



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2155

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Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:

What (a) is the total number of opportunities wherein his department had assisted local businesses to access the export markets since 1 January 2021 and (b) are the full relevant details in this regard? [NW2445E]

REPLY:

The Department has used virtual marketing tools to support local businesses to access export markets, in addition to more traditional means.

These included the following:

1. Trade Seminars

The department hosted thirteen (13) virtual trade seminars and business engagements with local and international partners.

- South Korean market initiative for the sale of South African alcoholic beverages at GS Retail Stores.
- UAE Virtual trade and investment webinar focusing on the food and beverage market.
- Inaugural South Africa – United States Black Business Summit
- Collaborated with WESGRO and the Swiss Import Promotion Programme (SIPPO) on two (2) key events:
 - Cape Agriculture Week Inward Buying Mission.

- Biofach eSpecial (an organic virtual trade fair).
- Footwear and Leather Virtual Exhibition event, targeting the Middle East and Africa, with particular focus on UAE, Saudi Arabia, Ghana and Kenya.
- Webinar on Trade, Investment and Boat Buying Tourism Opportunities in the Boatbuilding Sector in South Africa.
- Webinar between Export Promotion: North America and USAID for funding opportunities for PDI's, SMME and Women owned Enterprises.
- Webinar with the US Food and Drug Administration about information companies need to know to export food products to the USA.
- Brazil Agribusiness Trade and Investment webinar hosted in partnership with DIRCO.
- South African companies were introduced and received online training on a Russian e-commerce platform, OZON as a tool to further access the Russian market.
- South Africa-Argentina Webinar: Opening South-South Business Opportunities
- Undertook an outward investment mission to Côte d'Ivoire to assist a South African solar company to enter the energy sector.

2. Trade leads to businesses

It provided 122 trade leads to businesses.

To date, the Department through South African Embassies and Consulates has received and disseminated 122 trade leads linked to export opportunities in 34 territories, including China, Ghana, Tanzania, Ethiopia, UAE, Egypt, Turkey, Italy, Singapore, Russia, Saudi Arabia, India, Japan, Brazil, South Korea, Mauritius, France, USA, Thailand, Argentina and Zimbabwe

3. Assistance with market access

It assisted companies with two 2 market access interventions in terms of product certification in key markets.

- The Department intervened in assisting a BEE company to be certified for beef exports to China.
- The Department, together with the Department of Agriculture, Land Reform and Rural Development (DALRRD), assisted a company to overcome challenges related to the company's exportation of live animals (sheep, goats and cattle) from South Africa to Kuwait.

4. Export training programmes

As part of growing and diversifying the exporter base, the department provided thirty (30) exporter awareness and capacity building sessions

- Twenty (20) Global Exporter Passport Programme (GEPP) sessions were held where 270 individuals were trained in the following districts:

City/Town	Province	GEPP Training Phase 1	GEPP Training Phase 2	GEPP Training Phase 3	Trained companies per city/town
Port Elizabeth	Eastern Cape	18	15	13	46
East London				9	9
Mbombela	Mpumalanga			5	5
Virtual Training (1)	National		11	18	29
Virtual Training (2)		32	15	25	72
Tshwane	Gauteng		16	15	31
JHB Sandton			11	8	19
JHB Constitution Hill		13	9	6	28
Tzaneen	Limpopo			11	11

Durban	KwaZulu-Natal		11	9	20
Totals		63	88	119	270

- Ten (10) Export Awareness sessions involving 224 individuals were held as follows:

Province	City/Town	Persons	Date Of Seminar	Platform
1 January 2021 – 30 March 2021				
None				
1 April 2021 – 30 June 2021				
Gauteng	Alexandra	20	06-04-2021	Physical
	Midrand	23	21-04-2021	Virtual
	Johannesburg	17	09-06-2021	Physical
	Johannesburg	35	21-06-2021	Physical
Limpopo	Thohoyandou	9	26-05-2021	Physical
	Giyani	7	27-05-2021	
	Polokwane	11	28-05-2021	
Northern Cape	Kimberley	11	26-06-2021	Virtual
1 July 2021 – Current				
Gauteng	Johannesburg	37	09-07-2021	Virtual
Mpumalanga	Ermelo	48	28-07-2021	Virtual
TOTAL		224		

5. Incubation programmes

The Department coordinated an incubation programme for women entrepreneurs.

The Department has an agreement with the German Ministry and the German Agency for International Cooperation (**GIZ**) to collaborate on capacitating South African

companies that wishes to do business in Germany with adequate understanding of the market and business culture. The programme is executed in a form of mentorship and incubation by German companies and is designed to assist companies to develop an in-depth knowledge of international trade, using access to the German market as a case the study.

So far in 2021, the programme has benefitted 65 South African companies (44 of which are women-owned) from the following provinces:

- Eastern Cape (6)
- Mpumalanga (1)
- North West (3)
- Gauteng (32)
- Western Cape (19)
- KwaZulu-Natal (4).

The continuing Covid-19 pandemic compelled the programme to be facilitated virtually for a period of 8 weeks. The total of 65 companies were divided into three groups which received training on the following dates:

- Group 1: 1 March 2021 until 23 April 2021
- Group 2: 2 June 2021 until 23 July 2021
- Group 3: 6 July 2021 until 27 August 2021.

