



DNA Economics

Export Marketing and Investment Assistance (EMIA) implementation evaluation

ExBo Secretariat

28 August 2014



DNA Economics

Introduction

Background and objectives

Evaluate the implementation of the EMIA programme

- Primary objective is to assess the performance of the EMIA programme
- Programme focus
 - Is the programme achieving its overall objectives?
 - What improvements can be made to optimise the implementation and performance of the programme?
- Participating firms
 - Which sectors and groups has the programme targeted / focused on?
 - Has the programme been beneficial for participants relative to the costs of the programme?
 - What other challenges have the participants faced in developing and entering new markets?

Methodology

6-stage methodology



Background research

Understand the context and rationale of export promotion programmes

- Consultations
 - Initial consultations with staff from TISA and IDAD
 - Detailed focus groups with EMIA staff
- Literature review and international comparison
 - Provide deeper understanding of the determinants of firm behaviour when exporting
 - Demonstrate how export promotion programmes operate in other countries

Survey component

Survey of both EMIA beneficiaries and firms that have never participated in the EMIA programme

Province	Firms that have participated in EMIA			Firms never participated in EMIA	
	Universe	Target	Achieved	Target	Achieved
Free State	11	11	2	20	
Gauteng	818	284	194	20	66
Limpopo	22	22	0	20	4
Northern Cape	6	6	0	20	
Western Cape	403	177	160	20	23
Total	1,260	500	356	100	100



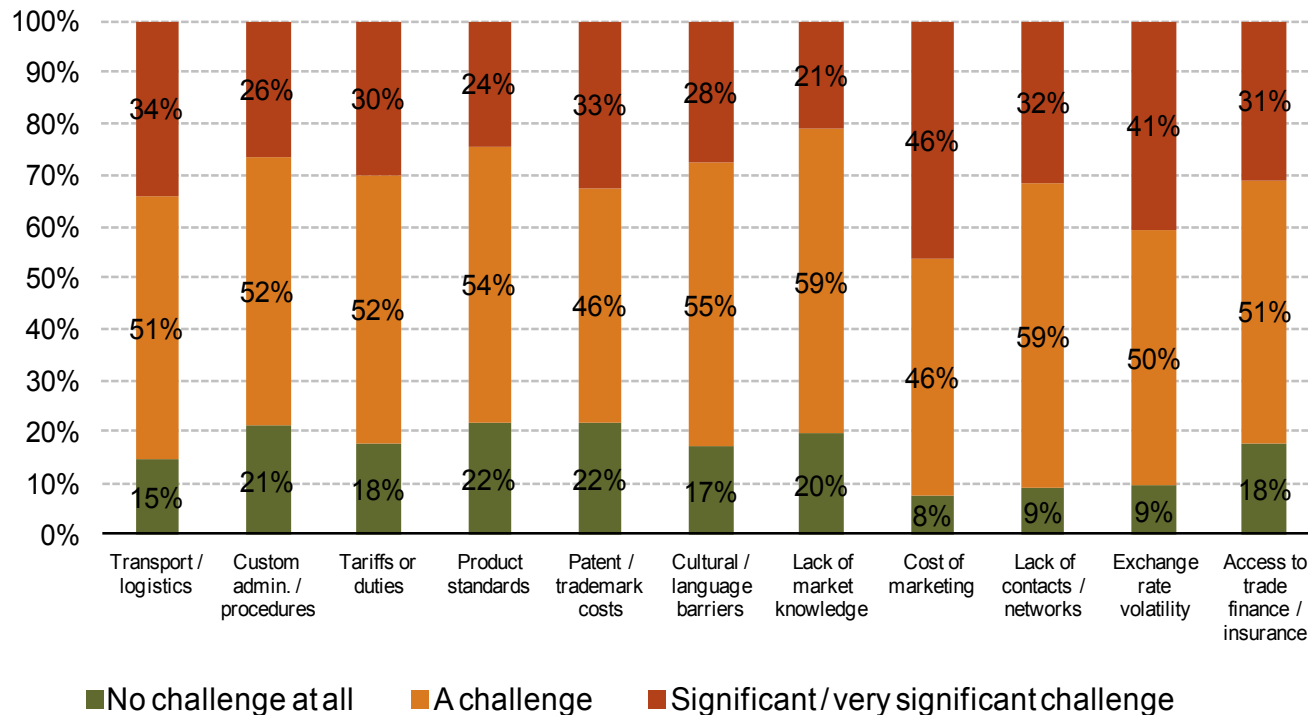
DNA Economics

Understanding EMIA within an export promotion context

Export challenges facing firms (1)

EMIA beneficiaries

Challenges to exporting - EMIA beneficiaries



Source: DNA Economics based on survey of non-EMIA beneficiaries

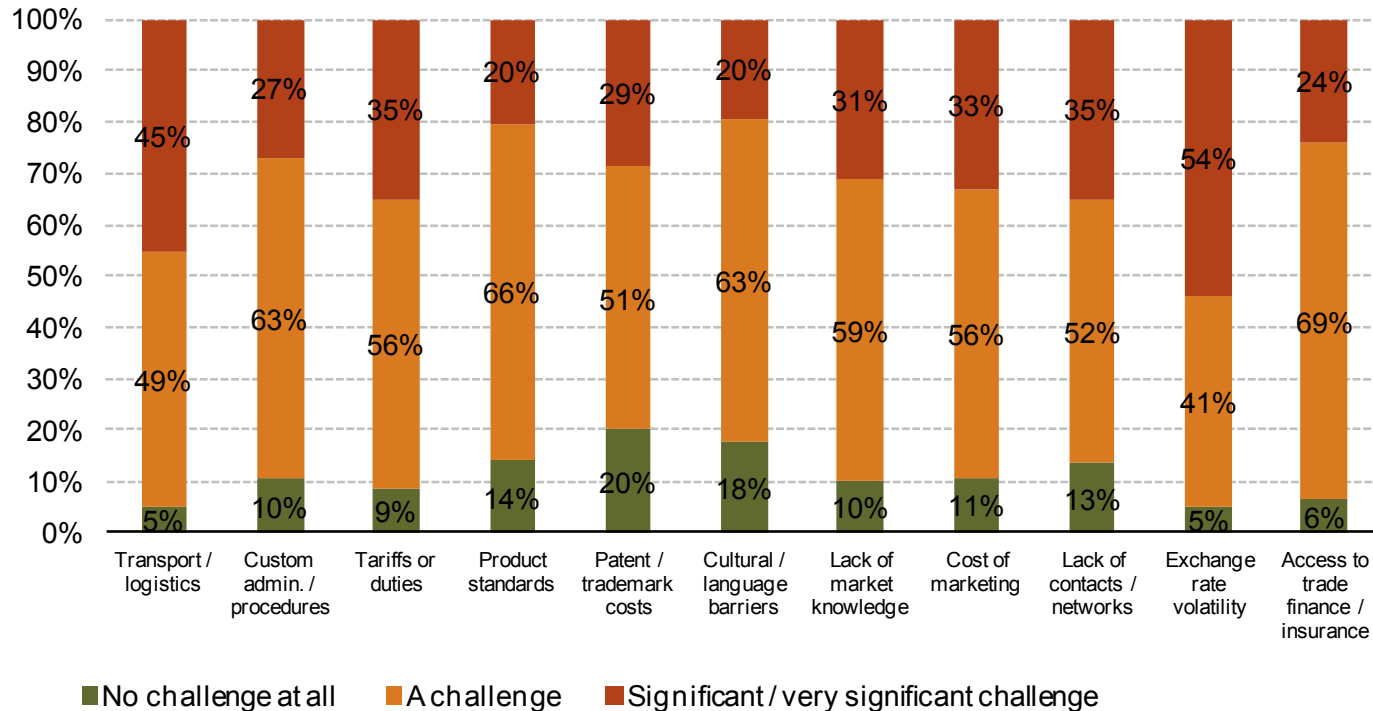
Firms were asked to rank each challenge on a scale of 0 (No challenge) to 5 (Very significant challenge). For summary purposes, "A challenge" reflects responses of 1, 2 or 3 and "Significant / very significant challenge" reflects responses of 4 or 5.

The representation excludes firms that did not report exporting goods in the last three years. .

