

The Food and Beverage Market Entry Handbook:

South Africa:

a Practical Guide to the Market in South Africa for European Agri-food
Products



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1 The Food and Beverage Market Entry Handbook: South Africa

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the South African market. This Handbook provides **step-by-step guides** on entering the agri-food market in South Africa including relevant information such as **analysis of the South African market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the South African market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the South African food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the South African market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the South African market.

2 Country introduction and overview



Capitals:	Bloemfontein (Judicial), Cape Town (Legislative), Pretoria (Executive)
Population:	58 million
Area:	1 221 037 km ²
Political structure:	Unitary dominant-party parliamentary republic with an executive presidency
Major languages:	11 Official languages largest include: English, Afrikaans, Zulu, Xhosa
Major religions:	Protestant (73.2%), Atheist (14.9%) Catholic (7.4%) Other (4.5%)
Life expectancy:	Total Population 64.1 years (Male 62.7 Years, Female 65.6 Years)
Currency:	South African Rand ZAR/; 1 EUR = 16 ZAR (2019); 19.5 (2020)
GDP growth (real):	1.7 % (2019)
Exports:	25.6% of GDP (2018)
Imports:	29.5% of GDP (2018)
Main exports*:	Gems, Precious metals (17%); Ores, slag, ash (14.5%) Vehicles (12.7%)
Main imports*:	Mineral fuels including oil (16.7%); Machinery including computers (12.7%) Electrical machinery (9.7%)
Unemployment rate:	29% (2019)
Labour force:	60.8% (2019)
Main industries:	
	Agriculture: +/- 3% of GDP
	Industry: 30% of GDP
	Services: 68% of GDP
Average household income (2018):	13 970 EUR
Household expenditure on food and beverages (2018):	2 521 EUR
Food and beverage market size (2018):	46.7 billion EUR

Sources: Euromonitor International: Economies and Consumers, 2020; IMF; UN, World Bank; WHO, ECB. * Goods only listed

2.1 Country overview: South Africa at a glance

2.1.1 Past economic and political trends

- ***South Africa's fertile lands and strategic location historically attracted settlers first from the Netherlands then the UK; discrimination-based access to land, water, capital made it impossible for large part of the population to be involved in commercial agriculture. The legacy of colonialism still plays a large role in modern South Africa.***
- ***South Africa obtained self-governance from the UK in 1931 and became an independent republic in 1961, however, remained largely segregated due to policies of apartheid which ended in 1994.***
- ***Nelson Mandela emerged as the first president in the post-apartheid South Africa and acted as a national unity figurehead.***
- ***The African National Congress party has been the ruling party of South Africa since 1994.***

South Africa's strategic location at the southern tip of the African continent has meant that the region has always attracted attention from abroad, firstly from the Dutch and then from the British. The impact of colonisation in South Africa remains evident in the country through the many cities which were originally European settlements such as Cape Town and Durban, and the prevalence in the country of English and the Afrikaans language (which is closely related to Dutch). South Africa remained under the Sphere of influence of European nations until the country voted to become a republic in 1961.

South Africa as a republic remained one of the most developed nations in Africa and was considered the only developed country in Africa according to the United Nations economic criteria at the time, in the 1960s.¹ Throughout this period in South African history the country produced almost twice as much electricity and steel than the rest of the African continent combined and accounted for 43% of Africa's entire mineral production output.

The economy did face problems especially throughout the 1980s and early 90s as international sanctions began to take its toll; with these sanctions being placed as a result of the apartheid policies in the country. This led to the country being largely excluded from the international community. The apartheid system fell in 1994, predicated by various events but also assisted by this economic pressure; and the election of Nelson Mandela, leader of the African National Congress (ANC) to the presidency of South Africa followed.

At the time of the end of apartheid in 1994, the share of the population living in poverty was roughly 51.1%. The labour participation rate was on 51.4%². This left the New ANC government with an enormous challenge in unifying the country and closing the many societal gaps that existed in South Africa. New Labour regulations were introduced with an aim to modernise existing laws and extend labour participation to all sectors of society. After the end of Apartheid, South Africa was welcomed back into

¹ Policy Plus: African Growth Performance 1960-2000, Benno j. Ndulu and Stephen A. O Connell, Available at http://www.swarthmore.edu/SocSci/soconne1/documents/Chap1_BNSOC.pdf

² Restructuring of the South African Economy 1994-2014, Edwards L, Flowerday W, Rankin N, Roberts G, Schoer V Available at http://2015.essa.org.za/fullpaper/essa_3131.pdf

the international community and international sanctions were lifted which helped the GDP of the country to grow continuously – sometimes by as much as 7% per year - until 2010 when the global recession led to the country's economy strongly contracting. The country adopted multilateral trade liberalisation programs with the aim of opening up to new financial and trade flows. Tariffs began to fall and trade began to increase. Since the global recession the economy of South Africa has stabilised and has been growing at an average rate between 1-3% which is quite low in comparison to the African continent. However, the country remains the second largest economy in Africa (just behind the 3 times more populous Nigeria) with one of the highest levels of GDP per capita on the continent; and the growth rate remains quite in touch with that of developed nations.

2.1.2 Current economic situation and mid-term outlook

- ***The South African economy grew year on year from 1998 until the global recession in 2009, the economy since stabilised but until recently has struggled to grow in line with the population. COVID-19 subsequently created a big economic shock.***
- ***2010 was a big year for South Africa because the country joined the BRICS Nations association and also hosted the 2010 FIFA world cup.***
- ***Despite the economy stabilising, unemployment remains extremely high at 29%.***
- ***Commodity prices play a large role in the health of the South African economy due to the large exports of minerals from the country.***

Throughout the 2000s the economy of South Africa grew steadily and peaked at a 5.6% growth rate in 2006. The economy gradually slowed down until 2009 when it contracted by 1.6% largely influenced by the wider global recession³. Despite economic growth throughout most of the 2000s, unemployment remained high and its lowest point was still 22% in 2008. Nonetheless, South Africa remains one of Africa's most developed nations and continues to play an influential role as a voice of Africa on the global stage as evident by its 2010 accession to the BRICS association - the association of the rapidly growing economies of Brazil, China, India, Russia and now South Africa which may well make up the majority of the global economy by 2050 overtaking the G7. South Africa's soft power also increased that same year due to the country hosting the FIFA world cup, the first African nation to do so.

The South African economy is heavily influenced by external factors such as commodity prices, one example of the impacts of commodity prices came in 2011 when a fall in the price of gold, copper and nickel led to the Rand declining sharply in value.⁴ Since 2010 the economy has stabilised, however persistent problems remain in terms of income inequality, and at 29%, unemployment remains significantly high. Sluggish GDP growth rates (Figure 2-1) continue to affect the economy of South Africa which grew by 1.7% in 2019 compared to a continent average of around 3.5%; however, South Africa remains the most industrialised and diversified economy in sub-Saharan Africa. Poverty remains a

³ GDP figures based on World Bank data; though other sources estimate the size of the peak and contraction to have been significantly greater.

⁴ Commodity prices may have plunged, but could still be the place to invest, The Guardian – Available at <https://www.theguardian.com/business/2011/oct/16/commodity-prices-invest>

constant issue with roughly 18% of the population living below the internationally accepted poverty line⁵ in 2018. Looking forward, pre COVID 19 it was forecasted that the economy would grow at a rate hovering around 1-3% for the forecasted period up until 2024; however the economy has subsequently been hit with both COVID-19 and resulting long lasting and tough lockdown, with corresponding impacts on consumer demand. South Africa is likely to remain an economic powerhouse in Africa and will continue to leverage its strategic location and largely open trade policies to trade with the outer world. South Africa is likely to retain its categorisation as an upper-middle-income country according to the World Bank.

Figure 2-1: Real GDP Growth and Per Capita GDP in South Africa: 2013-2019



Note: Data for 2019 is forecast. GDP per capita are in constant 2018 prices

Source: Euromonitor International: Economies and Consumers, 2020

2.1.3 Populations trends

- **The population has reached 58 million which makes South Africa the world's 24th most populous country and Africa's 5th behind DR Congo, Egypt, Ethiopia and Nigeria.**
- **The population is continuing to grow and is expected to reach 64.5 million by 2030 which will give it the same population as France today.**
- **The fertility rate of South Africa is 2.4 and will likely be 2.2 by 2030, slightly above the replacement level of 2.1.**

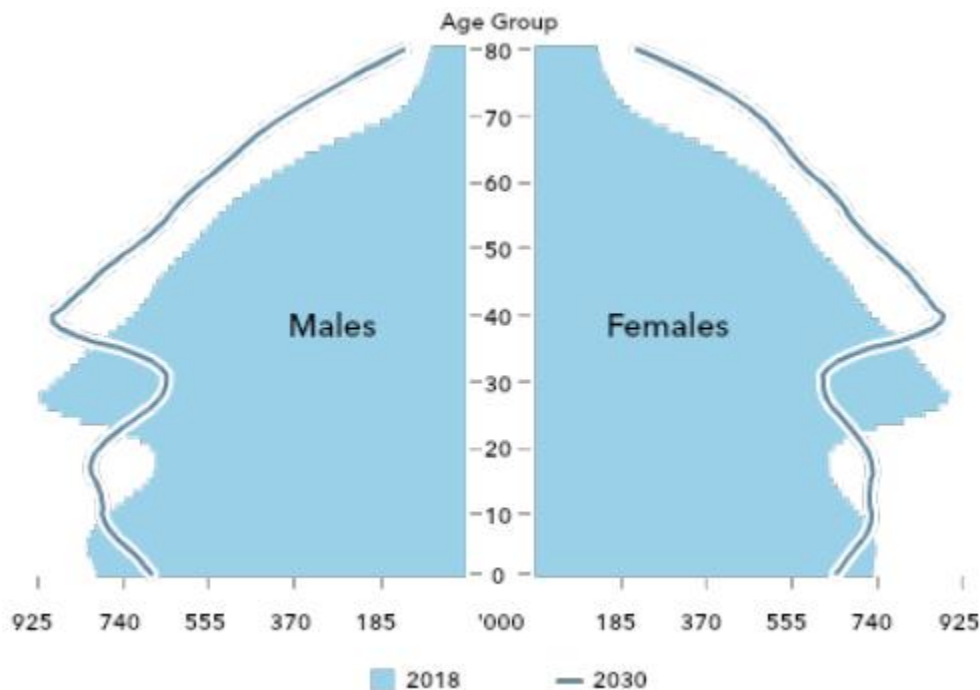
The population of South Africa in 1994 at the fall of the apartheid system was around 41 million and has since risen to 57.7 million today. The population growth rate of South Africa was 2.4% in 1994 and has declined to 1.2% today which is in track with population dynamics associated with a rapidly urbanising economy. The urban population today stands at 63% or 35 million South Africans and this rate is set to grow to 71% by 2030.⁶ As observed in Figure 2-2 below, the population of South Africa is very young, which ensures the population will continue to grow despite falling birth numbers. However, as the

⁵ As defined by the World Bank.

⁶ Parliamentary Monitoring Group – Urbanisation, Available at <https://pmg.org.za/page/Urbanisation>

population is also aging and health care is improving with rising demand for it, the percentage of the population above the age of 65 will increase; adding additional pressures for the state. Brain drain is a major feature of South African society with up to 900 000 South Africans - many of which are skilled labour - living in other nations such as the UK and Australia. This has had a negative effect on the economy of South Africa and is prevalent in nations throughout the African continent.

Figure 2-2: Age Pyramid in 2018 and 2030 in South Africa



Source: Euromonitor International: Economies and Consumers, 2020

There are various further specificities of the South African Population

- Ethnically Diverse:** The population of South Africa is very diverse and today Black Africans account for 79% of the population with the largest Black African ethnic groups being the Zulu, Xhosa, North Sotho, Tswana, South Sotho, and Tsonga. The White population accounts for just under 10% and is largely made up of Afrikaners and decedents of other European settlers. 9% of the population is coloured (or multi-racial), and this segment of the population live predominately in the Western Cape region and are generally decedents from a mix of European settlers, native Africans and settlers who arrived from nations like India and Malaysia. The rest of the population is a mix of many groups from across the world due to South Africa's history of ethnic diversity, with Asians making up 2% of the population. Table 2-1 provides an overview of some of the main ethnic groups of the country.

Table 2-1: summary of major ethnic groups of South Africa

Ethnicity	Predominant region	Predominant language	Percentage of total South African population
White (Afrikaners, other)	Gauteng, Western Cape	Afrikaans (>60%), English (<40%)	~8%
Zulu	KwaZulu-Natal	Zulu	20%
Xhosa	Eastern Cape	Xhosa	16%
Tswana	North West	Twana	8%
Swazi	Mpumalanga	Swazi	2%
Tsonga	Limpopo	Xitsonga	4.5%
Venda	Limpopo	Venda	2%

- **Unequal Society:** Despite improvements after the end of apartheid, South Africa remains one of the world's most unequal societies in the world. It is estimated that the richest 10 percent of South Africa's population hold 71% of the total wealth of the country while the poorest 60% hold 7% of the nation's wealth.⁷ Poverty exists across ethnic lines however on average the black population will earn the least amount among ethnic groups in the country.
- **Unevenly Distributed Population:** The South African Population lives heavily predominantly on the coast in cities like Cape Town and Durban and their respective provinces, with the only heavily populated inland region being Johannesburg and the wider Gauteng province with over 10 million residents. The largest region of South Africa, The Northern Cape, however, is the least populated with just over 1 million residents in a geographical area larger than the territory of Germany.

2.2 Geography and key markets

South Africa has it all: warm weather, stunning views, a lot of wildlife and biodiversity, high mountains as well as vast savannahs, beaches and coastal wetlands, grasslands and forests, modern vibrant cities and a vibrant economy. The South African government describes it as "a world in one country". Within South Africa there are over 290 conservation parks, close to 300 mammal species, 860 bird species, about 8 000 plant species and eight world heritage sights call this their home.

The country is situated at the southern tip of the African continent and has a very long coastline of over 3 000 km. It borders the countries of (from west to east) Namibia, Botswana, Zimbabwe, Mozambique, Eswatini (formerly Swaziland) and Lesotho, which is landlocked by South African territory.⁸

2.2.1 Overview of urban markets

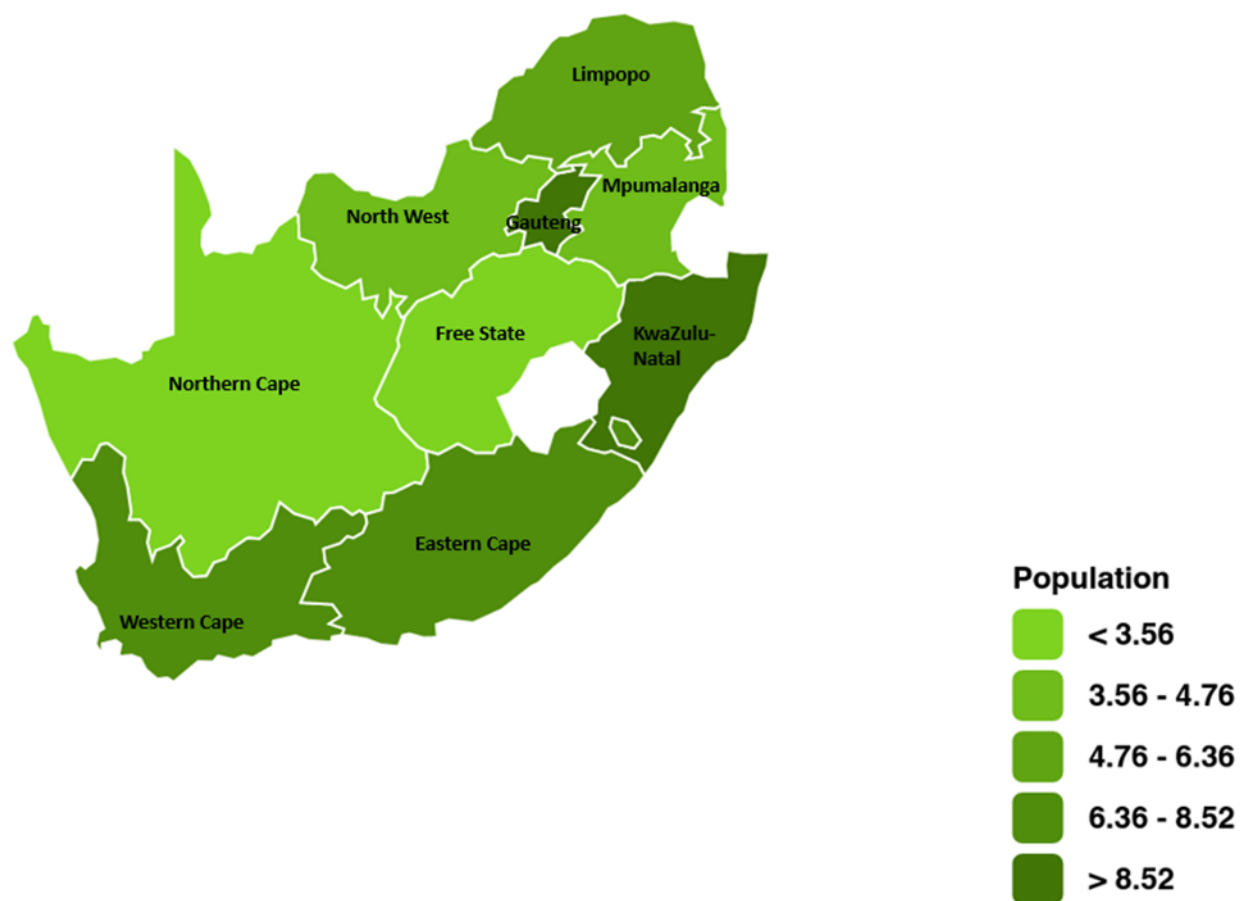
South Africa is organised into nine different regions as depicted in Figure 2-3. Size wise the smallest is Gauteng, however, it is heavily urbanised and has the highest population out of the nine regions of South Africa. The biggest region is Northern Cape which nearly represents 1/3 of the country's area but has no

⁷ South Africa Election inequality, CNN, Available at <https://edition.cnn.com/2019/05/07/africa/south-africa-elections-inequality-intl/index.html>

⁸ Geography and climate <https://www.gov.za/about-sa/geography-and-climate>

big cities and the lowest number of inhabitants. Thus, population is highest in and around the main urban areas. More information about the population of each region and important cities can be found in Table 2-2. Overall there are 5 cities that surpass 1 million inhabitants and 50 cities with a population between 100 000 and 1 million inhabitants.⁹

Figure 2-3: Administrative regions of South Africa



Source: Agra CEAS

Table 2-2 Overview of regions in South Africa

Name	Population	Notable cities
Gauteng	14.7 million	Johannesburg, Tshwane (Pretoria), Ekurhuleni
KwaZulu-Natal	11.4 million	Durban (eThekweni), Pietermaritzburg, Ulundi, Umlazi

⁹ Population of Cities in South Africa (2020) <http://worldpopulationreview.com/countries/south-africa-population/cities/>; South Africa's provinces <https://www.gov.za/about-sa/south-africas-provinces>; The Largest Provinces of South Africa by Area and by Population <https://www.worldatlas.com/articles/the-largest-provinces-of-south-africa-by-area-and-by-population.html>

Name	Population	Notable cities
Western Cape	6.6 million	Cape Town, Wellington, Knysna
Eastern Cape	6.5 million	Port Elizabeth, East London, Mdantsane
Limpopo	5.8 million	Tzaneen, Polokwane, Nylstroom, Mkhado, Thabazimi
Mpumalanga	4.5 million	Mbombela, Middelburg, Bethal, Ermelo, Piet Retief
North West	4 million	Rustenburg, Lichtenburg, Vryburg
Free State	2.9 million	Bloemfontein, Welkom, Sasolburg, Odendaalsrus, Kroonstad
Northern Cape	1.2 million	Kimberley, Upington

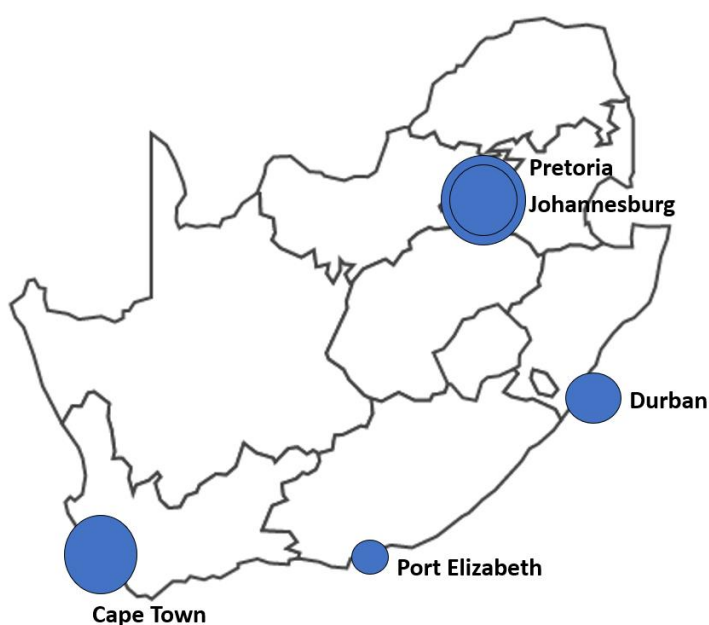
2.2.2 Snapshots of important markets

As established in 2.1.1 the main markets are within urban areas. In South Africa these markets are the following:

- Johannesburg
- Cape Town
- Durban
- Pretoria
- Port Elizabeth

Locations of the main markets are depicted in Figure 2-4.

Figure 2-4: Location of focus markets



Johannesburg



Key facts:

Total GDP (current prices): EUR 47bn

Real GDP growth (2018): 0.76%

Food and non-alcoholic beverage market: EUR 4.5bn

Population: 5.4m

Johannesburg is the capital city of South Africa's richest province Gauteng and moreover the world's biggest city not located on a coast, river or lake. The city was founded because of gold mining, however, today businesses in the city are diverse. It has a population of about 5.4m people spreading out over 335 square miles. The most common groups in Johannesburg are Black African (76%) and White (12%); and 1/3 of the population speaks a Nguni language, 1/4th speaks Sotho, and around 1/5th English. Most expats in South Africa live and work in the greater Gauteng region.

Johannesburg is the biggest contributor to the South African economy accounting for 16% of the national GDP; and the wider Gauteng region accounts for 40% of the national economy of South Africa. The average household income per year is nearly 60% higher than the average for the rest of South Africa. Currently, the city's economy is based on four main sectors: the manufacturing sector, retail and wholesale trade, community and social services and financial and business services. Within manufacturing, Johannesburg has many plants belonging to the metal industry. The automotive industry is present as well with BMW having a manufacturing plant in Johannesburg for example. There are several other global companies because of low labour costs and excellent infrastructure.

Johannesburg's population is diverse and so is its cuisine. Everything from traditional food like pap, vetkoek, biltong, chakalaka and Kota to Western and Asian restaurants can be found. There is something for every taste. However, European cuisine restaurants and steakhouses, as well as seafood, tend to be especially popular.

Sources: About the city <https://joburg.org.za/about/Pages/About%20the%20City/About%20Joburg/Economic-Data.aspx>; <http://worldpopulationreview.com/world-cities/johannesburg-population/>; Gauteng is home to most foreigners in the country <https://citizen.co.za/news/south-africa/1977973/gauteng-is-home-to-most-foreigners-in-the-country/>; A History of Johannesburg in 10 Dishes <https://roadsandkingdoms.com/travel-guide/johannesburg/johannesburg-in-10-dishes/>; Restaurants in Johannesburg https://www.tripadvisor.ca/Restaurants-g312578-Johannesburg_Greater_Johannesburg_Gauteng.html; Food and beverages in South Africa; Global companies in South Africa <https://www.brandsouthafrica.com/investments->

[immigration/business/investing/global-companies-in-south-africa](#); Manufacturing sector continues to underperform <https://www.fin24.com/Economy/manufacturing-sector-continues-to-underperform-20170314>

Cape Town



Key facts:

Total GDP (current prices): EUR 27.8bn

Real GDP growth (2018): 1.4%

Food and non-alcoholic beverage market: EUR 4.9bn

Population: 4.4m

Cape Town, also known as the ‘mother city’, is the capital city of the Western Cape region, and the South African Parliament is situated in the city. The city is especially famous for Table Mountain and Cape Point. Moreover, Cape Town’s population accounts for nearly 65% of the Western Cape’s population.

The city is a sub-Saharan African hub for industry and innovation. It is the second biggest contributor to the country’s economy (after Johannesburg) and extremely important when it comes to employment. Its GDP per capita is over 30% higher than the South African average. Moreover, Cape Town has a well-known Central Business District (CBD) and a very good infrastructure system. This, in combination with its flourishing agricultural and tourism sectors and a growing number of professionals, are a solid foundation for a thriving business hub. South Africa’s second busiest container port is also located in Cape Town as well as its second-busiest international airport.

The GDP of Cape Town is growing faster than the average GDP of the rest of South Africa. The city is responsible for nearly 80% of Western Cape’s GDP and thus can be seen as the driver of the regional economy, with all main big and medium industries located in the city. Most predominant sectors are the business and financial services industry. Other stable sectors include tourism, retail, construction and property sectors. Moreover Cape Town has a manifold manufacturing sector including food and beverages, metals and metal products as well as petroleum products. However, the manufacturing sector is not as important here as it is in some other areas of the country. Moreover, international investments are growing within many different fields from many different countries and for example the French

government declared Cape Town to be one of six global French hubs for technology. In addition giants such as Amazon and Microsoft made substantial investments too.

The cuisine in Cape Town is highly influenced by international trends, the multi-cultural heritage of its inhabitants and some traditional dishes. Food is prepared with a mix of styles, flavours, and techniques. The city is known for example for its lively Fish and Chips culture as well as high-class game meat restaurants. According to a Caterwings study about the world best food destinations Cape Town ranks 48th and therefore is the best South African Food destination.

Moreover the greater Cape Town area is known to have some of the world’s best wine farms. Cape Town’s winelands have spread as far as Stellenbosch, Paarl and Franschhoek even though wine farming actually started very close to Cape Town in Constantia. Besides wine, the area is also known for its high quality olive oil. The olive production sector around Cape Town grew by astonishing 640% between 2012 and 2018 and now covers 418 ha.

Sources: Cape Town’s economy and infrastructure <https://www.investcapetown.com/why-cape-town/economic-landscape/>; Dishes You Have to Eat When in Cape Town <https://theculturetrip.com/africa/south-africa/articles/dishes-you-have-to-eat-when-in-cape-town/>; Best food destinations <https://www.caterwings.co.uk/caterers/best-cities-for-food-2017/>; Top wine farms in Cape Town <https://www.capetown.travel/top-wine-farms-in-cape-town/>; Olive Oil Production <http://southafrica.co.za/olive-oil-production.html>; 2020 regional economic overview of the Western Cape <https://www.globalafricanetwork.com/2019/12/18/featured/2020-regional-economic-overview-of-the-western-cape/>

Durban (eThekweni)



Key facts:

Total GDP (current prices): EUR 25bn

Real GDP growth (2018): 0.25%

Food and non-alcoholic beverage market: EUR 2.5bn

Population: 3.8m (greater metro area)

Durban (eThekweni) is the largest city of the KwaZulu-Natal province and South Africa’s third biggest city overall. Its population is about 600 000, but its greater metro area has up to 3.8m inhabitants. Nearly 50% of inhabitants can speak English, but other common languages are Zulu, Afrikaans, and Xhosa, with the

largest ethnic group being the Zulus. Interestingly, Durban is also home to the largest Indian population in South Africa.

It is located on the Indian Ocean and is especially known for having Africa's busiest container port. This port is the main entry port for raw materials, capital goods, and industrial equipment, due to its location close to the Witwatersrand industrial area. Durban is seen as the South Africa's main sugar-producing area and the centre of all kinds of manufacturing activities. Around the city, agricultural production is indeed important as well, with 6.5m hectares of land being farmed.

The food scene in Durban was highly influenced by apartheid and the many Indians living in Durban. When apartheid made importing Indian spices impossible, chefs started to experiment with African flavours in Indian food and as a result, that have a blend of South African and Indian cuisine which leads to a mix of different flavours, regions and spices. Apartheid furthermore fostered the street food scene of the city. When black people were not allowed to eat in restaurants chefs created street food they could sell them on a take away basis like the still popular bunny chow, which is curry in a hollowed-out loaf of bread. Until today most popular restaurants serve Indian food. According to a study by Caterwings, Durban is South Africa's second best city for food lovers and ranks 69th worldwide.

Sources:

https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/815150430131409/815150430131409_2.pdf; Durban <https://www.britannica.com/place/Durban>; Durban: the most interesting foodie city in South Africa? <https://www.standard.co.uk/lifestyle/travel/durban-south-africa-exotic-foodie-destination-a3974506.html>; Top 10 Culinary Experiences in Durban <https://www.nationalgeographic.com/travel/top-10/eat-drink-durban/>; Restaurants in Durban https://www.tripadvisor.com/Restaurants-g312595-Durban_KwaZulu_Natal.html; Best food destinations <https://www.caterwings.co.uk/caterers/best-cities-for-food-2017/>

Pretoria (Tshwane)**Key facts:**

Total GDP (current prices): EUR 30.5bn

Real GDP growth (2018): 1%

Food and non-alcoholic beverage market: EUR 2.9bn

Population: 3.5m (greater metro area)

Pretoria (Tshwane) is located by the Apies River and beneath the western foothills of a mountain called Magaliesberg. It is the administrative capital of South Africa and is best known for its annual massive flowering of jacarandas every October. Like Johannesburg, it is situated in the northern part of Gauteng. The city is also known as Tshwane, named after a tribe that originally settled in this area. Within the city there are approximately 700 000 people living and in the greater area even a total of 3.5m inhabitants.

The city is a vital industrial and rail centre. The economy is mainly built around engineering, food processing and diamond mining. Moreover, there are three universities in the city, which makes research an important aspect of the economy as well.

Pretoria is an international city and home to many European expats, who influence its cuisine. European cuisine is widespread within the city and most popular restaurants offer European style dishes. However, like everywhere other different food styles are present as well, like traditional African cuisines, Indian cuisine and innovative and new international or mixed cuisines, like fusion restaurants.

Sources: Pretoria <https://www.sahistory.org.za/place/pretoria>; Pretoria (Tshwane): The Naming of a City <https://www.sahistory.org.za/article/pretoria-tshwane-naming-city>; Pretoria <https://www.britannica.com/place/Pretoria>; Cuisine of Pretoria for gourmets. Places for dinner - best restaurants <http://www.orangesmile.com/travelguide/pretoria/cuisine-1273769.htm>; Restaurants in Pretoria https://www.tripadvisor.com/Restaurants-g312583-Pretoria_Gauteng.html

Port Elizabeth



Key facts:

Total GDP (current prices): EUR 7.5bn

Real GDP growth (2018): -1.1%

Food and non-alcoholic beverage market: EUR 1bn

Population: 1.3m

As its name suggests, Port Elizabeth is a port city in the Eastern Cape province. It is located on Algoa Bay in the Indian Ocean. It has lots of parks, museums, and Nelson Mandela University and is the second oldest South African city. It is well known for its proximity to Addo Elephant National park as well as for its beaches and surfing. In conclusion, Port Elizabeth is a significant commerce hub, cultural centre, and a recreational area.

The city is one of the busiest manufacturing centres due to its exceptional communications, inexpensive power and water and thus, dominated by the car industry. The bigger Eastern Cape region is known for its fruit production such as pears and oranges, its dairy farms as well as wool and mohair production. Moreover, the aquaculture sector is expanding around Port Elizabeth.

Port Elizabeth is not known for a specific cuisine; however, its food culture seems to be evolving. Many new restaurants, food trucks and food markets pop up in the city. Current cuisine is mixed and nearly everything can be found from Japanese restaurants to European style ones and other international cuisines. Yet, due to its location at the sea, seafood is popular in the city.

Sources: Port Elizabeth <https://www.britannica.com/place/Port-Elizabeth-South-Africa>; The alternative city guide to Port Elizabeth, South Africa <https://www.theguardian.com/travel/2016/feb/25/alternative-city-guide-port-elizabeth-south-africa>; Agriculture https://www.nmbt.co.za/agriculture_port_elizabeth.html

2.3 Domestic agricultural production and regions

South Africa's agricultural sector is very diverse due to different types of soils and the large variety of climates and vegetation within the country. South Africa spans across seven different climatic regions from semi-desert to subtropical and Mediterranean. Moreover, the country has eight commercial ports and a coastline of about 3 000 long kilometres. All this variety favour the production of a range of

products. The sector is important in creating new jobs and for the country's overall economic development.¹⁰

A lot of different types of farming can be found. Of course, the country has a lot of intensive crop and animal farming, though in very rural areas subsistence farming is most common.¹¹ Production ranges from crops and mixed farming in areas with enough rainfall to cattle and sheep farms in the more arid regions.

South Africa covers an area of 1.2m square km, of which 1/5th can be classified as high-potential arable land. In total more than 10% of South Africa's land is used for crop production. The country is self-sufficient in most primary foods, though this is not the case for wheat, rice, oilseeds, pork and poultry products. For many other products it is the main producer and exporter to other sub-Saharan countries.¹²

In many South African regions, the biggest limitation is the availability of water for agricultural production often caused by uneven and not reliable rainfall. Like in many African countries maize is most popular and grown in nearly all areas, followed by wheat, sugar cane and sunflowers. Those products are mainly destined for the local market. However, South Africa exports significant volumes, most notably of deciduous fruits such as citrus (orange, lemon, soft citrus, grapefruit, Valencia, navel – combined around half of all exported fruit), grapes, apples, pears and quinces; wine, sugar and flowers as well as nuts (macadamia). High-quality South African wines as well as teas such as rooibos and Honeybush teas are particularly in demand in Europe.¹³

Different regions are known to produce different amounts and products. The region with the highest gross value of agricultural production is Western Cape. This region is particularly strong in production of wine, citrus, deciduous fruits and sea food. Free State (ranked 2nd) and North-West (ranked 4th) on the other hand are primarily known for their production of grains, cattle and feed. The third highest gross value of agricultural production comes from the Northern Cape, which is known for its production of raisins, table grapes and sheep. All other regions have agricultural production as well but the gross value of their agricultural production lower.¹⁴

The food processing industry is an important sub-sector in the broader manufacturing sector South Africa; indeed it is the largest manufacturing sub-sector, accounting for around 20% both of employment in manufacturing and GDP generated by manufacturing. 70% of raw materials needed for the food

¹⁰ South African agriculture <https://www.brandsouthafrica.com/investments-immigration/business/economy/sectors/south-african-agriculture>

¹¹ Agriculture in South Africa <http://www.finchamindustrial.co.za/agriculture-in-south-africa>

¹² South Africa: Food Processing Ingredients 2018 <https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Food%20Processing%20Ingredients%20Pretoria%20South%20Africa%20-%20Republic%20of%205-3-2018.pdf>

¹³ South African agriculture <https://www.brandsouthafrica.com/investments-immigration/business/economy/sectors/south-african-agriculture>

¹⁴ Fact Sheet of South African Agricultural Production <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Fact%20Sheet%20of%20South%20African%20Agricultural%20Production%20Pretoria%20South%20Africa%20-%20Republic%20of%2010-22-2019>

processing sector are sourced locally. This sector holds a lot of opportunities for South Africa with products being exported both across the continent of Africa and worldwide.¹⁵ The agri-food processing industry can be linked to many different agricultural production and farming models inside the country, as well as to the wholesale and retail sector both in on-trade and off-trade distribution.

