

Barloworld plans Africa expansion

By [Nick Hedley](#)

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Barloworld is targeting six sectors to boost the growth of its business and is busy positioning itself "o expand into west and east Africa, according to company chief executive Clive Thomson.



Barloworld's Clive Thomson is upbeat about the company's Africa prospects. Image: Barloworld.

While the diversified company has continually expanded its operations outside of SA, its African growth has tended to focus more on countries south of the Democratic Republic of the Congo (DRC).

In results released this week, in which it reported a strong 26% rise in headline earnings per share, Barloworld emphasised its strategy to reallocate capital to "higher return opportunities".

Thomson said the company's six strategic growth segments were mining, infrastructure, power, automotive, logistics and agriculture.

"We have taken our Avis Fleet Services business into Ghana in west Africa, and we're looking at an acquisition opportunity at the moment in east Africa for that business," Thomson said.

Logistics business faces challenges

He said while Barloworld's logistics business was traditionally focused on SA, it was following the expansion of its customers into the rest of Africa.

"Logistics is one of the biggest challenges in Africa," he said, adding that the sector provided opportunities for those able to provide solutions.

Thomson said Barloworld is focusing on the existing territories where it operates to grow through with established businesses in these regions.

While most of the company's growth would come from countries in southern Africa including Zambia, Angola, Mozambique, Malawi, Namibia, Botswana and SA, Barloworld is positioning itself to expand into west and east Africa.

Thomson warned that while many mining companies were holding back on new capital investments, much of Barloworld's mining equipment business was focused on parts and services, which benefited from ongoing maintenance of existing mining operations.

Although the external environment was likely to remain quite tough, Thomson said Barloworld was confident that it will improve its operating performance through internal efficiencies and organic and acquisitive growth.

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