

Trade Mission: Southern Africa

Southern Africa Overview

The Southern African Development Community (SADC) is a regional economic partnership comprising of 15 member states: Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

In 2018, the U.S. government launched Prosper Africa for U.S. businesses looking to enter or expand in African markets. In addition, the African Continental Free Trade Area (AfCFTA) started in January 2021 and is expected to double manufacturing output to \$1 trillion by 2025.



South Africa is the largest U.S trade partner in Africa. With a population of over 58 million people, widespread use of the English language and relatively transparent legal processes, South Africa is a logical and attractive option for U.S. companies. Approximately 600 U.S. businesses operate there and utilize the preferential trade benefits under the African Growth and Opportunity Act as well as Trade and Investment Framework Agreements (TIFAs) that facilitates dialogue between the US, regional partners, and the Southern Africa Customs Union (SACU).

Top opportunities for Virginia exporters to South Africa include:

- Education
- Aviation
- Electricity Power Systems and Renewable Energy
- Information Technology
- Mining Equipment

Opportunities in Southern Africa

Healthcare and Medical Devices

Africa's population is expected to rise from 1.3 to 2.4 billion by 2050. Africa bears 25% of the global disease burden but is served by merely 2% of the world's healthcare workforce. As the population booms, there will be an increasing need for high quality, accessible healthcare. Fewer than 50% of the population currently have access to modern health facilities. The pharma market is worth approximately \$30 billion, while medical devices worth approximately \$4 billion.

Opportunities for Virginia companies include: digitalization of medical management, diagnosis and patient service, medical equipment and devices, education, specialty architecture, and a comprehensive range of other industry support requirements.

Information Technology

Africa's IT sector will be matching 70% of organizations worldwide which will increase their use of digital technologies for transforming business processes. E-Learning reached \$2.2 billion in sales in 2020. Fintech has been estimated to soon reach \$150 billion in annual revenue. The market for general IT services to support company growth in South Africa alone is presently \$20 billion. Virginia firms will benefit from entry into this primarily adoptive and adaptive market.



Agricultural / Food Processing Technology

Agriculture is Africa's largest economic sector, representing 15% of the continent's GDP, or more than \$105 billion annually. It is highly concentrated, with the top ten countries generating 75 percent of outputs. While more than one-quarter of the world's arable land lies in this continent, it generates only 10 percent of global agricultural output. The rise in the middle class requires support for a diversification of dietary requirements. Agricultural technologies of all kinds, specialized equipment, crop and husbandry science, and a wide range of other industry support can be leveraged for export sales. Food processing technologies are also in demand as the middle class grows.

Mining Equipment

Mining companies continued to enjoy the gains in commodity prices in 2020, assisted by weaker emerging market currencies. The improved profitability resulted in increased gains and distributions to shareholders, a near doubling of taxes to governments, and strong balance sheets. These gains were achieved despite higher operating costs and decreased production due to COVID. The mining sector has outperformed the global mining index. Africa has approximately 18% of global new exploration. Virginia technology and equipment companies in the sector can benefit from a resilient market in Africa in 2021.



Trade Mission Details

Objective:

The objective for this trip is to arrange and conduct quality meetings between you, our VEDP client, and potential sales partners (agents, representatives, or distributors) and/or customers in Southern Africa. Our ultimate goal is for these meetings to help you generate new sales for your company to customers in Southern Africa and to provide you with market intelligence only attainable by an in-country visit.

Trade Mission Dates

November 1-5, 2021

Registration Deadline

September 3, 2021

Schedule:

We will visit Johannesburg, South Africa. However, there may be meetings in adjacent countries depending on your particular needs. Our consultants will ensure that your meetings are scheduled with the best contacts, regardless of their location. We will keep you apprised as your itinerary develops and suggest travel and logistics options for your itinerary.

The itinerary is planned as follows, and is subject to change:

Date	Day	Activity
September 3, 2021	Friday	Last day for registration
October 30, 2021	Saturday	Latest day to depart United States
October 31, 2021	Sunday	Rest / Sightseeing
November 1, 2021	Monday	Trade Mission begins, Individual meetings
November 2-5, 2021	Tuesday - Friday	Individual meetings
November 6, 2021	Saturday	Return to United States



Frequently Asked Questions:

How many Virginia companies will participate?

The registration process is ongoing. Based on past trade missions, we expect 6-10 Virginia companies to participate.

What is the cost for my company to participate?

