



## Wesgro International Trade The Promotion of GIs in International Trade

# WESGRO

cape town & western cape  
tourism, trade & investment

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# Wesgro Achievements - 5yrs



Trained **2 433**  
companies on export  
development



Attracted Investment of  
**R8.8 billion**



Assisted **939**  
companies with outbound  
trade missions



Help attract  
**7.1 million**  
foreign tourists



Facilitated **5,705**  
direct jobs



Published **589**  
Reports

# The Cape has world-class infrastructure and award winning clean-government

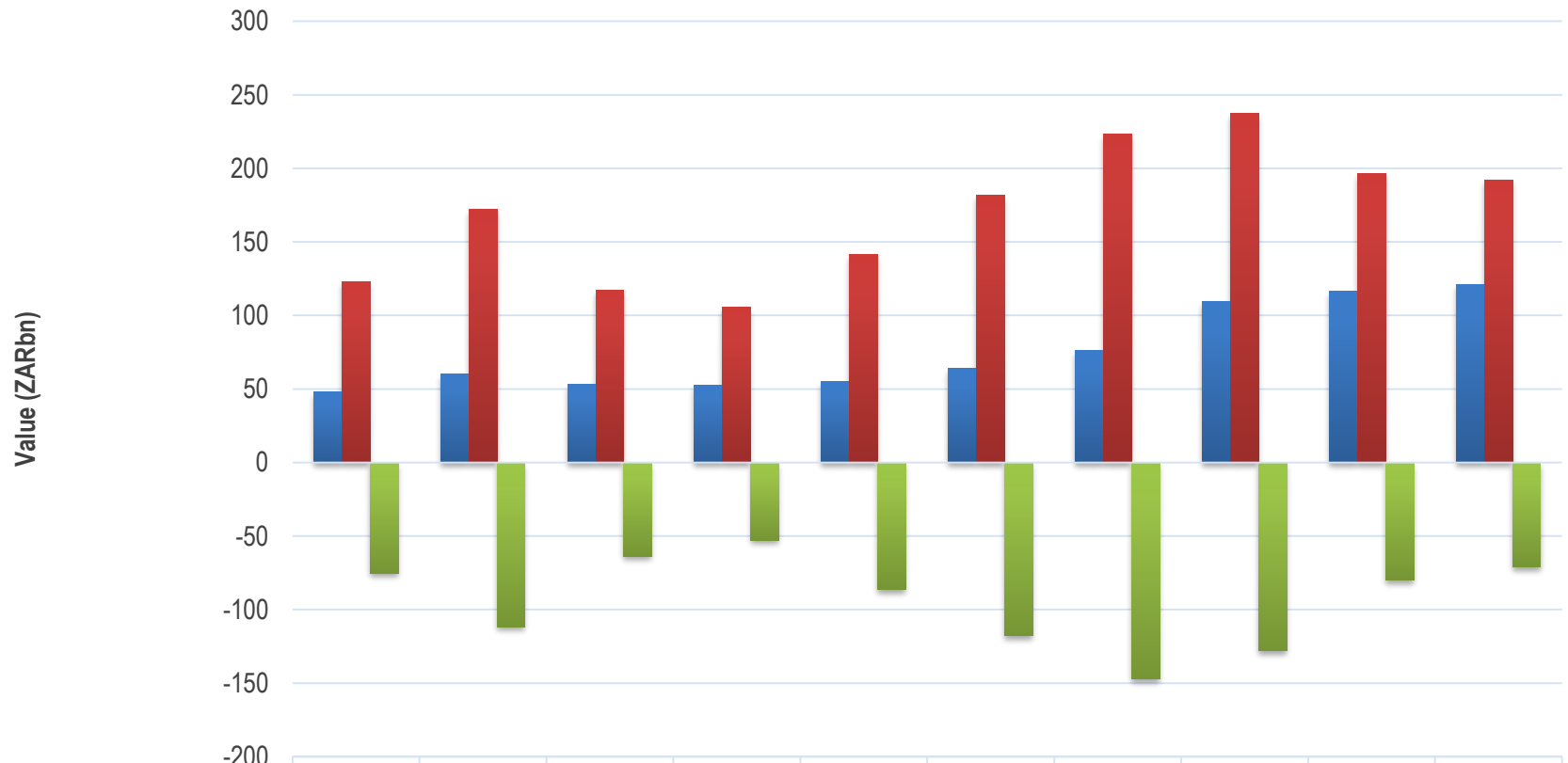


- The province boasts **3 export-oriented ports**
- Sophisticated **road and rail infrastructure** linking Cape Town to other major South Africa centres and beyond
- **Cape Town airport** 2<sup>nd</sup> busiest in South Africa and 3<sup>rd</sup> busiest in Africa
- **3 Universities and 2 Business Schools**
- Strategic position as a **springboard into the rest of Sub-Saharan Africa**