2.3.1 Climate and climate change

South African agriculture is affected by climate change in many ways. A rise in temperatures and less rainfall is predicted to be a common occurrence for the country and the effects are already visible today. As a result, changes in water endowments and soil moisture put, and will continue to put pressure on the productivity of land, in turn challenging food production with negative knock-on effect for South Africa's international trade patterns. Of course, while climate change has impacts across the world to different extents, it will not be easy for South Africa to maintain and grow its agricultural productivity in the future unless issue such as water shortages are addressed effectively.¹⁶

Seasons in South Africa

Due to the geographic location of South Africa in the southern hemisphere, South African seasons are reversed from the European ones, meaning European summer time is South African wintertime. In winter, from June to August, depending on the region temperatures are on average between 0 degrees at night and 20 degrees during the day. In summer, between November and March, temperatures are usually between 15 and 35 degrees. Spring and autumn are rather short seasons and only last about two month. Springtime is in September and October, while April and March are autumn.¹⁷

Besides differences in temperature it is also important to keep in mind that South Africa has a rainy season and a dry season. Rains usually falls during the winter months whereas the summer months are mostly dry.¹⁸

¹⁵ South Africa's food and beverage industry a key driver for future economic growth <http://www.engineeringnews.co.za/article/south-africas-food-and-beverage-industry-a-key-driver-for-future-economic-growth-2018-10-01>

¹⁶ Climate change and agriculture: Impacts and adaptation options in South Africa (2014) <https://doi.org/10.1016/j.wre.2014.03.001>

¹⁷ Seasons in South Africa <https://seasonsyear.com/South-Africa>

¹⁸ Rain Season http://www.safari.co.za/African_Safari_Guide-travel/africas-rainy-season.html

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

As noted above, South Africa has a strong agricultural production which is supported by having about 10% of its considerable land area being used for crop production. South Africa is roughly one-eighth the size of the USA however the country incorporates a wide variety of climatic regions that stretch from Mediterranean to semi-desert, this biodiversity allows South Africa to produce an abundance of varied agricultural products. The biggest hurdle to farming in South Africa comes from the availability of freshwater with uneven and unreliable rainfall being a common feature in the nation, it is estimated that up to half of the water used in South Africa is used in the agricultural sector. South Africa has a largely dual agricultural economy; on the one hand, there is a well-developed commercial sector in the country and on the other hand, the majority of people engaged in agriculture are involved in subsistence-oriented practices in rural areas. Interestingly South Africa is one of the only countries in the world to boast food self-sufficiency for most agricultural products.

South Africa's food manufacturers typically are involved in several food groups and have established market shares and control both the production and sales capacity in most food categories. South African food processors rely on formal retail chains to sell their products. Large multinational companies such as Nestlé, and Unilever operate their manufacturing plants in South Africa and food processed here is sold in both South Africa and the wider African market.¹⁹

3.1.2 International trade in F&B

Based on the most recent comprehensive and coherent data available (2018-2019) it can be seen that in South Africa the value of agricultural goods exported is approximately 40% greater than the value of agricultural goods imported into South Africa. The EU-27 is the largest origin of agri-food imports. Latin America is also an important region of origin with Brazil (EUR 330m) and Argentina (EUR 295m) making up two of the five largest origin markets for South African agriculture imports. Thailand is also a large origin market at just over EUR 330m. The next two biggest markets making up the top five are the USA and Germany (included in the EU-27)²⁰.

The EU has a trade deficit in agri-food products with South Africa. Agri-food imports into the EU from South Africa in 2019 were valued at 2.0 billion EUR while the total value agri-food exports from the EU to

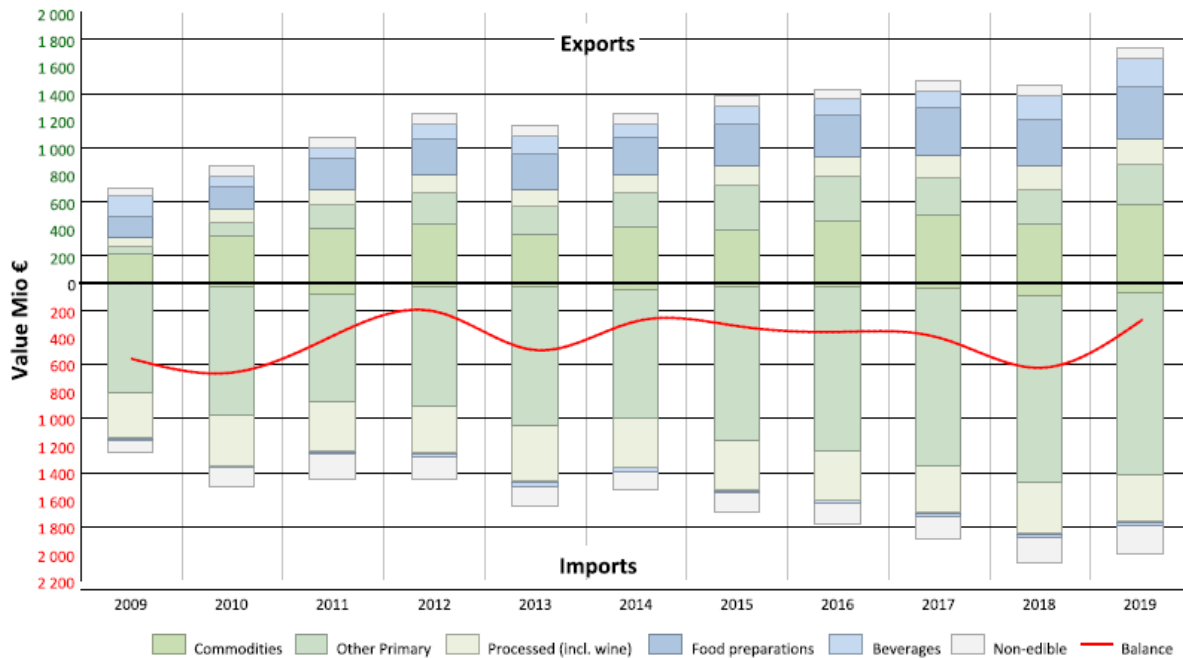
¹⁹ Food and Beverage in South Africa, Flanders investment and trade market survey. Available at https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/815150430131409/815150430131409_2.pdf

²⁰

<https://www.daff.gov.za/Daffweb3/Portals/0/Statistics%20and%20Economic%20Analysis/Statistical%20Information/Economic%20Review%202018%20-19.pdf>

South Africa were valued at 1.7 billion EUR (Figure 3-1). Tropical and citrus fruits accounted for a large percentage of EU imports from South Africa accounting for roughly 29% and 26% respectively.

Figure 3-1: Structure of EU-27 agri-food trade with South Africa, 2009 to 2019



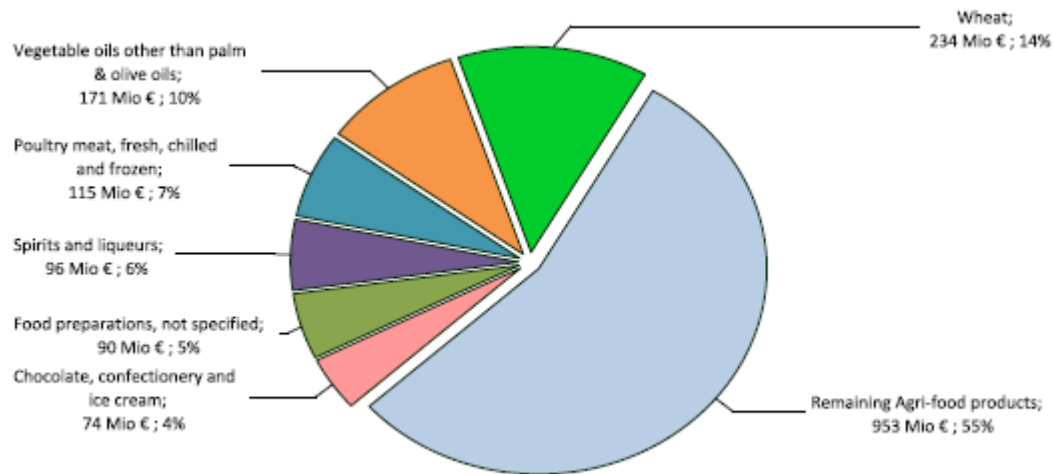
Source: European Commission: agri-food trade statistical factsheet, European Union – South Africa. Based on Eurostat-COMEXT data.

As observed in Figure 3-2, South Africa's main agri-food imports from the EU are, in terms of value:

- Wheat (14%);
- Vegetable oils other than palm and olive oils (10%);
- Poultry meat (7%);
- Spirits and liqueurs (6%).

Exports of beer in particular, are growing and offer the EU room to grow when trading with a large agricultural nation.

Figure 3-2: Top EU-27 agri-food exports to South Africa in 2019



Source: European Commission: agri-food trade statistical factsheet, EU – South Africa. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

As noted above, South Africa has a large agricultural sector and a trade surplus in agri-food with the EU. Agriculture as a share of GDP has been declining over the past two decades as the post-apartheid growth in South Africa has been mostly attributable to the growth in the services or tertiary sector. Regardless agriculture still plays a large role in South Africa with over 600 000 South Africans formally employed in the sector and many more million South African reliant directly or indirectly on agriculture for their employment and incomes. While income distribution in South Africa remains extremely unequal and wage growth has also been unbalanced, there is nonetheless an ever-increasing number of shopping malls and modern grocery retailers in the country. Fast-food chains are also growing in South Africa with KFC, in particular, growing quickly in the nation. While South Africa can produce an abundance of agri-food products, demand for imported products is increasing. Most notably, beer and poultry meat are areas of growth in demand for overall imported food from all origins. South African imports from the EU (see above) are broadly representative of their agri-trade imports for across the world largely due to the availability of agricultural products that are produced domestically in the country.

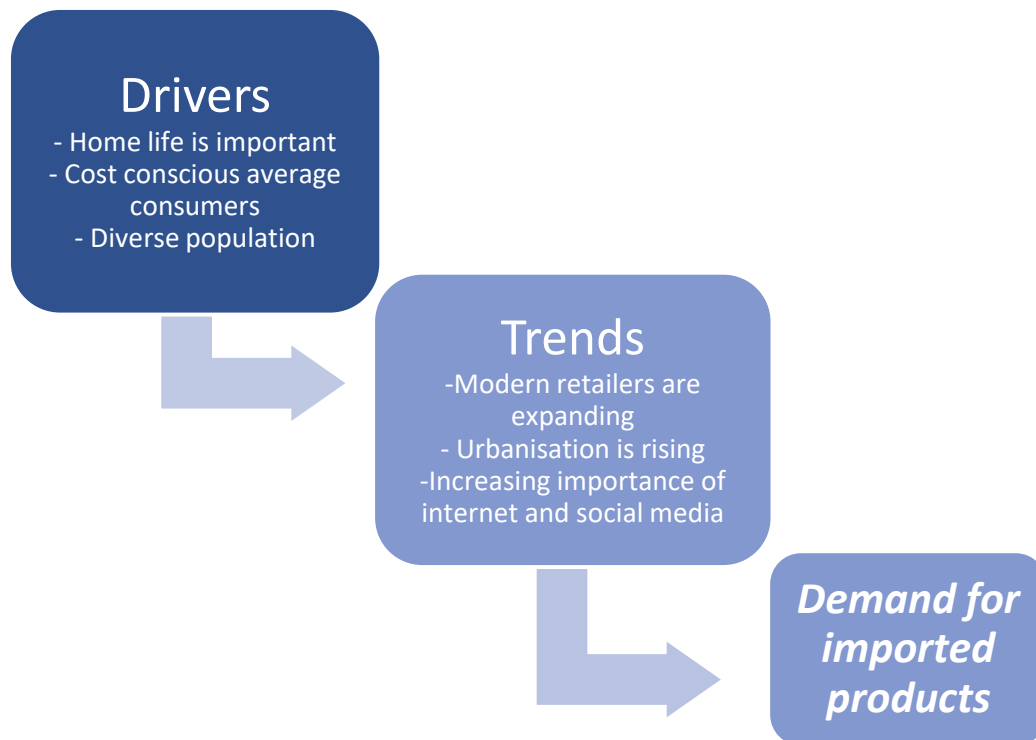
3.2 Growth Drivers and Trends

As per Figure 3-3 the three key **drivers** of the South African market at present are as follow²¹:

²¹ Euromonitor International: Economies and Consumers, 2020; South Africans look to eat at home rather than out, IOL, Available at <https://www.iol.co.za/lifestyle/food-drink/south-africans-look-to-eat-at-home-rather-than-out-13483000>; Consumer Sentiment in Retail, Insights for South Africa, Deloitte, Available at https://www2.deloitte.com/content/dam/Deloitte/za/Documents/Consumer_Industrial_Products/ZA-Deloitte-Consumer-sentiment-in-Retail-Insights-for-South-Africa-2019.pdf

1. **Home life is important:** South Africans value home life and many prefer to eat at home with their families. Meals such as dinner usually involve the entire family in both the cooking and consumption stage, and the warm weather of South Africa allows for food to be eaten outside on most days of the year. This driver is important as a consumer accustomed to homelife and eating with the family will be more likely to purchase food and beverages from retailers than dining out and skipping this phase.
2. **Cost conscious average consumer:** South Africans on average do not have a high level of disposable income and as such need to keep on top of their expenditures, this translates to their food and beverage purchases being influenced by the availability of discounts and promotions for certain products. Creative value is important for the consumer and consumers will be very receptive to retailers who incorporate a loyalty points system, promotional discounts or coupons.
3. **Diverse population.** As previously stated, the population of South Africa is extremely diverse living up to its nickname of the “Rainbow Nation”. This leads to a situation where many regions can have different tastes and preferences when it comes to their food and beverage consumption habits with almost all cultural groups favouring meat consumption if they can afford to do so, a minority of consumers are vegetarian for cultural or religious reasons or by choice. Exporters and retailers need to consider the cultural norms and consumption habits of the people inhabiting the regions of South Africa they intend to sell their products in order to ensure their products resonate with the local population.

Figure 3-3: Growth drivers and trends – the South African food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports, Euromonitor International: Economies and Consumers, 2020; and various (see footnotes).

The main trends at present of relevance to imported food products are as followed:²²

- **“Modern”, large scale retailers are important and continue to expand** : modern, large-scale retailers are continuing to occupy more of the distribution market in South Africa, with local ‘spaza shops’ also playing a role for a large population in informal settlements and rural areas. Imported products are more likely to be sold through this distribution channel as smaller traditional distribution channels often lack the resources to import products combined with it not making much sense for most traditional retailers as South Africa already produces an abundance of agricultural products. The expansion of modern, large-scale retailers offers increasing opportunities for foreign brands to enter the South African market. However, they also pose a threat as the cost conscious South African consumer increasingly favours the cheaper private label products of these retailers for some product categories.
- **Urbanisation is rising**: South Africa is rapidly urbanising and it is estimated that 71% of South Africa’s population will live in an urban centre by 2030 up from the current rate of 63%. A rising urban population will be increasingly exposed to imported products as these centres will be targeted more than rural areas of South Africa by foreign producers. Urbanised populations will also have access to more modern retail outlets which gives them the opportunity to seek out Imported products easier than rural populations.
- **Increasing importance of internet and social media**: Social media plays a large role in the lives of young South Africans and the role of influencers can have a large effect on the consumption habits of the youth. Brands are beginning to adapt their marketing campaigns to include the rapidly growing digital space and this is one of the key steps which should be taken in order to reach out to the younger population. E-commerce is surprisingly low in the country and behind other nations on the continent such as Kenya and Namibia but is growing.

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

As already identified in section 2.1.3, South Africa has a highly varied population with a large number of consumer niches, making the identification of specific consumer groups of a notable size challenging. Nonetheless, certain factors should be borne in mind when considering potential consumers of imported goods.

Age

There are two main age groups to bear in mind when identifying the profile of likely consumers. These are:

- **Millennials and Generation Z**. Given this age demographic make up 65% of the population, it is an important target. This consumer group is accustomed to the internet and will expect updates about products and promotions to be deliver to them online. This group also grew up with high

²² Euromonitor International: Economies and Consumers, 2020; Urbanisation, Parliamentary Monitoring Group, Available at <https://pmg.org.za/page/Urbanisation>; E-commerce is thriving in Africa, Despite hurdles to the “Last Mile”, Quartz Africa, Available at : <https://qz.com/africa/1492628/africa-e-commerce-libya-tops-online-shopping/>

unemployment which leads to them being, on average, more cost conscious than other youth populations in other countries. This group in South Africa is also increasingly health conscious and will take more time to research the ingredients of their purchases. The combined use of healthy alternatives (diet versions of products for example), product promotion and an active digital marketing campaign will tend to resonate with this age demographic.²³

- **Mature Market (Over the age of 55).** The mature market in South Africa will be more in favour of traditional media channels such as radio, newspapers and television so advertising through these mediums will largely target this consumer group. This market will typically have a closer loyalty to the brands they purchase however costs will continue to be a leading factor in their purchasing decisions. The mature market with a higher level of disposable income may be inclined to purchase imported products from the EU such as wine and cheese with the younger consumer market preferring beer.

Income

Income arguably divides South African consumer groups more than any other factor. In very broad terms, three main income categories can be identified:

- **Working Class:** As salaries in South Africa are generally quite low this consumer group will ensure that they get value for their money when purchasing food and beverage products. The potential for consumers in this class to splurge on products occasionally exists with imported beer being an example but this is not standard practice.
- **Middle Class:** The middle class of South Africa make up roughly 29% of the population when both lower and upper middle classes are accounted for. This class is much more likely to live in urban centres and be exposed to retailers selling imported products. While consumers will remain cost-conscious because despite being in the middle class, salaries are not as high as that of middle classes in many other nations.²⁴
- **Upper Class:** This class make up 1.8% of the population and will be much more responsive to specialised imported products such as European wine as they can afford it. European cheese and pastas will also resonate with this class more than others as South Africa can domestically produce these products at a cheaper price; hence imported products in these categories are priced out of the reach of the average South African.

Geographical location

As South Africa has a mixed climate the ability to produce products at a regional level can vary causing demand for certain goods to rise. An example can include wine producing regions such as Western Cape which produces much more wine than the region of Limpopo which ultimately affects the demand for wine to be brought into these regions. Other examples include:

- **Free State:** is a hugely important region for South African agriculture, the region produces a large variety of fruit and vegetable products with 100 000 tonnes of vegetables and 40 000 tonnes of

²³ South African Consumer Trends Impacting Fresh Produce Sales, PMA, Available at <https://www.pma.com/Content/Articles/2017/07/South-African-Consumer-Trends-Impacting-Fresh-Produce-Sales>

²⁴ Africa Fact Check, Measuring South Africa's (black) middle class, Africa Check, Available at <https://africacheck.org/factsheets/factsheet-measuring-south-africas-black-middle-class/>

fruit coming from this region. The region produces fruits such as apples, berries, peaches, plums and apricots interestingly 90% of South Africa's cherries are grown here. The main vegetable grown here is asparagus. The demand for imported fruit and vegetable products here in particular is low as the proximity and freshness of locally produced products makes importing fruit and vegetables from abroad a non-cost-effective measure.²⁵

- **North West:** This region is sometimes referred to as the “Texas of South Africa” in reference to that many cattle farming practices in the region and some of the world's largest cattle herd can be found here. The demand for imported meat in this region is low as the demand can easily be met from abundant, high quality domestic production.²⁶
- **Western Cape:** The Mediterranean climate of this region allows for the product of a wide variety of fruits and wines. The majority of South Africa's wine will originate from this region. The demand for European wines is lower usually very much reserved for the upper-class segment of the population as the wide variety of South African wines and cheaper prices make purchasing imported wine unnecessary for the majority of the population.

Two types of consumers, which spans the groups above may be of interest to retailers and producers:

- **Price sensitive, conservative consumers.** Driven by price and getting value for their money this consumer type is prevalent in South Africa as much of the country has a limited disposable income available to them and unemployment is high in the country. This group is more likely to place an emphasis on discounts and coupons and will be swayed by brands offering them more value for their money. A majority of South Africans claim to know the exact prices of the groceries they purchase and will be aware if there are any changes.²⁷
- **Adventurers.** This category is more focused on the future but will, like conservative consumers, seek out value for their money when it comes to purchases. What separates this category of consumer is their willingness to try new products and the lack of brand loyalty. They are likely to try new products which incorporate the main features as their usual purchases in relation to taste and value for money. This category is appealing to exporters as adventurers are more likely to purchase their products. Due to the abundance of domestically produced products in South Africa, imported products need to make an effort to stand out in a crowded market, and if an imported product manages to do so the lack of brand loyalty associated with this consumer group offers opportunities for exporters to capture this segment.

²⁵ FDC, Agriculture and agro processing, Available at <https://www.fdc.co.za/index.php/addons/fs-economic-sectors/agriculture-agro-processing>

²⁶ North West Provincial Government, Republic of South Africa, Agriculture, Available at <http://www.nwpg.gov.za/Agriculture.htm>

²⁷ Euromonitor International: Economies and Consumers, 2020; South Africa is the second-most price sensitive country in the world, Nielsen, Available at <https://www.nielsen.com/ssa/en/insights/article/2019/south-africa-is-the-second-most-price-sensitive-country-in-the-world/>

3.3.2 Cultural Sensitivities and Other Considerations

Like in every country, there are some very specific aspects to South Africa and sensitivities that should be taken into account as well. Some of these that are particularly relevant to business owners and companies interested in exporting food and beverage products are listed below.

3.3.2.1 Regional differences

South Africa is a very diverse nation and cultural norms and attitudes can vary wildly depending on the city or region. It is common for people in South Africa to associate themselves with the region of their birth rather than the country of South Africa. The country is connected through a string of highways which connect the major urban centres of the country with Johannesburg acting as a hub where these roads converge. Across the southern coast there are a number of large urban centres and this combined with the greater Johannesburg area make up the majority of where people in South Africa live.

3.3.2.2 Traditional cuisine and the local pallet

As previously mentioned, South Africa has both a large variety of domestic crop production and a diverse population with different pallets and eating habits. Traditionally the following cultural groups can best be associated with these relevant dishes which are also consumed across cultural groups.

- **Zulu dishes:** Maize is the staple food of the Zulus with meat as often as they can afford it. The main cultural dishes of the Zulus are cooked maize, *mieles* (maize cobs), *phutu* (maize porridge) and sweet pumpkin and boiled madumbes (a type of yam).
- **Xhosa dishes:** Traditional foods of the Xhosa include beef, mutton and goat meat. Xhosa are more likely to consume meat compared to other cultural groups in South Africa and are also known for home-brewing a type of beer named Umqombothi, a beer that is produced from Maize.
- **Afrikaaner dishes:** Afrikaans food places a heavy emphasis on meat consumption, a common dish is *boerewors* a dish incorporating sausages mixed with seasonings such as nutmeg seeds and roasted coriander seeds. Other dishes include *potjiekos*, *vetkoek* and *mealie*²⁸.
- **Tswana dishes:** Tswana foods include dishes such as *bogobe ba lerotse* (porridge cooked in melon), *seswaa* (Ground meat) and *kabu* (Boiled dried corn).

While many other cultural groups have their own dishes, some common dishes throughout the South African population may include:

- **Bobotie** a pastry dish made from spiced mincemeat with an egg topping.
- **Bunny Chow** a hollowed-out loaf of bread inserted with curry and varied meat products such as mutton.
- **Melktert** a desert consisting of pastry filled with a custard filling.
- **Chakalaka** is a vegetable relish that is traditionally served with bread, *pap samp* and curry.

²⁸ Traditional South African Dishes, World chef tour available at <http://worldchefstour.co.za/category/traditional-south-african-dishes/>

There are also some local speciality snacks such as *biltong* (dried, spiced beef meat). South Africa has its own tradition of wine production, often using varieties specific to South Africa; the most famous of which is probably Pinotage.

3.3.2.3 Colours

It is important to bear in mind that each culture in South Africa will have a different interpretation of colours and their meanings. Below is a general list trying to incorporate most of the South African population however as stated the list may not be applicable to all groups. It may be wise to consult with a local partner accustomed to packaging and advertising in South Africa before making any choice of packaging colour that could be deemed sensitive.

- **Red-** is associated with mourning. Red is also the colour of the EFF party.
- **Yellow-** is associated with individuals of a high rank because of its resemblance to gold.
- **Green-** is associated with life and the energy of the planet. Green, yellow and black as colours of the ANC party.
- **Blue-** can be associated with hope.
- **Black** – is associated with struggle through resistance, colour is on both the Flag and the logo of the ANC.
- **Orange-** Is often associated with the Afrikaans ethnicity much like the colour orange in the Netherlands.

3.3.2.4 Cultural symbols

As with every country, South Africa has certain cultural symbols and icons which carry particular weight. It is useful to be aware of these, though further investigation should be performed before deciding to use any of them for advertising or packaging purposes.



- **National Animal:** The Springbok (a type of antelope), also heavily associated with the South African Rugby Team.
- **National flower:** The king protea (left), found throughout South Africa.
- **National Tree:** Real Yellowwood, world renowned for its useful and decorative timber.
- **Nelson Mandela:** Mandela's image is prevalent throughout South Africa and he is revered throughout the nation.

3.3.2.5 Celebrations and Festivals

The most important celebrations in South Africa are:

- **Freedom Day.** On the 24th of April South Africans celebrate Freedom Day, the day the country held its first election in the post-apartheid era.

- **Heritage Day.** On the 24th of September each year South Africans celebrate Heritage Day, a day to acknowledge each other's heritage while celebrating their own individual culture.
- **Christmas Day.** As the majority of South Africans are Christian, celebrating Christmas is a very important day on the calendar.

There are a variety of localized events and celebrations specific to each ethnic group. However, the events listed above are universally celebrated throughout South Africa.

3.3.2.6 Gift giving

Gift giving is common in South Africa for birthdays and Christmas in a practice practically the same as in the west. Two birthdays the 21st and the 40th are often celebrated with a big party where more lavish gifts would be expected. Bringing flowers, chocolates or South African wine to a home is also a common practice in the country for guests. Generally, gifts are often opened the moment they are received.

4 Market access and entry

This section provides details on the necessary requirements for entry into the South African market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The high diversity of the country means that a wide range of agri-food products are consumed. ▪ South Africa is among the most advanced and largest economies on the continent. ▪ Infrastructure is fairly well developed. ▪ There is a sizeable young population; though there is also an interesting aging demographic. ▪ The population is already highly urbanised, and the level of urbanisation continues to increase. ▪ Modern, large-scale retail channels, such as supermarkets, are of high importance for food and beverage distribution. 	<ul style="list-style-type: none"> ▪ South Africa has a varied and high level of agricultural production; and indeed is self-sufficient in many products. ▪ As a consequence of the above and other factors, import volumes requested by South African partners may seem low for many products. ▪ Legislation is potentially challenging in that it spans various ministries and pieces of legislation. ▪ The majority of consumers are cost conscious and private label supermarket products are gaining in popularity.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ While there is a high level of domestic food production (as noted above), there is also a plethora of niche opportunities, whether for certain products, at certain times of the year or due to specific circumstances. ▪ Large retailers – which are a natural channel for imported products – are dominant. ▪ As the largest country in the region, South Africa may also act as a gateway to neighbouring markets – most notably through South Africa’s retail chains also with a presence in these next door countries. ▪ The EPA offers EU producers significant advantages over almost all other non-African exporters to South Africa. 	<ul style="list-style-type: none"> ▪ The domestic food processing industry is the most advanced in the region. Indeed, the country produces a lot processed food products for export to the region or continent. ▪ The recent economic situation in South Africa has made already cost conscious consumers increasingly so. ▪ Trade barriers and delays to resolving issues with imports can occur from time to time and may be increasingly a problem with the recession.

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import procedures and requirements tend to vary by product. Table 4-1 sets out the general documents required for all shipments. This includes, most notably:

- Commercial invoice – including the price charged to the importer and the cost of placing goods on board of the ship for export.
- Bills of entry documentation with the physical addresses of supplier, storage facilities, correct quantities, grades and HS codes of commodities.
- Bill of Lading.
- It is also recommended that insurance documents be included.

However, there are also various products specific requirements. Table 4-2 provides a more detailed overview of the different specific documents which are required and the products for which they are generally applicable. Forms required for specific documents such as import permits for animal and plant products can be obtained by emailing the relevant contacts: VetPermits@daff.gov.za and PlantHealthPermits@daff.gov.za.

As noted in section 4.4.2.2, it is best to work with a local intermediary (importer or distributor) who will in turn be able to apply for several of the documents required for import at their end. Against that background, in general it is recommended to follow the steps below before exporting products to South Africa:

1. Determine whether the product can be exported to South Africa. For some products – most notably meat and fruit/vegetables – countries have to be authorised for export. More details on this requirement are provided in sections 5.1.4 and 5.2.4 (market entry requirements for fresh meat and for fruit and vegetables).
2. For meat products, ensure the facility of origin has been authorised for export to South Africa. Once again, more details on this are provided in section 5.1.4.
3. Depending on the method of import/partner chosen, registration with the South African Revenue Services (SARS) may be necessary. It may be possible to appoint a local agent to do this. More information on registration with SARS for importers into South Africa can be found at: <https://www.sars.gov.za/ClientSegments/Customs-Excise/Registration-and-Licensing/Pages/Importers.aspx>
4. Obtain import licences, permits and certificates prior to shipping.
5. Ensure a health certificate accompanies the shipment.

Table 4-1: General requirements for goods exported to South Africa (including F&B)

Name	Description	To be prepared by	Language
Air Waybill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or their agent)	Usually EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or their agent)	Usually EN
Commercial Invoice; Pro forma invoice	Former: a document containing the details of the transaction. Latter: a document containing the details of the transaction prior to proper invoicing; it may be required.	Exporter	EN or any other official language of SA.
Inward / outward report of arrival	A document notifying the customs authorities of the scheduled arrival of a craft/vessel.	Carrier	EN
Customs import declaration	Official form for clearance of goods with a value over 500 ZAR.	Importer (or their agent)	EN
Registration with SARS	A document proving the importer is registered with the South African Revenue Service.	Importer	EN
Registration for the reporting of conveyances and goods	A document certifying that an economic operator has been registered for purpose of the Reporting of Conveyances and Goods.	Carrier (or their agent)	EN
Manifest	A document notifying the authorities o/f the arrival of a vessel/an aircraft and summarising the goods loaded therein.	Freight forwarder (or their agent)	EN
Packing List	A document containing the details of the shipment. If the commercial invoice includes all specifications normally in a packing list the latter is not required.	Exporter	EN
Proof of preferential origin (or certificate of non-preferential origin)	A document confirming the preferential origin of the goods to be imported. It is required if preferential treatment under an FTA or arrangement is claimed. A certificate of non-preferential origin may be requested by customs for goods without preferential origin for which customs has doubts.	Exporter	Usually EN

Source: European Commission Market Access Database.

Table 4-2: specific requirements for F&B products imported into South Africa.

Name	Description	Main handbook products affected
Import permit for agricultural goods	Obtained from DALRRD (formerly DAFF); it allows the import of certain agricultural goods. 30 days needed, but if pest control assessment is also necessary the time can be a lot longer. Processing fees vary.	F&V, spirits, confectionery, bakery products, biscuits/cereal bars
Certificate of analysis	Document certifying microbiological and physical/chemical test have been carried out in a lab in the country of export.	F&V
Phytosanitary certificate	Document confirming plants/plant products have been inspected according to appropriate procedures and are free from quarantine pests. Translation into English may be necessary.	F&V, olive oil,
Veterinary import permit for meat/meat products	To permit the import of meat and meat products. Application should be made 4 weeks before intended import. Fee payable.	Fresh meat, processed meat, dairy, ice cream, baby food
Inspection of animal and processed agricultural goods	A document notifying the arrival of certain animal / processed products, for the purpose of obligatory inspection. To be prepared in the form of a letter, with certain obligatory details to include (see MADB).	Fresh meat, processed meat, dairy, some confectionery, ice cream
Veterinary health certificate for animal products	Document with proof that products of animal origin have been inspected according to appropriate procedures; are not contaminated; and do not carry any contagious diseases.	Fresh meat, processed meat, dairy, baby food
CITES permit	Document permitting the import of species subject to the convention on International Trade in Endangered Species of Wild Fauna and Flora; if applicable to the species in question.	Fresh meat (only some products)
Import certificate for liquors	A document permitting the import of liquor products. Fee payable (varies depending on shipment).	Wine, Spirits
Registration of liquor distributors	A document certifying authorisation to trade and distribution liquor. Required for importers/traders (and manufacturers) in South Africa. Fee payable, valid 1 year.	Wine, Spirits
Certificate of maturation	A document certifying that particular spirit has been stored and matured for a specific period of time. To be obtained from an accredited lab in the country of export.	Wine, Spirits
Certificate of analysis	A document certifying that microbiological tests and physical/chemical tests have been carried out by a suitable lab in the country of origin.	Wine, Spirits
Certificate of removal for liquors	A document permitting the sale of liquor products in South Africa – to be obtained by importers or distributors.	Wine, Spirits

Source: European Commission Market Access Database.

