

Cape Town a competitive hub for food and beverage manufacturing

Cape Town's food and beverage manufacturing sector is an important earner of foreign exchange for the city. This is according to the City of Cape Town's Economic Performance Indicators (EPIC) Report for the fourth quarter of 2016, which shows that this sector is one of the few manufacturing industries in the city that has a positive trade balance.



©06photo via [123RF](#)

The city's proximity to a vast and productive agricultural hinterland, an international port, a growing consumer population and a relatively strong skills base, makes it a competitive location in which to base food and beverage manufacturing operations.

"The City has set itself the goal of establishing Cape Town as a forward-looking, globally competitive business city, which is one of our strategic priorities in the Organisational Development and Transformation Plan. We will continue to build an enabling environment for economic growth and job creation and foster a climate that is conducive to doing business in the city," said the City's executive deputy mayor, Alderman Ian Neilson.

He added, "Exports by the food and beverage manufacturing industry have grown strongly over the past five years. This industry is also well placed to exploit the export opportunities that can be gained by a weak exchange rate. Additionally, the sector boasts the fastest growing employment rate out of all of the manufacturing industries."

Food and beverage manufacturing sector snapshot:

- It is the largest manufacturing sector by output, recording the highest growth rates in gross value add (3,0 %) and employment (4,9 %) over a 10-year period
- Employment in the food manufacturing sector grew strongly at 6,1 % year-on-year, for the second quarter of 2016 (IDC national data, 2017)
- Atlantis is home to one of only three wheat biscuit factories in the world
- A strong cluster of spice and saucing companies are based locally
- The country's three largest seafood companies have their headquarters and main production facilities located in the city
- The city is home to two of the largest craft beer companies in the country
- One of only two license holders for the bottling and distribution of Coca-Cola products in South Africa is based in Cape Town

- A number of newer high-growth soft-drink producers have their operations based here
- In addition, well-established fruit juice manufacturers are also based in the city
- Beverage exports from Cape Town grew by 21 % between 2015 and 2016
- Fish exports grew by 22,7 %

The industry can be considered as a comparative advantage industry for the city. There is a lot of scope for our food and beverage manufacturers to tap into the increasing demand for diversified, value-added food and beverage products, says the City.

View the complete [EPIC Q4 2016 *report](#).

*The food and beverage manufacturing specified in the report only includes products that can be ingested and excludes other manufacturing activities.

For more, visit: <https://www.bizcommunity.com>