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# WESTERN CAPE TRADE

WESTERN CAPE TRADE, 2007-2016



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
■ Exports (ZARbn)	48	60	53	53	55	64	76	109	117	121
■ Imports (ZARbn)	123	172	117	106	141	182	223	237	196	192
■ Trade balance (ZARbn)	-75	-112	-64	-53	-86	-118	-147	-128	-80	-71

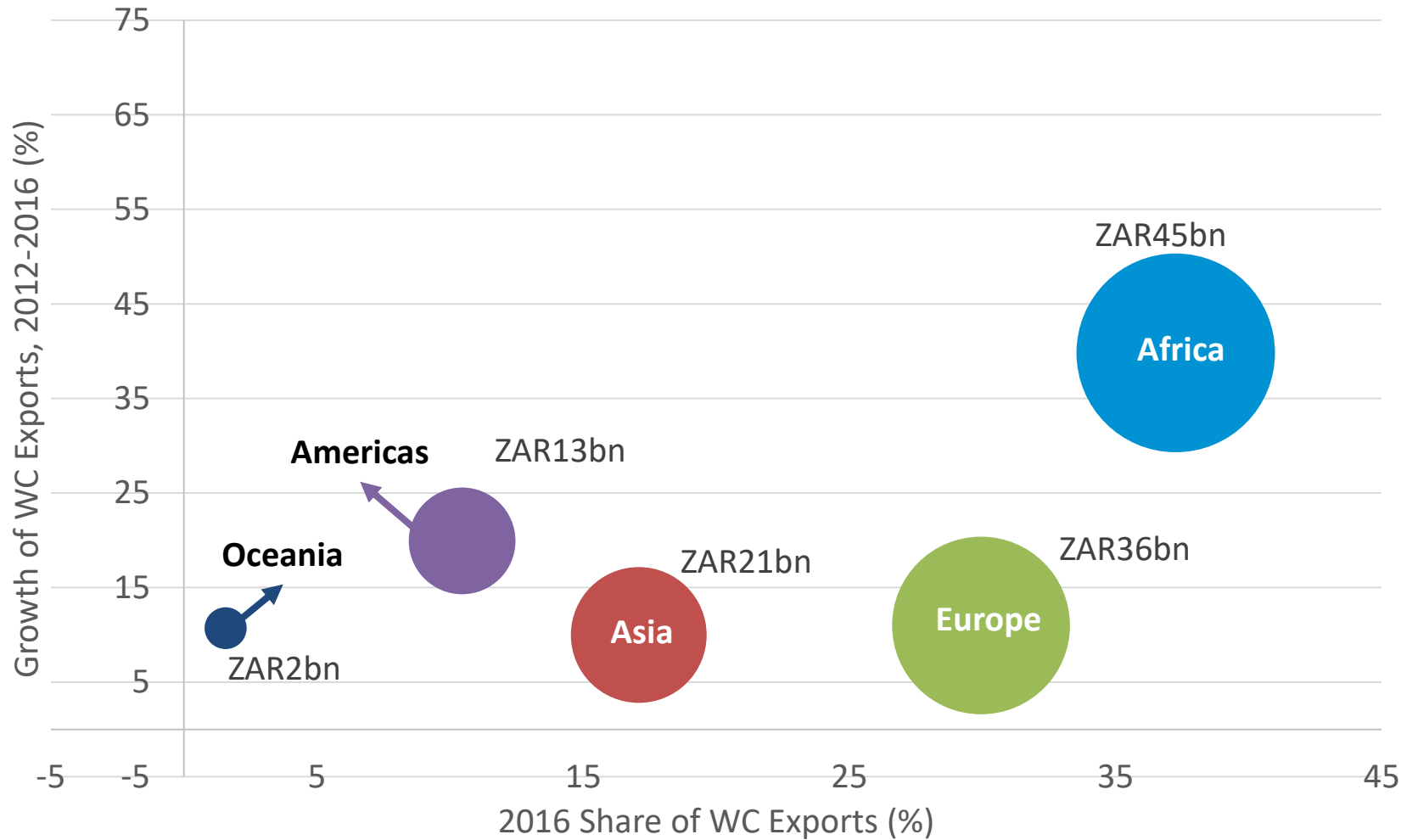
Source: Quantec, 2017

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# The Cape is a gateway to the rest of Africa, with R45 billion exported to the continent



