

Saint-Gobain reiterates commitment to continent at Africa Forum

At Saint-Gobain's fourth Africa Forum, held at its Midrand headquarters, Africa CEO Jean-Claude Lasserre noted that investment into Africa is high on the company's agenda and that it remains committed to expansion and growth.



Jean-Claude Lasserre, CEO, Saint-Gobain Africa

“Our presence on the continent is linked to the urbanisation and population migration trend which shows no sign of slowing down. We see almost 150 million people relocating to cities across the continent every five years. With the median age being low and population growth set to continue its upward progression, the growth potential is significant.”

The outlook, no matter how positive, comes with challenges. Plugging into local requirements and tailoring offerings to the diverse needs of different markets is key.

Modified operational approach

“We have modified our operational approach and product offering to cater to specific regions and markets. While consumer needs and wants are often universal, market maturity is an issue with infrastructure and industrialisation still in early stages. Factors such as supply chains, support from retailers, contractors and general compliance standards may not always be available or uniform which complicates doing business. Additionally, Africa’s enormous diverse cultural, ethnic, religious, and aesthetic differences have been the Achilles heel of many multinationals trying to do business on the continent, and we have learnt to avoid most of the pitfalls,” said Lasserre.

Despite the challenges, he is confident that the opportunities outweigh potential drawbacks as evidenced by the acceleration of Saint-Gobain’s footprint in Africa. In 2019 the group opened three new plants, one each in Angola, Ghana and Zimbabwe. It is planning another five in 2020.

Assessing key factors

“It goes without saying that the bigger the challenge, the bigger the reward, and the main factor in determining whether the risk will be worth it, is timing. We consider key factors within a region and make our decision based on that assessment.

Policy changes, economic reform, and currency movements are some of the key factors we assess when identifying new markets. From an investment perspective, we believe that long-term vision, rather than instant fulfillment, is critical. Looking specifically at South Africa, we have continually partnered with the Department of Trade and Industry (DTI) to ensure we are helping support and grow local industry. Our vision is to establish an enduring, viable presence in all our key markets.”

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