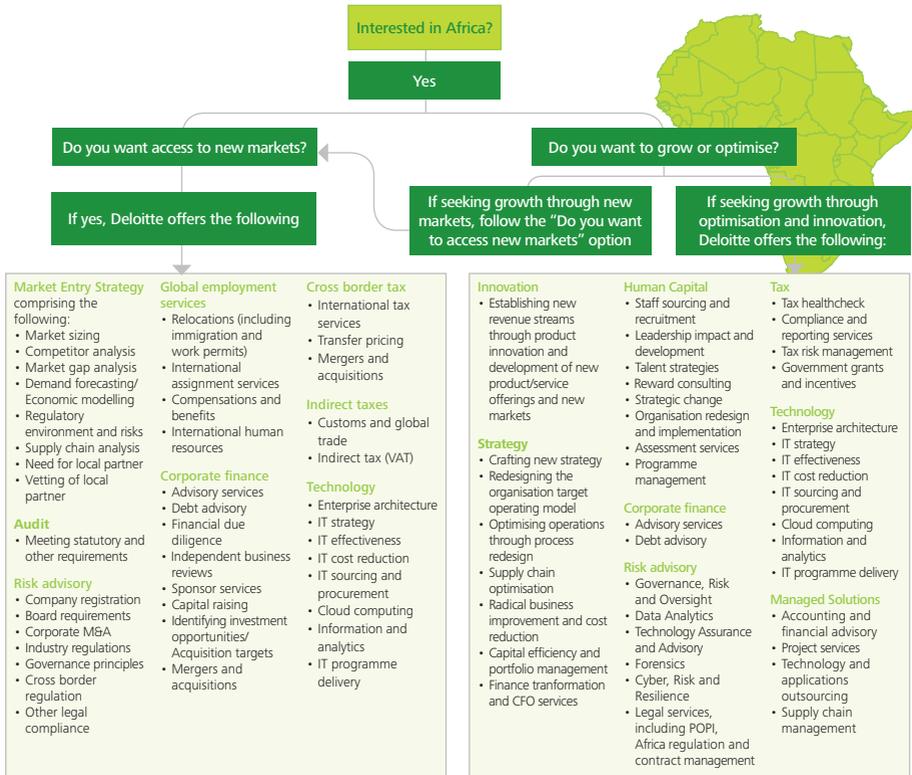
Email: igray@deloitte.co.za

Tel: +27 82 782 4800

Igna is the Aerospace & Defence sector leader in the Manufacturing Industry Group of Deloitte. She is a director with experience ranging from internal audit and control design, to governance and risk, as well as business process design and business turnaround interventions. She has vast experience in both the public and private sector, focused on the mining, manufacturing, aerospace and defence and retail industries.

Deloitte is recognised by national and global clients, industry analysts, service providers and other stakeholders as a global leader in professional services across a diverse set of capabilities.

Manufacturing service offerings



Some of our accolades from independent industry experts

- Audit:** Deloitte named the 2014 worldwide leader in Finance and Accounting Consulting Services by IDC MarketScope¹
- Consulting:** Deloitte named a worldwide leader in business consulting services based on capability and strategy by IDC MarketScope, 2014²
- Tax & Legal:** Deloitte received 15 awards for innovative client work in Europe, between January 2013 and January 2014, in International Tax Review’s European Tax Awards, and a number of top honours in North and South America
- Corporate Finance:** Deloitte named a worldwide leader in Finance and Accounting Consulting Services by IDC MarketScope in 2014³
- Risk Advisory:** Deloitte named the 2013 global leader in business consulting services for governance, risk and compliance based on capabilities by IDC⁴

¹ IDC MarketScope: Worldwide Finance and Accounting Consulting Services 2014 Vendor Assessment by Cushing Anderson, July 2014, IDC #249540.

² IDC MarketScope: Worldwide Business Consulting Services 2014 Vendor Assessment by Cushing Anderson, February 2014, IDC #246615

³ IDC MarketScope: Worldwide Finance and Accounting Consulting Services 2014 Vendor Assessment by Cushing Anderson, July 2014, IDC #249540.