WESTERN CAPE REGIONAL EXPORTS, 2016



# Western Cape Top 10 export markets, 2016



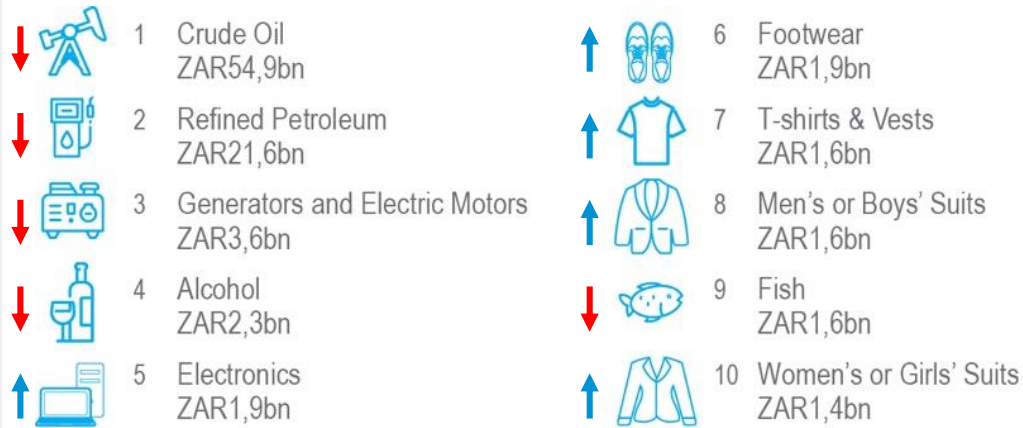
Source: Quantec, 2017

# Western Cape Top 10 import markets, 2016

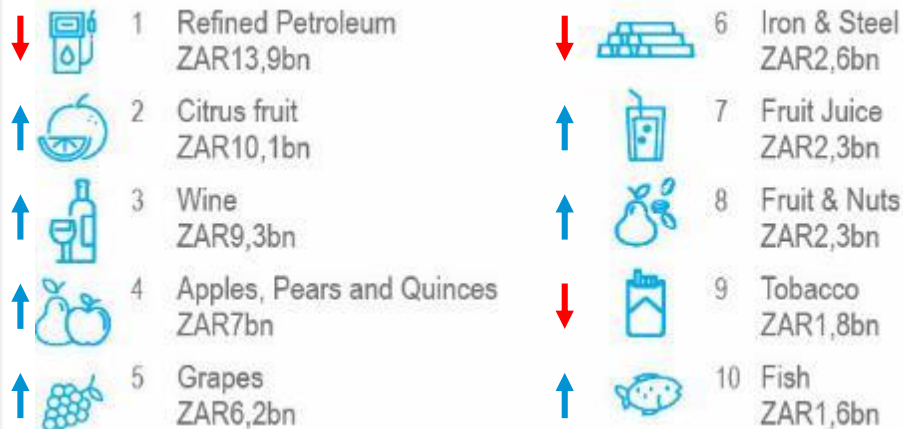


Source: Quantec, 2017

# Top 10 imported products, 2016



# Top 10 exported products, 2016



# Wesgro International Trade and Development Core Functions

- The core functions of the unit are to:
  - **Promote and facilitate exports of goods and services** from qualified companies in the Western Cape
  - To facilitate and support operations and expansion of qualified Western Cape companies into **the rest of Africa** through **Outward Foreign Direct Investment (OFDI)**
- The unit's **business facilitation activities** include:
  - Business agreement facilitation (B2Bs)
  - Accessing finance
  - Investor and company matching
  - Market research and information
  - Forging strategic collaboration and partnerships

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# Wesgro International Trade and Development Core Functions (cont.)

- The unit's **promotion services** include:
  - Outward (OSMs) and Inward (IBMs) selling and buying missions
  - Advocacy and specialised advisory services
  - Access to strategic networks
  - Marketing of value-added goods and services
  
- The unit's **Export Advancement and Promotion (EAP)** services include:
  - Export, market and sector awareness seminars
  - Focussed Technical Export Development Training
  - One-on-one mentoring services from international and local experts in export marketing, export finance management, export costing methods, logistical training

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# Wesgro International Trade Priority Sectors

- **Agro-processing and Agribusiness**
- **Manufacturing & Value-Added Products**
- **Green Industries**
- **Services (ICT, Financial, Tourism, Transportation)**
- **Wholesale and Retail**
- **Clothing, Textiles, Leather, Footwear, Furniture**
- **Boatbuilding and associated services**
- **Aerospace and Defence**
- **Infrastructure Development (OFDI in Africa)**