Export challenges facing firms (2)

Non-EMIA beneficiaries

Challenges to exporting - non-EMIA beneficiaries



Source: DNA Economics based on survey of non-EMIA beneficiaries

Firms were asked to rank each challenge on a scale of 0 (No challenge) to 5 (Very significant challenge). For summary purposes, "A challenge" reflects responses of 1,2 or 3 and "Significant / very significant challenge" reflects responses of 4 or 5. The representation excludes "Not applicable" and "Do not know" responses.

Export promotion in South Africa

Wide range of supporting policies, programmes and agencies

- Policies focused on export growth and development
 - National Industrial Policy Framework (NIPF)
 - New Growth Path (NGP)
 - Industrial Policy Action Plans (IPAP)
 - National Development Plan (NDP)
- National programmes and incentives
 - Trade and Investment South Africa (TISA)
 - Industrial Development Incentive Administration Division (IDIAD)
 - Manages and administers various incentives
 - South Africa's SEZ (previously IDZ) programme
- Agencies
 - Export Credit Insurance Corporation (ECIC),
 - Small Enterprise Development Agency (SEDA)
 - Provincial and municipal agencies

EMIA logical framework

Rationale for EMIA programme is clear

- Need highlighted by both the literature review and survey of firms
- Expected outcomes and impact more difficult to assess
- Some clear weaknesses in the implementation of the programme

INPUTS

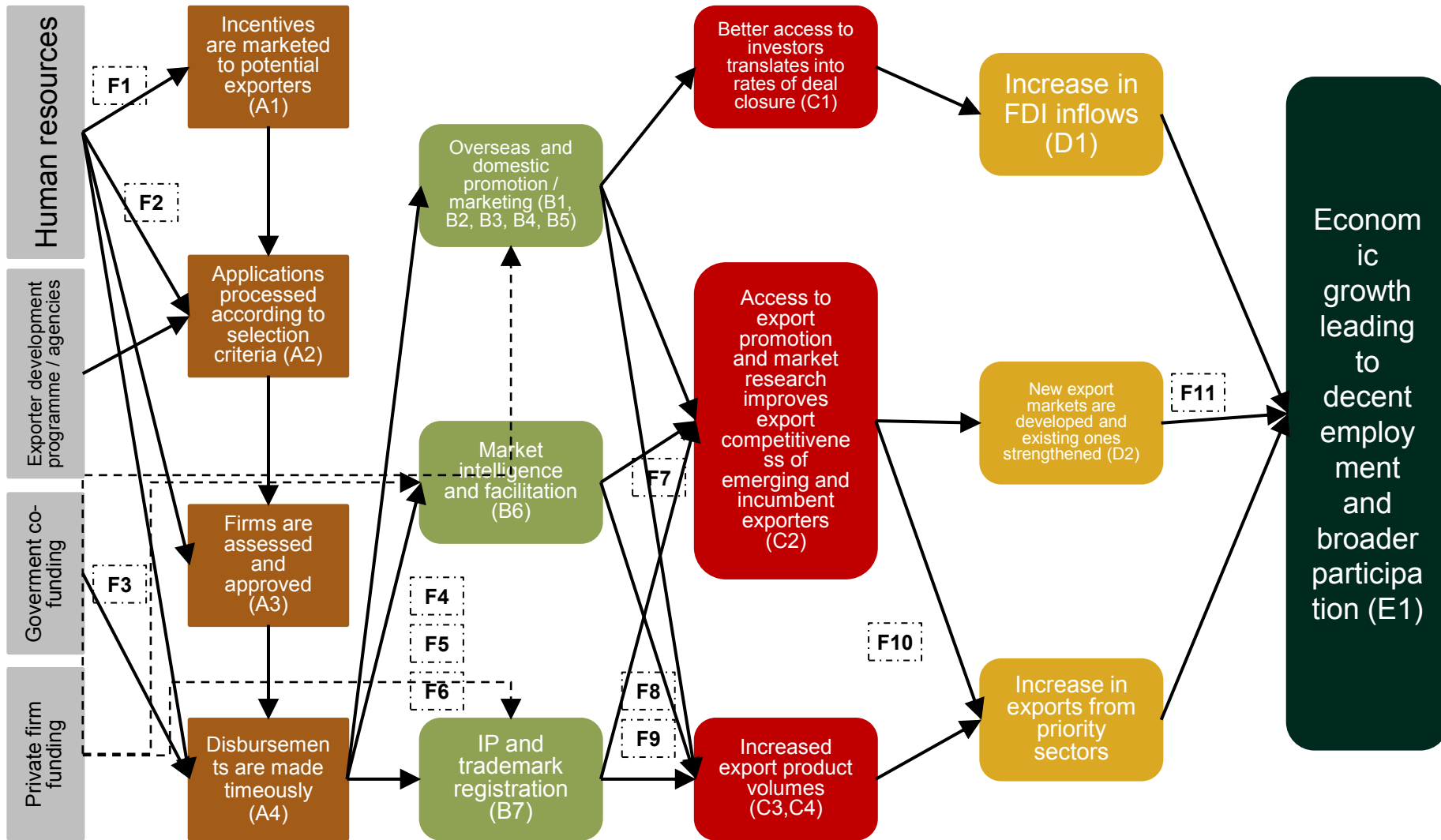
ACTIVITIES

OUTPUTS

INT. OUTCOMES

LT OUTCOMES

IMPACT



F1 EMIA marketing activities reach desired firms

F2 There is a clear criteria and mechanism to assess the export readiness of firms.

F3 Costs of marketing, research and product registration are sufficiently prohibitive

F4 Firms have a min. level of WC to fund marketing activities

F5 Marketing material is designed and geared toward export promotion.

F6 Firms receive appropriate support during marketing activities

F7 Market research is well targeted by exporters

F8 SA exports being marketed are of a high and comparable quality to international competitors