4.2.2 Food safety and other food certification requirements

Food safety and quality legislation in South Africa is developed and managed by three main ministries:

- **Department of Agriculture, Land Reform and Rural Development (DALRRD)**, which regulates the quality of agriculture and animal products through a number of acts. It has recently replaced the Department of Agriculture, Forestry and Fisheries (see box below).
- **The Department of Health (DOH)**, which, through two main acts, ensures that foodstuffs are safe for human consumption and manages requirements for labelling and hygiene.
- **The Department of Trade and Industry and Competition (DTIC)**, which manages canned meat and seafood requirements; is involved in several laws relating to alcohol; and manages intellectual property legislation (see section 4.2.4). It also includes the South African Bureau of Standards (SABS), which is responsible for the development and maintenance of food standards; and performs certification.

The Department of Agriculture, Forestry and Fisheries (DAFF) was the predecessor to the Department of Agriculture, Land Reform and Rural Development (DALRRD). It was disbanded in mid-2019. In addition to the functions of the current DALRRD, it incorporated responsibilities for forestry and fisheries which have since moved to the Department of Environment, Forestry and Fisheries, along with some minor involvement in other area (e.g. pesticides). At the time of writing, organisation of this new entity remains ongoing to an extent. While the DALRRD does now have its own webpage (<https://www.dalrrd.gov.za/>); some website links to official forms and information continue to reference the old, only partly functional DAFF website; and many official documents continue to refer to the DAFF. Some information is also on the general <https://www.gov.za/> website rather than the <https://www.dalrrd.gov.za/> website.

Table 4-4 provides an overview of the main divisions /agencies of these ministries; their main responsibilities and legislation of relevance to imported products covered by this handbook; and the product categories in this handbook that these principally affect.

As can be seen from the table, food legislation in South Africa is complicated; it spans multiple acts (about 10-15 main acts) and involves three ministries, with multiple divisions and agencies. While co-ordination mechanisms are in place, there are nonetheless some co-ordination challenges which can ultimately result in some inconsistencies in implementation. Furthermore, various amendments to regulations or proposals for regulation have been draft and open to comment, but not yet finalised / entered into force, with some of these receiving high levels of comments and/or strong pushback from the industry. Some notable ones are listed in Table 4-3 below.

Table 4-3: Proposed amendments or regulations which have been drafted but not finalised/entered into force

Title	Year of proposal
Proposed Amendments to the Regulations Relating to the Labelling and Advertising of Foods	2014
Proposed Amendment to the Regulations Relating to Health Messages on Container Labels of Alcohol Beverages	2014
Proposed Regulation Relating to the Mandatory Labelling of Genetically Modified Organisms (GMOs) or Food Containing Genetically Modified (GM) Ingredients	2011

Draft amendments to regulations Governing the Maximum Limits for Pesticide Residues that may be Present in Foodstuffs	2017
Draft Regulations Relating to Maximum Levels of Metals in Foodstuffs	2016
Amendments to Regulations Relating to Foodstuffs for Infants and Young Children	2015
Proposed National Liquor Policy	2015

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Table 4-4: Divisions/agencies of the key ministries, their responsibilities, legislation and the product categories they affect

	Division/agency	Key relevant responsibilities	Main legislative acts	Main handbook product categories affected
Department of Agriculture, Land Reform and Rural Development (DALRRD); formerly Department of Agriculture, Forestry and Fisheries	Food Safety and Quality Assurance (FSQA)	Administering standards for food producers Alcohol import and export regulations / certifications	Agricultural Products Standards Act, 1990 (Act 119 of 1990). Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947). Liquor Product Act, (Act 60 of 1989).	All products Wine, spirits, beer
	<i>The Perishable Products Export Control Board (PPECB) – appointed by FSQA</i>	Inspections, certifications, chain management for perishable food		Fresh meat, fruit and vegetables, dairy.
	<i>South African Meat Industry Company classification – appointed by FSQA</i>	Classification and marking of meat for sale in South Africa.		Fresh meat, processed meat
	Plant health	Regulation of import and export of plants and plant products. Registration and approval of facilities.	Agricultural Products Standards Act, 1990 (Act 119 of 1990).	Fruit and vegetables
	Animal Health	Prevent and control animal diseases Manage risks in the import and export of animals and animal products through policy.	Animal Diseases Act No. 35 of 1984 Meat Safety Act No.40 of 2000. Animal Identification Act No. 6 of 2002 Veterinary and Para-Veterinary Professions Act No. 19 of 1982. Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act no. 36 of 1984).	Fresh meat, processed meat, dairy

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	Division/agency	Key relevant responsibilities	Main legislative acts	Main handbook product categories affected
<i>Department of Health (DoH)</i>	Food Control Division	Legislation for food safety, food labelling, and advertisements Supports Port Health Services, and Municipal Health Services. Evaluation of risk assessments of agricultural chemicals and food produced through biotechnology. National Contact Point Codex Alimentarius, International Food Safety Authorities Network, etc.	Foodstuffs, Disinfectants and Cosmetics Act 54 of 1972.	All products
<i>Department of Trade and Industry (DTI)</i>	National Liquor Authority (NLA)	Regulates distributors of liquor. Develops national laws related to alcohol.	Liquor Act, No. 59 of 2003. Regulations for the registration of liquor manufacturers and distributors stemming from the Liquor Act.	Spirits, wine, beer
	South African Bureau of Standards (SABS)	Development and maintenance of independent food standards and quality systems. Food Product testing. Assessment and certification of food and beverage processes, equipment, etc.	Standards Act, 2008 (Act No. 5 of 2008).	All products

As noted above, food legislation in South Africa is complex and spans multiple acts. The subsections below cover the key overarching acts/provisions by area.

Food additives

Regulations on food additive are developed and managed by the Ministry of Health in line with the Foodstuffs, Cosmetics and Disinfectants Act no. 54 of 1972. Multiple regulations containing positive lists of additives and the conditions under which they can be used, the key ones of relevance being those identified below:

- Regulations relating to the use of sweeteners in foodstuffs (R733/201).
- List of permissible sweeteners referred to in the regulations relating to the use of sweeteners in foodstuffs.
- Codex General Standards for Food Additives.
- Regulations – Preservatives and antioxidants: Amendment (R60/2009).
- Regulations – Preservatives and antioxidants: (R965/1977).
- Regulations relating to food colorants (R1055/1996).
- Miscellaneous additives in foodstuffs.

The full text of all of these regulations containing the lists of additives and conditions can be found on the website of the Ministry of Health at the following address:

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/182-regulations-addictives>

South Africa is a member of the Codex Alimentarius Commission, and in the absence of specific national provisions, generally recognises CODEX approved food additives for imported foodstuffs as being safe.

Pesticides and other contaminants

The Department of Health is responsible for setting the Maximum Residue Limits (MRLs) for pesticides and other contaminants in foodstuffs and ensuring the compliance of food (domestic or imported) with these.

Regulations governing maximum levels for pesticides and veterinary medicines are as follows:

- Pesticides (R46/2012, R548/2010, R1047/2006 & R246/1994).
- Veterinary medicine and stock remedy residues amended 25 Aug 2017.

The full text of the above can be found at the following link:

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/211-regulations-pesticides-and-veterinary-drugs-maximum-residue-limit>

Check MRLs by fruit type / final product

Excel files with MRLs in South Africa by fruit type or final product can also be found at the following link:

<https://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Food-Safety-Quality-Assurance/Maximum-Residue-Limits>

The main relevant regulations governing maximum levels of other contaminants are as follows:

- Objects packed in foodstuffs intended for children (R1090/2005).
- Maximum levels for melamine in foodstuffs (R1054/2009).
- Certain solvents in foodstuffs (R314/2006).
- Edible fats and oils (R1316/1996).
- Radio activity in food stuffs (R1931/1990).

The full text of the above regulations, along with that of other regulations which determine contaminants (but are not of primary relevance to the products in this handbook) can be found at the link below:

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/202-contaminants>

Regulations for certain products

There are also regulations for specific products, covering their classification and grading; plus in some cases, packaging and marking. The main product specific regulations relevant for products in this handbook are identified in Table 4-5 below. Links to these regulations are provided in the corresponding product snapshots in section 5.

Table 4-5: Main product specific regulations relevant for products in this handbook

Product	Regulation (and year)	Main areas covered
Onions and shallots	R. 192 of 13 March 2015	Quality standards / classes, packaging, containers, marking.
Dairy products and imitations	R. 260 of 27 March 2015	Standards and classes for dairy products (including composition requirements); containers and markings.
Poultry (labels)	R. 946 of 1992 (updated 2016)	Classes, standards, packaging, labelling.
Meat (classification and marking)	R. 55 of 30 January 2015	Carcass classification, meat markings (including for import).
Edible ices	R. 78 of 2013 (updated 2015)	Quality standards / classes, containers, marking.

4.2.3 Labelling Requirements

As with other food legislation, there are various regulations which govern labelling requirements in South Africa. The main ones are:

- Regulations relating to labelling and advertising of foodstuffs: Amendment (R45/2012).
- Regulations relating to the labelling and advertising of foodstuffs (R146/2010).
- Guidelines relating to the labelling and advertising of foodstuffs (applicable to R146/2010 for compliance purposes).
- Regulations relating to the labelling of foodstuffs obtained through certain techniques of genetic modification (R25/2004).

- Regulations relating to Foodstuffs for Infants and Young Children: Extension Notice (R433/2014) and Amendment (R434/2013).
- Regulations relating to foodstuffs for infants and young children (R991/2013).
- Regulations relating to Health messages on container labels of Alcoholic beverages: Amendment (R1208/2008).
- Regulations relating to Health messages on container labels of Alcoholic beverages (R764/2007).

The various regulations relevant for the labelling of food can be found at the following link:
<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/207-regulations-labelling-and-advertising>

It is strongly recommended to consult the regulations in the case of any doubt, or for full details on provisions.

Information which must be displayed on food labelling is as follows:

- Product and brand name.
- Net content, size or weight.
- Instructions for use.
- Name and address of manufacturer, importer or distributor.
- Country of origin (“Product of” if all the ingredients come from one country; or “Produced in” / “Packed in” / “Manufactured in” if not all ingredients are from the same country.
- Manufacture and use by date.
- Batch identification.
- List of ingredients used, preceded by the word “Ingredients”.
- Names of any preservatives and colourants.
- List of any allergens.
- In the case of any nutritional claims, the label must contain a nutritional table (identified “Typical nutritional information”) with quantities displayed in standard international units (meaning that kJ must be used for energy content). The nutritional table can be included on any food (and indeed many manufacturers do include it as a precaution).

This information must be in English. There are some very specific requirements for minimum font height for the name of the product. In brief, this should be at least 4mm for the smallest letter, but if the main panel is under 120cm³ it can be progressively reduced. Essential information should be clear and not under 1/3 of the size of the biggest letter of the name.

Labels must not make claims which could mislead consumers. Furthermore, there are certain words and phrases which are not permitted for use on food labels in South Africa. These include:

- x% fat free
- nutritious
- healthy

- healthful
- wholesome
- complete nutrition / balanced nutrition or similar words

For certain claims and phrases such as “sugar-free”, “fat-free” and “diabetic friendly”, certain conditions must be fulfilled for them to be used. Examples of the conditions that must be fulfilled for some of the more common claims are set out in Table 4-6 below. This list is not comprehensive, and for some dairy products these requirements are different as can be seen in the table.

Table 4-6: Conditions that must be fulfilled for selected claims

Claim	Normal conditions	Conditions for certain dairy product
Fat free	Less than 0.5g of fat per 100g	0-0.5% fat per 100g
Low fat	Less than 3g of fat per 100g	0.5-1.5% fat per 100g
Low in energy	Less than 170kJ per 100g	
Low in salt	Less than 0.3g of salt per 100g	
High in fibre	More than 6g of fibre per 100g	
High in protein	More than 10g of protein per 100g	

In addition to the requirements for labelling, there are also requirements for packaging and containers. These are set out in a web of legislation managed by DALRRD (formerly DAFF). The key elements are that containers should be:

- Intact
- Closed/sealed
- Clean
- Moisture resistant
- Suitable and strong enough for handling normal foodstuffs
- Not able to pass foreign tastes, colours, smells or other characteristics

The legislation also sets out provisions for the transit/shipping of goods, including how goods are packed, temperature control and markings on the box.

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

IPR protection framework

The Companies and Intellectual Property Commission (CIPC) of the DTI is the body responsible for intellectual property rights in South Africa in general terms. Intellectual property rights administered by CIPC are protected through a variety of legislation; the most relevant of which is the Trademarks Act of 1993, which allows a trademark to be registered for 10 years with the possibility for renewal. Comprehensive information on trademark registration and renewal can be found at the following website:

<http://www.cipc.co.za/index.php/trade-marks-patents-designs-copyright/trade-marks/>

Geographical Indications

The use of Geographical Indications (GIs) in South Africa was originally provided through Article 6A of the Agricultural Product Standards Act of 1990. Through the EU-SADC EPA, 251 EU GIs were protected in 2016. Subsequently, in March 2019 DAFF published new Regulations relating to the protection of GIs used on agricultural products sold in South Africa. This Regulation, No. R.447 dated 22 March 2019, contains the following notable provisions:

- Distinctions between South African and foreign GIs.
- An application system for foreign GIs (which works through the competent authority in the country of origin).
- Disqualification criteria for foreign GIs (e.g. the GI must be registered in the country of origin; cannot be the same as an existing South African GI or registered trademark).
- Exemption from application for GIs protected through trade agreements (such as those in the EPA).
- The registration system for GIs, including how proposed GIs may be contested / objected against.
- The keeping of a register of GIs.

The regulation was meant to come in to force within 6 months of its publication. The full text of the regulation can be found at the following address:

<https://www.daff.gov.za/doaDev/sideMenu/foodSafety/doc/RSA%20Geographical%20Indications%20Regulations%20-%20R.447%20of%2022%20March%202019.pdf>

Further regulations under the Agriculture Product Standard Act are also relevant for GIs on vinegar (2018), dairy products (Nov 2019), processed meat (Oct 2019), draft regulation on table olives (July 2020) as well as notice protecting the unauthorised use of South African GI denominations (like rooibos, honeybush or for liquor products).

At the time of writing, no additional EU GIs (beyond those in the EPA) have been identified as having been registered under this new regulation. A public register of the GIs which have been protected under this regulation is not yet available.

However, it should be noted that, in addition to this regulation that enables GIs to be registered in South Africa, it is possible for additional GIs to be protected under the SADC EPA if the one party to the EPA puts forward a new GI for protection, and the other party agrees.

Publication on GIs in South Africa

SADC-EU EPA outreach published a paper on geographical indications. This can be found at the following link:

<https://sadc-epa-outreach.com/images/files/sadc-eu-epa-geographical-indications-paper-november-2017.pdf>

4.2.5 Relevant authorities for IPR and GI protection and further contacts

<p>General IP, including trademarks</p> <p>Companies and Intellectual Property Commission (CIPC):</p> <p>Patents, Designs and Innovation Division</p> <p>Senior Manager: Trademarks</p> <p>77 Meintjies Street</p> <p>Sunnyside, Pretoria</p> <p>☎ (+27) 12 394 5109</p> <p>✉ fcoetzee@cipc.co.za</p> <p>🌐 http://www.cipc.co.za/</p> <p>GIs under R.447 dated 22 March 2019</p> <p>DALRRD / DAFF</p> <p>20 Steve Biko former (Beatrix) Street</p> <p>Agriculture Place, Arcadia, Pretoria</p> <p>☎ (+27) 12 319 6000</p> <p>🌐 https://www.daff.gov.za/</p>
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4.3 International trade

4.3.1 South Africa and foreign trade

South Africa's key geographic location on the Southern tip of the African continent allows for the country to leverage its key location to trade on a large scale with markets as diverse as Brazil to Thailand. South Africa's abundance on natural resources - metals in particular - impacts its trade relations. The country is the world's second largest producer of gold and is the world's largest producer of chrome, manganese, and platinum. Furthermore, South Africa is also the world's third largest exporter of coal. In relation to the country's agricultural sector, South Africa chiefly exports corn, fruits (citrus in particular), sugar and vegetables. South Africa is also a member of the Southern African Customs Union (SACU), a customs union among five countries - Botswana, Lesotho, Namibia, South Africa and Eswatini (Swaziland). The department of trade and industry (DTIC) has the primary responsibility for trade policy in South Africa.

4.3.2 Key trade agreements, present and future

South Africa, sometimes as a member of SACU, has achieved and is negotiating a number of FTAs and bilateral agreements with third countries which are outlined in Table 4-7.

Table 4-7: Chronological list of South Africa's trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
Southern African Customs Union (SACU)	Customs Union	1910
Southern African Development Community (SADC): (a)	Free Trade Agreement	1996

Partners	Type of agreement	Entry into force
The United States	Trade and Investments agreement	1999
EFTA (Iceland, Norway, Liechtenstein and Switzerland)(a)	Free Trade Agreement	2008
Zimbabwe	Preferential Trade Agreement	2006
Mercosur(a)	Preferential Trade Agreement	2016
European Union (a)	Economic Partnership Agreement	2018
UK-SACU	Continuity agreement – replicating agreement UK had pre-Brexit.	2019

(a) Signed under the SACU umbrella.

Source: Agra CEAS based on information from the South African department of trade and industry https://www.thedti.gov.za/trade_investment/ited_trade_agreement.jsp

Driven by the considerations set out in 4.3.1 above, South Africa is currently in the process of negotiating the following FTAS:

- **SADC-EAC-COMESA FTA.** An agreement to establish a tripartite FTA among the common markets of the East African community (EAC), the common market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).
- **SACU-India PTA** (preferential trade agreement).

On top of that, in the long term, South Africa may start negotiating, or be involved in the negotiations of the following agreements:

- A possible FTA with the nations that are members of BRICS (Brazil, Russia, India and China).
- Canada-South Africa FTA.
- A Full FTA with the USA.

South Africa is also a member the African Continental Free Trade Area (AfCFTA), with trading under this agreement scheduled to come in to force on 1st January 2021.

4.3.3 EU- SADC Economic Partnership Agreement (EU-SADC EPA)

The EU-SADC Economic Partnership Agreement (EPA) was signed in June 2016 and entered fully into force in February 2018.

The EPA is set on the backdrop that the EU and South Africa and wider SADC members continue to implement the high standards set to goods entering their respective markets. The EPA includes the principal of non-discrimination which sets that:

- Fundamental Rules of the WTO apply, such as the principal of national treatment so that foreign goods are treated the same as domestically produced ones.
- The EPA covers the free movement of goods in all sectors. It also covers the liberalisation of trade.

The EU has fully or partially removed custom duties on 98.7% of imports coming from South Africa (and 100% with other SACU countries plus Mozambique). As EPAs are trade and development tools, the SADC

member states do not respond with the same level of market openness instead removing only around 86% of customs duties from products from the EU.

There are some notable tariff rate quotas (TRQs) for agricultural products from the EU. These include TRQs for: wheat, cheese, ice cream, mortadella Bologna, butter and dairy fats, cereal based food preparations, pork and pig fat. There is room for some of these to be further utilised (see Table 4-8).

Table 4-8: TRQs 2019 and TRQ utilisation 2018

Product	2019 TRQ tonnes	2018 TRQ % utilisation
Pork	1 250	102%
Butter and dairy fats	350	8%
Pig fat	140	100%
Wheat	251 495	99%
Ice cream	105	76%
Cheese	5 345	99%
Barley	8 970	0%
Cereal based food preparations	1 610	0%
Mortadella di Bologna	70	0%

Source: SADC outreach

102% utilisation for pork is the figure quoted by the source; with no explanation provided as to why it exceeds 100%. It should be noted that overall pork exports from the EU are normally in excess of 20 000 tonnes per year, far above the 1 250 tonne TRQ. Utilisation figures for 2019 not available.

The EU and South Africa will strengthen cooperation in customs procedures. They have agreed on basic principles for simplifying, harmonising, standardising, and modernising procedures to reduce costs for businesses with 86% of custom duties being removed on products originating from the EU. The EPA, however, contains a large number of safeguards or safety valves (see below). EPA countries can activate and increase import duties in the event that imports from the EU increase so quickly that it threatens to disrupt domestic production.

Safeguards in the EPA

The Economic Partnership Agreement, as a trade and development agreements, contain provisions which try to avoid damage to the development of the SADC countries. Most notably for EU agri-food exporters, the agreement contains various safeguards to potentially protect SADC producers. Arguably the most relevant of these are:

- Article 34 on general bilateral safeguards, which allows primarily tariff based safeguards to be introduced in the case of disruption to the markets of like or directly competitive agricultural products in the territory of the importing Party or SACU.
- Article 35 on agricultural safeguards, which allows duty to be applied if, during any given twelve-month period, the volume of imports into SACU of a listed agricultural product list exceeds the annually calculated reference quantity for the product.

At the time of writing, one safeguard measure on poultry has effectively been introduced under article 34 (see section 4.3.4). No safeguards have been introduced under article 35, though this situation can change annually, and some products may currently be imported at levels close that allow invocation of the safeguard for one year.

Furthermore, under the EU-SADC EPA, 251 well-known **European food and drinks geographical indications (GIs) were listed for protection from imitation on the South African market while 105 South African food and drink geographical indications are given the same treatment in the EU**. This will benefit European farmers and small businesses producing these traditional products. Notable examples of GIs that will receive protection are:

- Alcoholic beverages: *Champagne, Irish Whiskey, Swedish Vodka*
- Meat Products : *Prosciutto di San Daniele, Nürnberger Bratwürste, Szegedi Szalami*
- Dairy: *Danablu, Grana Padano, Idiazabal*

A full list of GIs that will be protected in South Africa is available in section 9. It should be noted that one GI – Feta – while recognised, includes a specific provision due to the historical presence of locally produced product labelled feta which accounts for a fairly large proportion of the overall cheese market in South Africa. In brief, five years after the entry into force of the EPA, Greek Feta needs to be clearly distinguishable by consumers. The Greek origin is therefore protected, but South African producers may continue to use the terms “South African Feta” “Feta-Style”, or “Feta-Type”.

SADC EU-EPA outreach

The SADC-EU EPA Outreach South Africa initiative aims to support the implementation of the Agreement by providing information on its potential benefits. This contains multiple publications including on GIs, TRQs and some reports relevant to products covered in this handbook such as poultry and wine, and some agri-food products not covered by this handbook.

The website can be found at the following link: <https://sadc-epa-outreach.com/>

Publications can be found at the following link: <https://sadc-epa-outreach.com/publications>

Current import duties and taxes for the export of food to South Africa can be consulted here:

https://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi

4.3.4 WTO disputes and other trade barriers

The list below identifies the notable trade barriers that EU agri-food exporters to South Africa have faced of late:

- **A dispute on SPS measures implemented following the outbreak of avian influenza in the EU.** South Africa claims that new country inspections are needed before trade is allowed. Some countries have since gained access, but others are still banned.
- **Trade defence measure on EU exports on poultry.** South Africa has imposed various duties on frozen bone-in chicken cuts (HS 0207.14.9). Prior to the EPA, anti-dumping duties were imposed

for products coming from the Netherlands (up to 23%) and Germany (up to 73%), with the measures to be reevaluated in 2020 with input from the southern African poultry Association. Also, a safeguard duty under the EPA article 34 was imposed on all EU imports at the end of 2016. This duty currently stands at 25% and is set to fall to 20% on 12 March 2021 and 15% a year later.

- **Health warning regulation for alcohols.** A measure to introduce an obligatory health warning labels to display 7 health warnings on 1/8th the size of the container.
- **Delays associated with issuing import permits and veterinary health certificates for meat products.** South African authorities can take up to several years to evaluate questionnaires used during the negotiations of imports permits and health certificates required for new exporters of meat to the South African market.
- **Challenges to export cognac.** Despite being a GI product, cognac is regulated in South Africa by the liquor products act of 1989 which places cognac in the brandy category. This subsequently foresees a minimum 43% alcohol volume, a minimum of three years aging and limits on barrel size, meaning that products can only be imported into South Africa if they comply with these specifications.

Further information, as well as an up to date list of trade barriers can be found here:

https://madb.europa.eu/madb/barriers_crossTables.htm?isSps=false#letter-s

4.3.5 Summary of key trade barriers

While the South African market offers attractions for exporters, it is important to note that trade barriers exist; particularly for **meat, fruit and vegetable** and **alcohol** products.

With regards to **meat**, it can take a long time for countries to be authorised to export to South Africa, and also for the list of authorised establishments from a country to be updated. Two of the main existing trade barriers identified in section 4.3.4 relate specifically to frozen chicken cuts, and the grounds for maintaining these measures remains disputed by the EU. Fairly recently, some fresh meat products passing through the port of Durban or Cape Town have faced increased scrutiny / levels of checks and in some cases rejection for issues relating to the import permit. Some of the grounds for rejection have been contested by operators, e.g. they have reported that the wrong criteria for checking the results of microbiological tests have been used. There have also been reports of long delays between inspection and sampling; while this **potentially affects all F&B products**, meat is obviously affected more.

Similarly, for **fruit and vegetables** the process for a country to be authorised to export a specific product to South Africa can take considerable time.

Alcohol products face strict labelling requirements that are still evolving in the country and ensure that their products comply with them. That said, it should be noted that these labelling requirements affect both domestic production and imports equally. There is also a strict definition of cognac that must be adhered to.

There has also been a recent issue with **gelatine**, with South Africa only allowing only gelatine from skin (not from bone). The justification used for this is the BSE risk. This issue has thus far impacted producers of gelatine, not from users of gelatine; and so will likely not affect products covered in this handbook.

Finally, the complex and evolving legislation – and the reorganisation of the departments responsible for some legislation – should be borne in mind as something which could create barriers.

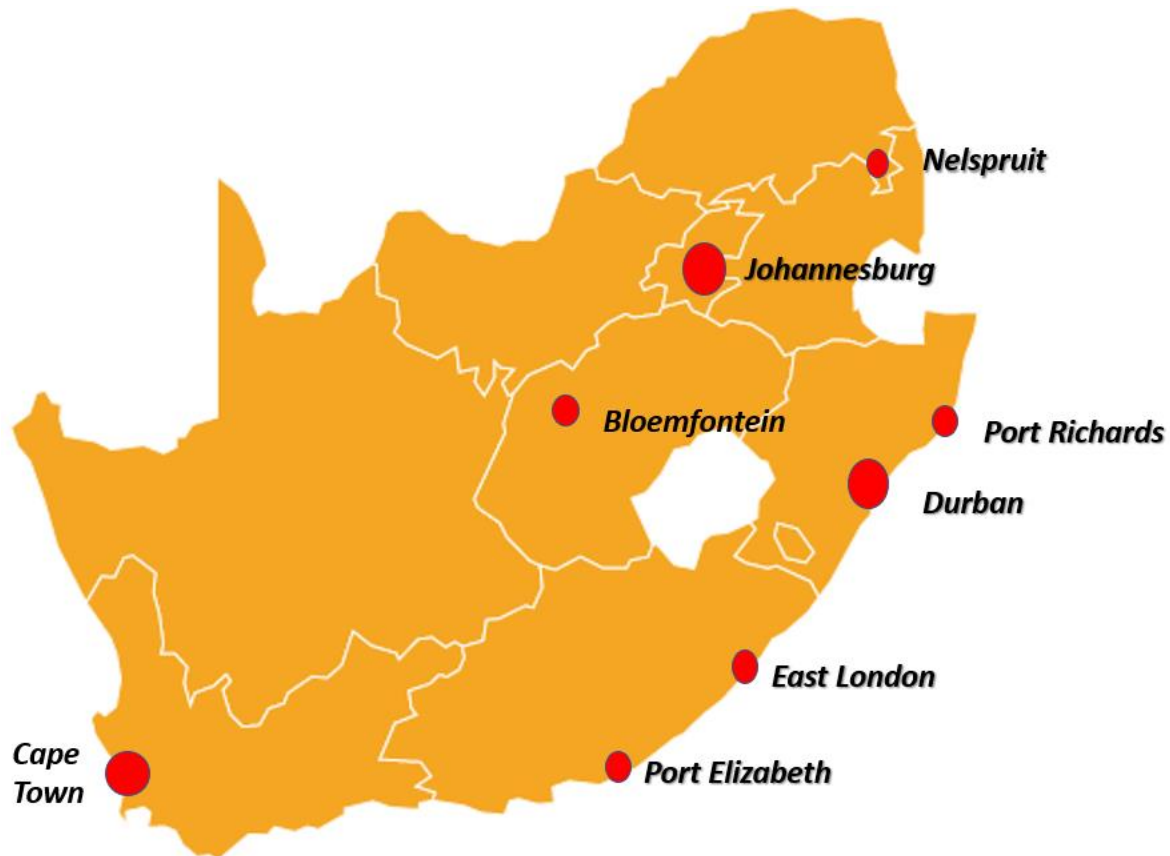
4.4 Operating in the South African food and beverage market

4.4.1 Logistical services and transportation infrastructure

South Africa has a relatively good core network of national economic infrastructure. The ports of Durban and Cape Town act as a stopover point for goods en-route to or from Latin America and Asia as well as an entry point into the South African market. Many of the country's airports and public transports systems were also upgraded in preparation for the 2010 world cup. The South African government has set out a number of targets to achieve by the year 2030 that aim to continue expanding its transport network to handle its growing population and economic growth, while doing so in a sustainable manner. These targets include using spatial planning to create appropriate settlements closer to areas of employment for employees, renewing the commuter train fleet.²⁹

²⁹ The National Planning Commission of South Africa, Economic Infrastructure. Available at <https://nationalplanningcommission.wordpress.com/economic-infrastructure/>

Figure 4-1 Key transportation infrastructure in South Africa



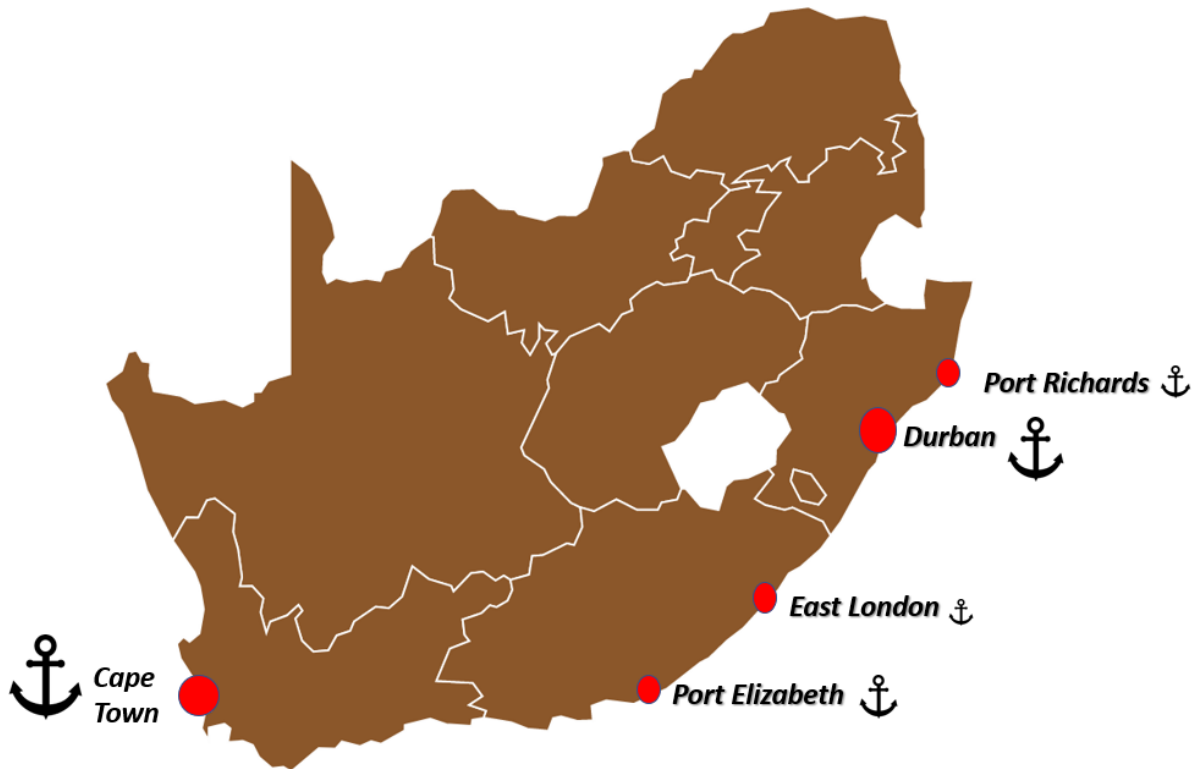
Source: Agra CEAS

Shipping

Due to its location as a midway stopping point for traders between Asia and the Americas, the shipping industry is very important to South Africa and a large number of its cities have ports such as Durban and Cape Town; with these ports plus Port Richards being of particular importance (Figure 4-2). South African ports are generally considered to be the gateway to Southern Africa as a whole and approximately 96% of the country's exports are conveyed by sea. Port infrastructure development is currently being prioritised by Transnet, the South African state-owned transport company and the main operator of the nation's ports..³⁰

³⁰ South Africa, PWC, Available at <https://www.pwc.com/gx/en/transportation-logistics/publications/africa-infrastructure-investment/assets/south-africa.pdf>

Figure 4-2 Main ports in South Africa

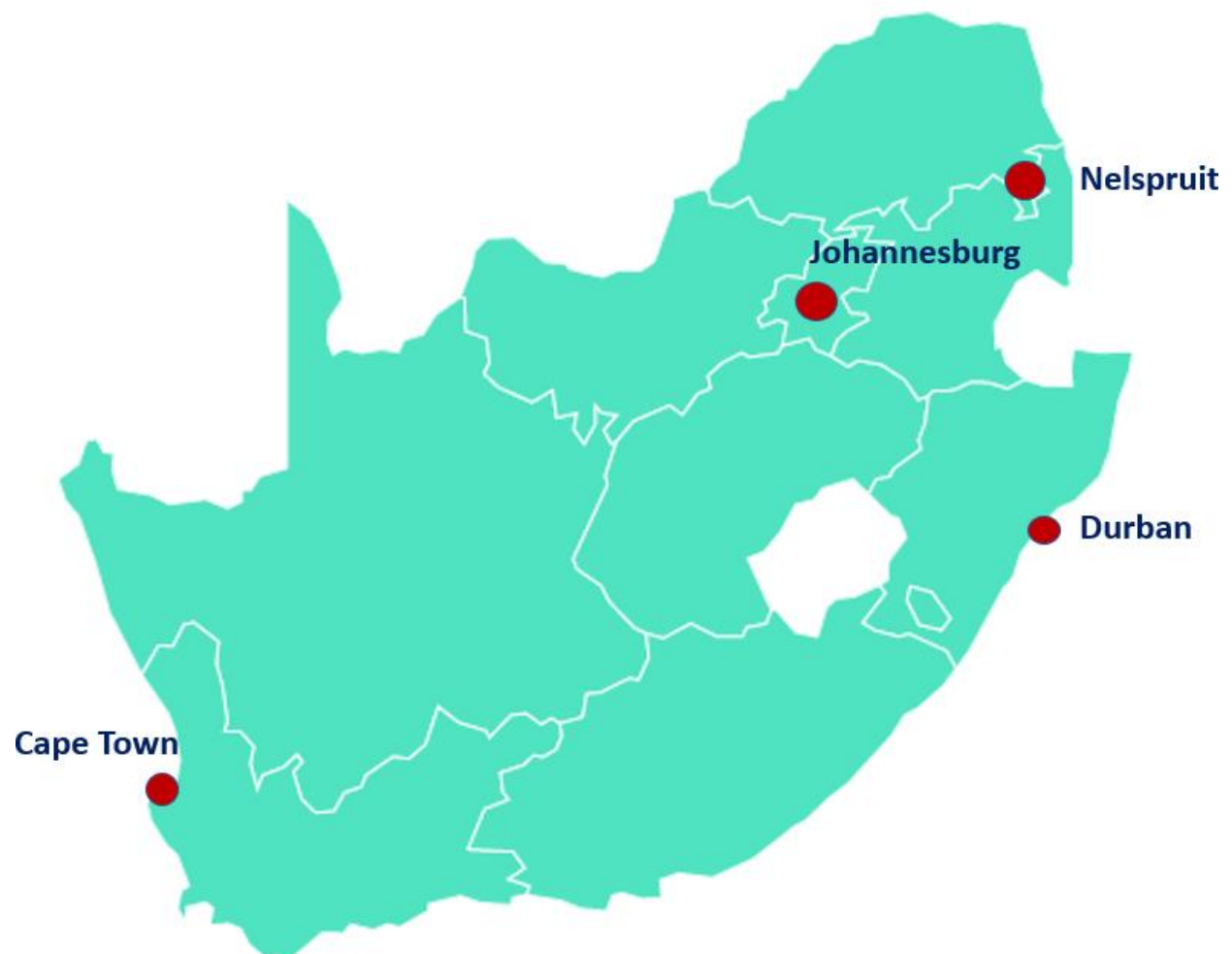


Source: Agra CEAS

Air freight

The infrastructure of South Africa's Airports is excellent and all major cities will have an Airport. As per Figure 4-3, the three main international gateways into the country are: OR Tambo in Johannesburg; Cape Town International Airport; and King Shaka International Airport in Durban. Many airports were upgraded to handle the traffic brought in for the 2010 world cup. Concerning freight, South Africa accounts for 16.7% of the total amount of air freight in Africa; the most on the continent.