# Wesgro International Trade Target Markets

Sub-Saharan Africa	Americas	Europe	Middle East	Asia
Angola	US	UK	Saudi Arabia	China
Botswana	Canada	Germany	UAE	India
Namibia	Brazil	France	Jordan	Japan
Mozambique	Argentina	Portugal	Qatar	Malaysia
Nigeria	Peru	Netherlands		Singapore
Ghana	Uruguay	Switzerland		Thailand
Ivory Coast	Cuba	Poland		Vietnam
Kenya		Russia		Indonesia
Tanzania				
Ethiopia				
Zambia				

## Wesgro International Trade Strategy

- Improve the **export enabling environment** and **international competitiveness**: address non-tariff barriers (**NTBs**) to trade
- Increase demand for goods and services: **market prioritisation, diversification** and **access**
- Diversify the export basket into more value-added and manufactured goods and services: **product diversification**
- Strengthen the **export promotion mechanisms**: B2Bs/Trade Seminars/Exhibitions/Expos
- **Develop exporters, increase export capacity** and **strengthen export performance** through: Export Advancement and Promotion Programme (EAP)
- Engage the **Top 20 Western Cape exporters. Export Councils** and **Industry Bodies**
- Grow the exporter base through **Retain, Expand and New Exporters (REN)** approach: integrate into local, regional and global value chains

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## Developing strategies for adding value and promotion of GIs

- GI's identify a geographical area in which one or several companies are located which produce the kind of product for which the geographical indication is used.
- Wesgro Trade to look into taking a group of companies representing a particular GI to targeted trade exhibitions, e.g. Natural Products Scandanavia. This has the opportunity to develop rural communities and companies in the province.
- Another example is Karoo Lamb where abattoirs, processors, packers, butcheries, retailers and restaurants could join us on missions like Food and Hotel China or Food and Hotel Thailand or Angola Restaurant week.
- In the case of the Karoo Meat of Origin, there are 5 abattoirs, 4 processors or packers, 18 butcheries and 1 retailer all of whom can bring a different element into Karoo Lamb during the trade exhibitions we attend.
- Wesgro could assist the various bodies that have been set-up to protect GIs with proper international marketing and distribution by using the collective certification at various international trade exhibitions we attend.
- Funding of these bodies are often a challenge and there is an opportunity for Wesgro to assist in accessing finance, through the dti or other bodies to create sustainability.

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## Developing strategies for adding value and promotion of GIs

- In some cases, where Oversight Bodies have been set-up to protect GIs, the enterprises, community and the body itself still has to deal with a number of challenges like high transport costs in the case of Karoo Lamb. Wesgro could look at **targeted investment** in the supply chain process of GIs
- The registration of collective marks or certification marks are an important element in the protection and promotion of GIs. The French “agricultural label” is an important landmark in this regard. Wesgro, together with the Provincial Government for Economic Development can look at a Western Cape or **Cape label on agricultural** products that are exported. A “Cape Brand” that would support GI’s would certainly be welcomed by industry.
- Wesgro Trade to undertake **study tours** to countries like France and Italy to incorporate international best-practices in the promotion and protection of GIs. Also work with Ambassadors and CGs
- Utilize the platform of Inward Buying Missions (IBMs) to bring particular GIs to the attention of high-profile buyers that are government-backed to create more demand for GIs.
- There is often continuous research occurring around particular GIs and with the fully fledged research unit at Wesgro that drives pretty much everything we do, Wesgro research could also add to thought leadership around the subject.
- Off-shoot industries and businesses that are created like Rooibos and Karoo Lamb cookbooks or television shows can also be supported through Wesgro trade initiatives.

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## Developing strategies for adding value and promotion of GIs

- On the development of new GIs and the protection of existing ones, it plays in well with non-tariff barriers, i.e finding out what assistance industries need that wish to register and protect a GI; ensuring that information about it is easily available (what it is, what it can do, and how to go about developing and protecting a GI scheme) - by leveraging our close relationship, on the one hand with industry and exporters, and on the other hand with Province and National to facilitate.
- And then also working hard to have more GIs protected internationally, perhaps in trade agreements with other regions, and to make the most of the additional GIs available to us in the EU EPA.
- Given that the issue of GI's in international trade is still fairly new in South Africa and the WC, we have to keep looking at ways strengthening the companies, communities and organizations involved with particular GIs and some of the questions that I have to continue the debate and perhaps enrich this discussion revolve around the following:
  - How do we align the objectives of all stakeholders in participating in the supply chain of GIs?
  - How do we ensure consistent supply and what can we learn from success stories such as Parmesian Cheese?
  - How do we continually monitor compliance to the protection of GIs, especially during time of drought?
  - What measures and penalties can be implemented if companies or individuals are found guilty of non-compliance?

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Thank you

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