F9 SA products meet international sanitary and safety standards

F10 South African exporters have existing capacity to handle new orders

F11 Economic climate is conducive to exports and investments

INPUTS

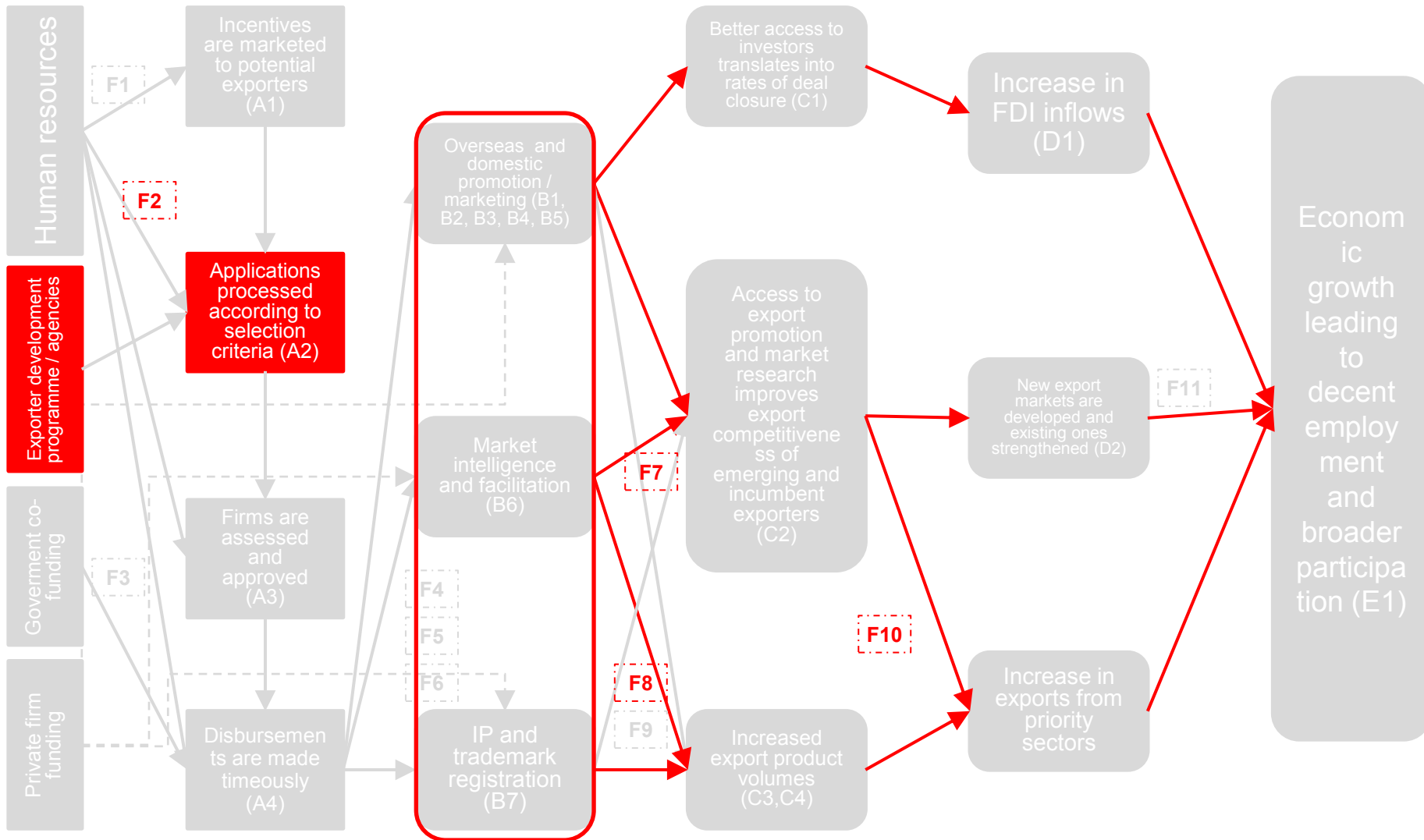
ACTIVITIES

OUTPUTS

INT. OUTCOMES

LT OUTCOMES

IMPACT



F1 EMIA marketing activities reach desired firms

F2 There is a clear criteria and mechanism to assess the export readiness of firms.

F3 Costs of marketing, research and product registration are sufficiently prohibitive

F4 Firms have a min. level of WC to fund marketing activities

F5 Marketing material is designed and geared toward export promotion.

F6 Firms receive appropriate support during marketing activities

F7 Market research is well targeted by exporters

F8 SA exports being marketed are of a high and comparable quality to international competitors

F9 SA products meet international sanitary and safety standards

F10 South African exporters have existing capacity to handle new orders

F11 Economic climate is conducive to exports and investments



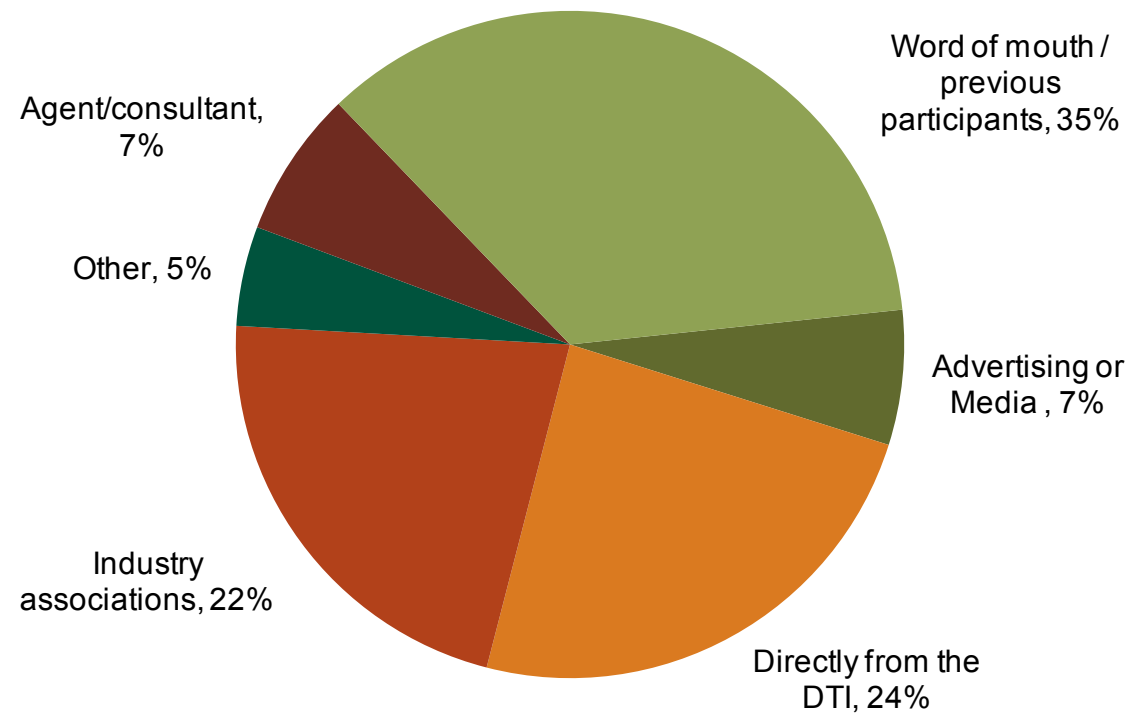
DNA Economics

Implementation of the EMIA programme

Marketing of the EMIA programme

Multiple channels used to market EMIA incentives to firms

How EMIA participants became aware of EMIA incentives

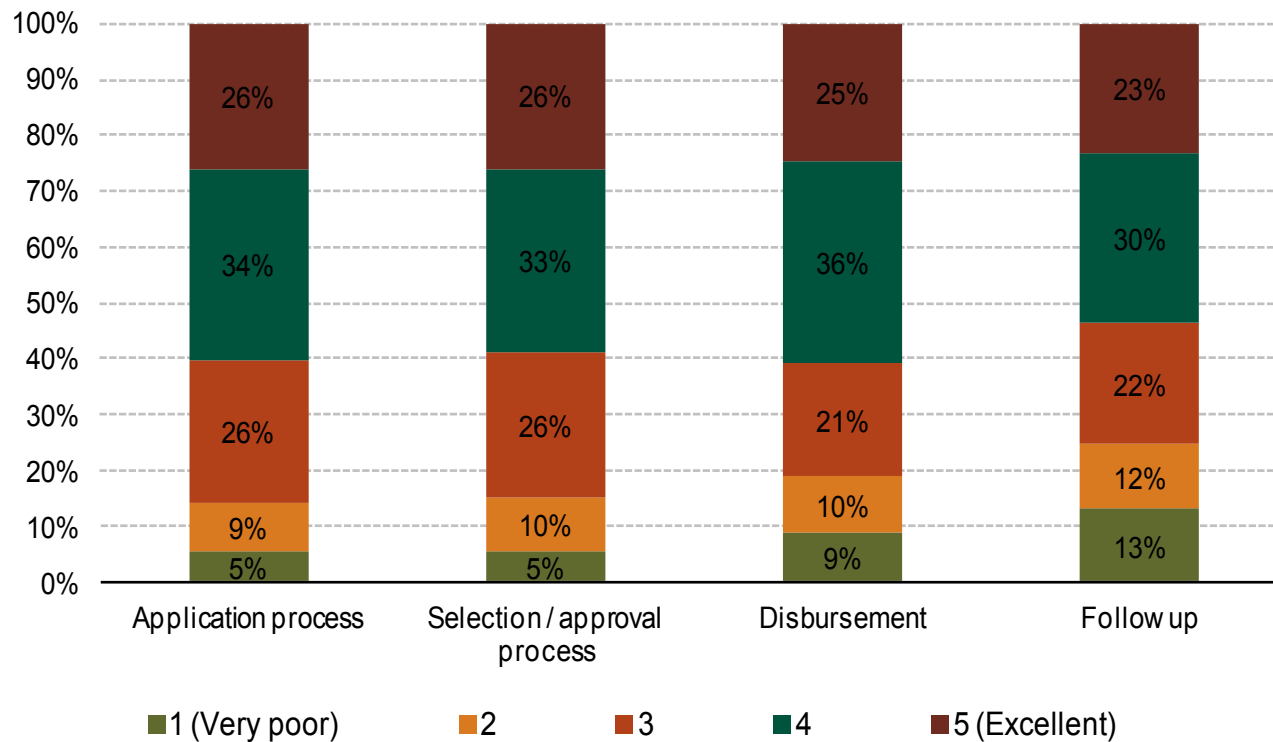


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Firm perceptions of EMIA programme