6. Export marketing assistance

The Export Marketing and Investment Assistance (EMIA) funding rules were revised to support South African companies to also participate in virtual exhibitions and missions.

In addition to the existing EMIA support measures, the following support measures were approved for virtual exhibitions and missions:

- Procure and funding 100% digital platform (virtual space/ digital exhibition/ Virtual B-B platform, listing/registration).

- Procure and fund physical stand in a case of hybrid missions and complement with relevant ICT infrastructure, gadgets and related data.
- Assist with digital marketing content/profile development (Digital videos, Digital Profiles, Digital Catalogues, Destination advertising / material / branding and Website) limited to R5, 000 per company participating.
- Transportations of material and samples.
- Procure and provide translators for virtual Group Missions.
- Air time/ mobile data for internet access to qualifying companies (based on need assessment) limited to R200 per event.
- Digital sales lead management and tracking.

7. Unblocking obstacles for investors

Invest SA assisted with the following:

- BMW: Facilitated the unblocking of port clearance procedures that affected the production of the BMW X3 which is destined for the Domestic and Export Market. Due to the challenges at ports, an urgent shipment containing parts were delayed at the Cape Town Harbour. BMW were notified that a Detention stop has been put on these containers by Customs Border Control. The net impact of this would have been the shutdown of the plant which would have impacted their export commitments. InvestSA intervened by escalating the matter to Transnet and had the matter resolved.
- AMKA: Invest South Africa facilitated port clearance for raw materials required for the production of cosmetics for domestic consumption and for exports to markets in Africa.
- LULU Group: Facilitated the shipment of Lulu Groups, buying office containers which were delayed in the port of Cape Town with export products destined for Middle East market.

8. Sector support

The following are highlights of the assistance to local businesses in Footwear & Leather Goods sector through South African Footwear & Leather Export Council (SAFLEC) to access the export markets since 1 January 2021:

The exports Footwear & Leather exports by value to Middle East increased from R 1.5m value to over R 14 million, to USA by 20% and to UK by 6%. New Markets accessed in Poland, Rumania and Russia brought additional R 1.2m export revenue. Setting up of a New Virtual Show room on SAFLEC website and development of New Virtual Trade Platforms. Launch of new virtual platform for Trade promotion. Addition of 10 more companies to SAFLEC virtual show room. Conversion of 31 companies to virtual platform. This resulted in an increase in exports by 63% in comparison to the 2020 exports largely affected by Covid-19.

Due to the restriction on physical trade promotion resulting from COVID, SAFLEC continues to prioritize Africa, Europe, America's as well as Australia as markets for South African footwear through virtual platforms to retain the awareness of South African manufacturers. Africa was prioritized as the low hanging fruit. Asia and Europe markets are looked at for Handbags and Leather Goods.

9. Industrial funding and support

The Industrial Financing Branch (IFB) has taken the following actions over the last few months to assist South African exporters:

- Twelve companies that received support from January to July 2021, reported export sales of R542 million. Seven of these companies are Black Industrialists, one is involved in the processing of oysters and is supported by the Aquaculture Development and Enhancement Programme and the other four are beneficiaries of the 12I Tax Allowance Incentive. Two of these 12I companies are operating in the food and beverage industry, one in the home and personal care products and the other in pharmaceuticals.

- On 26th August 2021, IFB through a SEDA online platform, conducted a virtual national SMME exporter development briefing session with SMME's located across the country. Over 400 SMME across different economic sectors were invited.
- On 26th May 2021, the Branch in partnership with Wesgro conducted a briefing session on export incentive offerings.
- In September 2021, a digital export event support component for emerging exporters was introduced in the revised Sector Specific Assistance Scheme (SSAS) guidelines.

In addition. To the above, there are a number of projects supported y the NEF, IDC and ECIC which assist SA-based companies to increase their exports to the rest of the continent. To illustrate this, the ECIC is providing support to SA companies linked to the Amandi Rail Ghana and Amandi Hospital Ghana projects. This includes exports by Macsteel an SA supplier on the project. The involvement of Macsteel in this Project will advance the objectives of the Steel Master Plan of **the dtic**. The exports sourced from the South African exporters will have an impact on the South African economy.

10. Regulator efforts

The International Trade Administration Commission (ITAC) issues permits for exports of Covid-related products. This included

- Hand sanitisers
- Vaccines
- Face-masks and shields

ITAC assists SA exports by issuing rebate and drawback certificates based on the value of imported inputs to final export products. The main users are the agriculture and agro-processing, clothing and textiles, chemicals and plastics, and metals and machinery industries.

Rebate item 470.03 provides for rebate of customs duty upon importation of components and materials specified in the permits and are intended for use in the manufacture, processing, finishing, equipping or packing of goods exclusively for export:

- 98 certificates issued from January to August 2021, covering a wide variety of products.

Drawback item 521.00 provides for drawback of customs duty that was paid on imported components and materials used in the manufacture, processing, finishing, equipping or packing of goods already exported:

- 117 certificates issues from January to August 2021, covering a wide variety of products.

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