Figure 4-3: Major International cargo airports in South Africa

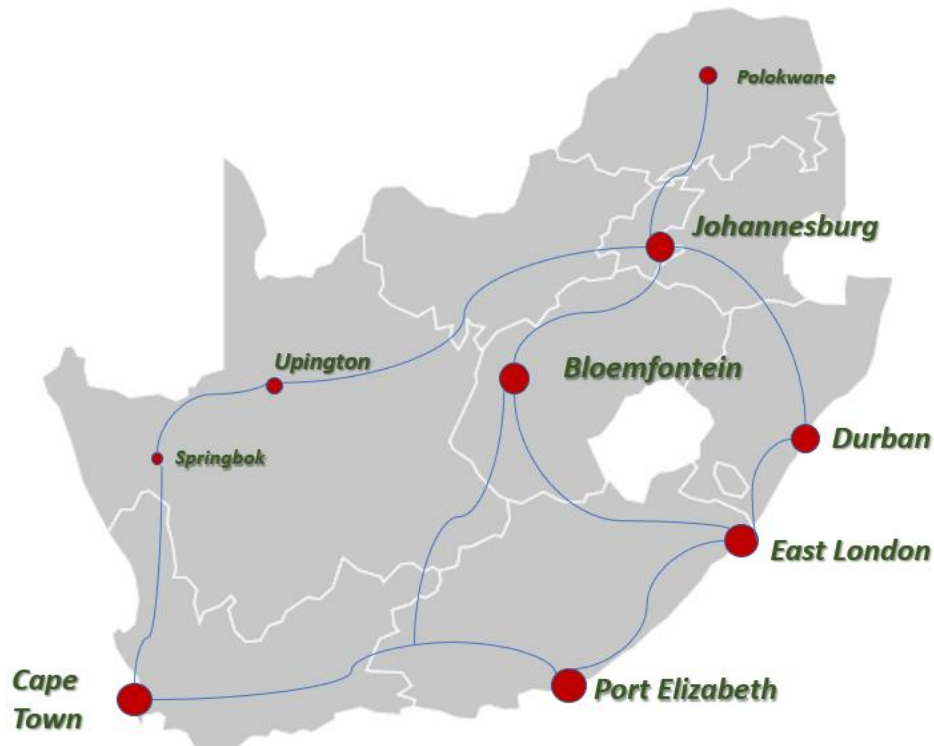


Source: Agra CEAS based on various

Rail freight

The rail freight system of South Africa is operated by Transnet freight and employs 25 000 employees throughout the country. The network is also connected to all of South Africa's neighbours. Transnet handles over 62 million tonnes of coal each year making it the largest transporter of this product. All of South Africa's major urban centres are connected by rail with Johannesburg forming as the hub of rail transport in the country. There are currently several projects underway to improve the lines, these include upgrading the rail corridor which connects the Port of Ngqura with manganese mines around Hotazel in the Northern Cape. The corridor would be 1 003 kilometres (623 mi) long and would mostly involve upgrades of existing lines; capacity is expected to increase from 5.5 million tonnes/year to 16 mpta. Rail freight has gradually declined after 1985 when the government of South Africa repealed a permit system which gave preference to rail transport over road haulage; and indeed road haulage is now preferred.

Figure 4-4 Railway network in South Africa



Source: Agra CEAS

Road Freight

The road network of South Africa stretches out throughout the country and many important roads go through the country such as the Tripoli-Cape Town and Cairo-Gaborone-Cape Town networks that make up part of the Trans-African Highway. In South Africa it is estimated a total outsourced road freight payload of 566 million tons and roads are estimated to have transported a total value of EUR 5 Billion worth of freight between 2017-18.³¹

Currently road freight is the preferred method of freight transportation in South Africa. The consumption of goods requiring cold storage and transportation facilities such as meat and some packaged food has risen over the years, and with continuing increases in demand, is likely to continue to do so going forward.³²

³¹ Dovetail, The state of the road and bulk industry in Africa, Available at <https://www.dovetail.co.za/the-state-of-the-road-break-bulk-industry-in-africa/>

³² South Africa Logistics Market is driven by growth in intra continental trade, change in consumption patterns and growth, Bloomberg, Available at <https://www.bloomberg.com/press-releases/2019-07-17/south-africa-logistics-market-is-driven-by-growth-in-intra-continental-trade-change-in-consumption-patterns-and-growth-in-the-e>

Waterway freight

Freight through South Africa's rivers system is not common and only one major seaport in the country, Port Elizabeth is connected to a river port in South Africa. Most traffic on South Africa's rivers revolve around the tourism sector.

4.4.2 Distribution

4.4.2.1 Retail channel overview

In recent years the retail sector in South Africa has changed substantially, partly due to the improved and very good infrastructure of the country and its international airports and ports. The sector is now dominated by some big players. Nonetheless, smaller and more specialised retailers are still important especially in rural areas. As noted in section 2.1.3, more than half of the country's population is living in cities, which is one reason why South Africa has one of the highest absolute numbers of shopping centres worldwide. In 2016 the retail sector accounted for 9% of the country's GDP and the sector is still expected to grow. The seven main supermarket and convenience store chains - Shoprite, Pick n Pay, Massmart, Spar, Woolworths, the Food Lovers Market, and Choppies – account for the vast majority of distribution of food in South Africa.³³

Supermarkets and Hypermarkets

Supermarkets are a common retail channel in South Africa. Yet, in recent years the number of hypermarkets grew as well. Hypermarkets in South Africa are usually a combination of a supermarket with a department store and thus offer a range of different products. They are especially popular for people who like to find all the groceries needed in one place and they are furthermore liked by people who like to hunt for cheap prices and bigger quantities. Many supermarket chains developed hypermarket outlets; examples being Woolworths, Pick n Pay and Checkers. Some other widespread supermarkets are Spar, Shoprite and Massmart. It should be noted that many of these retailers are also present in other countries in the region (SACU countries in particular); and as such, they may source centrally in South Africa not just for their South African branches but also for those in other nearby countries.³⁴

Neighbourhood and Convenience Chain Stores

These stores are smaller than supermarkets and usually located everywhere through neighbourhoods so that they are convenient to reach. Due to the rising middle-class, convenience is starting to play a bigger role. Neighbourhood and convenience stores usually stock a smaller range than other retail outlets and are more expensive. Consumers are in favour of shops such as KwikSPAR or Pick n Pay Express because usually it does not take as much time to go and buy some products there as queues usually are not as long as in super- or hypermarkets, for example. Woolworths convenience store outlets are the most popular

³³ Are hypermarkets the future of retailing in South Africa? <https://myofficemagazine.co.za/hypermarkets-future-retailing-south-africa/>; South Africa: Distributing a product <https://santandertrade.com/en/portal/analyse-markets/south-africa/distributing-a-product>

³⁴ Are hypermarkets the future of retailing in South Africa? <https://myofficemagazine.co.za/hypermarkets-future-retailing-south-africa/>

in this category. Another positive point about convenience stores is that they often have longer working hours than normal supermarkets and thus can be accessed more often.³⁵

Independent small grocers/convenience stores

Even though malls start to spread to the outskirts of cities traditional local enterprises remain important. The most popular type of local shops are *spazas*; informal convenience stores, which are selling traditional and mostly locally sourced food such as maize flour, cooking oil or sugar. Commonly these *spazas* are run by families from inside their houses or backyards.³⁶ Some food products are also sold through this channel to a small group of customers seeking products carrying health or environmental labels (Wellness warehouse), including imported products from the EU.

The Consumer Goods Council of South Africa (CGCSA) is an industry association that represents Retail and Manufacturing member companies in the food value chains and almost all key players in the food value chains in RSA are members of the CGCSA (<https://www.cgcsa.co.za>). They share with their members: expertise in food labelling, food safety and food waste best practice; sustainability and regulatory advisory as well as crime risk management and skills development and training. CGCSA has developed a voluntary agreement for the reduction of food loss and food waste, with the support of the EU in line with South Africa and EU priorities to benefit from circular economy opportunities for sustainable and inclusive growth.

Food markets

South Africa is also known for its many food markets. These markets do not just offer food, but also a place for socialising and sometimes even live entertainment. Goods sold are usually of high-quality, such as artisanal gourmet foods, handcrafted beer, baked goods, sweets, homemade cheeses, jams as well as organic and health products. Some famous markets are the following:

Johannesburg

- Neighbourgoods Market in Braamfontein
- Market on Main in Maboneng
- Jozi Food Market
- Sheds@1Fox
- Blubird Wholefood Market
- Bryanston Organic Market

³⁵South Africa: Distributing a product <https://santandertrade.com/en/portal/analyse-markets/south-africa/distributing-a-product>; Top convenience retail trends in South Africa <https://www.biznisafrika.com/top-convenience-retail-trends-south-africa/>; South Africa Retail Food Industry 2017 https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Retail%20Foods_Pretoria_South%20Africa%20-%20Republic%20of_11-7-2017.pdf

³⁶ South Africa Retail Food Industry 2017 https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Retail%20Foods_Pretoria_South%20Africa%20-%20Republic%20of_11-7-2017.pdf

Cape Town

- Neighbourgoods Market
- Bay Harbour Market in Hout Bay
- Bluebird Garage Food and Goods Market
- Oranjezicht City Farm Market

Others

- Durban Food Market (Durban)
- I ♥ Market (Durban)
- Pretoria Boeremark (Pretoria)
- Hazel Food Market (Pretoria)
- Slow Market (Stellenbosch)
- Shongweni Farmers' and Craft Market (close to Durban)³⁷

E-commerce

While internet penetration in South Africa is not excessively low, internet retailing is still not a main outlet in the country and needs to be developed further. However, about 1.5% of total retail sales in 2018 were made online. This number exceeds the forecasted one which means that online retailing will become more mainstream in the coming years. According to research, the sector grew by 25% in 2017 and the COVID19 pandemic has led a number of restaurants and retailers to increase their digital services. Social media use, an increasing amount of online marketing campaigns and improved digital presence of online retailers fosters its growth. According to forecasts, the sector will reach 2% by 2022. Moreover, the numbers of consumers who use mobile in-store payments are already higher than the global average. However, currently retailers are still more invested in bricks-and-mortar stores. It is forecast that they are likely to miss out in the future, if they do not also start to focus on the online retail sector.³⁸

Hotels, restaurants and cafés

On-trade outlets are common in South Africa due to the high numbers of tourists and the diverse cuisine in the country and restaurant culture. The country is often seen as an important player in gourmet dining and culinary innovation. Most higher end restaurants and cafes are situated in big cities and some regions where tourism is high.³⁹

³⁷ South Africans food markets – Jozi <https://www.southafrica.net/gl/en/travel/article/south-africans-food-markets-jozi>

³⁸ Key trends across retail channels in Africa <https://www.bizcommunity.africa/Article/410/168/193820.html> ; E-commerce growth in South Africa outstripping forecasts <https://techcentral.co.za/e-commerce-growth-in-south-africa-outstripping-forecasts/84830/>; SA retailers likely to lose out if they avoid e-commerce <https://www.businesslive.co.za/bd/business-and-economy/2019-10-18-sa-retailers-likely-to-lose-out-if-they-avoid-e-commerce/> ; Euromonitor International: Economies and Consumers, 2020

³⁹ Dining out in South Africa https://www.sa-venues.com/restaurants_south_africa.htm

4.4.2.2 Intermediaries

South Africa is a nation which exports a lot, which means the number of exporters exceeds the number of importers. Importers generally play an important role in helping imported foods reach shop shelves in South Africa, as they will deal with distribution to wholesalers and retailers. It is recommended to choose a suitable intermediary based on market being targeted. More specifically:

- **Retail:** the retail market is highly concentrated (the largest seven supermarket companies are estimated to account for around 4/5ths of distribution); and some of these supermarket companies are actively and aggressively trying to expand into other African countries. Against this background, the two most common ways of targeting the retail market are: (1) targeting the supermarket companies directly through the establishment of relationships with their centralised buyers; (2) using an established and reputable distributor or import agent who has contacts with the large retailers. The latter – specifically the use of an agent – is arguably the easiest and safest way of targeting big supermarkets *if* the correct agent is chosen.

It should be noted that the smaller, independent retailers – if not highly specialised – are likely to buy from large independent wholesalers rather than deal directly with EU based exporters or their agents. The redistribution model is commonly used in the imported alcoholic beverages segment.

- **Food processing:** there is a high level of concentration in the food processing sector; while there are estimated to be close to 2 000 food processing companies, the largest 10 are estimated to account for 4/5ths of the segment's revenue. As noted in section 3.1, the majority of ingredients for the food processing sector are sourced from domestic South African agriculture. Bearing this in mind, in the cases that the large food processing companies source from overseas, they prefer to source directly (rather than using local agents) as this allows them to better control quality / specifications as well as to reduce costs. Smaller food processing companies will prefer to purchase through local agents in order to control storage and supply. Overall, the use of a local agent is a safe initial entry strategy to this segment, though against the background set out above it is clear that different food processors may have different expectations of the role a local agent plays (e.g. some will expect that local agents be able to deal with any quality issues that may arise).
- **Food service:** generally these companies do not import directly, but rather purchase products through local producers, catering wholesalers, specialist retailers and distributors importing food and beverages. The head offices of larger chains of hotels and restaurants often use a centralised purchasing policy to supply products to their branches across the country. This means that targeting buyers in central offices may also be effective.

South Africa is commonly considered as a gateway for Africa in various areas, and indeed to a certain extent can serve as such for food and beverage imports. Most notably, as outlined above, the large South African retailers are expanding aggressively into other African countries. Subsequently the larger retailers can provide a potential point of access to the wider African market (Southern Africa in particular). Shoprite, Woolworths and Choppies stand out in particular in this context. There are also some major independent importers and distributors who re-export regionally and either own, or have good relationships with bonded warehouses in different African countries. If the regional market is being targeted through independent importers/distributors, this relationship with such bonded warehouses

should be a major criteria to consider when looking to work with a partner. Nonetheless, if aiming to enter other markets through South Africa, it should be remembered that: (1) South Africa is widely considered one of the easiest markets to enter; (2) some other countries have complicated legislation (though it may be easier to enter some other African markets if South African legislation is met) and some have foreign exchange controls; and (3) culture can differ significantly between the different markets.

In terms of minimum quantities, there are generally no minimum quantity requirements in South Africa. However, quantities which are commonly dealt with are:

- **Alcoholic drinks and olive oil:** 1-2 pallets, i.e. the equivalent of up to 750 wine bottles are a typical test order.
- **Packaged food (including confectionery):** B2B customers typically do not like to purchase less than full containers, with 20ft containers the standard. In the case of bulk purchases, 40ft purchases may be requested.
- **Food service:** demand can be affected by seasonality. Subsequently, orders tend to be on a more rolling basis.

Some final considerations worth bearing in mind when working with intermediaries are:

- EU exporters should obtain a Euro1 certificate for any goods that are entirely produced in Europe, as this will allow importers to import into South Africa with the applicable preferential tariff rates.
- Importers and distributors highly appreciate well-known, globally established brands, meaning that opportunities are particularly high for such products. Consequently, if a product is already available in multiple other countries and/or has gained global recognition, it is worth making potential partners aware of this fact.
- Meetings with partners may be more informal than in some other countries – locations such as restaurants or coffee shops may be suggested or accepted. It is always worth calling to confirm the details of a meeting before it takes place.
- If other markets in Africa are being targeted through South Africa, a focus should be placed on how transportation costs and delays will be handled.
- Retailers will typically pay importers on a 60-90 day period. This may extend to 180 days if importers do not have proof of delivery, or if there are issues with the product.
- It is important to be aware of the ZAR currency exchange rate as this can fluctuate.
- Many retailers are trying to develop their own private label brands. This is particularly true for fresh products and for olive oil. One way to target this segment is to reach out to retailers through food fairs including Europe based ones such as Anuga and Sial (a list of South African based food fairs is presented in section 8.4).
- Importers should bear the challenge of shelf life in mind when targeting the South African market. Typically it will take 2 months from the date of production in Europe for produce to arrive in South Africa; and another 2 months could be lost in importation formalities, meaning that a product with a shelf life of 9 months at the point of production may only have around 5 months of shelf life left by the time it hits retailers' shelves in South Africa. For products with low shelf life, it may be necessary to give concessions in order to ensure the product arrives on retailers' shelves.

- Some larger players in particular choose to take a more value chain approach to entering the market by e.g. setting up local operations, sometimes in collaboration with local players due to the opportunities that exist for this. This model may also be worth consideration for some operators looking at entering the market.

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in section 8.5.

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

South Africa can be seen as the Business engine of Africa and is a good place to start when wanting to do business on this continent. However, there are no “one-size fits all” answers to the question of how the business environment is like because of the country’s mix of cultures, languages and different styles of doing business. It is important to stay flexible and open because no one formula is likely to suit all business circumstances caused by the complex work environment. This said it might be helpful to learn about the country and specific regions business will be conducted in before going there.

Even though South Africa is one of the best countries to do business in Africa in general, the business environment is not easy partly because of a continued skills deficit, poor labours relations, lack of electricity and some issues of corruption. South Africa’s performance in the World Banks Ease of Doing Business Index fell from 39th in 2013 to 84nd in 2020. The main reason for this drop is the country’s lack of access to electricity. Moreover, most companies have a very hierarchic and bureaucratic structure. However, South Africa is a rapidly changing country in both economic and social structures, so it is important to keep in mind that rules for doing business can evolve.⁴⁰

Load-shedding

South Africa is facing an energy crisis and load shedding is a widespread problem. Load-shedding refers to the action of shutting down electric power in a part or several parts of a power-distribution system, to prevent the whole system from collapsing, when the demand is bigger than the capacity of the electric system.

South Africa is facing this problem because its energy plants and the grid system have suffered maintenance issues for several years. There is a recovery plan, but according to Eskom, South Africa’s main energy supplier, load shedding is expected to stay an issue in the near future.

⁴⁰ Doing business in South Africa <https://www.worldbusinessculture.com/country-profiles/south-africa/culture/>;
Ease of doing business in South Africa <https://www.doingbusiness.org/en/data/exploreconomies/south-africa#>;
South African business structures <https://www.worldbusinessculture.com/country-profiles/south-africa/business-structures/>;
Background to business in South Africa <https://www.worldbusinessculture.com/country-profiles/south-africa/business-style/>

Those cuts particularly affect the South African agricultural sector from primary food production, to post-harvest handling and the retail sector. This means load-shedding may also affect European food exports to South Africa and is mainly problematic for products which need to be cooled constantly. The continuation of the cold chain is important to protect food quality and shelf life.⁴¹

Yet, some peculiarities are common in the business world. For example, first meetings are usually more about getting to know each other and not about the business aspect itself. South African companies need to build some trust first. Working hours are similar to those in Europe and businesses usually are not open on weekends. Most people speak English as one of their languages, so translations are usually not required in the business world.⁴²

4.4.4 Key operational considerations and challenges: summary

Key challenges to bear in mind when operating in the South African market are:

- Due to the country's recent history and diverse culture there are no "one size fits all" guidelines for conducting business.
- Business is usually conducted in English.
- South Africa's online retail market is growing, however bricks-and-mortar stores remain most popular.
- The infrastructure is excellent and includes international airports and ports. Nonetheless, load shedding presents some potential challenges for products that need to be cold stored.

4.4.5 Other relevant information

4.4.5.1 Methods of payment in South Africa

Internet penetration is rising, but cash continues to be the most trusted and widely used method of payment and more than half of all transactions are paid in cash. Cash payment is forecast to stay the favourite payment option even though online payment options will grow and become more popular as well. Besides cash, debit and credit cards are used frequently as well. In South Africa the following cards are usually accepted: Visa, MasterCard, Maestro and American Express.⁴³

On the one hand, most bigger shops and restaurants accept credit cards but on the other hand small stores and local markets typically only accept cash. There are many places such as local banks, especially in cities or at tourist destinations where Euros can be exchanged into South African Rand. First National

⁴¹ Load shedding: Looming crisis in agriculture <https://www.freshplaza.com/article/9172559/load-shedding-loomng-crisis-in-agriculture/>; Load shedding hits SA food production <https://www.fin24.com/Economy/Eskom/Load-shedding-hits-SA-food-production-20150729>; Load-shedding could be with us another two years, says Eskom <https://www.timeslive.co.za/news/south-africa/2019-12-10-load-shedding-could-be-with-us-another-two-years-says-eskom/>; <https://www.dictionary.com/browse/load-shedding>

⁴² Business etiquette in South Africa <https://www.expatica.com/za/employment/employment-basics/business-etiquette-in-south-africa-105889/>

⁴³ In South Africa, Cash Is Still Right On The Money <https://www.pymnts.com/cash/2017/south-africa-cash-usage/>

Banks, First Rand Bank and Standard Bank are three well-known retail banks in South Africa. There are also some international banks in the country such as Citibank, Deutsche Bank AG, JP Morgan Chase and Royal Bank of Scotland. The best way to exchange money is to withdraw it from an ATM because they generally have the best exchange rates. When using an ATM it is important to choose to do the transaction in ZAR and not Euros because otherwise, charges might be higher. In some locations, it is even possible to pay with US Dollars, like in national parks or hotels.⁴⁴

Most popular online payment methods are credit and debit cards, followed by mobile payment systems such as M-Pesa, AirtelMoney or TigoCash, and eWallets like Stripe. Other options include prepaid coupons, PayPal or cash on delivery.⁴⁵

4.4.5.2 Travel from the EU to South Africa

Note: in view of the situation with COVID 19 at the time of writing, the situation with travel to South Africa and lock downs in the country is evolving.

For travels to South Africa a passport that is valid a minimum of 30 days after departure is required for everyone. Passports must have at least two blank pages for the entry stamps. In case the travel starts from or passes through a country with yellow fever a yellow fever certificate is required.

Nationals from the following countries are not required to obtain a visa for visits up to 90 days:

Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Spain and Sweden.

Nationals from the following countries are not required to obtain a visa for visits up to 30 days:

Cyprus, Hungary and Poland.

Nationals who do require a Visa:

Bulgaria, Croatia, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.

A visitor visa valid for up to 90 days costs around EUR 42. To apply for a visa the South African embassy or consulate needs to be contacted. This might change soon as a new online visa service is about to be launched soon and is already available on a trial basis for citizens of Kenya and India.

Regardless of the visa requirements, it is strongly advised to contact a South African embassy well in advance of any travel to South Africa to confirm current visa requirements. Moreover, if travels to South Africa are work-related a work visa is required.⁴⁶

⁴⁴ Money in South Africa: Banks, ATMs, cards & Currency exchange <https://transferwise.com/gb/blog/money-and-banks-in-south-africa>

⁴⁵The most popular online payment methods by country <https://addons.prestashop.com/en/content/35-the-most-popular-online-payment-methods-by-country>

⁴⁶ South Africa visa and passport requirements <https://www.worldtravelguide.net/guides/africa/south-africa/passport-visa/>; Learn More: eVisa <https://www.ivisa.com/south-africa-e-visa?nationality=RO>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh Fruit & Vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate & Confectionery	Beer	Processed meat
Ice cream	Prepared baby food	Processed fruit and vegetables
Pasta	Pet Food	Biscuits & cereal bars

5.1 Fresh meat

5.1.1 SWOT analysis

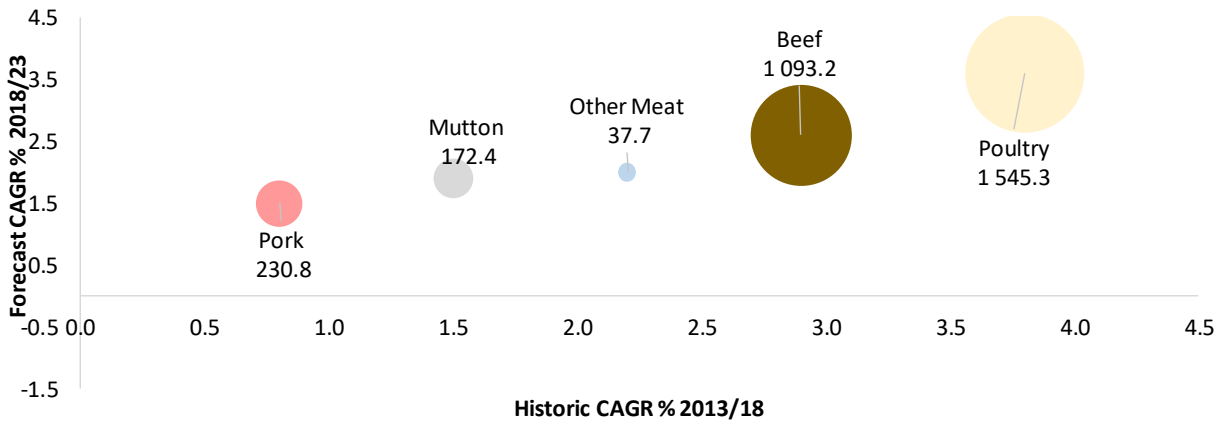
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ A high level of meat consumption – both in absolute and per capita terms. ▪ Poultry – of which there are domestic production shortages – is growing the fastest. 	<ul style="list-style-type: none"> ▪ Country a large producer of meat – bovine meat in particular. ▪ Regionalisation for animal disease is not recognised. ▪ Price / price related factors are major purchase criteria.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The EPA grants competitive access to EU poultry compartmented to major competitors ▪ Various production issues in recent years have led to opportunities, some of which may be shorter term in nature and some of which are longer term. ▪ There are shortages in pork and poultry production. Dark poultrymeat is preferred. ▪ Possible niche opportunities for free range and organically produced meat. 	<ul style="list-style-type: none"> ▪ Various barriers to importing meat – poultry in particular – exist or have been reported recently. ▪ Brazil has emerged in recent years as the number one source of imports – mainly due to trade in poultry.

5.1.2 Consumption

5.1.2.1 Evolution of consumption

South Africa is a heavy consumer of fresh meat, with around 60kg consumed per person. The most widely consumed meat is poultry, which at over 1.5m tonnes accounts for around half of all meat consumed in volume terms. It is also the fastest growing meat type, with consumption having grown at 3.8% per year over the period 2013-18 and is forecast to grow at a fairly similar rate of 3.6% per year going forwards. Beef is slightly behind poultry in terms of consumption, accounting for a bit over 1/3 of all meat consumed in volume terms (1.1m tonnes); and is also the second fastest growing meat category. Over the period 2013-18, growth was 2.6% per year. Pork and lamb are small, slow growing niche categories in South Africa, with around 230 000 and 170 000 tonnes consumed respectively, and historical annual growth rates under 2%. There is also a notably amount of other meat consumed, which includes game and speciality meats (Figure 5-1).

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in South Africa, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

5.1.2.2 Consumer profile and purchase criteria

Consumers

While South Africa is a very diverse country, with few exceptions meat is an omnipresent element of food consumption; and hence more or less the entire population can be considered a consumer of meat, as reflected by the high overall levels of meat consumed. Nonetheless, there are some differences in consumption patterns between groups, as the bullet points below outline.

- **Cultural belonging.** There are small (+/-2%) Muslim and Hindu minorities, who will adapt their meat consumption in line with their religious beliefs as well as a minority of consumers becoming vegetarian by choice considering health or environmental aspects. In rural areas/smaller cities, there is a significant consumption of meat that is locally produced; whilst urban population across cultural groups have a high consumption of meat as often as they can afford it.
- **Income.** As is the case more globally, there is a connection between income and meat consumption, with expenditure on meat increasing alongside income. Furthermore, the type of meat changes with income; lower income / more marginalised groups clearly prefer poultry over other types of meat, primarily for reasons of costs; and when buying beef will look first for offal and then for chuck. Middle class consumers, on average, also prefer poultry (brown meat is overall preferred over white), albeit to a lesser extent than lower income groups. Wealthy consumers on the other hand have a preference for pork, mutton and to some extent beef; and are more likely to consume any of these meats over poultry⁴⁷.

⁴⁷ Euromonitor International: Fresh Food, 2020; http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S0375-15892015000300012

Drivers and method of consumption

Historically, tradition – itself driven to some extent by considerable production – has been a key driver of meat consumption in South Africa. Meat is often considered the centrepiece of a meal, and while the method of incorporating meat and the cut used in meals varies between South Africa's varied population, most main dishes incorporate some kind of meat; whether e.g. minced meat in *bobotie* or *frikkadelle*; or cuts suitable for stewing in *potjiekos* or *bunnie chow*. Chuck (of beef) is often used for these purposes.

Braai, or barbecue, is a particularly common method of consuming meat, with many South Africans having a braai at home or with the family on a weekly basis. A wide range of meats and cuts are barbecued; not just the more prime cuts traditionally associated with barbecues, but also some rarer parts of the animal such as lamb's liver. Nonetheless, there is an overall preference among beef cuts for more prime steaks (e.g. rib eye, sirloin) for this purpose; while pork ribs are often popular as well.

In terms of cuts in general, the most popular beef cuts are chuck (used for mine or stewing), prime steak cuts, and (among lower income consumers) offal. In the case of pork on the other hand, while ribs are popular, along with chops, loin, belly and breast, in general South Africans have a general preference for value added pork products (i.e. processed/prepared meat rather than fresh). Indeed, it is estimated that only 45% of South Africa's pork production goes to the fresh market, with 55% destined for the processed/fresh market.

In some of the cultures of South Africa, meat also has an important ritual significance, and it will be consumed in high volumes during important events such as weddings and funerals.

However, price and production issues are increasingly important drivers of meat consumption in South Africa. The recently challenging economic outlook has made cheaper meat – imported poultry in particular – attractive and putting some downward pressure on the generally more expensive beef. On the other hand, local production issues, such as an outbreak of foot and mouth disease in South Africa in late 2018 have disrupted South Africa's considerable red meat exports, leading to previously exported meat flooding the domestic market.

Purchase criteria

As noted above, there are differences between the South African population in consumption patterns of meat; with income and ethnicity/tribe two notably factors, and the impact of these on preferences will transfer to purchasing criteria. That said, some general purchasing criteria can be identified, notably:

- **Price.** As identified above, price is of increasing importance for the purchasing decision of many consumers, lower income ones in particular; and indeed, the recent boom in poultry, spurred by cheap imports is witness to this. Some consumers will assess other factors to determine value for money as a proxy for price. For example consumers across the board may assess the fat to meat ratio of meat; while lower income consumers may focus specifically on the bone to meat ratio.
- **Food safety** has long been a concern of South Africans when purchasing red meat in particular. Around ¾ of South Africans from all socio-economic classes identify food safety related factors as something they consider at the time of purchase. This mainly manifests itself through the checking

of expiry dates, and the choice of outlets for purchase of meat products (supermarkets and formal butchers are generally more trusted than spazas and street vendors). A 2018 outbreak of listeriosis, which affected almost 1 000 people, reinforced this focus on food safety.

- **Quality and production methods.** As noted above, certain quality related aspects may be assessed as part of determining the value for money of meat. Higher income consumers may focus specifically on quality related factors such as tenderness, as well as the method of production. Ethical production methods are increasingly looked for by some consumers in this group. Freshness, colour, marbling and packaging/display are generally used by consumers as proxies for assessing quality.

South Africans generally prefer, and will look to purchase poultrymeat with the bone in (i.e. dark meat), with frozen versions of such cuts often actively looked for as this (generally) imported product is cheaper. With regards to beef, the most popular cuts overall are various steak cuts (rib-eye, sirloin, fillet and rump) plus also chuck, which is commonly sought to make ground beef.⁴⁸

Meat on retailers' shelves in South Africa

The price of meat inevitably varies by type and cut. As a very broad indication, higher quality imported meat (such as various cuts of lamb) often retails at around ZAR 100 (EUR 5) per kilogram.



⁴⁸ Euromonitor International: Fresh Food, 2020

Flexible plastic is the most common type of packaging. Labelling tends to be quite simple and while country of origin is required, it is not necessarily used as an additional, prominent promotional tool.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.1.2.3 Recent market trends

As noted above, poultry is forecast to continue to grow the most quickly at 3.6% per year over the period 2019-23. This is most notably driven by price considerations, with poultry generally considered a cheaper meat; and further boosted by cheap imports of poultry, which have gained a significant foothold in the market at the expense of domestic production following avian influenza outbreaks in 2017.