In general the EMIA process is perceived to be good

Firms' perceptions of overall EMIA experience

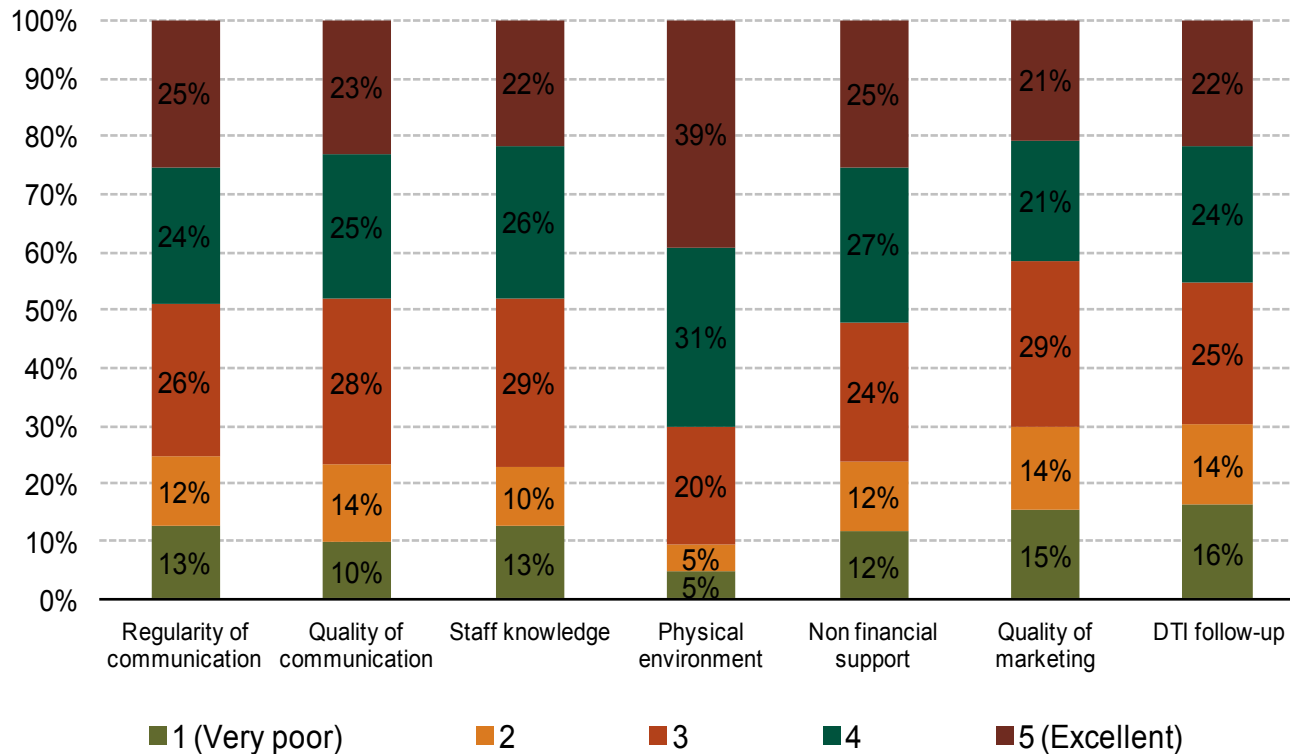


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Firm perceptions of EMIA services and support

Services and support offered through EMIA is also perceived to be good

Perceptions of most recent support and services in EMIA programme

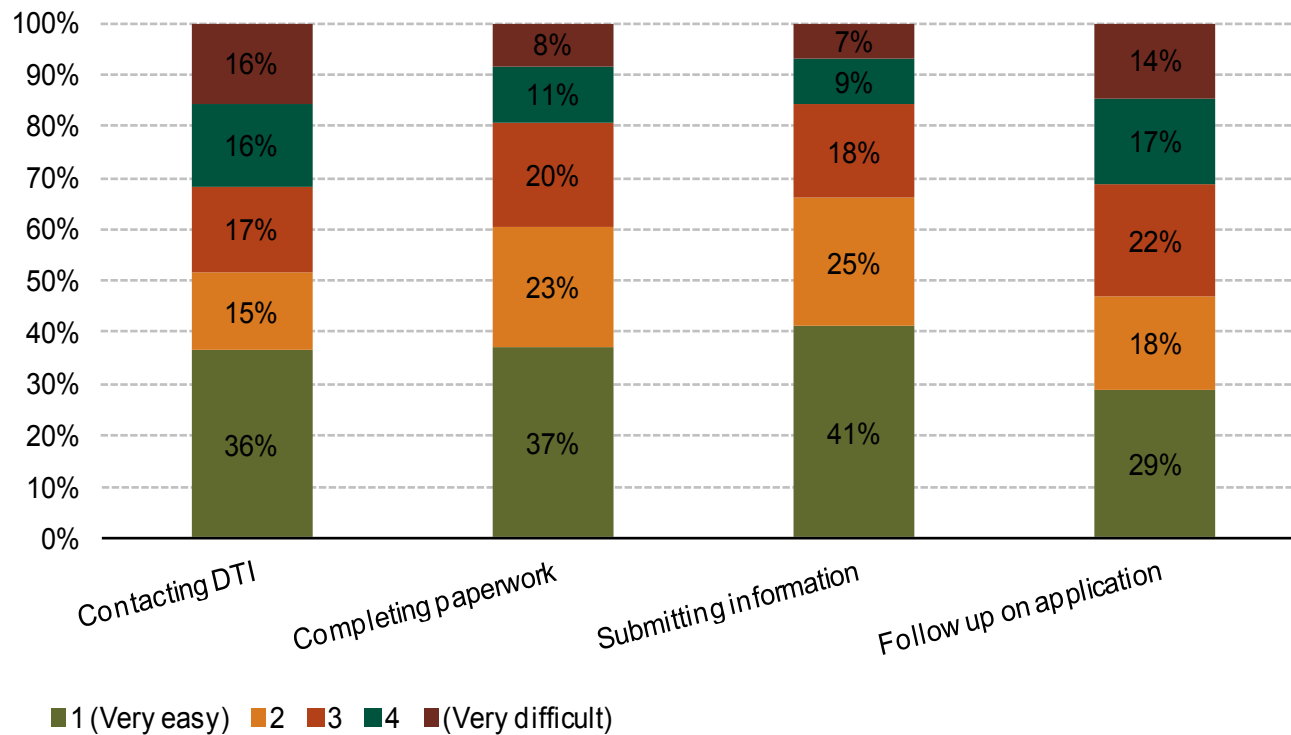


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Firm perceptions of application process

Major areas of concern relate to 'follow-up' during application...

Firms' perceptions of most recent application process

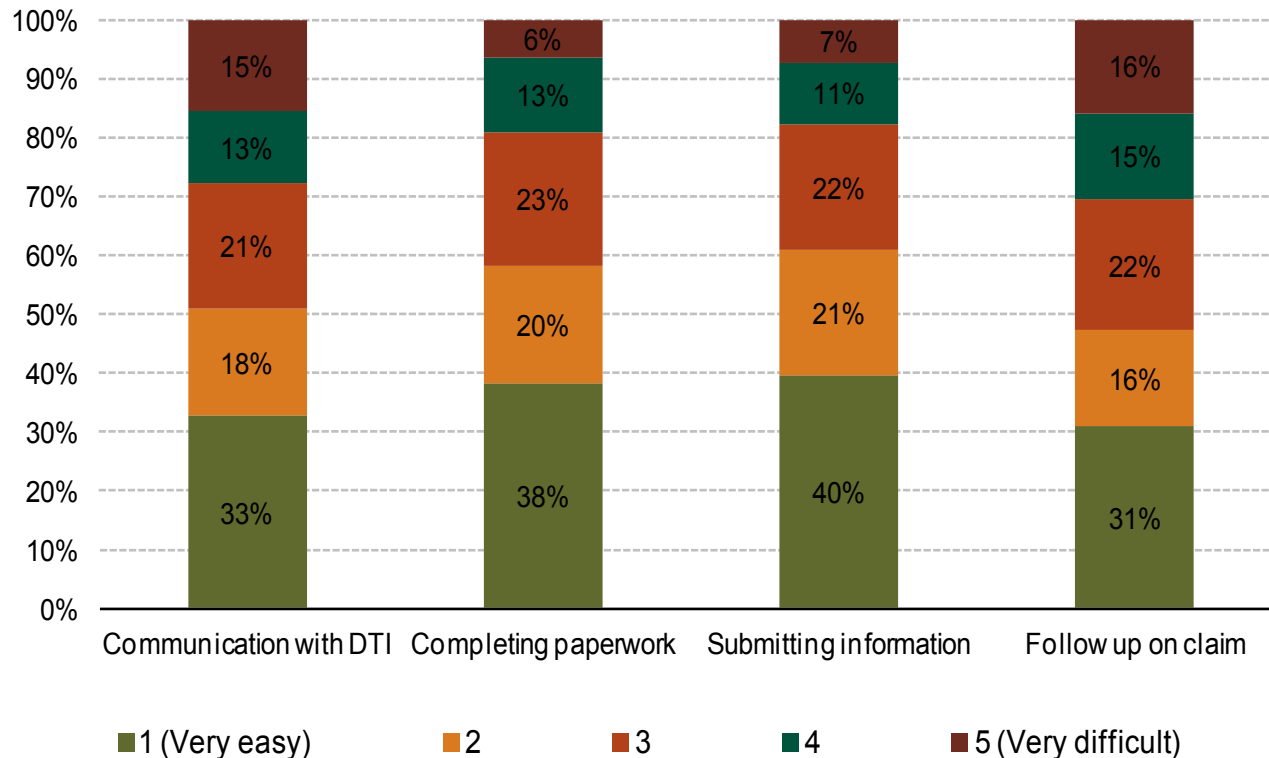


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Firm perceptions of EMIA claims process

