

**AFRICA GLOBAL
BUSINESS PARTNERSHIP
FORUM**

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Enhancing UK/EU – Africa Trade and
Exports

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SEGELOCUM

International Trade & Engineering Consulting



The Basics: Examining EU and Africa's Trade Relationship

Trade between EU & Sub-Saharan Africa characterised by a fundamental imbalance:

- EU exports:
 - finished goods,
 - food products,
 - technology and knowledge based services and products
- Africa exports:
 - raw materials,
 - unprocessed food
 - people (skilled and semi-skilled labour)
- Influence of China as supplier and buyer

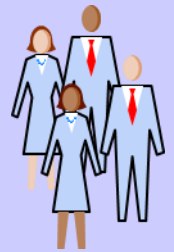
Historical Context

Strong links EU & Africa based on old colonial system still persist:

- French influence in West & Central Africa
- British influence in West, East and Southern Africa:
- Some countries turned away from the west, aligning themselves with Russia/Cuba – poor infrastructure
- Influence of China

What Limits Trade in Both Directions?

- Tariff and Non-Tariff Barriers
- Supply-side Issues – quality and consistency of product, poor infrastructure leading to high production costs
- Demand-side issues – image, availability marketing and packaging
- Logistics issues – poor infrastructure
- Finance issues – international trade finance issues (currency, L/C, ad access to finance especially for SME exporters)



The Keys to changing the Situation - Export from Africa

- Meeting EU standards – produce and added value food products need to meet specific standards.
- Quality of packaging and presentation
- Quality control and QCA systems
- Sustainable production – use solar and other renewable resources in production
- Finance - missing middle is still not addressed either by Government/NGO or Private Equity finance

The Keys to changing the Situation - Export to Africa

- Protectionism – African markets need to open up.
- Getting to market – find the right partner (Agent/Distributor) Use UKTI/FCO & Bilateral Chambers
- Political & Commercial Risk – use the commercial market and UKEF for protection
- Finance – work with your bank to ensure payment. Note also ADB support for on-shore buyers' L/C
- Support – go out and support your partners with training
- Imaginative strategies – new ways of doing business

Cultural issues

Think Long Term

- “The role of the African is to teach the European the meaning of patience” – attributed to Nelson Mandela

Understanding needed in both directions of the needs and culture of the other

- Timekeeping
- Planning
- Patronising approach
- Corruption
- Inappropriate products, advertising and packaging
- Poor payment

E.g. the case of produce into Birmingham Market

Go out and have fun!

THANK YOU FOR LISTENING

ANY QUESTIONS ?