Given the strength of the poultry industry, it has been very successful in lobbying government for increased protection from some more competitive trading partners. The industry understands it needs to invest and look to export markets to grow and remain competitive, but change in this regard is happening very slowly.

Distribution of both halal and kosher meat is increasing in the country; and these meats are typically more expensive than regular meat. Additionally, South Africa is witnessing growth in free-range meat, with

approximately 1% of all meat volume sales in South Africa now being free-range. Organic meat, although a niche, is gaining some awareness, with consumers looking for cleaner and sustainable farming methods in their food.

5.1.3 Offer

5.1.3.1 Domestic production

South Africa is a large producer of meat, though it is most known for production of beef. It is estimated that South Africa's beef herd consists of over 13m cattle. Overall, the three provinces of Eastern Cape, KwaZulu Natal and Free State account for over 60% of the total cattle herd of the country. However, only around 60% of cattle are owned by (predominantly large) commercial farmers; the remaining 40% is owned by subsistence and emerging farmers, with this emergent sector is particularly strong in Eastern Cape and KwaZulu Natal, where some 370 000 households own cattle. The emergent sector is less important for meat production than it is for the cattle population; only around 20% South Africa's beef production – which is in excess of 1m tonnes - stems from the emergent sector. Recurrent outbreaks of Foot and Mouth Disease (FMD), the latest in November 2019, have led to bans from many countries on imports of beef from South Africa and forcing the meat on to the domestic market.

In volume terms, South Africa actually produces slightly more poultry than it does beef, but the high popularity of poultry means that there is a structural shortage of poultry in the country. 90% of poultry meat production comes from commercial farms, while 10% comes from subsistence/emergent farming. With feed accounting for about 70% of production costs, domestic poultry farming has been hamstrung in recent years by the increasing cost of the main component of feed, corn – itself a result of unfavourable weather conditions in South Africa. This, combined with a 2017 outbreak of avian influenza creating further meat shortages, has attracted competitive imports of poultry from Latin America and the EU, placing pressure on domestic production.⁴⁹

At around 250 000 tonnes, pork production is a long way behind beef and poultry production, though production has grown fairly steadily in recent years. Nonetheless, a listeriosis outbreak in 2018 had a negative impact on pork prices. Furthermore, as is the case with poultry, feed is a major input for the industry, and price increases in recent years have hurt pig farmers.

5.1.3.2 Imports and exports

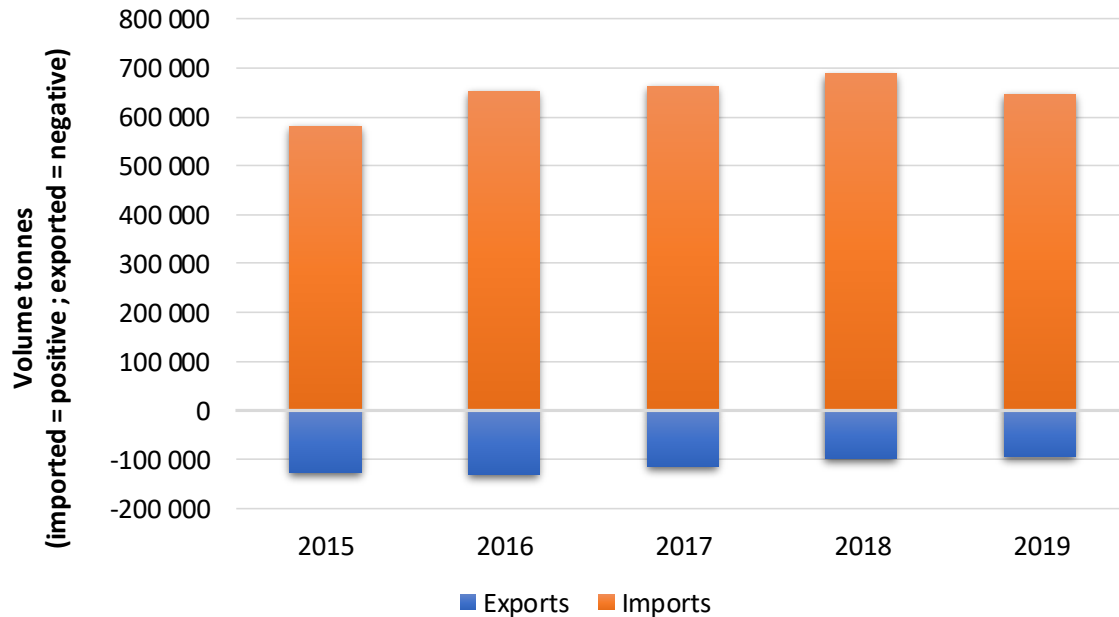
Overall, South Africa is a net importer of meat, with imports about 6 times greater than exports in volume terms, though in value terms it falls to around 2.5 times. The volume of imports increased slightly over

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https://gain.fas.usda.gov/Recent%20GAIN%20Publications/South%20African%20Beef%20Imports%20Expected%20to%20Remain%20Flat%20in%202018_Pretoria_South%20Africa%20-%20Republic%20of_4-5-2018.pdf ;
https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Poultry%20and%20Products%20Annual_Pretoria_South%20Africa%20-%20Republic%20of_9-3-2019.pdf; Economic report for the association of meat importers and exporters of South Africa (AMIE);
<https://www.globalmeatnews.com/Article/2019/01/16/Disease-outbreak-halts-South-African-meat-exports>

the period 2015-19, with a peak in 2018 (Figure 5-2). Exports on the other hand have declined, partly due to the domestic production issues outlined in section 5.1.3.1.

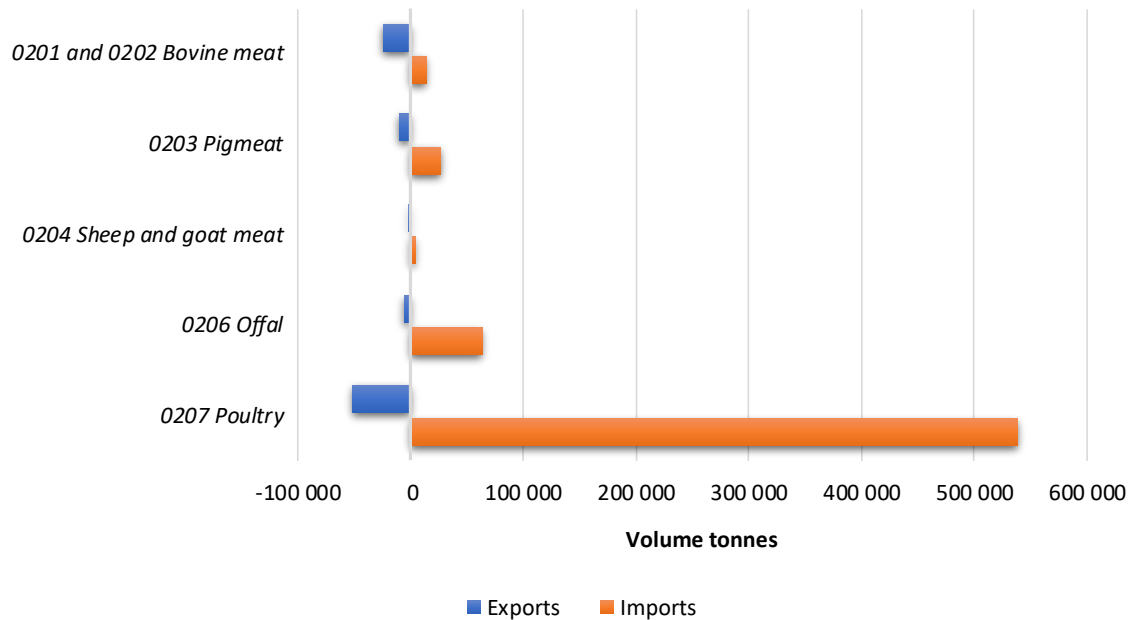
Figure 5-2: Trade balance (imports and exports) of fresh meat in South Africa, 2015-19; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

In terms of meat type, poultry accounts for around 90% of imports by volume (and 80% by value). Indeed poultry imports outweigh exports by a ratio of approximately 10 to 1. On the other hand, the country is a notable net exporter of bovine meat; while the volume is moderate, exports of bovine meat are high in value. Imports of pigmeat outweigh exports by a ratio of 2 to 1, but they are quite minor in absolute terms (Figure 5-3). Imports of pork comprise mainly of pork ribs. Around half of poultrymeat imports are chicken bone-in, with a further 30-40% mechanically deboned meat; reflecting broader consumer preferences.

Figure 5-3: Trade balance (imports and exports) of fresh meat in South Africa, by type, 2019; volume tonnes

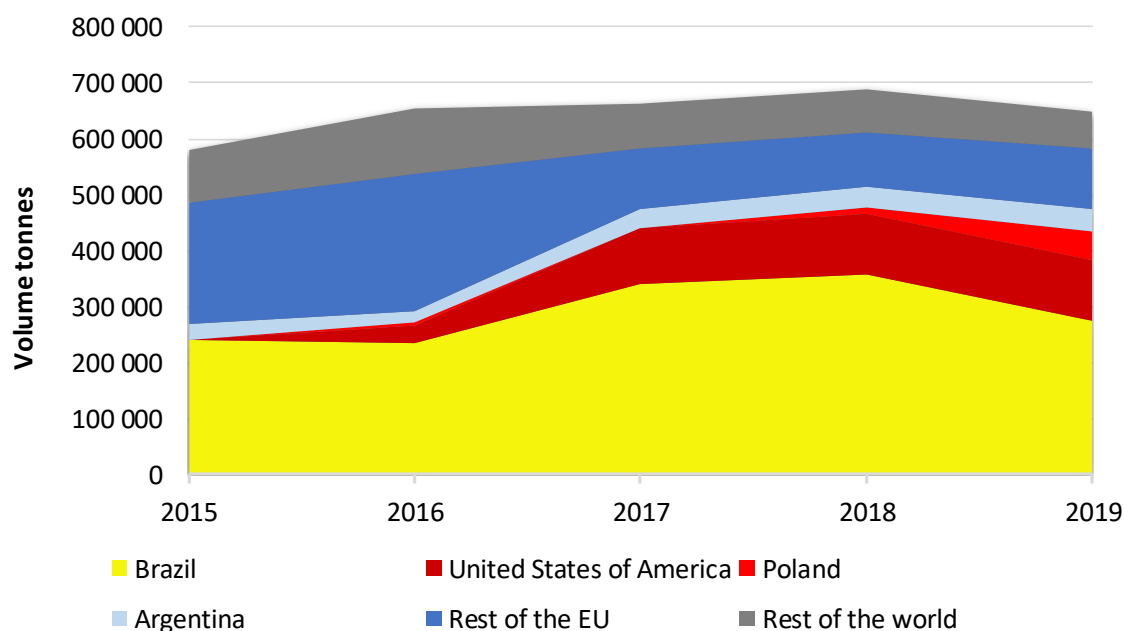


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Brazil is the main origin of imports, accounting for over 40%. This is due to the importance of Brazil for poultry imports – it accounts for one in every two imported tonnes. Brazil came to the forefront for poultrymeat imports in 2017; prior to this, the EU exported a greater volume of poultry meat than Brazil. Since then an agricultural safeguard has been placed on EU exports, which together with SPS bans on some member states have significantly reduced the amount entering South Africa. The United States occupies second place and is also the most important origin of offal. South Africa has now increased the MFN duty on poultry, affecting Brazil and US imports.

Germany is the number one origin of pigmeat, accounting for half of all imports. Neighbouring Namibia and Botswana are the key origins for beef and sheep and goatmeat (Figure 5-4).

Figure 5-4: South African imports of fresh meat by country, 2015-19; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

5.1.3.3 EU GI products

No fresh meat products are included in the list of protected GIs under the EU-SADC EPA.

5.1.3.4 Main competitors

Competitors vary by type of meat:

- **Beef:** by far the main competitor is the considerable, well regarded domestic beef production. Indeed South Africa is a net exporter of beef, though exports do not go to the EU due to FMD. While neighbouring Namibia and Botswana provide some imports of beef, their importance for the overall beef market in South Africa is small.
- **Poultry:** while domestic production accounts for around 2/3 of poultrymeat sold in South Africa, the domestic production sector has been under pressure in recent years from increasing feed prices and an outbreak of avian influenza. At the same time, Brazil has increased in importance as a source of imported poultrymeat, overtaking the EU. In view of this, Brazil can be considered the main competitor for poultrymeat.
- **Pork and sheep/goat meat:** both of these meats are of minor importance compared to beef and poultry; though imports are needed to fulfil domestic demand for both meat types. Germany is the number one origin of pork, while neighbouring Botswana and Namibia are the main origins of sheep and goat meat.

SADC-EU EPA outreach report on the South African broiler industry

SADC-EU EPA outreach has published a report on the South African broiler industry. This can be found at the following address:

https://sadc-epa-outreach.com/images/files/Broiler_Report_final.pdf

5.1.4 Specific market entry requirements

Market Access and Entry

Countries must be approved for the meat product in question before it can be exported to South Africa. There is no publically available list of the countries which have access for different products at the time of writing. It is recommended that the corresponding ministry in the Member State in question, or the embassy of the Member State in South Africa be contacted to check if access for a certain meat product has been granted.

In addition, individual establishments must also be authorised to export the product in question to South Africa. For establishments in EU Member States, this is done through prelisting, whereby the authorities of the Member State in question send a list of the establishments which are considered to fulfil requirements for export and should hence be authorised. South African authorities then need to approve this list. The prelisted establishments can be changed, though it has been reported that confirmation of acceptance from South African authorities to implement changes to the list of establishments authorised to export can take considerable time in some cases.

As per Table 4-2, a veterinary import permit for meat/meat products (fee 180 ZAR) is needed, as are a veterinary health certificate and document notifying the arrival of the shipment (inspection of animal goods).

In terms of tariffs, European fresh meat products face varying tariffs, and furthermore certain safeguard measures have been introduced for poultry. By major meat type:

- Beef, sheep and goat generally faces 40% tariffs (same as MFN)
- Pork generally faces 15% tariffs (same as MFN), but there are tariff rate quotas for the EU which offer favourable terms.
- Poultry faces 0% base tariffs (compared to up to 82% MFN tariffs); however, as noted in section 4.3.4 two safeguard measures introducing high temporary tariffs have been introduced.

As noted in Table 4-8 there is a TRQ for pork (1 250 tonnes in 2019). There is also one for pig fat.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code:

e.g. pork: <https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=0203>

Customs procedures

The customs procedures for importing foodstuffs are set out in 4.2.1. A full list of the general requirements for export set out in Table 4-1. A list specifically for fresh meat was identified in per Table 4-2 and full details can be found on the website indicated in the box below; most notably, a veterinary health certificate is required.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the corresponding CN code:

e.g. poultry: <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0207&countries=ZA>

Standards, SPS measures

As noted in section 4.3.4, there are certain barriers that EU exporters should be aware of:

- **Avian Influenza:** the market remains closed to imports from various Member States after the 2016/17 avian influenza outbreak; South Africa has not reopened the market despite the outbreak having finished. While the market has recently been opened to imports from Netherlands, Spain and Poland, imports from various Member States such as France, Belgium and Germany remain blocked at the time of writing.
- **Regionalisation:** is not recognised by South Africa. Discussions on its potential acceptance remain ongoing.
- **Porcine Reproductive and Respiratory Syndrome (PRRS):** South Africa requires certification of freedom from some pork products.
- **Safeguard measures:** as noted above and in section 4.3.4, safeguard measures have been introduced for poultry. These are being disputed by the EU.

In addition, South Africa has very specific grading specifications for meat. These are set out in R. 55 of 30 January 2015, which can be found here:

<https://www.nda.agric.za/daDev/sideMenu/foodSafety/doc/localImportRegulations/Meat%20Classification%20regulations%20No%20R%2055%20of%2030%20Jan%202015.pdf>

There is also a specific regulation for poultry labels (R. 946 of 1992) which can be found here:

<http://www.nda.agric.za/docs/plantquality/Animal%20products%20-%20local/poultry%20meat%20-%20946.pdf>

It was amended in 2016 by the legislation below. This has not been consolidated:

<https://www.nda.agric.za/daDev/sideMenu/foodSafety/doc/localImportRegulations/Poultry%20471.pdf>

It is highly recommended that these regulations be consulted for full and comprehensive details on the grading specifications and poultry labels/grades.

Finally, as noted in section 4.3.4, some operators have reported challenges in their goods passing through the port of Durban. These challenges have either targeted more, or adversely affected certain meat products.

Up to date information on appropriate documents concerning SPS measures and provisions for meat can be found at:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0201&countryid=ZA#h18>

Labelling

Prepacked fresh meat products must comply with generic labelling which were described in section 4.2.3. There are specific requirements for labelling of meat/carcass markings, based on classes/classification, contained in the following legislation:

- Poultry (labels) - R. 946 of 1992 (updated 2016).
- Meat (classification and marking) - R. 55 of 30 January 2015.

Notably it specifies the terms that can be used on different meats. Some of the key points to retain are below:

- Species other than beef, sheep, goat or pork as well as sub-species may not be declared as such. Statements describing the particular quality of a product, e.g. "super", "prime", "top", "choice", "quality", "extra", "ultra", are not allowed to be included in the labelling. As an exception, certain descriptions, e.g. "prime rib" in the case of the respective meat cut, may be permitted if an audited protocol on the specific quality indication is provided from the owner with his contact details.
- Containers of poultry products, including the outer containers with numerous packages, which are to be marketed in South Africa, are to be marked with the applicable class designation as stipulated by the Regulations Regarding Control Over the Sale of Poultry Meat. In addition, the expressions "fresh", "chilled", "frozen", "deep frozen", "freshly frozen", "freshly chilled", "home freeze" are to be indicated in English or Afrikaans, respective of the nature of the product. Words such as "natural", "super", "ultra", "extra" and the like are, nevertheless, prohibited to express the quality of the product. The expression "free range" may only be used to represent carcasses obtained from poultry which had continuous daytime access to open air runs. If giblets are not included in the carcasses of the meat, the wordings "giblets excluded", "giblets removed" or "without giblets" must be stated. In the case of marinated or spiced products, the generic names or words describing the true description of the added foodstuffs are to be included, e.g. "chicken with brine", "lemon and herb chicken". If the meat is portioned, the type of species of the poultry is also to be declared, e.g. "breast fillet". In the case of a carcass cut into several pieces of which the excess fat, skin and backbone are removed, the statement "trimmed" may be added on the container. For all poultry products, however, the following information must duly be provided:
 - full name or trade name and address of the packer;
 - production lot;
 - date of processing or packing;
 - expiry and/or freezing date;

- country of origin, in case of imported goods.

As per the sub-section above, it is recommended that these regulations be consulted; links to them were provided above.

5.1.5 Distribution

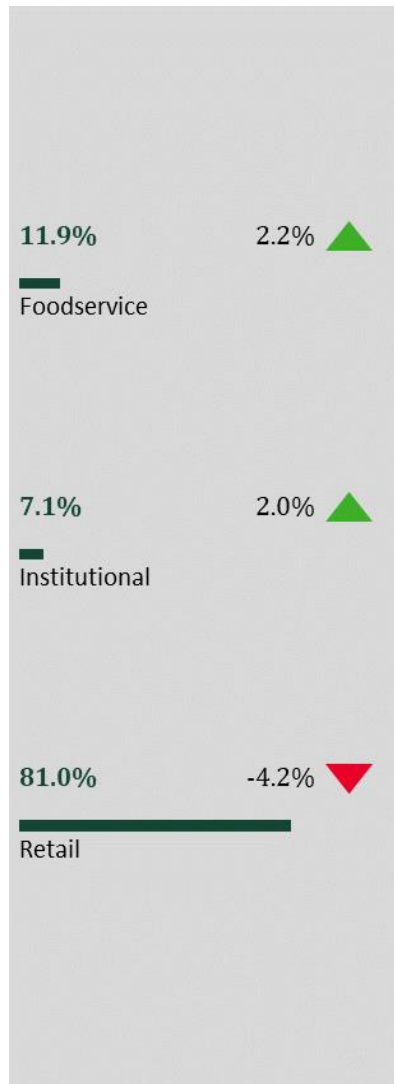
The retail channel accounts for the vast majority of distribution of fresh meat in South Africa by volume. The food service channel accounts for around 12% and institutional channels around 7% (Figure 5-5). The recent economic situation has placed some downward pressure on meat consumption outside the home.

In terms of retail channels, distribution historically takes place through both formal and informal channels, with commercial producers mainly using formal channels. Overall, formal channels are increasingly being used, spurred by food safety concerns (see section 5.1.2.2).

Supermarkets are overall the most popular formal channel for meat distribution; and this is reflected by the increasing range of fresh meat products that they distribute, including halal and kosher products. Specialist butcheries are also very popular. There is some distribution through hypermarkets and independent small grocers as well.

Informal channels are mainly used by smallholder and emerging farmers who struggle to access formal channels. These informal channels mainly rely on street vendors, local markets, and small independent retailers (such as spaza shops) for distribution to final consumers. Such channels are driven by convenience, particularly in townships and informal settlements.

Figure 5-5: Distribution of fresh meat in South Africa (volume)



Source: Euromonitor International: Fresh Food, 2020.

5.1.6 Challenges for EU products

The main challenges for meat products come from legislative issues and the trade barriers that exist.

More specifically:

- It can take a long time for countries to be authorised to export to South Africa, and for the list of authorised establishments from a country to be updated.
- Trade barriers for poultry exist in the form of (1) a ban on imports from some countries due to the 2016/17 avian influenza outbreak and (2) safeguard tariffs.
- Some reports of challenges for fresh meat products passing through the port of Durban have been reported of late. This includes: increased scrutiny and the rejection of some imports for grounds that some operators feel are unjustified.
- Checks of imports for Porcine Reproductive and Respiratory Syndrome (PRRS) have been reported.

- Regionalisation is not recognised by South Africa.

In addition to this, price is often a major purchase criterion for meat; this is particularly true in the case of both beef and poultry. Nonetheless, with considerable domestic supply of meat, imports also need to focus on matching or exceeding the quality of domestic meat.

Finally, there is some substantial competition. Domestic bovine meat production is strong, and while the domestic poultry industry has suffered in recent years, it has also lobbied the government hard to take measures to protect it from cheaper imports. Nonetheless, imports of poultry from Brazil have rocketed in recent years.

Market Takeaway: Fresh meat

Consumption: high levels. Poultry the largest segment and also the fastest growing. Beef just behind in second place.

Competition: strong, high quality domestic beef production. High level of imports of poultry from Brazil.

Distribution: 4/5th of fresh meat is distributed through retail channels off-trade and about 12% on-trade in foodservice sector. Retail channels can be formal and informal, with supermarkets and specialist butchers the most popular formal channels.

Challenges: various legislative challenges / trade barriers which need to be taken into account, plus strong competition on the basis of price.

Opportunities: shortages of poultry (dark meat preferred) and pork; possible emerging niche opportunities for free range and organic meat.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

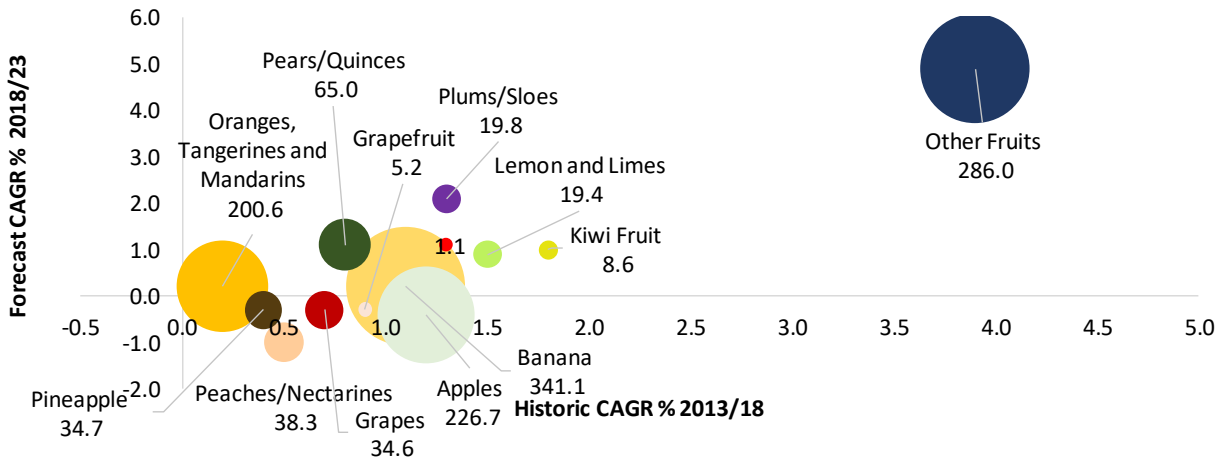
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Seasonal difference with South Africa. ▪ Spain is the 3rd largest exporter of both fruit and vegetables to South Africa, although this trade in total only amounts to EUR 27m. ▪ South Africans are accustomed to quality fruit and vegetable products and may seek quality imported products specifically if production domestically is affected in such a way that there are shortages of some description. 	<ul style="list-style-type: none"> ▪ South Africa already produces virtually the same fruit and vegetables that the EU does and can sell them cheaper. ▪ Cost-conscious consumers are unlikely to be willing to spend more on EU products, which may be considered of a comparable quality to cheaper South African alternatives. ▪ The largest exporter of both vegetables and fruit to South Africa are non-EU nations (China and Mozambique).
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Increased water shortages will result in a lower fruit and vegetable output and South Africa may reach out to external markets to meet demand. This has already happened recently. ▪ Niche products such as Kiwis are not highly produced in South Africa, and seasonal opportunities exist for some garlic and stone fruits. 	<ul style="list-style-type: none"> ▪ South Africa's neighbours are developing their agricultural sectors rapidly and may be able to subsidise any shortages in the South African market in the future. ▪ High unemployment in the country gives consumers an additional incentive to support domestic farmers and buy locally. ▪ Agricultural safeguards exist in the EPA which could hinder trade in certain fruit and vegetable products in specific circumstances.

5.2.2 Consumption

5.2.2.1 Evolution of consumption

Fruit consumption continues to grow modestly in South Africa. Fruits that stand out for their growth are cranberries/blueberries and the “other fruits” category which both grew at a rate of 3.9% the fastest growth rate in fruit consumption. Fruits such as strawberries, kiwi, lemon and limes and plums/sloes all grew at roughly 1.5%. Bananas are the most popular fruit in the country and have grown at a rate of 1.1% however this growth rate is expected to decline to just 0.2% for the foreseeable future. Oranges and apples are also consumed in notable volumes (Figure 5-6).

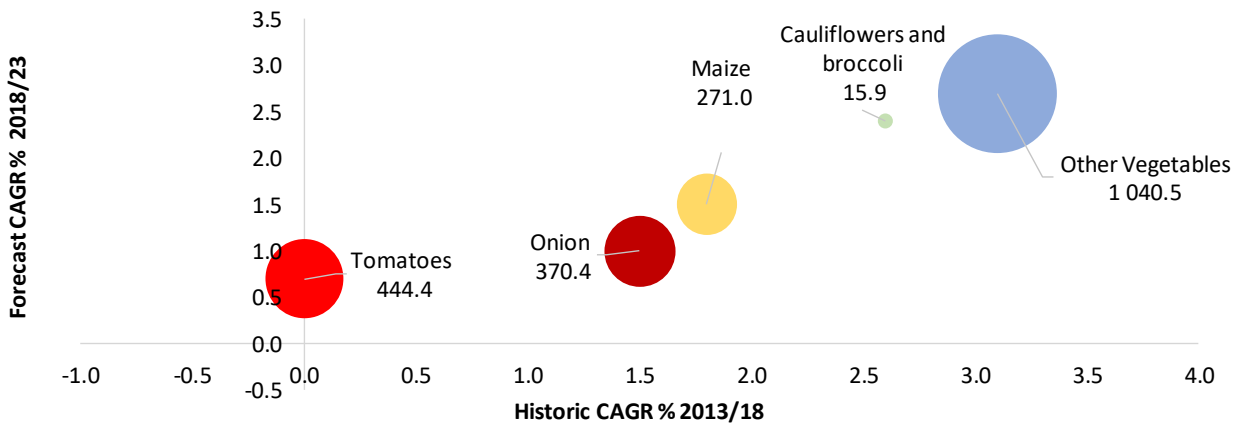
Figure 5-6: Evolution and forecast of fruits market (000 tonnes) in South Africa, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

Consumption of vegetables also grew across most categories with a notable exception being tomatoes which remained stable with no registered growth or contraction. Despite this, tomatoes remain the second most popular vegetable consumed in South Africa. The most popular category was the other vegetable category which represents roughly half of vegetables consumed in the country. Onions and maize both registered slight growth rates of roughly 1.5% and this growth rate is expected to stay the same for the forecasted period. Cauliflowers and broccoli grew by 2.6% and this rate will stay largely the same going forward, this growth rate comes from a small base and the overall consumption of cauliflowers and broccoli in South Africa is small (see Figure 5-7).

Figure 5-7: Evolution and forecast of vegetables market (000 tonnes) in South Africa, 2013-2023; total volume



Source: Euromonitor International: Fresh Food 2020.

5.2.2.2 Consumer profile and purchase criteria

Consumers

As stated in section 5.2, South Africa has the capacity to produce a wide abundance of fruit and vegetable products and consumers are widely exposed to these products on a daily basis. Consumers have shown a preference towards fresh fruit and vegetable products over processed alternatives as they are cheaper, widely perceived to be healthier and available through most retail outlets. Fruits are consumed year-round with domestically produced bananas, apples and oranges being popular. Bananas are increasingly being imported to South Africa; this is discussed in section 5.2.3.2. Fruit consumption is common across South Africa regardless of ethnicity and social class and their wide availability means consumers do not have much trouble in obtaining them.

Vegetable forms a key ingredient in many local and national South African dishes such as *chakalaka* and *bobotie*. Like fruits, vegetables are widely available across South Africa and are consumed across cultural and social lines.

Drivers and method of consumption

Both fruit and vegetables are consumed on a daily basis by a large segment of the South African population. Fruits are largely viewed as a snack food on their own or incorporated into some breakfast and lunch meals; vegetables of the other hand are largely associated with dinner dishes such as *chakalaka*. Local availability is a key driver for the consumption of fresh fruit and vegetables, as consumers are exposed on a daily basis to the most abundantly, locally produced products. Indeed, annual variations in production can substantially influence demand for fruit and vegetables. For example, avocado production skyrocketed over 60% in 2018, and domestic consumption increased while prices fell. On the other hand, citrus fruit production struggled that same year, and similarly demand for citrus fruit fell accordingly.

Seasonality (see box below for some indicative examples) mixed with an increased consumption of fruits such as kiwis are secondary drivers which present EU exporters with some opportunities to export their products to South Africa.

Indicative seasons for selected fruit in South Africa

Apricots – October to February / March

Peaches – October to February / March

Apples – December to May

Grapes – October to February / March

Citrus fruits – March to September

Berries – November to March

Purchase criteria

Fruit and vegetables are generally cheap in South Africa and perceived as a superior product to processed alternatives in both nutrition and price. The wide availability of them through multiple retail outlets also plays into the convenience trait of this product. Price remains a large factor in purchasing criteria with consumers more likely to purchase fruit and vegetables in bulk to save on money and time. The focus on

price partially explains the popularity of low priced, abundant fruit and vegetables such as carrots, apples, oranges, tangerines, pumpkin, onion, spinach, cabbage and bananas.⁵⁰

In addition to price, other criteria which are commonly taken into account are quality and freshness; and (lack of) packaging – with consumers preferring to select their own fruit at the moment of purchase. For imported fruit and vegetables, which are generally considerably more expensive than the local produce, quality is a critical criterion.

Fruit and vegetables on retailers' shelves in South Africa

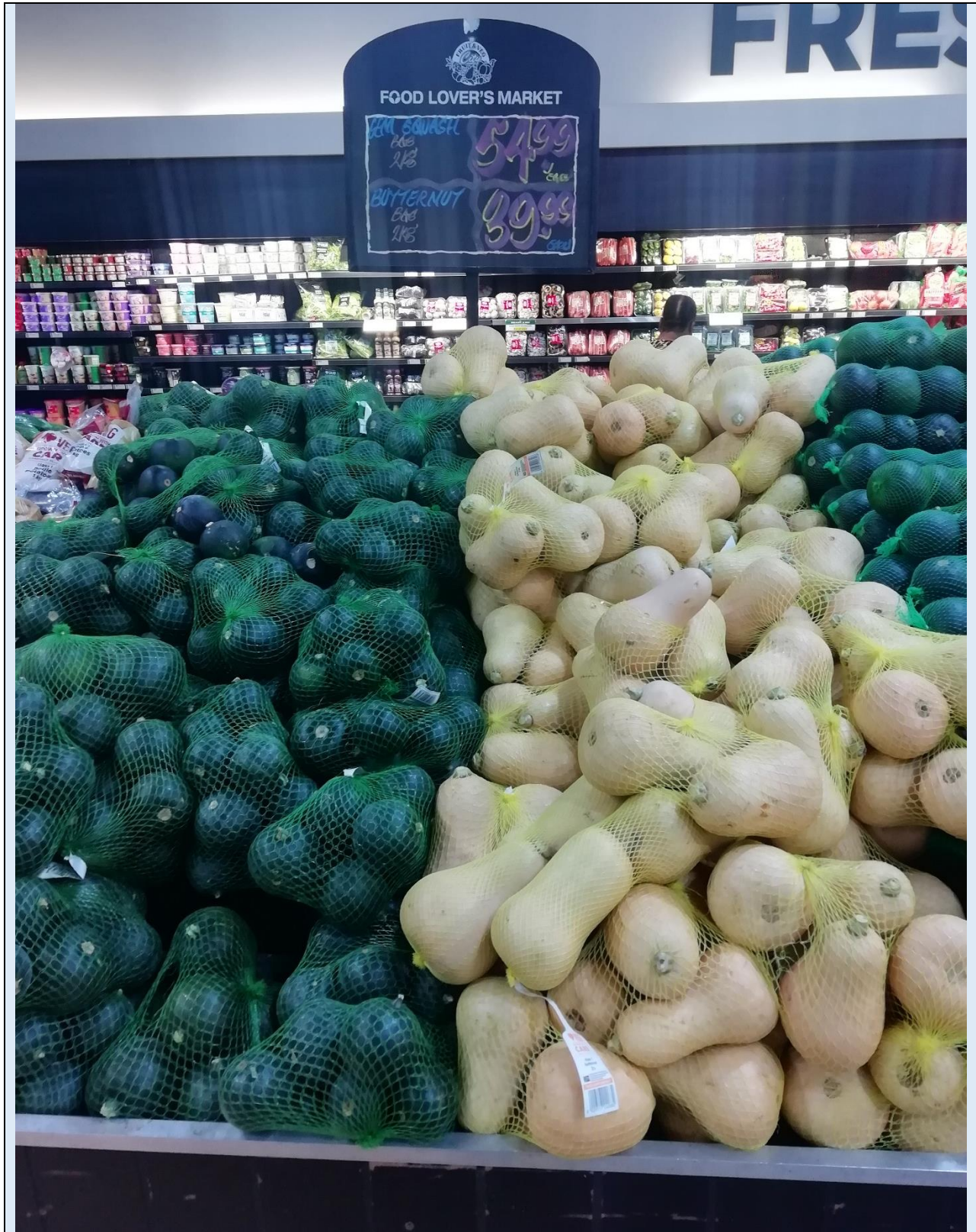
Fruit and vegetables may come loose or packaged (most commonly in plastic bags or plastic nets). Pricing inevitably varies based on the type of fruit or vegetable.



