

Looking ahead to 2020 - the year to explore uncharted markets

By [Xolile Sizani](#)

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Competition has become increasingly fierce. In 2019, we saw the expansion of price wars and the battle to remain relevant. It has become clearer that the companies that will survive are those which over the years have invested in building strong and strategic relationships with their clients and helped these clients achieve their triple bottom line strategy by offering them integrated solutions, invested in their people, closely watched expenditure through establishment of efficient processes, build a high performance culture and continue to expand their business profile locally and across borders; especially in such a tough economy.



Xolile Sizani, group CEO of Servest

While we've experienced a local strain in the economy, opportunities across the continent abound. In fact, according to the African Development Bank, Africa's economic performance continues to progress forward; while not strong enough to address structural changes, there is growth in many parts of the continent.

Opportunities in Africa

Perhaps as we look ahead to 2020, it's worthwhile to explore African markets that present opportunities for growth and expansion.

We continue to observe how efforts to boost innovation in Ghana are driving economic growth. Innovations implemented in the country have moved it from a low-income country to a low-to-middle-income one.

Kenya continues to experience growth across industries; notable growth was recorded in the information and communication technology sector, accommodation and food services, and finance and insurance. Similarly, public infrastructure projects helped grow the country's construction sector.

Kenya's annual increase in GDP has been averaging 5.46% since 2004.

Rwanda is another one of Africa's success stories. Having gradually put together measures to recover from the 1994 genocide which destroyed the country's economy, Rwanda has well positioned itself as one of Africa's fastest growing economies. Innovation is driving the economy - solar energy is powering most buildings in the country and GPS technologies are becoming the order of the day. In fact, the 2019 World Bank Doing Business index places Rwanda as the 29th easiest place to do business in the world - the only low-income country (LIC) in the top 30, and it ranks among the top 50 least corrupt countries out of 180 countries according to the latest Corruption Index.

The economy of Mauritius also continues to grow steadily with its GDP currently sitting at 4%, driven by the construction and services sectors (tourism, banking, ICT). The country has an unemployment rate of 6.9%, compared with South Africa's 29% unemployment rate.

Ethiopia has also boasted an impressive GDP growth rate of between 8% and 11% annually since 2016. Ongoing infrastructure projects, construction, and the services sectors have been the primary drivers of the economy's growth; with a market that has one of the greatest opportunity potentials for investors and start-ups within construction, agriculture, manufacturing and logistics.

The economy of Nigeria grew 1.94% year-on-year in the second quarter of 2019. While the output from the oil industry largely contributed to the country's economic growth, industrial sectors, including manufacturing and construction, showed the strongest growth at 3.2%. Nigeria's economy is projected to continue to grow steadily; as parliament has passed a budget of NGN10.3tn which is likely to attract investors and particularly infrastructure projects.

Growing the SA economy

These markets present opportunities for abundant expansion and perhaps South African businesses should take a more serious look at how we can tap into them for greater impact in growing our own economy and easing the pressure in our industries (including the facilities management (FM) sector). And it is clearer that we must exercise new forms of resilience, apply more systematic thinking to navigate the challenges, and develop and implement bold strategies to explore uncharted markets to expand and sustain South African businesses. Through such expanded efforts, we can help to address the challenges that the country continues to face: poverty, unemployment (especially the large proportion of youth unemployment), and ensure that we drive overall business sustainability.

We have an opportunity to transform Africa through an integrated approach to facilities management that is focused on delivering solutions that enhance the built and marine environments.

Driving human capital strategies

Our experience across the eight African countries in which Servest has a footprint has been that, while there are growth opportunities across the continent, there are also opportunities for continuous improvement, opportunities to drive human capital strategies that will develop colleagues who will drive the implementation of integrated solutions, upskilling them for the fourth industrial revolution (4IR) and the need to boost efforts to improve efficiencies, benchmark against other African countries on the continent and the world, and begin to truly showcase Africa's potential.

While companies continue to explore ways in which to remain sustainable, we must prioritise maintaining a good balance in the triple bottom line - people, planet and profits - and ensuring that none is compromised at the expense of the other.

ABOUT THE AUTHOR

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