

ECDC explores trade opportunities in Nigeria and China

The Eastern Cape Development Corporation (ECDC) recently concluded a two-week long trade promotion tour of Nigeria and China aimed at improving trade between the Eastern Cape and these two fast-growing economies.



Eastern Cape and Western Cape companies with ECDC business advisors.

In the last week of August, ECDC together with its Western Cape trade and investment counterpart Wesgro, took 12 companies on a trade tour of Nigeria. Operating in the food and beverages, oil and gas, electrical engineering and tourism sectors, six of the 12 companies hailed from the Eastern Cape - Elvin Group, Glenmor Soap, Magwa Tea Estate, Lizwe Fuels, MXN Electrocon Projects, Chumile Travel and Tours and Mantumo Enterprises.

The Nigerian trip was followed by a week-long trade mission to China where ECDC exhibited Eastern Cape citrus and pineapple products at the Asia Fruit Logistica in Hong Kong from 3 to 5 September. The exhibition formed part of the dti's national pavilion which hosted 20 South African fruit producers.

"In Nigeria, Eastern Cape companies participated in a breakfast session with the Nigeria–South Africa Chamber of Commerce which was sponsored by MTN. The trade breakfast was attended by chamber executives, MTN general managers, KPMG, Stanbic Bank, the South African Consul General to Lagos and the South African acting High Commissioner to Nigeria among others," says ECDC business advisor for trade relations Asisipho Fihlani.

"China forms part of BRICS and it's the strongest and largest economy in this grouping. It has one of the fastest-growing economies in the world with more than 6% economic growth annually. This presents an opportunity for South African companies to expand their global market share. South African fruit is well received in China and it is known for its high quality. China is one of the largest importers of fresh fruit from South Africa and the Asia Fruit Logistica is seen as a

platform where South African companies meet up with potential and existing buyers of their products."



Fruit Logistica China

Fihlani says ECDC has taken a decision to prioritise the African continent as a trading partner for SMMEs in the province, which means prioritising African countries for more trade missions.

In 2018/19, ECDC participated in 19 trade and investment missions and expos to countries including Mauritius, Ghana, Ethiopia, Kenya, Lesotho, Mozambique, Tunisia, Morocco, Brazil, China, USA, Germany and Toronto. According to the Corporation, a total of 42 SMMEs benefitted from attending these missions.

Nigerian market

Nigeria-based South African businessman Brian Edben says there are major opportunities in Nigeria for South Africa. Nigeria has an annual shortfall of eight billion eggs and only 10% of sugar consumption in Nigeria is produced in the country. "There are also massive opportunities in the railway industry particularly loco diesel. Opportunities also exist in medical tourism. Nigerians spend R20 billion annually on getting medical care abroad," says Edben.

Nigeria is the largest economy in Africa with a population of more than 180 million people. The market is therefore big enough to be exploited by South African companies.

"The Eastern Cape is a net exporter to Nigeria. Between 2012 and 2016 the major exports from the province to Nigeria were chemical products, essential oils and vehicles. The top imports were mineral fuels, prepared feathers and aluminum. A decision was taken by ECDC to focus on the African regional economies and Nigeria is well positioned as a gateway to the rest of the West African region," Fihlani says.

Darkey Africa, the South African Consul General in Nigeria, says that there is a planned trade and investment conference between the two countries to analyse the yields obtained from these trade and investment initiatives between the two nations. Africa says South Africa is one of the top 10 investors into Africa and it is one of the top 10 exporters into Nigeria. South Africa is also one of the top 10 job creators in Nigeria.

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