⁴ IDC MarketScope: Worldwide Business Consulting Services for Governance, Risk, and Compliance 2013 Vendor Assessment by Cushing Anderson, Kerry Smith, Vivian Tero, August 2013, IDC #242352



Manufacturing industry thought leadership



The future of manufacturing – Making things in a changing world

- The changing economics of production and distribution, along with shifts in consumer demand and the emergence of “smart” products, are pushing manufacturers to explore radically new ways of creating and capturing value.
- This report explores how exponential technological advancement, coupled with eroding barriers to entry, commercialisation and learning, is creating a new business landscape.



Analytics in Manufacturing – Are South African manufacturers ready for “MANalytics”?

- Deloitte undertook a study on the analytics readiness of South African manufacturers, with the help of 40 manufacturers who took part in the research.
- The findings of the survey will help South African manufacturers compare themselves with their global peers, inform their future strategies for success and shape and strengthen their future analytics initiatives to improve their competitive positioning.
- The report also discusses the main challenges and opportunities pertaining to analytics.



Industry 4.0 – Challenges and solutions for the digital transformation and use of exponential technologies

- Around the world, the traditional manufacturing industry is in the throes of a digital transformation that is accelerated by exponentially growing technologies (e.g. intelligent robots and autonomous drones).
- This networking within an “internet of things, services, data and people” will transform the future of manufacturing. Commentators use the term “industry 4.0” to refer to a fourth industrial revolution.
- This study investigates the extent to which Swiss manufacturing companies have already positioned themselves in relation to this digital transformation and the opportunities the switch to “industry 4.0” offers them.
- A local version of this report will be published soon.



Enhancing manufacturing competitiveness in South Africa – Analysis

- In the 2013 Global Manufacturing Competitiveness Index, South Africa was placed 24th on the global competitiveness ranking, and it is expected to move down a further position in the next five years.
- These results (together with an overall decline in South African global competitiveness, as per the World Economic Forum's 2012–2013 Competitiveness Index) led Deloitte South Africa to collaborate with the Manufacturing Circle to conduct its own local manufacturing competitiveness survey.



Manufacturing the right talent – Attracting the missing strata

- This piece examines the extent and nature of the talent availability crisis in South Africa.
- Over the last few years, the South African manufacturing industry has struggled with certain skill shortages, which has come from the focus on strategically developing graduates but not really developing our pool of technicians, artisans and the like.
- We build the case for industry rebranding in order to attract more young people to careers as technicians and artisans.



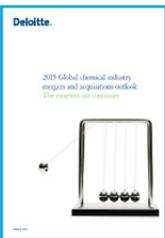
Deloitte on Africa – Africa construction trends report 2014

- Africa's rapidly growing middle class continues to drive demand for sustainable social infrastructure. Added to that, growth is being fuelled by continued investment in natural resources and agriculture. Overall, we see the opportunities surpassing the challenges faced by our continent. Africa is our home; and between 2013 and 2014 alone, it was a home that exhibited a 46.2% growth in mega project construction value.



2014 Automotive survey SA insights – Talking about Generation Y

- The survey (initiated in 2013) focused on “the changing nature of mobility” and how the consumption of mobility affects various aspects of the automobile buying and ownership experience.
- The Global Automotive Consumer Survey is based on a survey of over 23 000 consumers in 19 countries.
- Key findings and insights are based on South African responses to the survey.



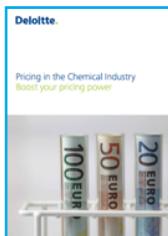
2015 Global chemical industry mergers and acquisitions outlook – The momentum continues

- According to our manufacturing industry group’s 2015 Global chemical industry mergers and acquisitions outlook, companies are continuing to realign portfolios and pursue profitable inorganic growth opportunities. In addition, M&A interest is likely to be fuelled by stronger corporate balance sheets, liquid debt markets and continued favourable interest rates.
- During 2015, key chemical segments of commodities, intermediates and specialties, fertilisers and agriculture chemicals, and industrial gases are all likely to experience continued growth in M&A activity. Another trend that is driving M&A in the chemicals industry is the focus on biotechnology and renewables.