⁵⁰ Euromonitor International: Fresh Food, 2020



Origin may or may not be clearly indicated on the package or at the point of sale.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.2.2.3 Recent market trends

As stated in section 5.2.2.1 the overall growth rates of fruit and vegetable products in volume terms are not high, peaking at a 3.9% growth rate for cranberries/blueberries. The majority of fruit and vegetable products are expected to grow at just between 1-2% for the foreseeable future. Increasing health and wellness concerns are boosting fruit and vegetable consumption among higher income consumers in particular; and indeed, this trend explains the forecast increase in consumption of the category of blueberries and cranberries (accounted mainly for by the former), which are seen to be particularly healthy.

Recent issues with droughts are impacting consumption of vegetables to some extent. Some consumers have moved towards waterless cooking as far as possible; and hence have moved away from boiling vegetables in water and adapted the type of vegetables they purchase accordingly. Drought issues have also impacted the market through supply, with vegetables which require less water more widely available, and those which require more water generally in shorter supply and carrying higher prices. It remains to be seen if these trends will continue longer term.

Retailers have begun initiatives to encourage an association of fruit and vegetable products with environmentally friendly practices such as selling fruit and vegetables without plastic packaging (whether fruit is pre-packaged or loose and self-packaged at the point of purchase). The initiative is in its infancy but will help consumers in their association of fruit and vegetables with sustainability.

Cheaper options for consumers are also a growing trend with retailers actively targeting low-income earner through bulk deals and multi pack promotions which resonates with the typical cost-conscious mind set of the average South African consumer.

The continuous perception that fresh fruit and vegetables are healthier than processed alternatives continues to compound growth in this sector albeit modestly.

5.2.3 Offer

5.2.3.1 Domestic production

As stated in section 2.3, South Africa has the luxury of a varied climate and soil types which allows it to produce an abundance of fruit and vegetable products which are widely acknowledged for their freshness and are also commonly found in markets outside the country, including in the EU. Each region of the country will typically produce more of a particular product due to a combination of available infrastructure, climate and agricultural practices. Below includes a list of the regions of South Africa and the fruit and vegetable products commonly associated with them.⁵¹

⁵¹ Agriculture and agro processing, free state development council, Available at <https://www.fdc.co.za/index.php/addons/fs-economic-sectors/agriculture-agro-processing>; Large/Small scale

- **Eastern Cape:** Eastern Cape is known for its production of pineapples, citrus, deciduous fruits and tomatoes. Pineapples are associated with the region with 75% of South Africa's pineapples arriving from the region.
- **Free State:** The temperate climate of the free state region allows it to grow a significant amount of fruit and vegetable products. The province produces 100 000 tons of vegetables and 40 000 tonnes of fruit per year. 40% of South Africa potatoes, a quarter of the nation's dry beans and 90% of South Africa's cherries are grown here.
- **Gauteng:** One of the most urbanised regions in South Africa lends itself to producing the least amount of fruit and vegetable products, however, Gauteng still produces the most cauliflower in South Africa and the largest amount of strawberries in the nation.
- **KwaZulu Natal:** This region is best known for its production of oranges; it is the largest orange producer in South Africa. Indeed, the country as a whole is the second largest exporter of oranges in the world after Spain.
- **Limpopo:** Sometimes referred to as the fruit basket of South Africa, this relates to the region's favourable agricultural conditions with regards to climate and the presence of over 5 000 large scale commercial farms in the region. 75% of South Africa's tomatoes, 60% of its avocados and 75% of its mangoes come from the Limpopo region.
- **Mpumalanga:** Another important region for South Africa's agricultural sector is Mpumalanga. This region is best associated with the production of bananas with 20% of South Africa's bananas originating from this region. Onions and cabbages are also grown profitably in Mpumalanga.
- **North West:** The North West region accounts for roughly 20% of South Africa's arable land. Although cattle farming is more popular in this region the growth of fruits such as mangoes and apples combined with the growth of vegetables such as potatoes and carrots make this region important to the wider South African agricultural sector.
- **Northern Cape:** This is the largest region of South Africa and also the most sparsely populated, this allows for a lot of room for agricultural activities which allows for the production of oranges, apples and for a limited time in the year watermelons.
- **Western Cape:** This region is vital for South Africa's fruit and vegetable industry; it is estimated that 40% of all fruits grown in South Africa originate from the Western Cape. The Western Cape is relatively unique in terms of agricultural production in that it is a typical Mediterranean climate area. This means that winter rainfall and hot dry summers are characteristic of the province.

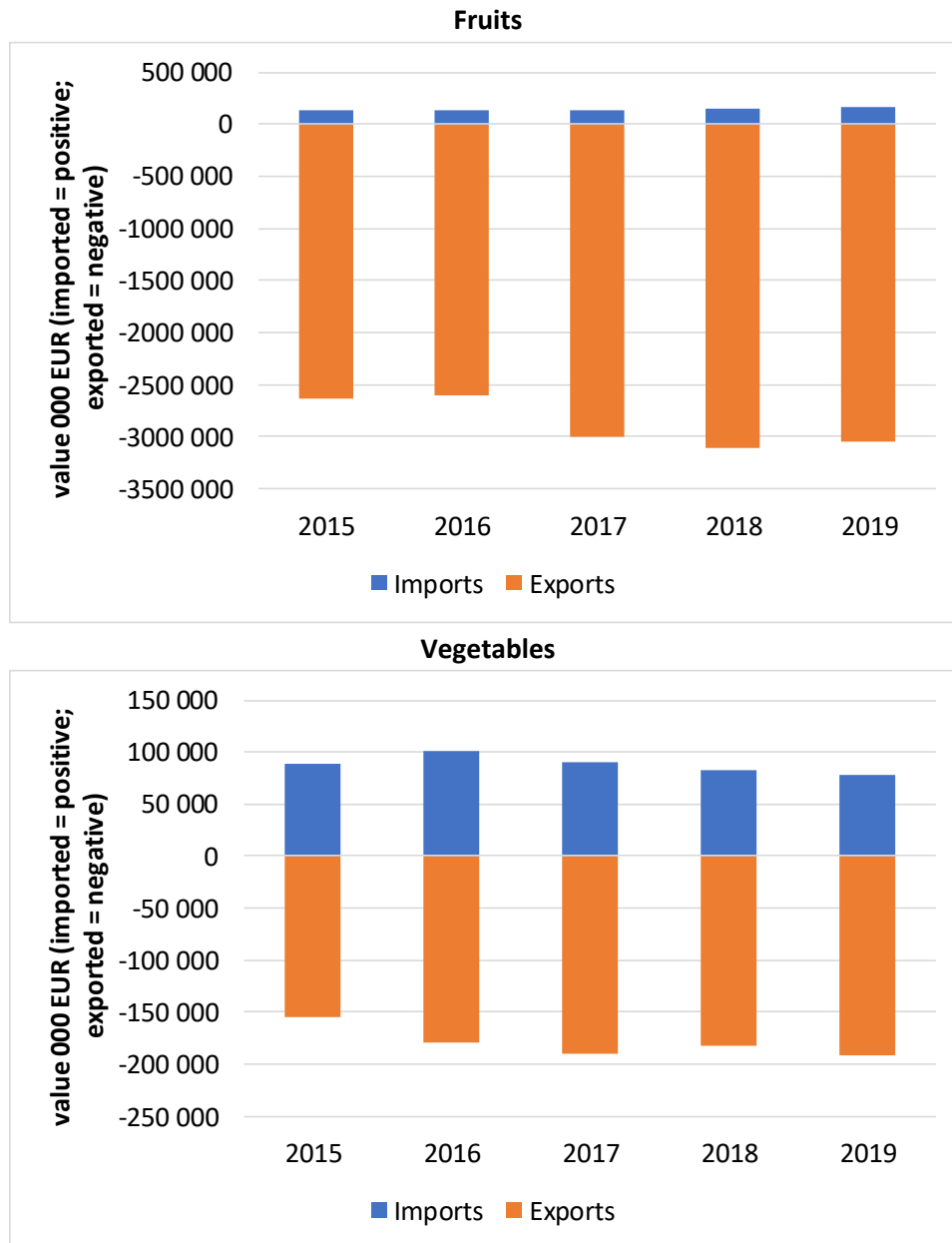
5.2.3.2 Imports and exports

As Figure 5-8 shows, South African exports of fruits absolutely outweigh their imports. Exports between 2015 and 2018 grew year on year and peaked in 2018 at a value of EUR 3.1 billion before slightly declining to EUR 3 billion in 2019. Imports of fresh fruits have grown slowly in recent years and today is value at

agriculture, Stats ZA, Available at <http://www.statssa.gov.za/publications/LargeSmallScaleAgri/LargeSmallScaleAgri.pdf>; Agricultural opportunities in the northern provinces, SME Africa, Available at <https://smesouthafrica.co.za/Agribusiness-opportunities-in-northern-provinces/>; Mpumalanga province freight data bank, DPWRT, Available at <http://www.safiri.co.za/mpfdb/industries-agriculture-hunting-forestry.html>

EUR 163m (just over 5% the value of exports). Exports dwarf imports in all categories of fruit except bananas (Figure 5-9). A large percentage of South Africa’s fruit imports arrive from Mozambique with bananas in particular originating from here. Spain is the largest EU exporter of fresh fruit to South Africa and largely trades grapes, apricots, and citrus fruits (Figure 5-10), taking advantage of the counter seasonality with South Africa.

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables In South Africa, 2015-19; value 000 EUR

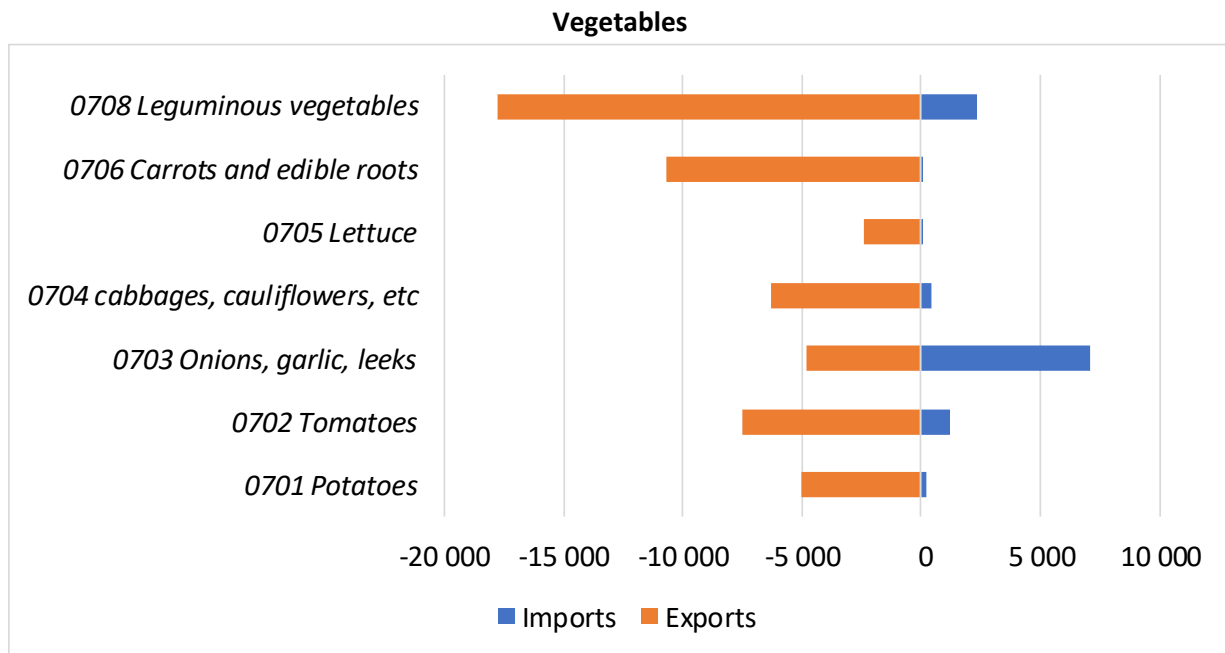
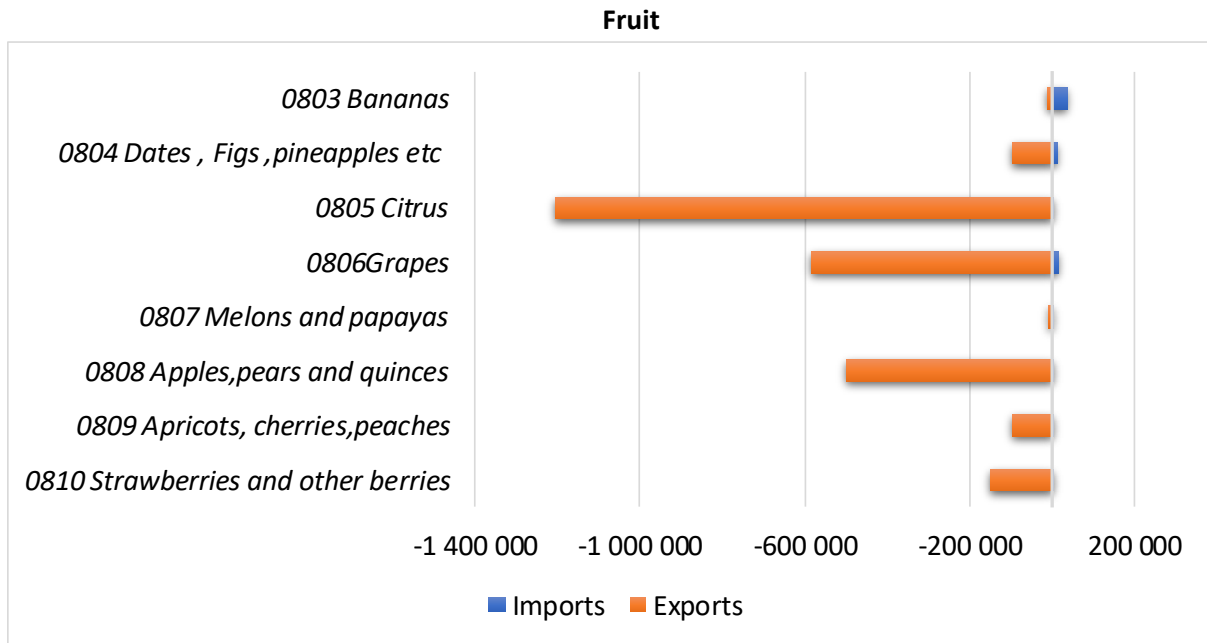


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08.

South Africa exports a much larger amount of vegetables than it imports but it is worth noting that, at just over 2:1, the export-import ratio of vegetables is far more balanced than that of fruit. Imports of vegetables peaked in 2016 with a value of roughly EUR 100m and has since declined by almost 25% to EUR 77m in 2019. That said, a significant part of imported vegetables may be considered to be frozen or dried rather than fresh. China is the largest exporter of vegetables to South Africa. The largest EU exporter of vegetables to South Africa, Belgium, has seen exports grow by 33% since 2017 to a value today of EUR 9.7m, though this is mainly trade in frozen vegetables. Spain is not too far behind with a total export value of EUR 8.6m, doubling from 2018.

While vegetable imports are much more balanced than fruit imports, this is more pronounced in selected categories. The one category which gives South Africa a trade deficit is onions, garlic and leeks; and these largely come from Spain. Significant leguminous vegetables are imported and originate from other African countries. Tomatoes imported also largely come from other African nations with Italy being the only EU exporter of this product with a significant impact at about 25% of tomato imports originating from there.

Figure 5-9: Trade balance of fruit and vegetables by type, 2019 (value 000 EUR; selected types only)

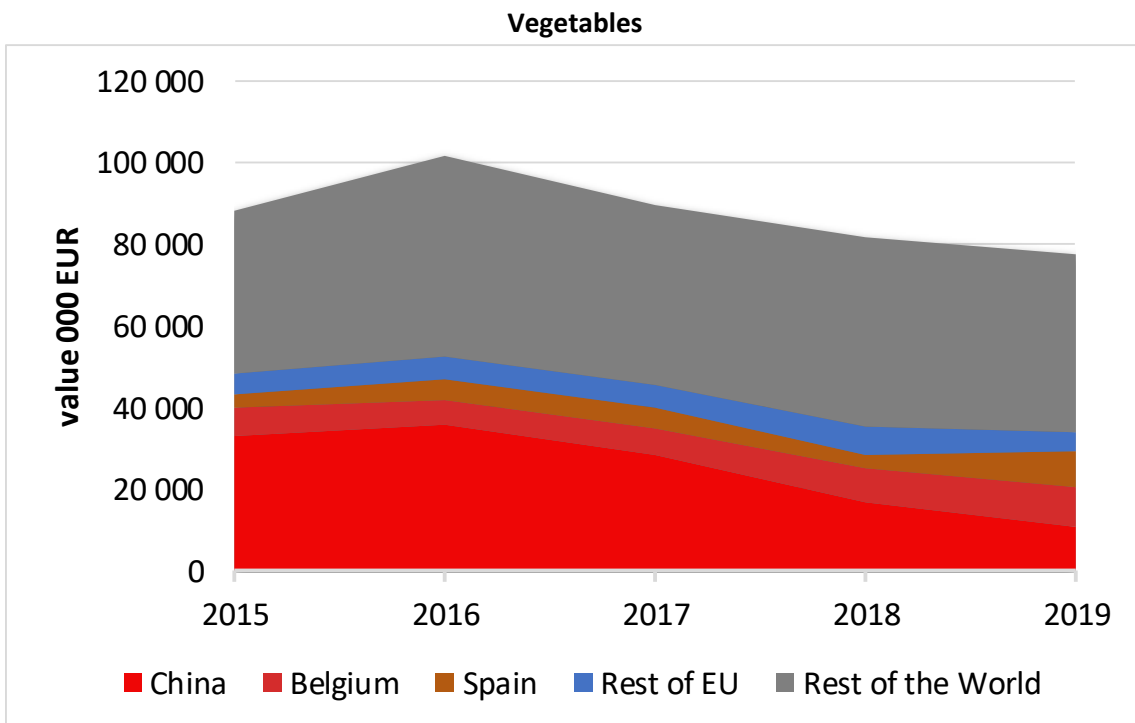
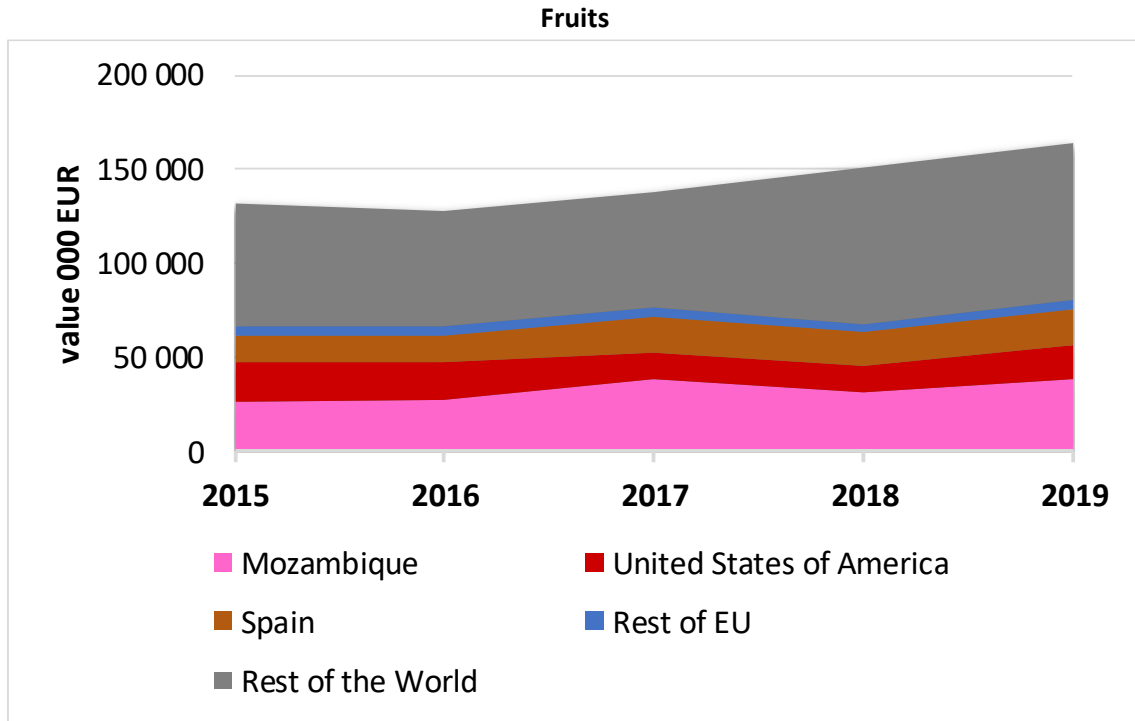


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases.

Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

Figure 5-10: South African imports of fruits and vegetables by country, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08.

5.2.3.3 EU GI products

As reported in section 9, following the adoption of the EU-SADC EPA the following fruit and vegetable products will be afforded geographical indication protection in South Africa:

- Spain: Cítricos Valencianos/Cítrics Valencians, Azafrán de la Mancha.
- Greece: Korinthiaki Stafida Vostitsa, Konservolia Amfissis, Gigantes, Elia Kalamatas.
- Germany: Hopfen aus der Hallertau, Tettninger Hopfen.
- Czech Republic: Žatecký chmel.
- Italy: Arancia Rossa di Sicilia, Pomodoro di Pachino.
- Portugal: Ananás dos Açores/São Miguel, Pêra Rocha do Oeste.

5.2.3.4 Main competitors

As has been described in section 5.2.3.1, the demand for fruit and vegetables in South Africa is largely met by domestic production and as Figure 5-8 showed, given massive exports, South Africa generally has little need to import fruit. The main fruit imports are bananas (which are not widely produced in the EU) and these largely come from nearby countries; this poses a challenge for EU exporters. In relation to vegetables, domestic production is plentiful, and among other countries such as China poses a challenge (though most vegetable imports from China are dried vegetables). As production grows in nearby nations and further integration of southern African nations' economies takes place, it is likely the biggest foreign competitor for EU exporters will be producers in South Africa's immediate vicinity.

SADC-EU EPA outreach report on citrus trade with South Africa

SADC-EU EPA outreach has published a short report on citrus trade with South Africa. This can be found at the following address:

<https://sadc-epa-outreach.com/images/files/brochures/sadc-eu-epa-citrus-snapshot-27-9-2017.pdf>

5.2.4 Specific market entry requirements

Market Access and Entry

Countries must be approved for export to South Africa for each fruit or vegetable in question. There is no publically available list of the countries which have access for different products at the time of writing. It is recommended that the corresponding ministry in the Member State in question, or the embassy of the Member State in South Africa be contacted to check if access for a certain fruit or vegetable exists; and they will also be able to clarify if the protocol in place has any preclearance requirements.

As described in section 4, European producers need to be aware that they will require a number of documents in order to export their fresh fruit and vegetable products to South Africa in addition to general requirements. Specific documents required include:

- A Phytosanitary Certificate
- An Import Permit for Agricultural goods.
- A Certificate of Analysis

Some of these documents will incur fees. Full details can be found on the MADB website (see below).

In terms of tariffs, currently European fruit and vegetable products generally do not face tariffs under the EPA; by contrast, many other countries face MFN tariffs of 15% or more for some products. It must be remembered that safeguards exist for South Africa which allow a temporary increase in tariffs to protect domestic production in some circumstances.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=0707>

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=ZA&hscod=0808>

Customs procedures

A list of standard documents required for the import of fresh fruit and vegetable into South Africa is presented in Table 4-1, in section 4.2.1. As noted above, some specific documents are required.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code:

e.g. citrus <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0705&countries=ZA>

SPS measures, standards

SPS measures concerning the importation of fresh fruit and vegetable in South Africa are in line with international standards.

As noted in section 4.2.2, there are regulations governing maximum levels for pesticides. These are: R46/2012, R548/2010, R1047/2006 & R246/1994. They can be found at the following link:

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/211-regulations-pesticides-and-veterinary-drugs-maximum-residue-limit>

Excel files with MRLs in South Africa by fruit type or final product can also be found at the following link:

<https://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Food-Safety-Quality-Assurance/Maximum-Residue-Limits>

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0707&countryid=ZA#h18>

Labelling

All fresh fruit and vegetable products must comply with the general labelling requirements of South Africa which can be found in section 4.

5.2.5 Distribution

The sales of fruit and vegetables follow a practically identical patterns in terms of distribution channels. Figure 5-11 shows that the majority of fruit and vegetables are distributed through the retail channel. Indeed, large retailers commonly having contracts and supply chains established with farmers in the country allowing them to keep their selves consistently stocked with fresh produce. Foodservice providers account for 10% of fruit and vegetable distribution.

Among retail channels, supermarkets and hypermarkets stand out as one of the most popular channels overall. The wide variety of products they stock and the convenience of the outlets in terms of location, at least for middle and upper income consumers. Small independent grocers, spazas and hawkers are popular channels in townships and informal settlements. Imported fresh produce are primarily sold through premium retailers such as Woolworths.

While around a quarter of all domestic fruit is supplied directly to retailers from packing houses, the majority – around three quarters first passes through national fresh produce markets, where retailers purchase them to subsequently sell on to consumers through.

Figure 5-10: Distribution of fruit (left) and vegetables (right) in South Africa



5.2.6 Challenges for EU products

The largest challenge for EU producers come from the wide variety of fruit and vegetables already produced in South Africa which is more than sufficient to meet the market demand for almost all categories. The level of high unemployment in the country also creates an extra incentive for domestic consumers to buy locally both for reasons of cost and to support the local economy. The fruit market is particularly challenging as South Africa's climate allows the country to produce a wide variety of fruits with bananas being the only sizeable import (and even then, imports can be considered small and mainly originate from Mozambique). . EU has more opportunities in fruits that are not produced locally all year, to benefit from the counter seasonality (like citrus, grapes, strawberries, et), where some EU countries are already exporting quite successfully. Vegetables present less obstacles and Belgium and Spain are two countries with notable exports of this product to South Africa; however, domestic and regional production in this category will remain the largest challenge for EU producers. A further challenge is that

countries have to be approved in order to export of specific fruit and vegetable products, and precise requirements vary by protocol (which are specific to Member States and product).

Market Takeaway: Fresh fruit and vegetables

Consumption: A staple food for the majority of South Africans, typically incorporated into many ethnic and national dishes and can be included in most meals South Africans consume during the day.

Competition: The large-scale ability of domestic producers to grow virtually every fruit and vegetable product the EU grows as well and then sell them at a cheaper price is the largest source of competition for EU producers.

Distribution: Largely sold in retail establishments in the country who typically work with farmers and wholesalers to create a supply chain that ensures that shelves are constantly stocked with fresh products.

Challenges: South Africans are unlikely to show preference to the EU fruit and vegetables that are more expensive and of the same quality of fruit and vegetables sold domestically, cost-conscious or not.

Opportunities: Kiwis are not grown at a large scale in South Africa and if they can gain a foothold in the market will present EU producers an opportunity to grow. Seasonality differences present small windows of opportunity for exporters of garlic, stone fruits and some citrus products. Production shortfalls due to droughts may create opportunities, but the price sensitivity of consumers must be remembered.

5.3 Dairy

5.3.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ High level of dairy consumption, including most notably cheese. ▪ The markets for many dairy products continue to grow at around 5% per year. ▪ Market relies on a variety of sources, both domestic and foreign. 	<ul style="list-style-type: none"> ▪ Considerable domestic production of milk; and indeed South Africa is a net exporter of dairy products as a whole. ▪ Generally a cost-conscious market, with only some higher income niches looking beyond price.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Cheese market relies on imports to fully satisfy demand, and the variety of cheeses being consumed is increasing. ▪ Opportunities in the butter market as local production is not always competitive. ▪ Fluctuations in domestic milk production (both inter and intra year) may provide short term opportunities. ▪ Many GIs protected under the EU-SADC EPA. 	<ul style="list-style-type: none"> ▪ Considerable potential threats from domestic production. ▪ Increased recent interest in private label products for reason of price; and these are well regarded. ▪ Health concerns related to cholesterol are increasingly coming to the fore; though this is also playing to the advantage of a few dairy products.

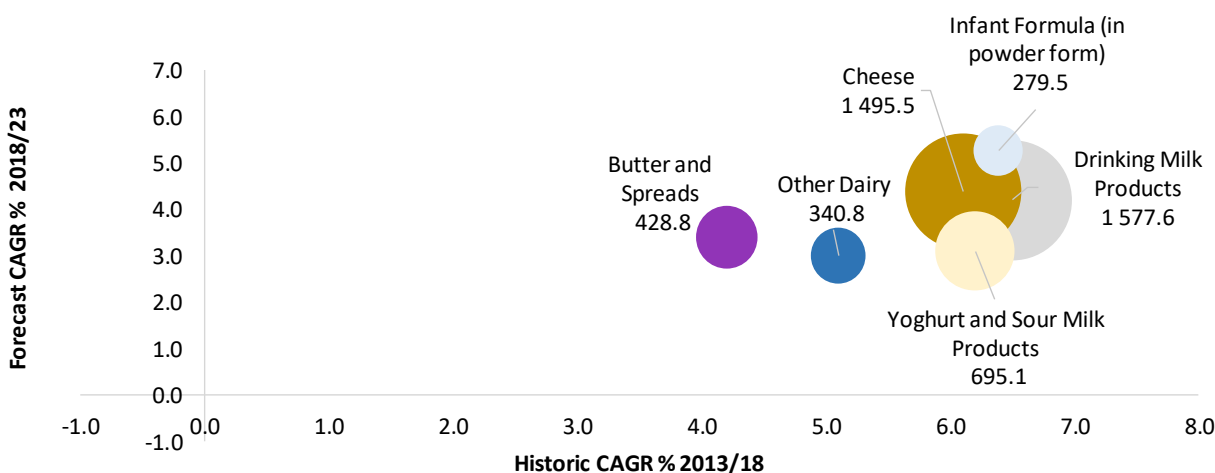
5.3.2 Consumption

5.3.2.1 Evolution of consumption

Drinking milk is the biggest dairy segment in South Africa with a market value of just under EUR 1.6bn, and it is very closely followed by cheese, with a market value of EUR 1.5bn approx. Both have grown strongly in recent years at over 6% per year, with the growth rate of drinking milk slightly eclipsing that of cheese. However, going forward, cheese is set to grow more quickly than milk, albeit at a slightly slower rate than historically of around 4% per year (Figure 5-11).

The markets for other dairy products, while large, are a long way behind the value of the milk and cheese markets. With a market worth just under EUR 700m – well under half the size of the milk and cheese markets - yoghurt and sour milk products come in third. Growth was also strong over the period 2013-18 at just over 6% per year, though going forward it will be roughly half of that. The market for butter and spreads is worth some EUR 429m, while that for other dairy is worth EUR 341m; the smallest market segment, with the exception of powder form infant formula (EUR 280m).

Figure 5-11: Evolution and forecast of dairy market (retail value, EUR millions) in South Africa, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

5.3.2.2 Consumer profile and purchase criteria

Consumers

Dairy products are widely consumed in South Africa. Each year the average citizen consumes some 27kg of milk, 6kg of yoghurt and just under 3kg of cheese through retail channels alone. More or less the whole population consumes dairy, though there are some nuances by product⁵²:

- **Milk** – is fairly universally consumed to some extent. Nonetheless, the increasing popularity of UHT milk – which is well suited to consumers with less income and no access to refrigeration given its lower price and shelf stability – demonstrates how consumption among lower income groups is gaining traction.
- **Cheese** – is effectively out of the financial reach of many consumers. Subsequently, consumers primarily come from middle and higher income groups; with imported cheese consumers particularly likely to belong to higher income groups. That said, processed cheese, with its lower price, is growing in popularity and reaching a wider range of consumers across income categories. Traditionally South African consumers prefer milder cheeses with gouda and cheddar style cheeses being the cheeses traditionally available in the country. However, this has slowly changed since the mid-1990s, and stronger cheeses are now growing in popularity.
- **Yoghurt** – while consumers span income groups, there are differences between them. Lower income consumers often drink *amasi/maas* (a fermented milk product which effectively falls inside the category of yoghurt / sour milk drinks). Busy, urban consumers are a notably group for consumption of yoghurt for reasons of convenience.

⁵² Euromonitor International: Packaged Food, 2020;

<https://www.timeslive.co.za/sunday-times/lifestyle/food/2015-04-19-south-africas-developing-a-taste-for-gourmet-cheese/>

<https://www.cheesesa.co.za/sa-cheese-industry/general-information/>

<https://businesstech.co.za/news/lifestyle/110325/this-is-what-the-typical-diet-looks-like-in-south-africa/>

- **Butter** – the typical consumer is high middle income; and given that a notable traditional driver of butter consumption is its use with bread at breakfast (see below), consumers are typically those who consume processed products such as bread and cereal at breakfast, rather than those which consume more traditional options such as e.g. porridge with sour milk.
- **Other dairy** – consumers for this group are as varied as the range of products. Coffee whiteners are the biggest product among other dairy, but the products in this range also vary greatly, from affordable products, to convenient products in powder form, to high end products to recreate barista style coffee at home; and this range of products reflect the different types of consumers. Chilled/shelf stable dessert products also target all consumers, though increasingly private label products, which target cost conscious consumers, are gaining traction. Fromage frais/quark consumers typically have higher income levels.