...and in communicating with the DTI and following-up on claims

Firms' perceptions of most recent claims process

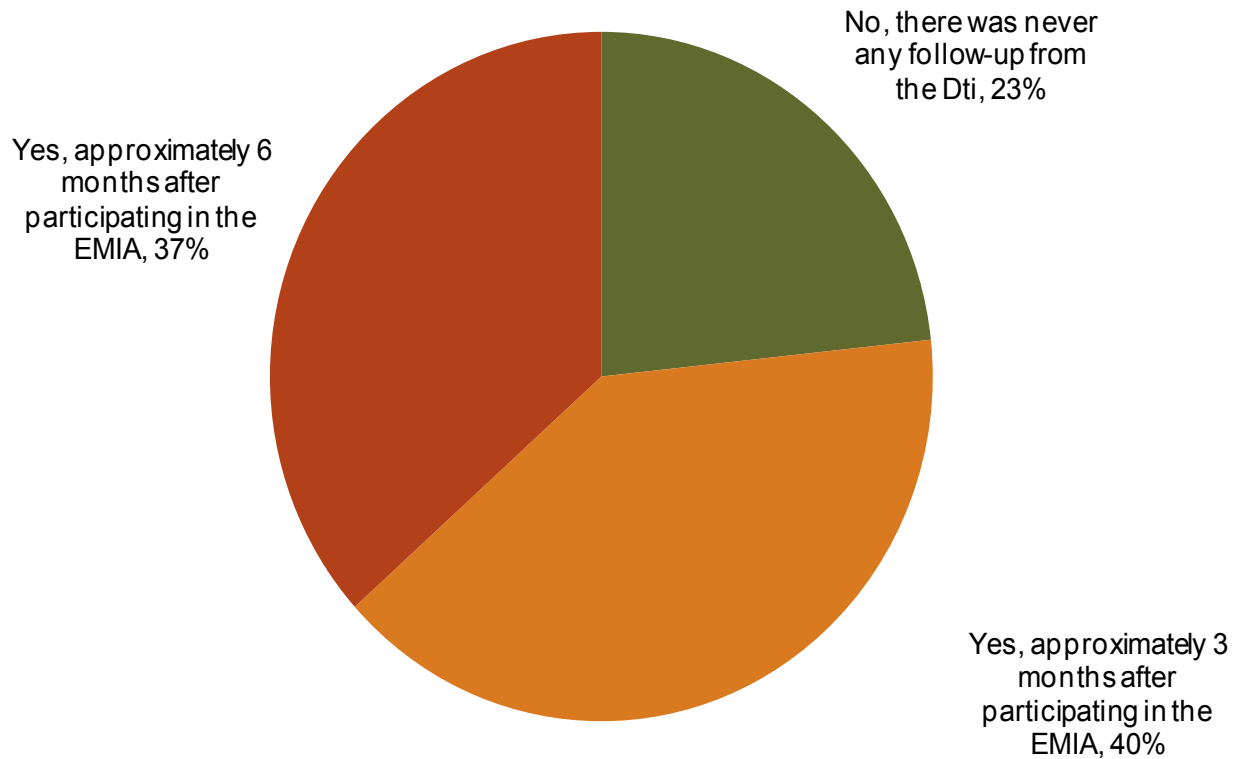


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Follow-up and evaluation in EMIA

There are also gaps in following-up on firm performance

Follow-up by the dti based on firms' last participation in EMIA



Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Key findings

EMIA processes are well defined and implemented – but there is room for improvement

- Improving communication with firms during all phases of EMIA process
- Addressing capacity issues by minimising non-compliance with procedural guidelines
 - Both from a firm perspective and internally within EMIA
- Improve collaboration between units within TISA
- Criteria for qualifying firms needs to be refined and better targeted
- In order to better determine performance, monitoring and evaluation needs to be improved



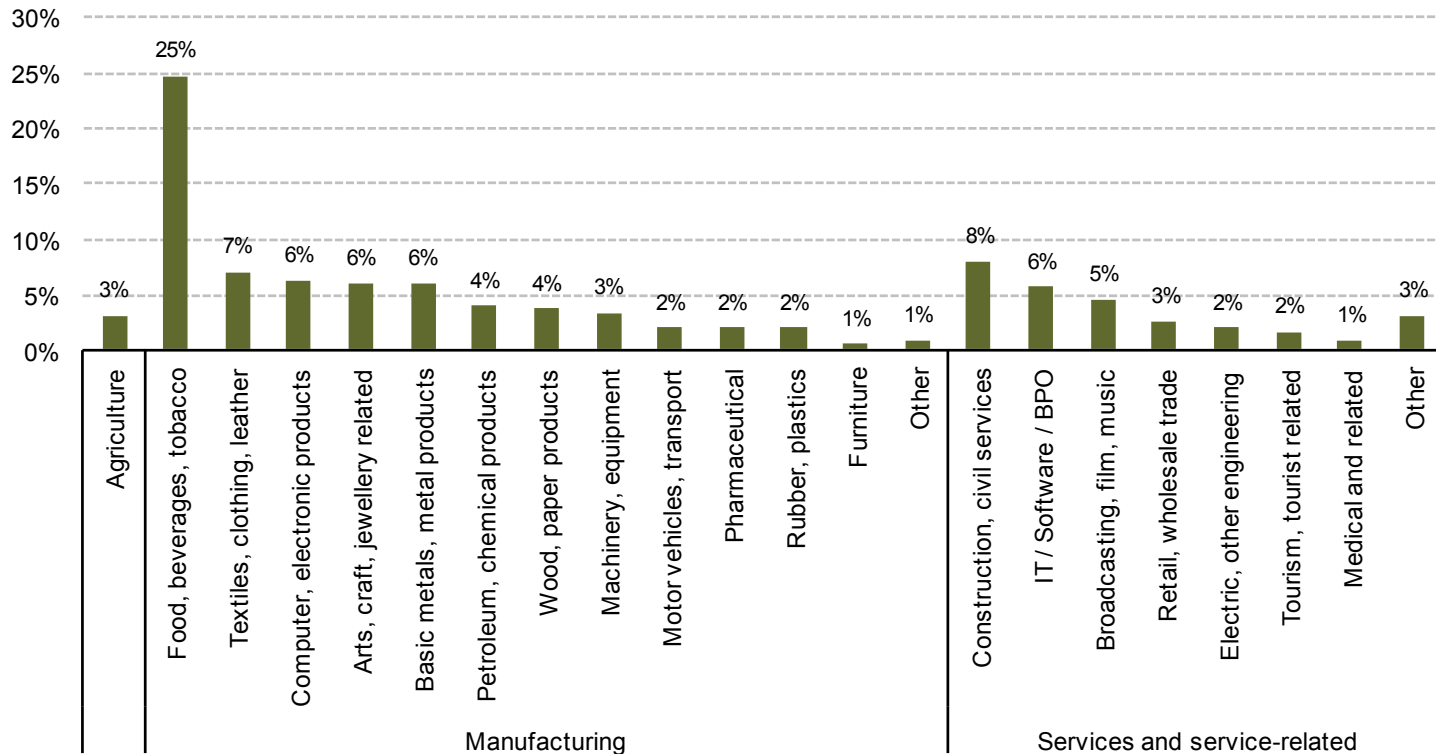
DNA Economics

Profile of firms using the EMIA programme

Company sector

Diverse range of sectors – including those not targeted explicitly by the EMIA programme

