

SA companies sign business deals on Ethiopia trade mission

Wesgro, the Destination marketing, Investment and Trade promotion agency of South Africa's Western Cape Province, recently took a delegation of business people to Ethiopia on a trade mission aimed at increasing the Western Cape's presence and generating export and partnership opportunities in key sectors of the Western Cape economy.



Image by 123RF

The mission formed part of Wesgro's Africa International Trade and Investment Programme and comprised of 12 companies from agribusiness, manufacturing and services. These companies signed export deals to supply their Ethiopian counterparts with products and services valued at R50 million over a five-year period.

"With a market size of nearly 95 million people, Ethiopia has seen an average GDP growth of 10.7% for the last 12 years and is reported to be Africa's fastest growing economy, attracting billions of dollars in foreign trade," said Michael Gamwo, manager for Wesgro's International Trade for Africa.

"Consequently, the market for consumer goods in Ethiopia has grown significantly, thereby providing potentially lucrative opportunities for Western Cape exporters of consumer goods and services seeking to expand into the Ethiopian market."

SA trade with Ethiopia is currently valued at over R900 million, while the Western Cape trade with Ethiopia is estimated at R40 Million. The top exports from the Western Cape to Ethiopia include Agricultural and agro processed products, medical

and electronic goods.

Wesgro has recently formed a partnership with the Addis Ababa chamber of Commerce and the Ethiopian Investment Commission to increase trade mission activities between the two countries which will enable substantial growth within the next five years.

“Of key importance is the imminent launch by the government of four National Integrated Agro Industrial Parks through which seven million square meters of land will be made available for potential investors to set up operations in value-added agricultural products destined for export to the world market,” said Gamwo.

Foreign Direct Investment is increasingly attracted to the industrial park developments and to other government policies offering excise breaks, tax holidays of between four to six years depending on the sector and location of the investment and cheap land rental as well as political stability and the added advantage of a competitive and youthful workforce.

These factors above have so far attracted a number of multinational companies — such as Heineken, the Blackstone Group, KKR, General Electric, Orange, Etur Textile, the BDL Group, Diageo, SABMiller, PPC and Starwood Hotels — which have made significant investments in Ethiopia in recent years.

Wesgro’s next trade mission will be to build business links with Nigeria and Ghana which is scheduled to take place from 7 – 13 August 2016.

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