2015 Global aerospace and defence industry outlook – Growth for commercial aerospace; defence decline continues

- According to the 2015 Global aerospace and defence industry outlook, the industry is likely to grow around 3%. This increase is due to the continued strength of the commercial aerospace sector from rising passenger travel demand and production of next generation fuel-efficient aircrafts.
- Global revenues in the defence sector specifically, will likely continue to decrease in 2015 at an estimated 1.3%; and over the next few years, the defence sector will be challenged in two major ways: growing profitably in a declining market and cutting costs to maintain acceptable financial performance.



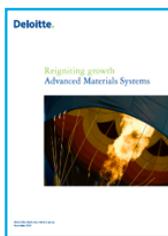
Pricing in the chemical industry – Boost your pricing power

- Many chemical companies are looking for opportunities to differentiate and grow organically. Escaping the commodity trap or introducing value-based pricing requires a closer connection with your customer and more insights into the end markets in which your customer is operating, allowing you to capture the maximum value through price setting and execution.
- This report provides insights into pricing strategies for chemical companies.



Global forest, paper and packaging trend watch – A changing landscape: South America's influence on global markets

- The report highlights the growing influence of South America on the global forestry, paper pulp and packaging industry as an emerging consumer base, as the region's reliance on paper imports to satisfy growing demand is expected to continue.
- It also forecasted that South America, with its current investments into state-of-the-art production facilities, could stake a competitive position in global markets, should wood-based and other cellulosic bioenergy reach commercial-scale production.



Reigniting growth – Advanced materials systems

- Reigniting growth: Advanced materials systems describes a new approach for manufacturing sectors to pursue opportunities in large markets, enabled by materials technologies, wherein innovation moves beyond the frontier of new molecules and materials.
- This approach has the potential to enable growth, value creation and innovation renewal by delivering functional solutions to markets and customers that desire or require those solutions.
- This study is a call to action for players in the AMS ecosystem, across a variety of industries and points along the value chain, to create and capture value in a complex, evolving landscape.



Contact the Deloitte Africa Manufacturing Industry group

Should you wish to discuss anything in relation to this booklet's content, please do not hesitate to contact us.



Africa Manufacturing Industry Leader
Karthi Pillay

Africa sub-sector leaders



Automotive and Industrial products & services
Karthi Pillay
kpillay@deloitte.co.za
+27 82 883 7337



Construction
Dave van der Merwe
dvandermerwe@deloitte.co.za
+27 82 804 3827



Metals
Eugene de Klerk
edeklerk@deloitte.co.za
+27 82 558 8304



Chemicals
Patrick Earlam
pearlam@deloitte.co.za
+27 82 556 9464



Forestry, paper & packaging
Roy Campbell
rcampbell@deloitte.co.za
+27 82 567 6227



Aerospace & defence
Igna Grey
igray@deloitte.co.za
+27 82 782 4800

Africa service area leaders



Assurance
Sebastian Carter
secarter@deloitte.co.za
+27 82 783 6487



Consulting
Johan Oelofse
joelofse@deloitte.co.za
+27 82 418 4039



Human Capital
Ursula Fear
ufear@deloitte.co.za
+27 82 903 0603



Corporate Finance
Gregory Benjamin
gbenjamin@deloitte.co.za
+27 82 568 3590



Risk Advisory
Michele Townsend
mntownsend@deloitte.co.za
+27 82 441 7164



Tax
Patrick Earlam
pearlam@deloitte.co.za
+27 82 556 9464



Incentives
Newton Cockcroft
ncockcroft@deloitte.co.za
+27 82 371 8498



Chief of Staff
Adheesh Ori
aori@deloitte.co.za
+27 82 353 3690



Marketing Lead
Antoinette Shand
ashand@deloitte.co.za
+27 84 200 4422

You can also connect with us on these platforms:

 zamanufacturing@deloitte.co.za

 www.deloitte.com

 Deloitte South Africa

 @DeloitteSA

 Deloitte SA

 deloitteblog.co.za

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This communication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu Limited, its member firms and their related entities (collectively, the "Deloitte network"). None of the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2015 Deloitte & Touche. All rights reserved. Member of Deloitte Touche Tohmatsu Limited

Designed and produced by Creative Services at Deloitte, Johannesburg. (809966/jo)