Sectoral distribution of EMIA participants



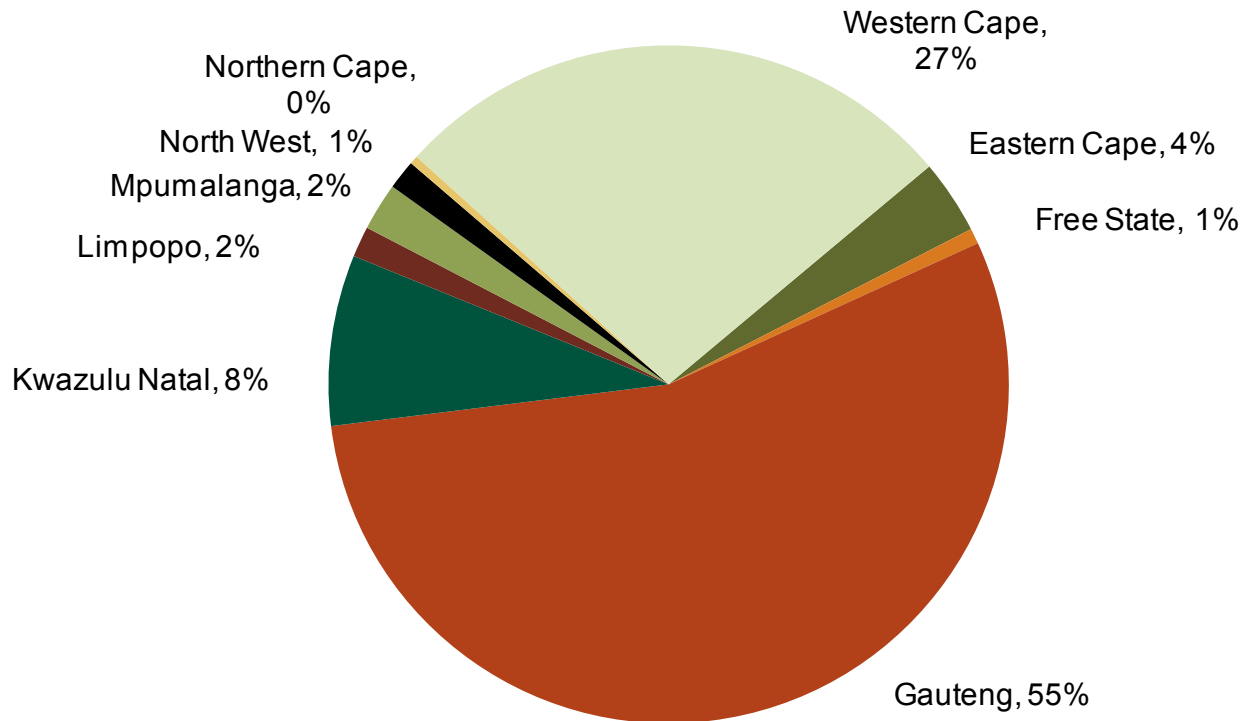
Source: DNA Economics based on survey of EMIA incentive beneficiaries.

N = 352

Location of firms accessing EMIA

Predominantly from South Africa's 3 major provinces

Location of firms utilizing EMIA incentives (based on EMIA data)

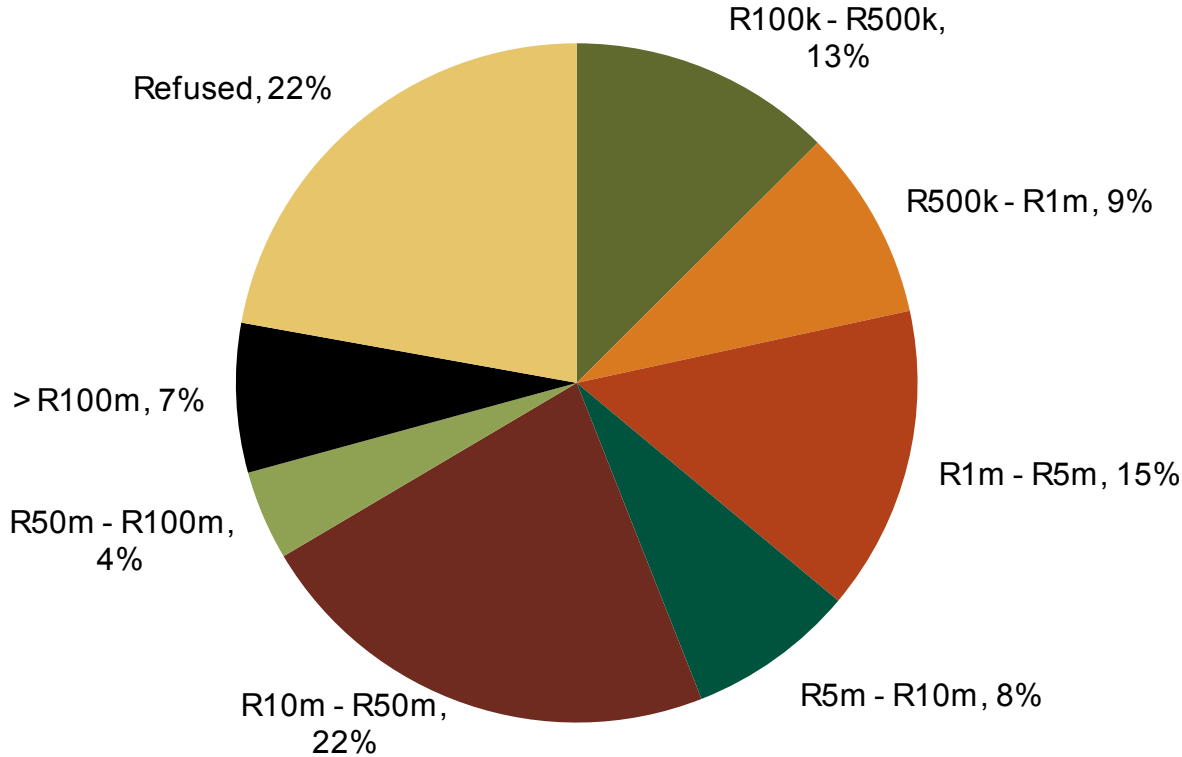


Source: DNA Economics based on analysis of data provided by *the dti*

Company size (turnover)

Most firms can be considered SMMEs based on turnover...

Annual turnover of EMIA participants in last financial year

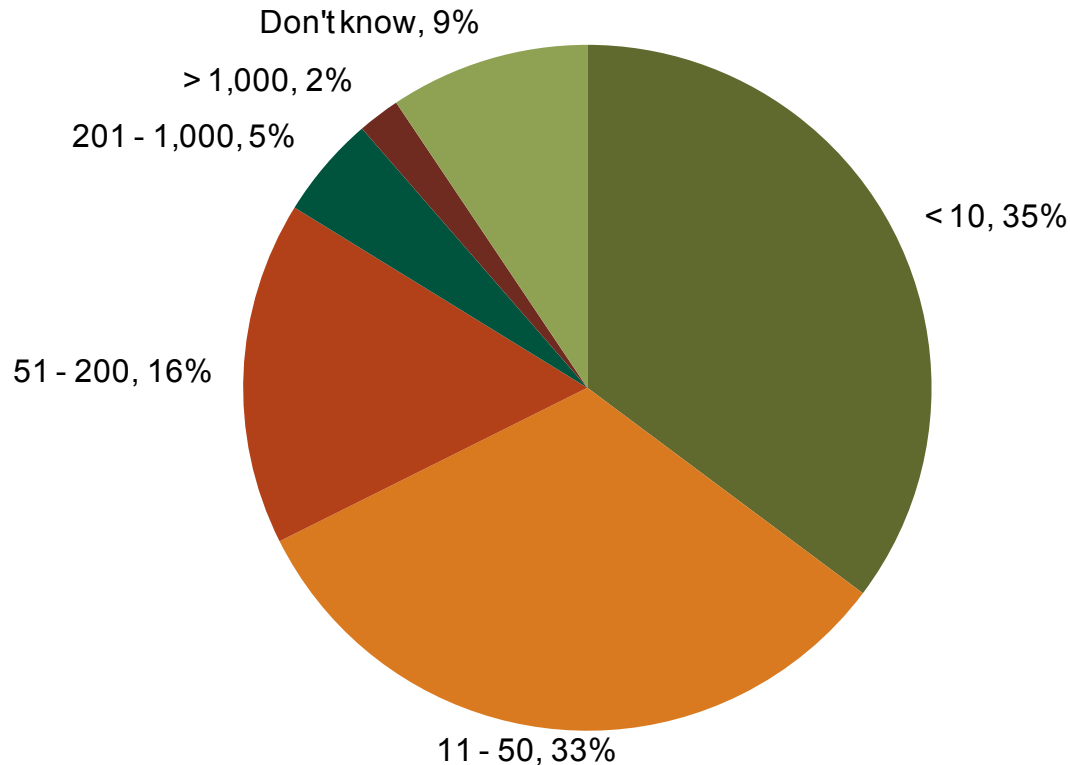


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Company size (number of employees)

