


MORGANCOAT: Quality and Service Distinguishes Morgancoat as Industry Leader

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A pioneering team from Durban is disrupting the self-adhesive label stock manufacturing industry in Africa, with innovative solutions that improve both sustainability and turnaround times. As a proudly South-African owned and managed business Morgancoat strives to provide a credible alternative to multinational corporates, offering high-quality, locally driven excellence.

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Manufacturing remains a cornerstone of South Africa's economy, driving job creation, income generation, and trade. However, local manufacturers face a tough landscape, with intense competition and relentless pressure from low-cost imports. Despite these challenges, the industry remains vital for long-term economic sustainability.

By the end of 2024, the manufacturing industry saw a slight decline of 1.2% compared to 2023. However, the food, beverage, and retail sectors experienced growth – encouraging news for label and packaging specialist Morgancoat, which remains focused on its expansion efforts.

Established in 2006, Morgancoat has grown to become one of the premier manufacturers of self-adhesive label stock in Southern Africa. Marc Black who joined the company in 2012 and has held the position of Managing Director since 2021. Speaking to Enterprise Africa, he shares how Morgancoat continues to drive growth through innovation and extensive industry expertise.

"The products we manufacture are behind many of the widely used labels across various industries," he opens. "At our smart factory headquarters in Pinetown, we have four coating lines and seven slitting machines, producing a diverse range of self-adhesive or pressure-sensitive label materials."

Morgancoat focuses on the two primary adhesive technologies—hot-melt adhesives and water-based acrylic emulsion adhesives. These materials are behind everyday labels, from those placed on an Amazon parcel to the elegant label on a fine bottle of South African Pinotage, or the information adhered to product packaging in the country's top retail stores.

"Our primary customer base in South Africa includes approximately 165 label converters of varying sizes from the small garage-based operations to the large corporates who have extensive facilities with multiple printing presses," says Black, who is keen to take market share by offering the high-quality South African alternative.

"Our flexibility is a major advantage. We handle our own coating and laminating in South Africa, and as the only local player competing against multinationals who import finished products, it has been key to our growth," he says. "We've seen significant year-on-year growth for the last four years."

Adaptability is another crucial strength. Morgancoat's ability to quickly pivot to meet client needs – without the delays of complex reporting structures—allows it to manufacture locally at a faster pace than competitors. "I think that has all contributed to our growth," says Black.

Quality has been a key focus for Black, who emphasises the importance of sourcing only the best raw materials for their process.

“Quality is paramount, and we have consistently improved over the years,” he says. “We place a strong emphasis on systems and technology and currently employ three permanent software developers which allows us to continuously improve our processes. With dashboards and sensors throughout our facility we are able to detect and address quality issues during production, ensuring the highest standards.”

DIGITAL GROWTH

While online shopping and digital transactions had been steadily growing in South Africa, the Covid-19 pandemic triggered an unprecedented surge in demand. By the end of this year, online sales are expected to account for 10% of all retail transactions—a remarkable leap from just 1.4% in 2018 in a country traditionally reliant on cash. The arrival of Amazon in 2024, alongside established local players like Takealot, and major national retailers, has further fuelled this shift, driving significant growth for Morgancoat’s business.

“Online shopping with speedy delivery has encouraged us to diversify,” says Black.

“Inspired by the various on demand services introduced during and after COVID-19, we launched what I believe is a one-of-a-kind service in the label stock industry world-wide, a model we call MC Express.

“We’ve established MC Express in Cape Town, which is a challenging market for us because of the distance between Durban and Cape Town. Our customers in Johannesburg expect and receive next day delivery, however Cape Town customers are looking at a two-to-three-day lead time. We created an online store where Cape Town customers can login to see exactly what stock is available, in real time, they can place an order which will be delivered within four-to-six hours. MC Express stocks our commodity products, pre-slit into the most common sizes and ready to deliver,” he explains.

Black believes that this novel offering is a testament to his team’s understanding of the local market and their commitment to helping clients.

Black continues: “It is gaining traction the Cape Town market. It’s a concept we are considering rolling out in Johannesburg when the time is right. It could even evolve into a franchise model for expansion into African markets and other regions. We are looking for potential partners in other markets and territories that might be looking to diversify.”

SUSTAINABILITY

Like the rest of the industry, one of Morgancoat’s primary challenges is addressing waste. To align with circular economy goals, the focus is moving away from single use packaging and towards developing products that are recyclable.

Black highlights the company’s commitment to sustainability, noting that Morgancoat has been actively developing innovative solutions. One such initiative is a new packaging solution, currently being trialled in the market with great success.

“It’s a functional barrier coating that can be applied to paper and board as an alternative to polyethylene and wax coatings, rendering that package fully recyclable and suitable for repurposing. This is a new division that we launched recently and while we’re still finding our footing, I see tremendous potential – especially with the growing global emphasis on sustainability,” he remarks.

He gives the example of the often-overlooked sugar sachet. Each time you pick up one of these disposable items in a coffee shop, café, or hotel, it is likely made with a polyethylene extruded coating. This coating creates a moisture barrier to prevent the sugar getting wet and hardening while also enabling heat sealing. However, due to the use of polyethylene, these sachets cannot be efficiently recycled and ultimately end up in landfill.

“We can produce a replacement product for these types of applications by applying a water-based coating on the inside,” Black explains. “This means that sugar sachets, instead of ending up in landfill, could technically be collected and sent back to paper mills for recycling.

These applications extend beyond sachets to fast-food packaging such as burger boxes or pie packets which often have a plastic coating for grease and oil resistance. Many of these coatings prevent recyclability. While this division is still in its early stages, we’re actively exploring opportunities. The goal is to replace the plastic layer that turns packaging into a multi-layer, non-recyclable product. With our solution, we can create a mono-layered material that can be efficiently recycled back into paper.”

Reinforcing the company’s commitment to sustainability, Morgancoat’s Pinetown site operates with a sustainable energy system, powered by 500 solar PV panels on the facility’s rooftop. These panels generate enough green energy to supply the majority of the operation’s power needs.

From here, the company is focused on expanding its presence across Southern Africa aiming to become the continent’s supplier of choice—locally owned and dedicated to solving African challenges.

“We’ve recently begun exploring exports and are already supplying material to Angola, Rwanda, Zambia, Zimbabwe. We’re currently testing the market in Mauritius and Botswana, with plans to expand further north and east over the next next 12 to 18 months,” says Black, adding that with each company that takes up a Morgancoat product, the opportunity for further innovation grows.

With online retail sales in South Africa projected to grow at nearly 10% CAGR through 2029, and sustainability efforts continuing to shape supply chains, Morgancoat is well-positioned for sustained growth.

“I think the combination of our quality, service levels, hands-on ownership, and strong reputation has created the perfect conditions for success,” smiles Black.

“Larger label converters now see us as a serious alternative to multinationals, rather than just a small supplier from Durban. Over the last three to five years, many pieces have fallen into place, strengthening our brand and driving growth. That’s why we’re now ready to take a bold step into the African market.”

Morgancoat stands as a true South African manufacturing success story – an SME that is not only thriving today but is also well-equipped to influence the future, of the industry in Africa, for years to come.