Datacentrix hosts inaugural Transport Indaba

The use of technology within the local transport industry can unlock a positive contribution to South Africa's economy and its society. This was the central theme of the very first Transport Indaba, hosted by Datacentrix.

Held at Zebula Golf Estate in Bela-Bela, Limpopo, the company invited players within the transport sector to join the discussion on securing a faster, safer, greener and more effective data-driven industry. The 2023 Transport Indaba was supported by Datacentrix partners Hewlett Packard Enterprise (HPE), Aruba, Fortinet, Veeam, F5 and Teraco.

South Africa on the right road

Veteran keynote speaker Dr Roelof Botha, an economist and Joint Managing Director at GOPA Group SA, gave delegates a view on how economic policy shift may herald sustained growth in South Africa, if several daunting challenges can be overcome.

"The fact is that, despite the precarious state of the country's logistics infrastructure – especially energy, roads, harbours and railways – South Africa's macro-economy is still in good shape. Third-quarter GDP growth was positive in real terms, the ABSA/BER purchasing managers' index (PMI) remains above the neutral level of 50, and the Reserve Bank's leading composite business cycle indicator remains close to its recent all-time high."

Botha drew attention to the fact that the JSE All Share Index had also hit record highs in January 2023, despite load-shedding and recession fears, buoyed by China reopening its borders and hopes that the US Federal Reserve may slow the pace of interest rate hikes.

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"When looking at our general government gross debt as a percentage of the GDP, under 70%, it's clear that we have fiscal stability in this country. Other factors, including the value of wholesale trade sales at constant 2022 prices, and the recovery rate of overseas tourist arrivals being up to 74%, with money being spent in our country and creating jobs, combine to highlight the fact that from a macro-economic point of view, we remain relatively sound overall."

Botha outlined the economic significance of local transport infrastructure, stating "via vitae, the road is life", adding: “The transport sector plays a key role in the unlocking of factor and product markets, as it helps to get people and products to market.”

Repair of the local road infrastructure is critical, he said, for safety reasons, as well as bolstering the sector’s contribution to the GDP through employment. “There are positive economic multiplier effects: for every rand spent there is a R1.27 value add to the economy. If our government were to fix our roads, it would generate great value for the country, while also supporting other industries like agriculture, allowing for economic development through enhanced mobility.”

South Africa’s total exports record was shattered in 2022, Botha stated, reaching over two trillion rand, with significant contribution from the transport industry, in particular the manufacturing of vehicles. In fact, Stats SA reported that South Africa's manufacturing output rose by 2.9% year on year in September last year, after rising by a revised 1.7% in August, underpinned by motor vehicles, parts and accessories and other transport equipment.

“We’re on the right road now, and South Africa has a lot going for it. My general feeling for the future is one of optimism,” he said.

Using data to drive positive business outcomes

In his welcome address, Datacentrix CEO Ahmed Mahomed underscored the fact that technology will be a significant factor in helping the transport sector to tackle today’s business challenges head-on.

“Top risks for any business today go beyond political, environmental and macroeconomic pressures such as inflation, interest rates, unemployment and economic growth, and now include technology-related issues such as cyber security and disruptive technologies,” he explained.

“We are living in extraordinary times in South Africa, where disruptions such as delivery constraints, supply chain pressures and energy challenges all have a massive impact on our businesses, regardless of the sector. From a logistics point of view, we are also being negatively affected by infrastructure challenges, where more traffic equals slower deliveries and escalating costs. When looking at physical security, crime is playing a role in costs, with increasing requirements for vehicle tracking and armed guards further pushing up prices.

Dr Roelof Botha, an economist and Joint Managing Director at GOPA Group SA

“In addition, cyber security has become a serious consideration for every business, with PwC’s 2023 Global Digital Trust Insights Survey stating that two-thirds of executives consider cyber crime to be the most significant threat of this year. As data becomes increasingly critical and valuable, it has also become a tool for cyber warfare.”

Mahomed added that, in PwC’s annual global survey, it says that 40% of the chief executives surveyed also believed their organisations would no longer be economically viable in 10 years’ time, if their companies were to continue on the current course.

“So, if you don’t plan, you will become irrelevant,” he noted. “Technology can help organisations to become more agile and focused on business outcomes, with digital transformation helping them to drive intelligence from their data and enabling customised data-first strategies.

“One of the biggest challenges in achieving better business outcomes, though, is creating a safe, integrated digital environment with access to real-time data. What is important here is ensuring that you get the fundamentals right – understanding your foundational storage, compute and networking landscape – delivering data securely and driving intelligence out of this data,” concluded Mahomed.

For more information on Datacentrix’s 2023 Transport Indaba, please visit https://www.datacentrix.co.za/transport_indaba_2023.html.