You must pay the trade mission participation fee of \$2,500 to the VEDP at the time of registration. The participation fee includes the following:

- Identifying, contacting and pre-qualifying local distributors, reps and/or partners and organization of your meetings with interested prospects
- Briefing on “Doing Business in Southern Africa”
- Your VEDP Trade Mission Leader and in-country consultant on hand during the week to ensure everything runs to plan
- Interpreter

Additional *estimated* costs you will incur include (*but are not limited to*):

Expense	Estimated amount (\$)
Roundtrip airfare from Dulles to Southern Africa, economy class	2,000
Hotels (7 nights)	1,500
Meals	900
Airport transfers, taxis, public transportation, and other miscellaneous items	500

How are the meetings organized?

The VEDP has engaged the services of Zurcom International, to identify, screen, and arrange meetings with potential partners for each of our trade mission delegates. Zurcom International was selected through a competitive bidding process and has demonstrated extraordinary expertise, enthusiasm and commitment to the work of introducing Virginia companies to their markets. If you would like to learn more about Zurcom International, please review their website: <https://www.zurcom.net>.

In most cases, you will be traveling independently to the locations of the local companies with which you are meetings. Because most appointments will be held at the companies' locations, travel and other logistics may prevent each delegate from having a minimum of 3-4 meetings each day of the trade mission.

How will I get to my meetings?

For travel between meetings, our consultants will recommend the most effective method of transportation and provide detailed instructions.

Will I need an interpreter?

It is not likely. In Southern Africa, English is the most commonly used language for conducting business. If needed, interpreters will be provided by VEDP and are included in your registration fee.

How are airline and hotel reservations handled?

Airline tickets: You book (and pay for) your own airline ticket via local travel agent or online air travel website. If you do not have a travel agent, the Trade Mission Leader can recommend one for you.

Hotels: VEDP will select a hotel and, if possible, arrange for a block of hotel rooms. For efficiency and security all participants must stay in the same designated hotel in each city. Participants will be responsible for making their own hotel reservations using a group code provided by the Trade Mission Leader (if a block rate is available). You will pay all hotel room charges directly to the hotel.

How can I verify that Southern Africa is a good market for my company before we register for the trade mission?

Contact your local International Trade Manager or the Trade Mission Leader (see next page) **immediately!** We only want you to make the trip if we think there is good market potential in Southern Africa for your company. We can perform exploratory market research within a short period of time to verify market potential for you. The more time you give us, the better job we can do!

What are the entry requirements for Southern Africa? Will I need a passport or visa?

South Africa: US Citizen - A Business Visa is not required to enter South Africa. Your U.S. passport must be valid for a minimum of 6 months from the date you plan to depart South Africa. In addition, your passport must also have adequate unused visa pages (two pages) to allow for entry and exit stamps upon arrival and departure from South Africa.

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On this trade mission we accomplished three objectives. The first was to determine interest for our company in South Africa, which is very high. The second objective was to identify three potential partner opportunities. The third objective was to gain an understanding of the paths to doing business in South Africa, including the technical and regulatory requirements relative to our products. We are optimistic that we will be successful in establishing a partnership to sell our products into South Africa. It is unlikely we would have ventured to do this without VEDP support.

Trade Mission to Morocco &
South Africa 2018

Registration:

How do I register to participate?

You can register and pay the trade mission fee online. You may do this visiting the following page on our website:

<https://southern-africa-trade-mission-2021.eventbrite.com>.

Contact the Trade Mission Leaders for more information:

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Assistant Vice President

Phone: 804.545.5767

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Scott Kennedy

Trade Mission Manager

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This trade mission has allowed our company to move closer to exporting products abroad. Each step of the trade mission process, from meetings to follow-up discussions, helped us gain insight into the South African market.

Trade Mission to Morocco &
South Africa 2018

Consultant Bio

Southern Africa

Richard Zurba

Richard Zurba has been providing trade and investment solutions to government and commercial clients since January 1999 in the sub-Saharan Africa and Indian Ocean regions. Mr. Zurba's experience includes commercial real estate in the Toronto area prior to departing for Africa. In 1993, he joined World Vision and worked for 2½ years in the Democratic Republic of the Congo. In January 1996 he relocated to South Africa where he worked as an Export Manager for an import/export business. He has worked in eight countries on four continents and has personal experience in export selling into over 20 African countries. His company has managed over 100 trade missions including a number focused on the medical sector for German, Dutch, American, and other national governments.

Richard does presentations for associations, governments, and corporate entities globally on the shifting Africa business landscape as well as on how to proactively tackle new markets. Richard is the Coordinator of IBG Global, a partnership of firms reaching over 150 country markets assisting exporting companies to meet their dynamic goals in export sales. He manages a staff based across Africa as well as partnerships globally to assist companies reaching their expressed international goals.

Richard has a B.A. (Alberta, International Relations), an M.A. (London School of Economics) and an M.B.A. (Western Ontario).