...and based on number of employees

Number of employees within firms participating in EMIA programme

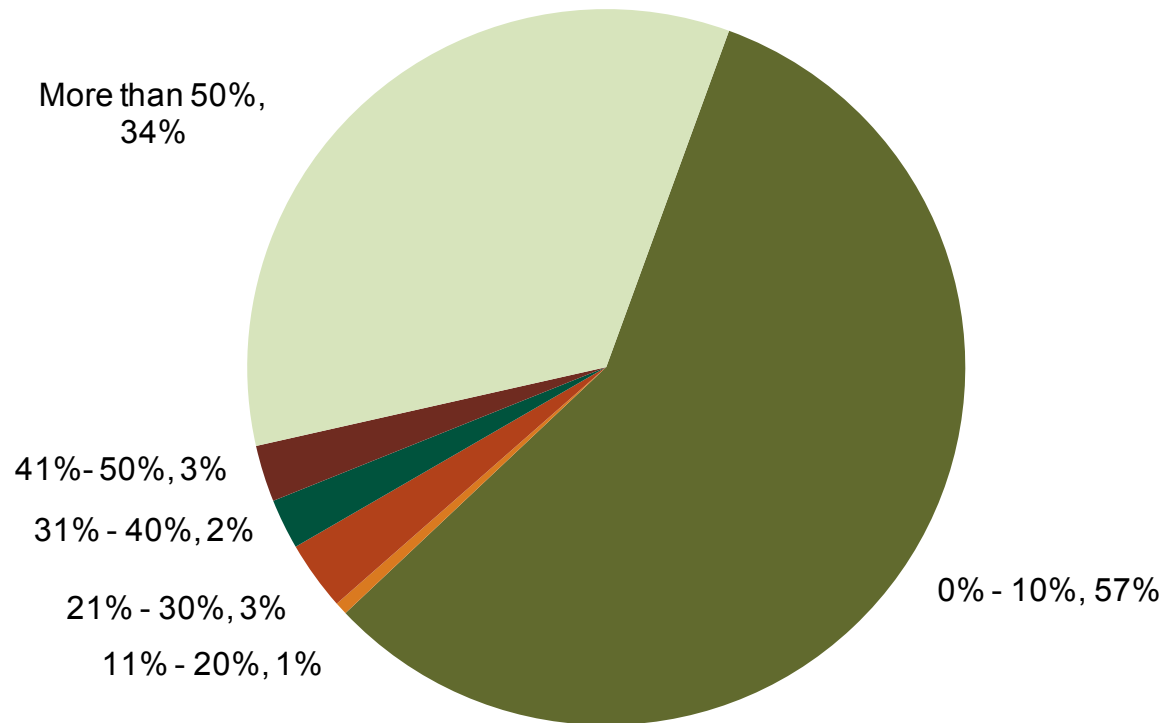


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

HDI ownership

About one-third of firms have majority HDI ownership

HDI ownership of firms accessing EMIA incentives

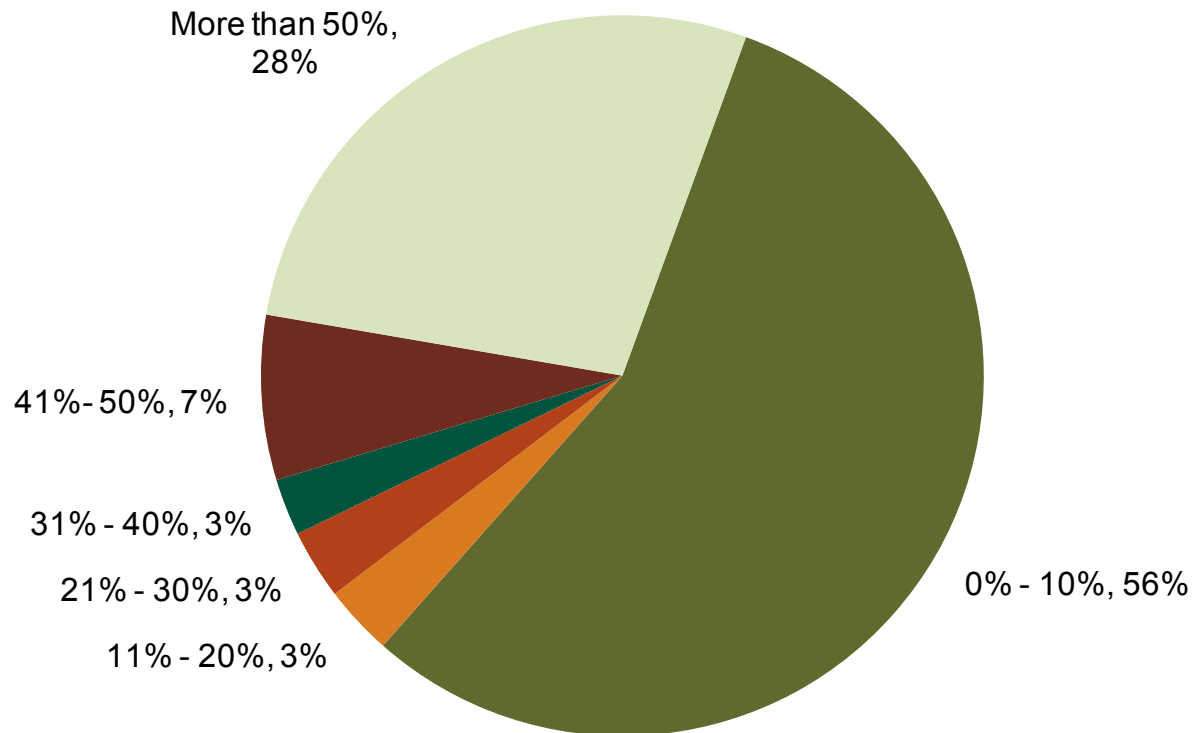


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Ownership by women

Just over one-quarter of firms have majority women ownership

Women ownership of firms accessing EMIA incentives

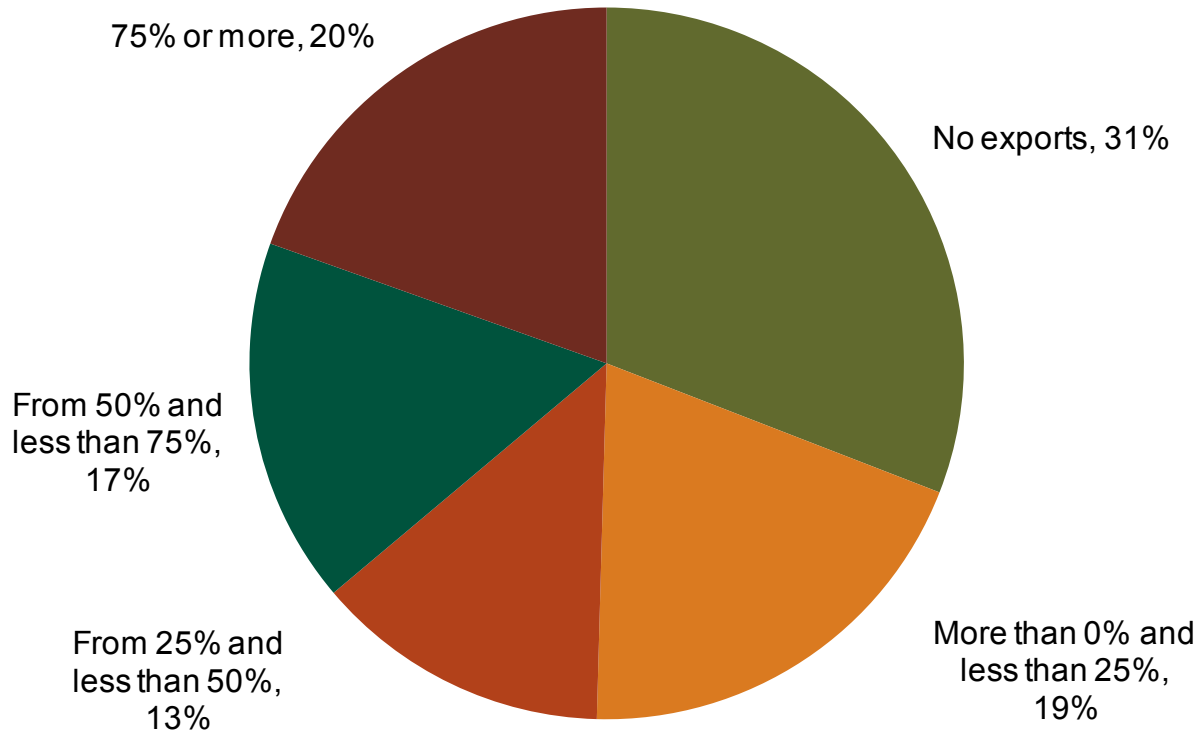


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Export sales

Key area of concern – one-third of firms reported no export sales

Products exported as proportion of total sales by EMIA participants

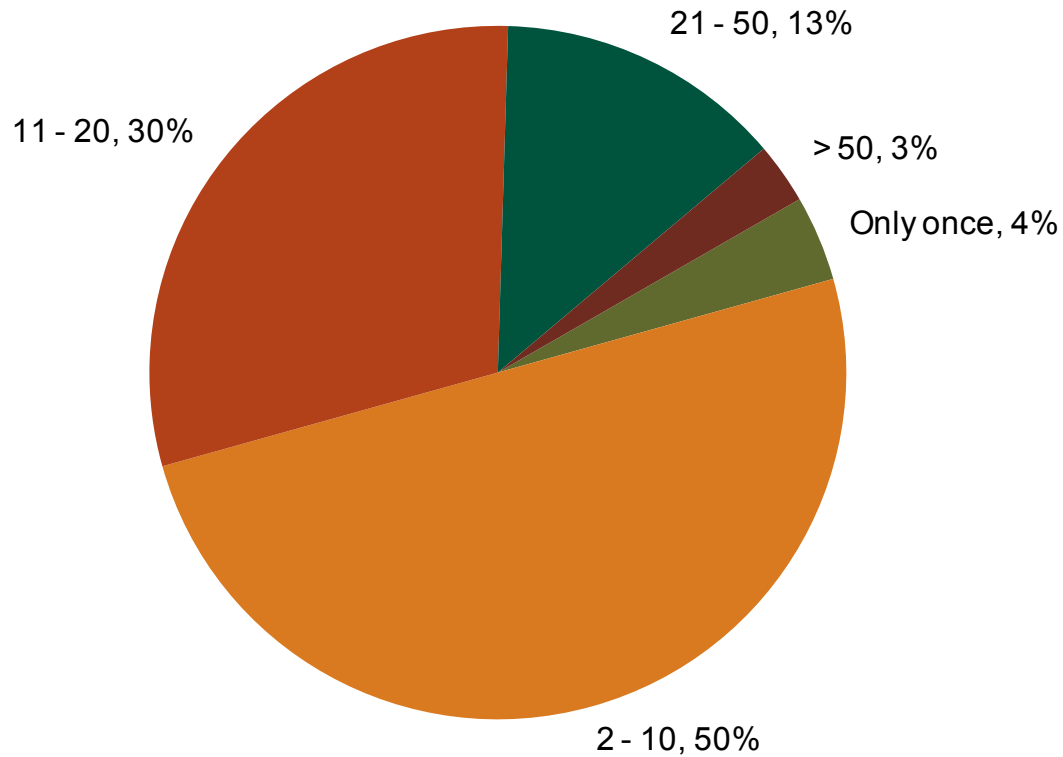


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Repeat usage of EMIA offerings

Repeat use is high and may suggest rules around usage are not adhered to

Number of times firms have accessed different EMIA incentives

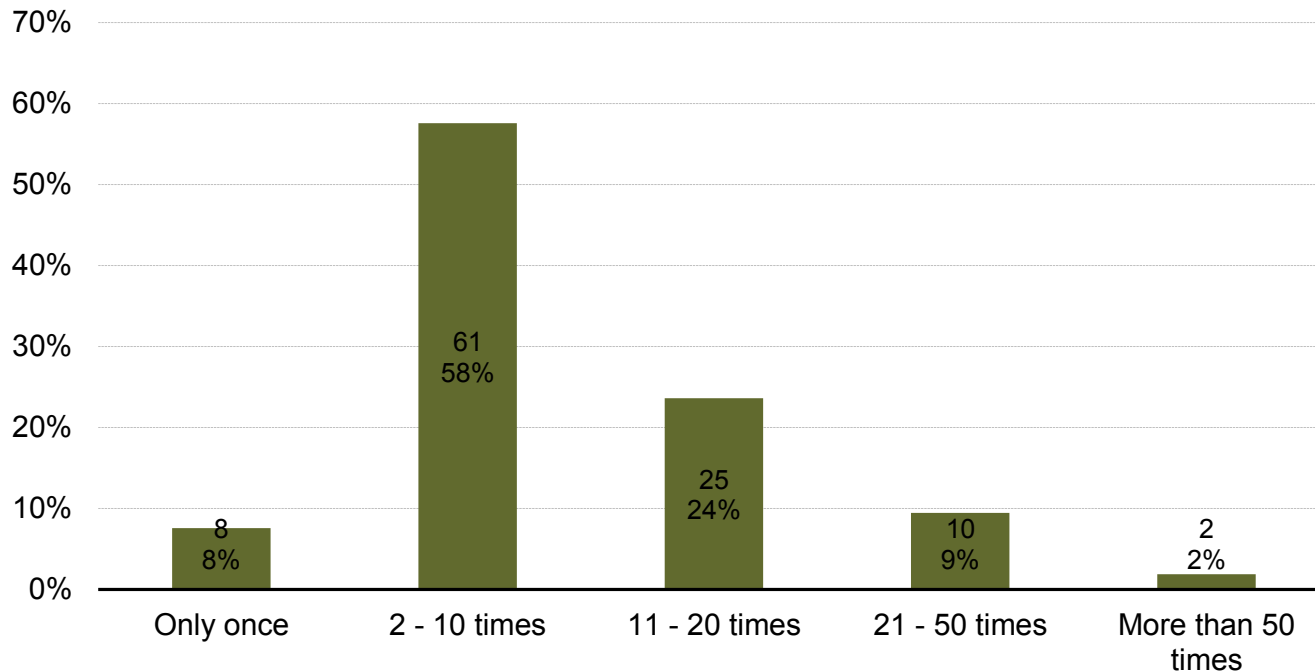


Source: DNA Economics based on survey of EMIA incentive beneficiaries.

Survey suggests that firm selection can be improved

A significant proportion of firms reporting no export sales have used EMIA incentives multiple times

Usage of EMIA incentives by firms reporting no export sales



Source: DNA Economics based on survey of EMIA incentive beneficiaries.
N = 106