Drivers and method of consumption

Inevitably, drivers and methods of consumption vary between dairy products. More specifically⁵³:

- **Milk** – may be consumed in various ways, e.g. with porridge or in tea; but most commonly will be consumed as a drink. As is noted below, other dairy products such as yoghurt are often used in ways that milk may otherwise be used.
- **Cheese** – as noted above, the range of cheeses available in South Africa has changed in recent years, and with this so have the methods of consumption, extending beyond consumption mainly with bread or maize meal porridge. Processed cheese has become frequently consumed through food service channels (fast food in particular). With increasing media coverage of the use of cheese as an ingredient, different types of cheese are increasingly used in the preparation of dishes. Most recently there is a trend in the consumption of hard cheese as a snack in the place of confectionery. While children have been a long term target of cheese, adaptations to the format of some cheese products (e.g. pre grated / pre sliced) have boosted child lunchbox consumption.
- **Yoghurt** – methods of consumption of yoghurt in South Africa are increasingly varied. *Amasi/maas* has traditionally been consumed with porridge, in particular by some lower income groups. Normal yoghurt, on the other hand is mostly commonly consumed as a snack. However, increasingly yoghurt and sour milk are consumed with breakfast cereals; the former with higher income consumers, and the latter with lower income consumers. It is also increasing being used in cooking.
- **Butter** – one of the main methods of consumption, and drivers of butter in South Africa has been its use on bread at breakfast time. With increasingly busy lifestyles, bread at home for breakfast time is increasingly being replaced by breakfast out of the house or ready to eat options such as pastries or cereal bars. Butter has inevitably been impacted by this shift. Furthermore, the perception of margarine as a healthy product has resulted in it commanding a 70% share of the butter and spreads market, while butter holds a little under 30%.

⁵³ <https://www.cheeses.co.za/sa-cheese-industry/general-information/>
<https://businesstech.co.za/news/lifestyle/110325/this-is-what-the-typical-diet-looks-like-in-south-africa/>

Euromonitor International: Packaged Food, 2020

- **Other dairy** – consumption of coffee whiteners - the biggest product among the “other dairy” category is fundamentally driven by consumption of coffee, particularly in the home.

Purchase criteria

Price is a notable purchase criterion across dairy products, and the importance of this criterion can be seen from purchasing patterns for certain products. For example, both UHT milk and processed cheese are popular at least partly due to their lower prices compared to their fresh and unprocessed counterparts. Private label products are increasing in popularity for the same reason. That said, other purchase criteria also exist:

- **Ease of storage and shelf life** is a composite criterion which is particularly important for consumers without refrigeration equipment and/or without easy access to outlets selling fresh dairy. This criterion has also translated into increased consumption of UHT milk, and to an extent to pre-sliced processed cheese.
- **Health concerns (including the level of cholesterol)** are important for some consumers and translates into purchases of products which are considered to be healthier; whether reduced fat products, lactose free products or milk alternatives. It also has translated into smaller pack sizes for some products such as cheese and interest in yoghurts which offer gut health benefits.
- **Convenience** is increasingly a purchase criterion for consumers of yoghurt and cheese products.

Dairy products (cheese) on retailers' shelves in South Africa

Mid-range cheeses generally cost under to ZAR 60 (EUR 2.50) for 150 grams; while premium cheeses start from ZAR 60. While many imported cheeses are premium, some target the mid-range segment. Overall, the “affordable premium” segment, on the borderline of mid-range and premium may be an attractive pricing point to balance price and volume.



Plastic is the predominant packaging type for cheese, with flexible plastic particularly common. However, there is an ongoing shift away from rigid plastics due to environmental issues. In the case of cheese, folding carton packaging is gathering popularity as a result of this.



In-store promotions such as price discounts and free tasting samples are common promotional methods used in dairy, especially for cheese and butter.



5.3.2.3 Recent market trends

A recent market trend that largely cuts across dairy products is that of increased interest in private label products. This is largely driven by price considerations, though private labels are also increasingly trusted and in the case of some products such as yoghurt, an increasingly attractive range of products is offered. Awareness of lactose intolerance has also driven alternatives to milk-based dairy in some product categories such as milk; while health concerns have raised awareness of plant based dairy products in the butter, spreads and cheese segments. Further specific trends by product are explored below.

Butter has increased in popularity recently after several years during which margarine was seen as a healthier alternative. This comeback is partly due to the perception of butter as a more natural product. However, both butter and margarine remain under pressure from falling consumption at the breakfast table plus the continued emergence of some plant-based alternatives which are seen as healthier; and domestic butter supply has been negatively impacted by a lack of supply of suitable milk, creating opportunities for imported products with attractive retail prices.

Cheese manufacturers have focused on creating new methods of consumption, and as a result of this many consumers are now using cheese as a snack in the place of confectionery. Processed cheese has done well of late, driven by its price advantage which puts it in the reach of more consumers; and health consciousness has driven smaller pack sizes for some kinds of cheese. Domestic cheese manufacturers are also increasing the variety of products that they make, resulting in a wider range of products being available on the market. Furthermore, some cheese manufacturers and importers are focusing on the market for unprocessed cheese as a snack; with packaging being changed to make it suitable for consumption on the go. Finally, in the cream cheese segment, the range of flavours available is increasing, with variants such as smoked salmon, sweet chilli and olive and herb launched recently.

With regards to **yoghurt**, as noted above the interest in health issues has recently translated to increased purchases of products offering gut health benefits. Somewhat counterintuitive to the general health focus of dairy products, higher fat yoghurts have gained in popularity, driven by the switch of some consumers to a diet which prioritises fat intake over carbohydrate intake.

The two main recent trends in **milk** relate to: (1) the increased consumption of UHT milk, due to its price advantage and shelf stability; and (2) increased interest in milk alternatives such as soymilk due to either awareness of lactose intolerance and/or shifts of some consumers to a plant-based diet. There is also a long-standing interest in flavoured milk products (particularly chilled ones); and while the marketplace is competitive, novel flavours based on fruit juices are still emerging, some of which target higher income consumers.

Finally, there are various minor trends among **other dairy** products. Coffee whiteners – the main other dairy product – are increasingly being used in baking due to their rich flavour. At the same time, cream has suffered, with domestic supply constrained. Some products, such as shelf stable and ready to eat deserts have fared well due to three factors: (1) their generally attractive price; (2) the convenience they can offer; and (3) in the case of shelf stable products, the fact that no refrigeration is needed.⁵⁴

5.3.3 Offer

5.3.3.1 Domestic production

South Africa produces a bit over 3 million tonnes of milk each year. There is a fairly consistent strong seasonal variation in production, with production low between February and June before increasing from July onwards; peaking in October, and then falling back down to low levels in the period up to February. The difference between peak and trough production is in the order of 25-30%.

Production is primarily focused in coastal regions where pasture based feeding can occur. While production does occur inland, it relies on more mixed feeding regimes. Farms generally are large with over 500 cows.

⁵⁴Euromonitor International: Packaged Food, 2020.

There is a notable milk processing / dairy production sector in South Africa as well, with around 150 milk processors present in the country. Over half of milk production goes to the production of milk, whether pasteurised or UHT, and a bit under 10% to yoghurt and cream. It is estimated that just under ¼ of milk goes to cheese production, with the remainder of milk destined for various other dairy products. However, droughts in recent years have severely affected milk supply; and this has mainly impacted production of butter (though cream, yoghurt and even fresh milk supply have also been affected).⁵⁵

The two largest producers in the milk and cheese categories are local company Clover, and the South African subsidiary of multinational company Parmalat. Danone South Africa holds a strong position in the yoghurt market and Nestlé South Africa in the “other dairy” segment. Despite the presence of these large companies multinational companies – some of which both manufacture locally and import - local dairy production is quite fragmented once past the largest one or two producers in each segment. As noted above, private labels are increasingly gaining traction.

Looking more specifically at the specificities of local production for a couple of specific dairy products:

- **Cheese** – a bit over 80 000 tonnes are produced each year. Twelve large factories account for around 2/3 of this, with the remainder produced by small and medium producers / shops. Around half of all cheese produced is either Gouda or Cheddar. Half of domestically produced cheese comes from the Western Cape.⁵⁶
- **Butter** – local production has suffered challenges to obtain raw materials recently. Domestic milk production has been slowed by droughts; and increased demand for high fat yoghurts and cream have affected the supply of ingredients for local butter production. These factors have contributed to local production being costly in price as well as insufficient in quantity.

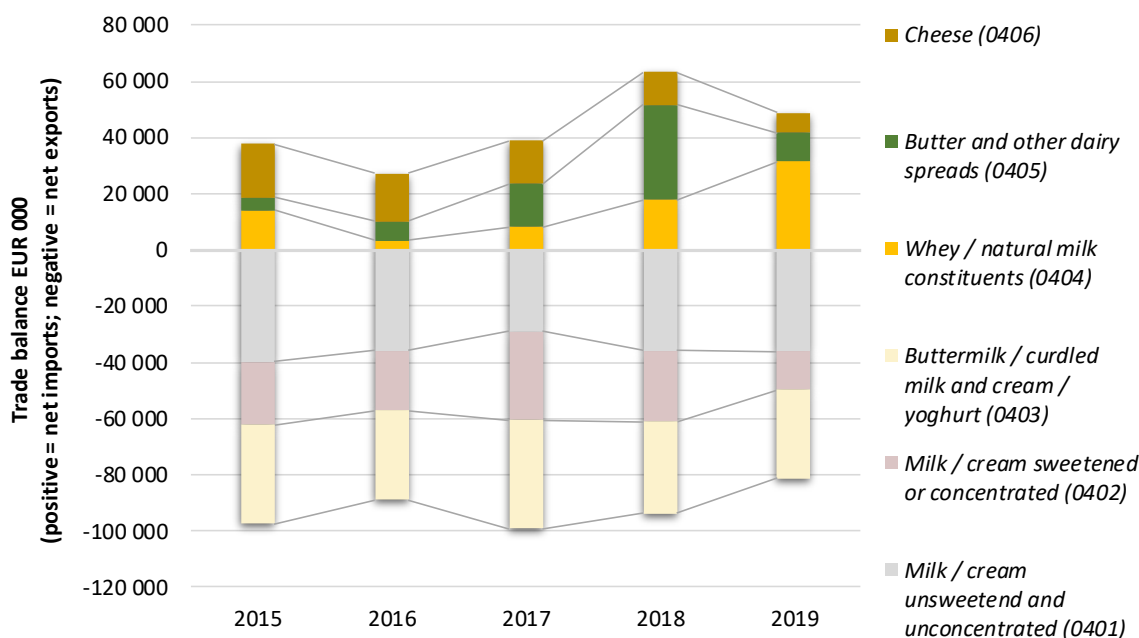
5.3.3.2 Imports and exports

South Africa is a net importer of cheese, butter and whey; yet a net exporter of milk and buttermilk/cream. Imports and exports have fluctuated in recent years, with both generally increasing then decreasing in tandem. Overall across all categories, South Africa exports around EUR 40m of dairy products than it imports (Figure 5-12).

⁵⁵ <https://milksa.co.za/sites/default/files/MEMCOM017%20MilkSA%20Brochure%202017-04.30.pdf>

⁵⁶ [https://www.cheesehouse.com/cheese/exploring-south-african-cheese/;](https://www.cheesehouse.com/cheese/exploring-south-african-cheese/)

Figure 5-12: Trade balance (imports and exports) of dairy in South Africa, 2015-19; EUR 000



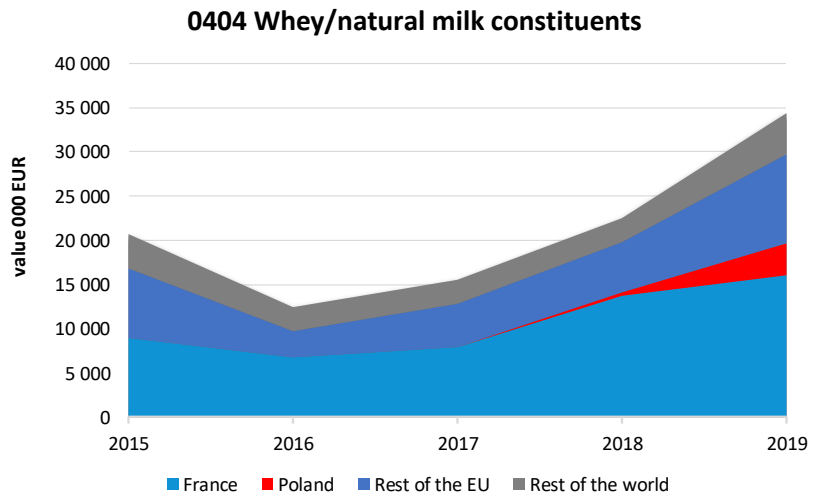
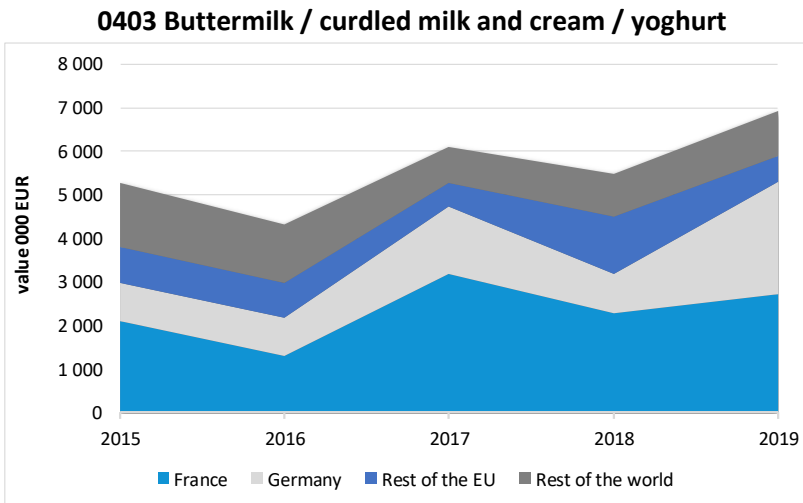
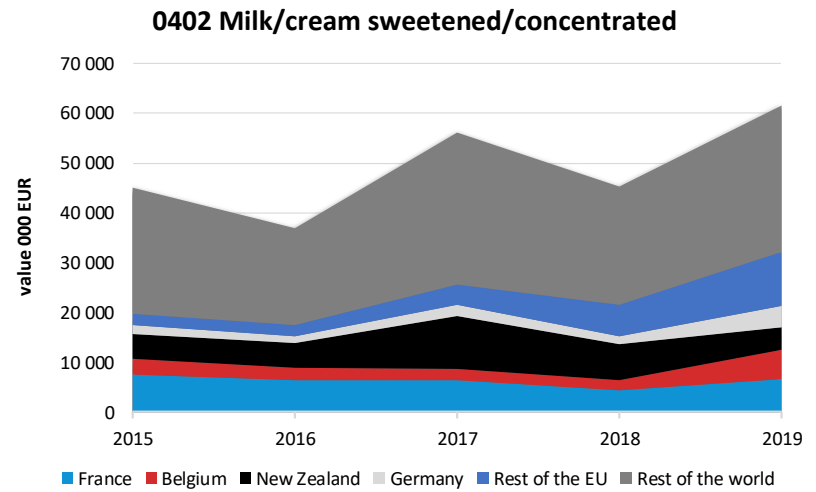
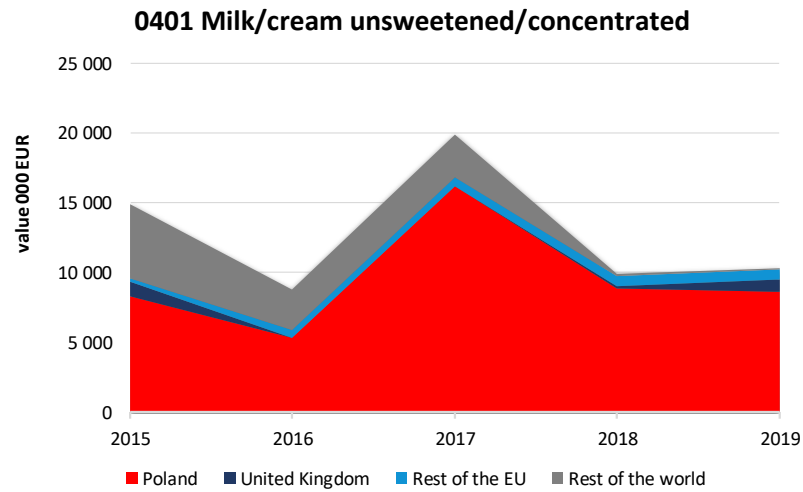
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
CN codes in brackets.

In terms of different products and their origins (Figure 5-13):

- Imports of both **unsweetened/unconcentrated milk/cream** and **buttermilk/cream/yoghurt** are low at around EUR 11m and EUR 7m respectively in 2019. This is unsurprising given, as noted above South Africa is a net exporter of both these products. Nonetheless, EU countries are important sources for the limited imports which exist, with Poland accounting for over 90% of all imports of both unsweetened/unconcentrated milk/cream; and France and Germany combined accounting for 80% of all imports of buttermilk/cream/yoghurt. Imports of both categories have fluctuated wildly in recent years.
- While South Africa is a net exporter of **sweetened/concentrated milk/cream**, it still imported some EUR 60m in 2019. Imports are very fragmented; while France is the largest importer, it still accounts for only about 15% of all imports.
- Imports of **whey/natural constituents** have increased steadily since 2016 and reached almost EUR 35m in 2019. The EU – led France – account for over 80% of these imports. Poland emerged as the number two exporter in 2019.
- Imports of **butter/dairy spreads** were worth some EUR 20m in 2019, having peaked at almost EUR 45m the year before. New Zealand is the number one origin, accounting for approximately 1/3 of all imports. However, it is closely followed by Ireland, which accounts for around 30%. The remainder of imports is split between various countries.
- Imports of **cheese** have been falling in recent years, and they are now worth some EUR 40m. The origin of imports is quite fragmented; while New Zealand holds the number one position, it only provides ¼ of imports, and is closely followed by Germany. Italy provides around 15% of imports, and the rest of the EU – led by France – around 30% of imports.

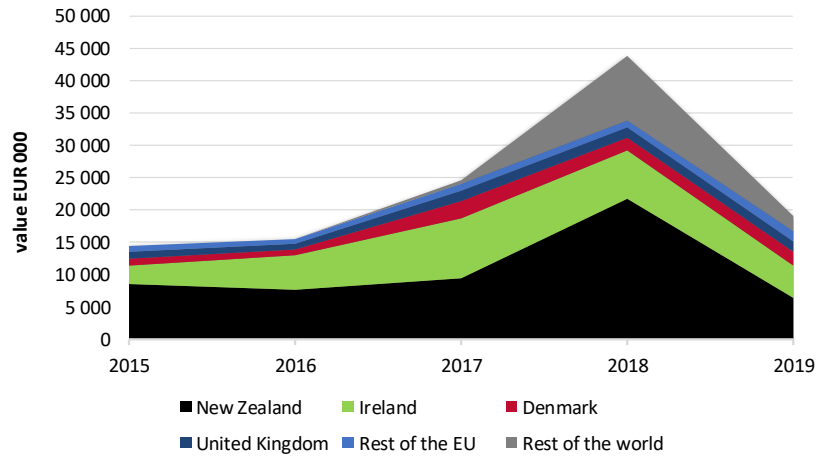
Market Entry Handbook

Figure 5-13: South African imports of different dairy categories by country, 2015-19; EUR 000

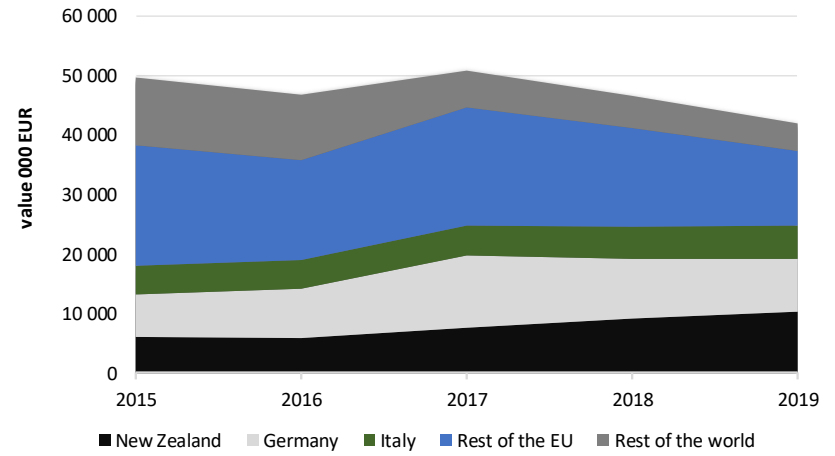


Market Entry Handbook

0405 Butter/dairy spreads



0406 Cheese



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes in brackets.

5.3.3.3 EU GI products

Under the EU SADC EPA, a host of geographical indications for dairy products are protected. These include, for example:

- Danablu (Denmark).
- Comté (France).
- Grana Padano (Italy).
- Queso Manchego (Spain).

A full list of all GIs protected under the EPA can be found in section 9. It should be noted that one GI – Feta – while recognised, includes a specific provision due to the historical presence of locally produced product labelled feta which accounts for a fairly large proportion of the overall cheese market in South Africa. In brief, after five years, Greek Feta and South African Feta needs to be clearly distinguishable by consumers. The Greek origin is therefore protected, but South African producers may continue to use the terms “South African Feta” “Feta-Style”, or “Feta-Type”.

5.3.3.4 Main competitors

Competition in the dairy segment in South Africa is fairly fragmented. South Africa itself produces a fair amount of milk, and overall is a net exporter of dairy products in value terms; though there are some categories of products such as butter and cheese for which it is a net importer. Although dairy farms in South Africa may be considered fairly large, there are some 150 dairy processors in the country, meaning there is a certain level of fragmentation. The situation with cheese demonstrates this well; around 12 large factories accounts for 2/3 of domestic production, with the remaining 1/3 split between many small and medium sized producers. Indeed, the situation in other dairy segments is not dissimilar; the largest one or two producers tend to have notable shares, but the remainder of production tends to be split between various producers with smaller shares. Nonetheless, it should be noted that some foreign multinationals have started acquiring local dairy businesses in order to strengthen their market position and removing fragmentation.

This fragmentation extends to imports. South Africa is a slight net importer of cheese, butter and whey/natural milk constituents. With the exception of the latter – which relies mainly on imports from the EU (France in particular) – origins of imports are fragmented to a high degree. New Zealand, Germany and Italy stand out as the more important origins for cheese, while New Zealand and Ireland are the two more important origins for butter imports.

5.3.4 Specific market entry requirements

Market Access and Entry

As per Table 4-2, various documents including a veterinary health certificate and document notifying the arrival of the shipment (inspection of animal goods) are needed for the import of dairy products.

In terms of tariffs, European fresh dairy products face varying tariffs which range from 0% to up to 96%. In many cases, these are the same as the MFN tariffs, but most notably TRQs exist for butter and cheese;

and tariffs for some products such as certain types of yoghurt are 0% (compared to up to 96% MFN tariffs). All tariffs and entry requirements can be checked at the link below.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code:

e.g. cheese: <https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=0406>

Customs procedures

The customs procedures for importing foodstuffs are set out in section 4.2.1. Also noted in this section are the documents specifically required for the import of dairy products; they are also listed on the websites indicated in the box below.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the corresponding CN code:

e.g. cheese: <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0406&countries=ZA>

Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of dairy products into South Africa are in line with international standards.

There is a specific regulation on the marking, classification and packaging of dairy products in South Africa. This is R. 260 of 27 March 2015, and can be found at the following link:

https://www.nda.agric.za/daDev/sideMenu/foodSafety/doc/localImportRegulations/Agric.%20Product%20Standards%20Act%20gg38615_nn260.pdf

It contains specific criteria that dairy products must fill; it is recommended that this regulation be thoroughly consulted.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0401&countryid=ZA#h18>

Labelling

Prepacked dairy products must comply with generic labelling which were described in section 4.2.3.

R. 260 of 27 March 2015 contains some specific requirements for packaging (and some minor requirements for labelling, such as the case in which terms such as “organic” and “long life” may be used. It is recommended to consult the regulation, a link to which is provided above.

5.3.5 Distribution

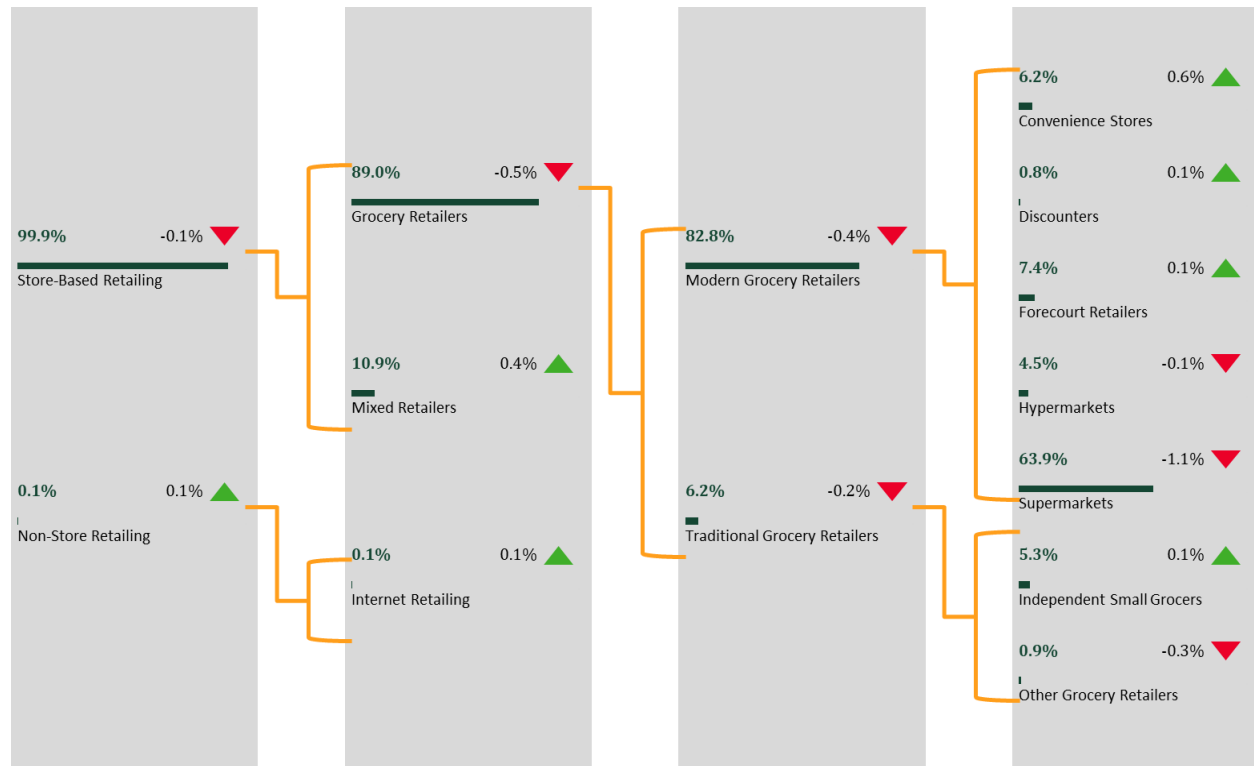
Dairy products as a whole are mainly distributed through modern grocery retailers in South Africa (83% of retail value). More specifically, Supermarkets are the main channel, accounting for 64% of all retail

sales. The remaining 36% is split mainly between convenience stores, forecourt retailers, hypermarkets and independent small grocers (Figure 5-14).

There are nonetheless some nuances by dairy product:

- Supermarkets have an even greater importance for the distribution of **cheese** and **other dairy**. They account for almost ¾ of sales by value for each of these product categories. Their importance is also greater in the case of **butter and spreads**; supermarkets account for just over 70% of distribution. Imported butter and cheese products may commonly be found in specialist stores as well as aforementioned modern retail channels.
- Conversely, the importance of supermarkets for **drinking milk** is lower. They account for roughly half of sales. Forecourt retailers, convenience stores and independent small grocers take on a greater importance for distribution of drinking milk.
- Distribution patterns for yoghurt are broadly in line with those for dairy as a whole.

Figure 5-14: Distribution channel overview of dairy in South Africa (2018); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2020.

5.3.6 Challenges for EU products

Two challenges for EU products stand out. Firstly, South Africa has a fairly well developed dairy industry, and hence competition from this will be strong. This industry is evolving, and for example produces an increasingly varied range of cheeses which will compete with EU products. Secondly, the typical South African consumer is focused on price and may not have access to refrigeration at home. Consequently,

they will tend to prioritise products based on price, and in some categories such as milk they prefer long life products which do not require refrigeration. Nonetheless, opportunities do exist; most notably, there are higher income consumers who will look for imported products; and recent droughts have created structural shortages of milk, resulting in the need to import some dairy products, butter in particular.

Market Takeaway: Dairy

Consumption: *while consumption of dairy is below the level of the major western dairy consuming countries, it is still quite high at a global level. Drinking milk and cheese the biggest markets.*

Competition: *fragmented. Marginal net exporter of dairy products overall. Domestic production often split between a large number of dairy processors which are beginning to consolidate.*

Distribution: *Supermarkets generally dominate; particularly in the case of butter and cheese, where they account for ¾ of sales.*

Challenges: *high domestic potential for production, as reflected by South Africa's net exporter status. Significant distant market (around 35 sailing days) may provide challenges for fresh products.*

Opportunities: *fairly large cheese market which relies on imports to fully satisfy demand, and the variety of cheeses being consumed is increasing. Fluctuations in milk production – both unpredictable ones between years due to production issues, and predictable ones within a single year may provide short term opportunities for milk, cream and most notably, butter.*

5.4 Wine

5.4.1 SWOT analysis

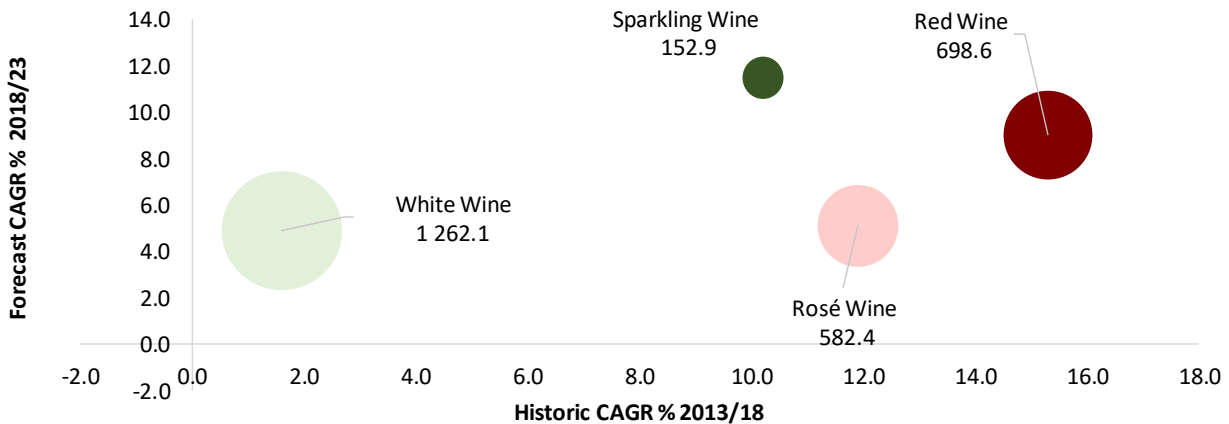
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Growing domestic consumer base. ▪ Good and further growing knowledge about wine. ▪ Wine consumption is forecast to grow. ▪ Even though production is high, numbers have been declining in recent years due to climate change related droughts and other weather events. 	<ul style="list-style-type: none"> ▪ Consumers price sensitivity caused by the overall bad economic situation. ▪ Special labelling requirements for alcoholic beverages. ▪ Consumers increasingly cherish their own country's strong domestic wine products
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Imported wines are generally higher priced products consumed by knowledgeable consumers. ▪ Young generation boosts consumption of sparkling wine and Champagne. ▪ Price sensitive consumers tend to purchase bag in a box wines; and in the case of domestic production shortfalls, opportunities in this market arise. ▪ Women drink more wine than men and thus are a good product target. 	<ul style="list-style-type: none"> ▪ Strong domestic production of wine. ▪ The good quality of domestic wine; and indeed some producers intend to move into higher quality niche markets in coming years (where imported wines tend to be popular) ▪ Cheaper prices of domestic wine.

5.4.2 Consumption

5.4.2.1 Evolution of consumption

Figure 5-15 shows that white wine is by far the wine category with the biggest market in value terms. It had a market value of over EUR 1.2bn in 2018, whereas the first runner up red wines market value was only about half as big at just under EUR 700m. The market value of rosé wine was close to the one of red wine at around EUR 580m. Sparkling wine accounts for the smallest share of the market and had a value of EUR 153m in 2018, yet, is forecast to grow at the strongest CAGR of 11.5% between 2018 and 2023. All other wine categories are forecast to grow a lot as well, with red wine with a CAGR of 9% and white and rosé wine both lower, but still strongly at around 5%.

Figure 5-15: Evolution and forecast of wine market (million EUR) in South Africa, 2013-2023; total value



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.2.2 Consumer profile and purchase criteria

Consumers

In the past South Africa's wine industry focused on exporting its products rather than selling them in the country. People perceived drinking wine as something for the old and snobby, but this view changed drastically in the last decade. The old stereotypes are fading and a whole range of possible new consumers established. Today, drinking wine is common among all ethnic and age groups within the country, however, some consumer groups are especially interesting. Those are:

- **Black middle class:** In times of Apartheid it was not easy for the black and coloured part of the population to access manufactured alcohol. This led to the rise of home-brewed alcohol, especially beer and liqueur. With the end of Apartheid and the country working towards achieving equality, the rising black middle class is a very important consumer group, and they now make up 80% of South African wine consumers. With the rise of the middle class in general, more and more people can afford to drink wine.
- **Millennials:** The young generation is growing up with the new domestic South African wine culture. Wine, in general, is perceived as a status symbol and promoted through social media or lifestyle magazines.
- **Women:** Wine is especially popular among this group. Women make up 56% of wine consumers. Moreover, female consumers foster innovations because they are open to trying new tastes and flavours.⁵⁷

Bearing in mind that the vast majority of wine consumed in South Africa is produced in the country (see section 5.4.3.1), it is worth noting certain specificities of consumers who are more likely to purchase imported EU wine:

⁵⁷ Who are the rising consumers of wine in South Africa? <https://www.bermarcollection.co.za/who-are-the-rising-consumers-of-wine-in-south-africa/>; The Changing Profile of South Africa's Wine Consumers <https://news.wine.co.za/news.aspx?NEWSID=29502>; Euromonitor International: Alcoholic Drinks, 2020.