Key findings

In general EMIA targeting can be improved

- In terms of demographic profile EMIA programme is targeting the intended participants
 - SMMEs, HDIs, women-owned exporters
- Improvement required in terms of targeting and selecting “export-ready” firms
 - High proportion of non-exporting firms
 - Relates to the criteria used for qualifying firms



DNA Economics

Recommendations

Key recommendations

In order to improve outcomes better targeting and evaluation required

- Improving the process
 - Improve systems (move toward electronic database and capturing?)
 - Improve adherence to procedural guidelines
- Refine the criteria used to target firms
 - Only firms that are export ready should be targeted
 - Develop a pool of export ready firms that can effectively use EMIA incentives
- Refine the programme
 - Rationalise offerings (e.g. Patents / trademarks)
 - Re-organise and simplify structure?
- Substantial improvement in monitoring and evaluation required
 - Tie evaluation to payment and disbursements
 - Improve internal monitoring systems

Tel +27 (0)12 362 0024
Fax +27 (0)12 362 0210
Email contact@dnaeconomics.com
www.dnaeconomics.com

4th Floor, South Office Tower, Hatfield Plaza,
1122 Burnett Street, Hatfield, Pretoria, 0083
PO Box 95838, Waterkloof, 0145

DNA Economics (Pty) Ltd | Company Registration: 2001/023453/07

Directors: Amanda Jitsing | Elias Masilela | Matthew Stern | Trurman Zuma



DNA Economics

www.dnaeconomics.com