- **Mid to high income**, due to the higher price of these products. However, with economic constraints since 2016, many consumers have focused more on mid-priced domestic wines.
- **Urban based females aged 20-40** who tend to appreciate the taste of some imported white, sweet red and rose wines.
- **Higher level of knowledge of wine**: consumers of imported wine typically have developed a higher level of wine knowledge / appreciation and consume imported wine to further widen this knowledge.

Drivers and method of consumption

For South Africans wine is a lifestyle product and is linked to status, sophistication, appearance, celebration, relaxation and food. Consumers like to drink wine to show off their success and to share their good lives with the world. New consumers tend to start drinking cheaper wines, but when their knowledge about wine increases and they enjoy the taste in general, they are starting to buy more high-quality products. Having a glass of wine is also popular while having meals. The growing knowledge about wine makes the consumer want to find the best-suited wine for their meals. Moreover, women enjoy having wine on a more regular basis for example even one glass at home after work every now and then, while men usually only drink it during social occasions.

Against the background laid out in the previous sub-section, there are certain drivers that are more specific to consumption of wine imported from the EU:

- **Gifts and special occasions**: against increasing economic constraints in recent years, European wine is increasingly seen something for special occasions.
- **Distinction from domestic wine**: as noted above, consumers of imported wine tend to have higher levels of knowledge of wine; and also appreciate imported wine for its distinctive differences from domestically produced wine. This in turn helps explain the strong popularity of EU wines among imported wines (rather than wines from Australia or South America, which are seen as not having as strong differences from domestic South African wine).

Purchase criteria

Purchase criteria do not differ much between ethnic groups. The price is the single most important purchasing criterion, when it comes to which wines South African consumers choose. This is caused by the countries high unemployment rate, the economic situation and medium average disposable incomes which can impact the financial situation of even the middle class consumer described above. In general terms, consumers consider a bottle of wine in the price range of ZAR 50 to ZAR 100 (EUR 3 to EUR 6 approx.) to be an acceptable normal price. Wine priced over ZAR 250 per bottle (EUR 14) is considered expensive wine for special occasions.

In general red wine is considered to be superior to white wine and consumers are more likely to spend more money for it, particularly when the bottle has a cork (which is considered a sign of a premium product). However, criteria also vary between different consumer groups. Women, for instance, commonly prefer sweet white and rose wines, whereas young generations like to celebrate their lives with sparkling wine and champagne. Moreover, the more consumers know about wine, the more likely they are to buy high-quality wine, including quality European wines. Overall, social aspects, sensory

appeal and ethical concern factors are the most significant motivational deterrents for consumers wine choices in South Africa⁵⁸.

Wine on retailers' shelves in South Africa

With consumers quite price sensitive of late, mid-range imported wine sold through off trade channels is typically in the price range of ZAR 50 to ZAR 100 (EUR 2.50 to EUR 5) per bottle. Any wines selling at over ZAR 100 per bottle can be considered premium. Among imported wines, only sparkling wine (notably Champagne) will normally be found at prices above ZAR 300 (EUR 15) per bottle in mainstream outlets.



Making products stand out can be challenging. Given the strong domestic production, imported wines may either be mixed among domestic products (above) or grouped together in a “Rest of the world section” (below). Super premium wines may occasionally get their own dedicated displays.

⁵⁸ Euromonitor International: Alcoholic Drinks, 2020; Study sheds light on SA consumers' attitudes towards wine <https://www.sun.ac.za/english/Lists/news/DispForm.aspx?ID=5547>



While wine is typically sold in 750ml glass bottles, alternative packaging methods are increasingly used. These include: larger volumes in brick cartons (1 litre or more); large (1.5-2 litre) bottles; and 250-330ml cans. The former two have become more popular due to economic constraints; while the latter provide the opportunity to sample a small amount of a new product. Nonetheless, premium EU products may be better off using traditional glass bottles with bold, clear and eye-catching labels that can be easily recognised by the consumer; and indeed 750ml bottles can be considered the norm for imported wines.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.4.2.3 Recent market trends

As stated above the price of wine is an important purchase criterion, which is why bag in a box wines are becoming very popular. Buying a bigger volume of wine is usually cheaper and thus suits more economical consumers. To boost those sales, producers start to pay attention to the design of their packaging to make products more attractive for consumers. At the less economical end of the scale, there has been some interest in fair trade labels for wines as some consumers show interest in social issues (particularly fair remuneration of workers) and environmental issues surrounding wine. It is yet to be seen if this interest in environmental issues leads to increased interest in other certifications for wine such as organic.

Millennials and other younger consumers in particular, who view wine as a status symbol and consume it to celebrate their lives, are boosting the consumption of sparkling wines and Champagne. Moreover, wine fairs are popular where consumers can learn more about wine, taste many different flavours and brands. These fairs bring together a lot of different people and enable the wine loving community to grow even more in the future.

Finally, female consumers are open to trying new wines so are increasing demand for innovative products; whether it be wine based drinks in cans, or even wine-based ice lollipops. There have been some product launches in these areas recently, though it is too early to judge their success.⁵⁹

5.4.3 Offer

5.4.3.1 Domestic production

South Africa is known for its excellent wine and thus has a lot of domestic production. Its vineyards are mostly placed within the Western Cape close to the coast, due to good rainfalls in this region. Wine production zones are separated in official geographical units, regions, districts and wards. For example, within the most important unit, Western Cape, there are 5 regions: Breede River Valley, Cape South Coast, Coastal Region, Klein Karoo and Olifants River. The other 5 big regions are Eastern Cape, Free State, KwaZulu-Natal, Limpopo and Northern Cape.⁶⁰

The wine production covers over 90 000 ha and spreads over an area as long as 800km. Close to 2900 farmers produce grapes and the wine industry employs circa 300 000 people directly and indirectly. About 55% of grapes are for the production of white wines such as Chenin Blanc (19%). Grapes for red wine account for 45% of national vineyards, with Cabernet Sauvignon (11%), Shiraz (10%), Merlot (6%), and the native Pinotage (7.3%). The vineyards offerings in South Africa usually change according to international trends. Since 2003 the wine industry's growth in contribution to the annual GDP has been no less than around 10%. South Africa is the 9th biggest exporter of wine in volume terms worldwide and produces more than 3% of wine globally. In 2018 the country produced 960m litres, from which almost 86% was used for wine production, while the remaining amount was used to produce brandy, distilling wine and grape juice.⁶¹

However, due to a three-year long drought, the total quantity of wine exports decreased by 24% down to 320m litres in 2019. The 2019 grape harvest was the smallest since 2005 caused by the aforementioned adverse weather conditions in early flowering stages the grapes turned out to be smaller and lighter than usual and due to strong winds. Many of those changes are due to climate, which will stay a threat to the South African wine industry in years to come.

⁵⁹ <https://www.bermarcollection.co.za/who-are-the-rising-consumers-of-wine-in-south-africa/> ; Euromonitor International: Alcoholic Drinks, 2020.

⁶⁰ Winegrowing areas <https://www.wosa.co.za/The-Industry/Winegrowing-Areas/Winlands-of-South-Africa/>

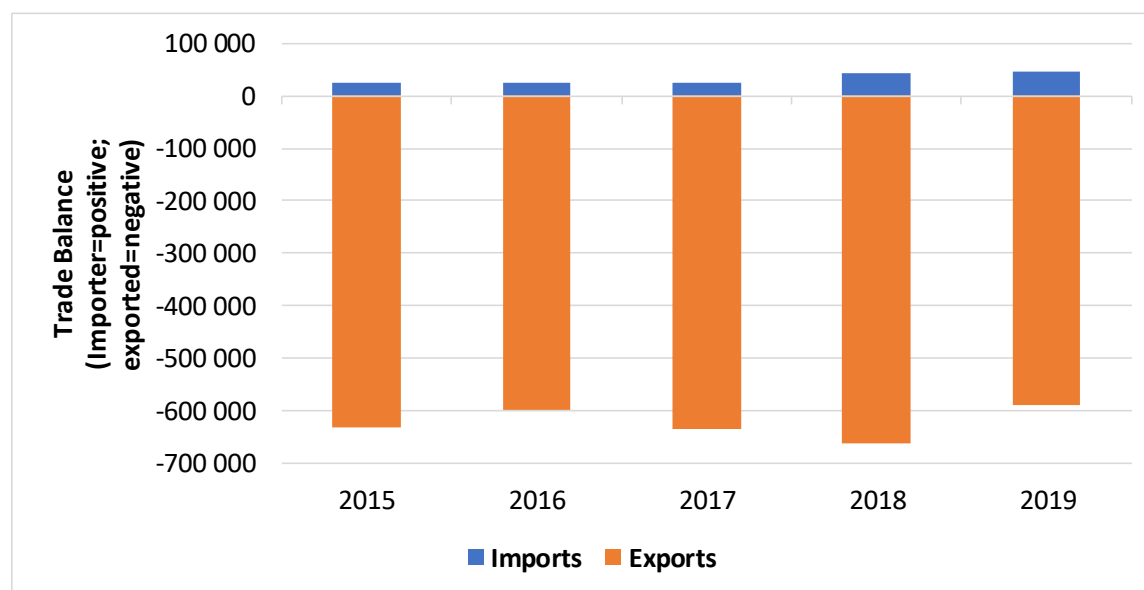
⁶¹ Statistics <https://www.wosa.co.za/The-Industry/Statistics/World-Statistics/>; Overview <https://www.wosa.co.za/The-Industry/Overview/>

Going forward, growth in domestic wine is also expected to be supported by the South African Wine Industry’s Vision 2020 initiative, as part of which producers intend to focus on improving all aspects of their value chain (from wine cultivation all the way through to marketing). Many domestic producers are expected to shift their focus from offering more commoditised wine to marketing specific niche products, particularly within the market for mid-priced wine.⁶²

5.4.3.2 Imports and exports

South Africa is without a doubt a net-exporter of wine as depicted in Figure 5-16. In 2019 the country exported wine with a total value of EUR 591m, whereas it imported only wine with a value of EUR 46m. This means the imported value is only 8% of the exported one. Four out of the ten countries where most South African wine gets exported to are in the EU, which makes the EU a fairly big market for South African wines.

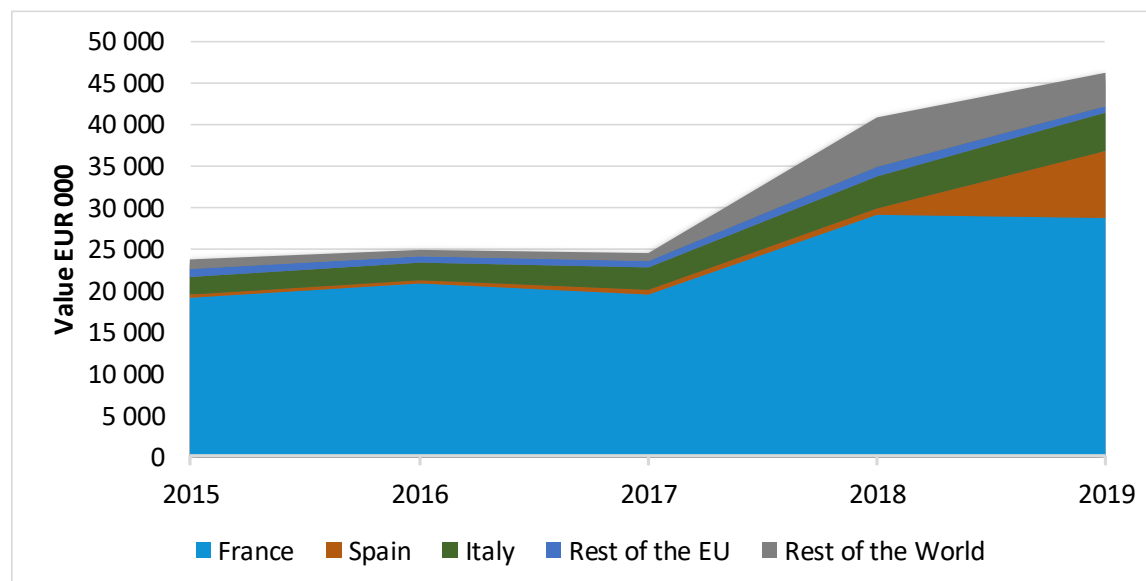
Figure 5-16: Trade balance (imports and exports) of wine in South African, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

⁶²State of the South African wine industry 2018/19 http://vinpro.co.za/wp-content/uploads/2019/05/STATE-OF-THE-SA-WINE-INDUSTRY-2018_19_6May2019.pdf

Figure 5-17: South African imports of wine by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

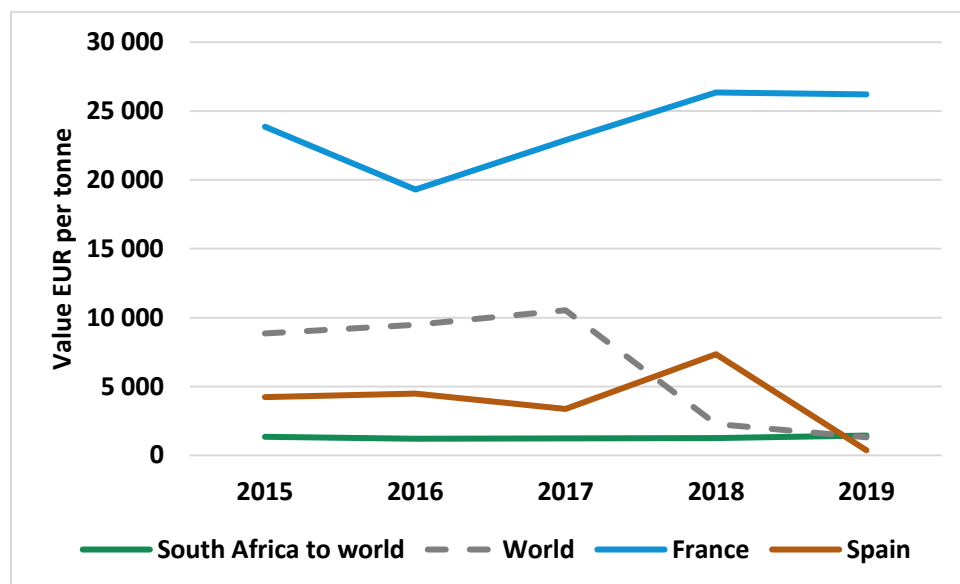
The value of the wine imports into South Africa, though small, is rising. In 2015 the market had a value of about EUR 25m and increased to over EUR 46m in 2019, which is an increase of more than 40% in just a few years.

Four out of the ten largest wine exporters to South Africa according to value are from Europe. In fact, the first three are from Europe namely France, Spain and Italy. France is the number one by far with a value of EUR 28.8m in 2019 (around 60% of all imports); followed by Spain with EUR 8.1m and Italy with EUR 4.5m as shown in Figure 5-17. Portugal ranks fifth. The main non-EU exporters are Argentina with EUR 3.2m and Chile.

The first three countries alone make up for EUR 41.1m, which accounts for 90% of the whole value of wine exported to South Africa. Thus, the EU is dominating the market of imported wines.

As can be seen in Figure 5-17, imports of Spanish wine increased greatly in 2019. This is due to a prolonged drought in South Africa which led to significant domestic shortfalls, which led to the large scale, bulk import of generic (table) wine from Spain and Argentina to bridge the shortfall. This generic wine was then blended with South African wine and distributed locally. This can also be seen through the average unit price of Spanish imports which fell sharply in 2019, having previously been consistently well ahead of the unit value of South African exports (Figure 5-18). While it is not possible to predict if such shortfalls will re-occur in the future creating a similar level of imports, such import patterns are not to be a permanent phenomenon.

Figure 5-18: South African imports of wine by country, 2015-19; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

Figure 5-18 shows the unit value of wine exported to South Africa by France, Spain and the world in general, plus the unit value of South Africa's wine exports to the world. The unit value of wine imported from France is by far the highest. In 2019 it was as high as EUR 26 200 per tonne, whereas the world's average was EUR 1 307 per tonne and Spanish exports had a unit value of EUR 365 per tonne in 2019, having previously been consistently above the world average (see explanation above). The current unit values of the world's and Spanish exports are comparatively low compared to some years ago. The figure shows very clearly that, at about EUR 1 400 per tonne in, the unit value of South African wine exports to the world were consistently lower than that of imports up until the situation changed in 2019.

5.4.3.3 EU GI products

- **Germany:** Franken, Mittelrhein, Mosel, Rheingau, Reihessen.
- **Greece:** Αμύνταιο/Amynteo, Κρήτη/Crete, Μακεδονία/Macedonia, Μαντινεία/Mantinia, Νάουσα/Naoussa, Νεμέα/Nemea, Πελοπόννησος/Peloponnese, Ρετσίνα Αττικής/Retsina of Attiki, Ρόδος/Rhodes, Σάμος/Samos, Σαντορίνη/Santorini, Στερεά Ελλάδα/Sterea Ellada, Θράκη/Thrace.
- **Spain:** Cataluña, Cava, Empordà, Jerez-Xérès-Sherry/Jerez/Xérès/Sherry, Jumilla, La Mancha, Málaga, Manzanilla-Sanlúcar de Barrameda/Manzanilla, Navarra, Penedès, Priorat, Rías Baixas, Ribera del Duero, Rioja, Rueda, Somontano, Toro, Utiel-Requena, Valdepeñas, Valencia.
- **France:** Alsace, Anjou, Beaujolais, Beaune/Côte de Beaune, Bordeaux, Bourgogne, Cahors, Chablis, Chambertin, Champagne, Châteauneuf-du-Pape, Clos de Vougeot, Corton, Côte Rôtie, Côtes de Provence, Côtes du Rhône, Côtes du Roussillon, Graves/Graves de Vayres, Crozes-Hermitage/Crozes-Ermitage/Hermitage/l'Hermitage/ Ermitage/l'Ermitage, Languedoc, Margaux, Médoc/Haut-Médoc, Meursault, Montrachet, Moselle, Musigny, Nuits/Nuits-Saint-Georges/Côte

de Nuits-Villages, Pays d'Oc, Pessac-Léognan, Pomerol, Pommard, Quincy, Romanée Conti, Saint-Estèphe, Saint-Émilion, Saint-Julien, Sancerre, Sauternes, Touraine, Val de Loire, Volnay.

- **Italy:** Asti, Barbaresco, Bardolino/Bardolino Superiore, Barolo, Brachetto d'Acqui/Acqui, Brunello di Montalcino, Campania, Chianti, Conegliano Valdobbiadene — Prosecco/Conegliano — Prosecco/Valdobbiadene — Prosecco, Alba, Franciacorta, Lambrusco di Sorbara, Lambrusco Grasparossa di Castelvetro, Marsala, Montepulciano d'Abruzzo, Sicilia, Soave, Toscano/Toscana, Valpolicella, Veneto, Vino Nobile di Montepulciano.
- **Cyprus:** Κουμανδάρια/Commandaria, Πάφος/Pafos.
- **Hungary:** Tokaj/Tokaji.
- **Portugal:** Alentejo, Algarve, Bairrada, Dão, Douro, Lisboa, Madeira/Madera/Vinho da Madeira/Madeira Wein/Madeira Wine/Vin de Madère/Vino di Madera/Madeira Wijn, Moscatel de Setúbal, Porto/Oporto/Vinho do Porto/Vin de Porto/Port/Port Wine/Portwein/Portvin/Portwijn, Tejo, Vinho Verde.
- **Romania:** Cotești, Cotnari, Dealu Mare, Murfatlar, Târnave.
- **Slovakia:** Vinohradnícka oblasť Tokaj.

5.4.3.4 Main competitors

The main competitor is South Africa itself, because of its domestic wine production, especially in Western Cape. As stated in 5.4.3.1 in 2018 South Africa produced 960m litres of grape wine and thus is one of the biggest (ranks 9th) wine producers worldwide. As noted in section 5.4.3.1, some producers are intending to move their production to more niche, mid-priced wine in coming years; a segment currently partly populated by imported wine.

Besides South Africa itself being a big competitor, the EU is leading in wine exports to South Africa. The three countries exporting the most in value terms are EU countries, namely France, Spain and Italy and their value of exports combined account for nearly 90% of total exports to South Africa – the dominant share. European wines are generally high-quality products and feed the premium wine sector in South Africa. As shown in Figure 5-18 the unit value of European wine, French wine in particular is nearly 95% higher than the unit value of South African wine exports.

SADC-EU EPA outreach report on wine trade with South Africa

SADC-EU EPA outreach has published a short report on wine trade with South Africa and the wine industry in the context of the SADC EPA. These can be found at the following addresses:

https://sadc-epa-outreach.com/images/files/brochures/SADC_EU_EPA_Wine_Brands_and_Transformation_2017.10.12.pdf
<https://sadc-epa-outreach.com/images/files/brochures/sadc-eu-epa-wine-snapshot-brochure-20171012.pdf>

5.4.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for wine can be found in 4.2. EU wines do not face tariffs entering South Africa if they fulfil the necessary rules of origin. This compares to a MFN tariff of 25%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA>

Customs procedures

A list of standard documents required for the import of wine into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of wine in South Africa are in line with international standards.

The South African Liquor Products Act Regulations defines liquor products, including wine; though historically, none of the provisions of this Regulation have been identified as causing problems for EU exporters.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA#h18>

Labelling

Labelling wine for the export to South Africa has to follow certain specific rules. Wine labels need to include the following information: country of origin, information about the importer, alcohol content in per cent or volume, product class designation, a statement that the beverage contains sulphites if it has more than 10mg/l, a lot number and the date of bottling.

Furthermore, specific health messages are a required part of the label as well. Messages such as “Alcohol reduces driving ability, don’t drink and drive” or “Drinking during pregnancy can be harmful to your unborn baby” are necessary and to be added to the label taking up a minimum amount of 1/8th of the total size of the container (black letters on white background). Furthermore, it is obligatory to show all health messages with equal regularity on each product line within a 36 months cycle.

On the other hand, it is not allowed to use any words that would suggest that wine has health benefits in any way such as “health”, “healthy”, or “cure”. Words, pictorial representations or descriptions, which make consumers assume that the product has been produced in accordance with the recommendations made by a registered health professional or a health organisation are forbidden as well. It is prohibited to use the measure “cl” on labels and wine bottles with a size of 700ml are not to be exported to South Africa. In addition, all general labelling requirements are listed in 4.2.3.

Finally, as noted in section 4.2.2, there is a proposal to amend the labelling of alcoholic beverages. This could, among other things, require producers to further rotate multiple different warning labels; something which could be particularly challenging for smaller producers/exporters. The amendment was first proposed some years back, and while it has not progressed there is a fair chance a conclusion will be reached during the course of 2020.

Up to date information on appropriate documents concerning labelling measures:

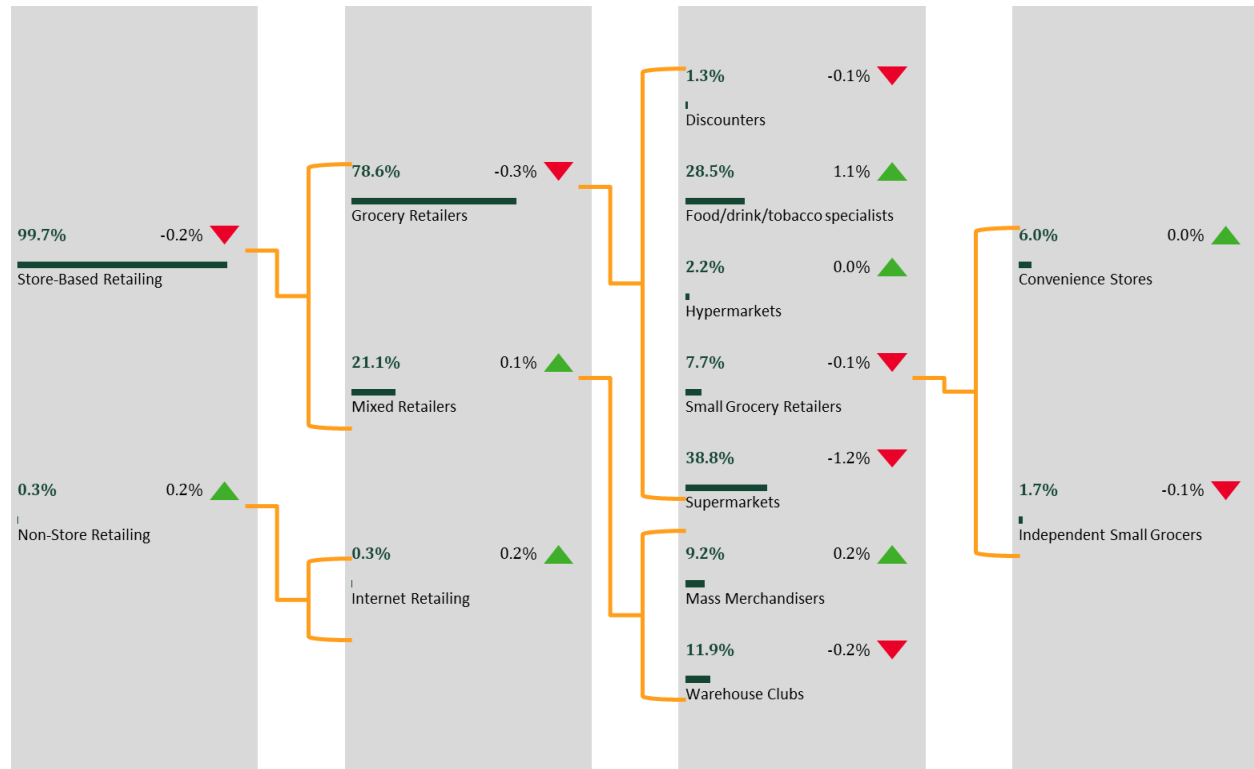
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA#h43>

5.4.5 Distribution

In South Africa, both on-trade and off-trade channels are important for the distribution of wine. In 2018, the volume of off-trade sales was about 290m litres EUR which account for 64% of the market and on-trade which accounts for 36% with 160m litres. Thus, the total volume growth of wine sales off-trade (21% growth) and on-trade (19% growth) between 2013 and 2018 were similar as well.

However, within the off-trade distribution sector depicted in Figure 5-19, nearly all wine products are sold in store-based retailing, while internet retailing only accounts for small 0.3% of sales as depicted in Figure 5-19. 4/5th of store based-retailing sales are made through grocery retailers and the remaining 1/5th through mixed retailers. The most important grocery retailers are supermarkets and food specialists. Together both account for 60% of all off-trade sales.

Figure 5-19: Distribution channel overview of wine in South Africa (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.6 Challenges for EU products

South African consumers’ knowledge about wine is growing and the demand for wine is as well. However, it is not easy to export European wine to this market especially due to the country’s high domestic production of high-quality wine. Moreover, consumers are very price-sensitive, and it might be a problem for high-quality European wine to meet their price standards. Labelling requirements for wine are different from EU requirements and not that easy to fulfil, which can make it complicated to enter the market at first. Despite this, the severe droughts and unexpected unfavourable weather conditions between 2017 and 2020 limited the South African wine production. For example, between 2017 and 2018 alone the wine production decreased from over 1.1bn litres to 960m litres by about 13%. Depending on how this situation will develop in the coming years there might be more possibilities for European wine.⁶³

Market Takeaway: Wine

Consumption: *The number of (knowledgeable) wine consumers is rising and thus, consumption – which is already at a fairly high level - is as well.*

Competition: *Due to high domestic production of good quality wines, competition is high.*

Distribution: *About 64% of volume sold off-trade, mostly in grocery stores such as supermarkets and food specialist stores and the remaining 36% on-trade such as in restaurants.*

Challenges: *South Africans are very price sensitive and special label requirements make it hard to enter the market.*

Opportunities: *The growing domestic knowledgeable consumer base, especially young South Africans and women.*

5.5 Spirits

5.5.1 SWOT analysis

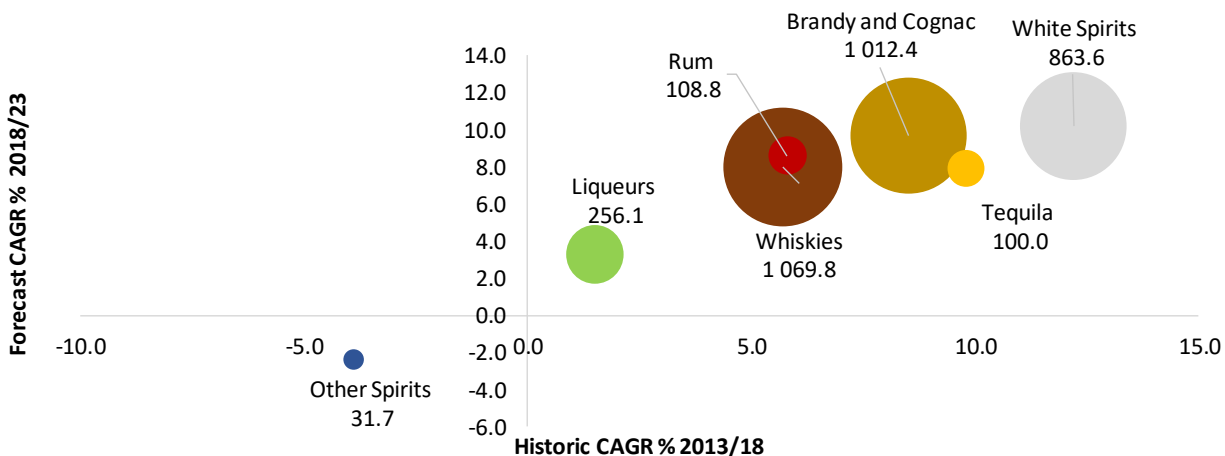
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Spirits are one of the few products that largely avoid the cost consciousness of the average South African consumer. ▪ The market for spirits is varied, with sizable consumer groups of all spirits present. ▪ Work events and conferences are increasingly providing spirits, with imported spirits being preferred due to its association with success. 	<ul style="list-style-type: none"> ▪ South African production of spirits is growing. ▪ EU producers will need to compete with uniquely flavoured spirits with ingredients found only in South Africa (Amarula, sorghum etc.); and may struggle to provide the same level of personal customer engagement that millennials are increasingly desiring. ▪ Lower income consumers prefer beer or homemade spirits.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Rising middle class combined with the association of imported spirits with success provides opportunities; and many consumers focus on tradition and craftsmanship of spirits. ▪ EU countries among the top five exporters of spirits to South Africa; and some countries rapidly gaining shares. ▪ South Africans generally like to experiment with alcoholic drinks which gives room for EU producers who can produce unique flavours not yet available in the country. 	<ul style="list-style-type: none"> ▪ Mass production of sugar cane in South Africa allows the country to mass produce rum, a trend that is currently just in its infancy; and domestic brandy production is also strong. ▪ Excise taxes were recently increased on spirits and it is not out of the question that they may rise again in the near future. ▪ Illicit trade of spirits is high in South Africa, products are often half the price cheaper and this trade impacts spirits in particular.

5.5.2 Consumption

5.5.2.1 Evolution of consumption

The sale of spirits in South Africa is growing quite rapidly with most categories recording an annual value growth rate above 5%. White spirits grew by 12% per year between 2013-2018 by far the fastest growth rate. Whisky plus brandy and cognac remain the largest markets with both having a market size of roughly EUR 1 billion each. Furthermore, both categories are also set to grow substantially at rates above 8% per year going forwards. Tequila grew by 9.8% per year over the 2013-18 period; a substantial growth albeit from a small base, the “other spirits” category is the only one that saw a contraction which reached 4% and is likely to continue contracting in the future as alternative spirits continue to grow. Rum is expected to see a rising growth rate of 8.6% per year in the foreseeable future, compounded increasing production domestically; while liqueurs are set to remain stable and draw in a growth rate of 3% per year. In relation to market size, the market for white spirits is valued at roughly EUR 864m – the third largest category after whisky and brandy/cognac. Thereafter come liqueurs (EUR 255m), rum (EUR 108m) and tequila (EUR 100m). Other spirits, which as previously noted is the only category to have shrunk, has a small impact on the total spirits market with a market size of just EUR 31m (Figure 5-20).

Figure 5-20: Evolution and forecast of spirits market in South Africa, 2013-2023; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.2.2 Consumer profile and purchase criteria

Consumers

Spirits account for 18% of total volume alcohol consumption (in terms of pure alcohol) in South Africa roughly the same as wine, with beer being overwhelming preferred by consumers in South Africa. Consumers of spirits in South Africa span ethnic and monetary lines; and while an increase in VAT from 14% to 15% in 2018 coupled with a rise in excise duties for most spirits have affected the market, it continues to grow. Consumers can generally be segmented into the following groups⁶⁴:

- Young People:** Young people are more open to exploring additional flavours and help support the emerging craft spirit sector in South Africa. Young people are drawn to craft spirits as it allows them to associate a face and personality with their beverage over what can be perceived from them as faceless international brands. Young people who engage in this practice usually have an above-average income and can afford the luxury of being picky about their spirit products. Younger people from poorer backgrounds will likely be drawn to promotions from retailers or locally produced spirits such as Wilbrits and Mampoor. The youth are also increasingly picky about the spirits they choose to consume, and the rise of the internet allows them to research products before consumption.
- Older People:** Older consumers are more likely to remain loyal to a brand or category than their younger counterparts. Certain elements impact older consumers in particular who in general are much more likely to be on-occasion drinkers hence placing more emphasis on premium spirits to mark an occasion which gives room for imported products to be purchased. Older consumers are also more receptive to add-ons provided by producers such as a free glass with a bottle of spirit.
- Regional Differences:** The consumption of spirits varies across South Africa with the largest consumers coming from Eastern Cape (36% of alcohol sales), Western Cape at 29% and Limpopo also at 29%. Factors that account for this include smaller beer consumption (Just 38% and 37% in

⁶⁴ Euromonitor International: Alcoholic Drinks, 2020; World Health Organisation.

Eastern and Western Cape respectfully) while Limpopo is the lowest region that consumes wine in the country (also the furthest region away from the wine-producing regions in the west). In the regions of Mpumalanga, North West, and Northern Cape the consumption of spirits is all under 15%. This may be explained by none of these states being in the top three richest regions in South Africa and the popularity of beer. These three regions spend the most on beer in South Africa. Vodka and cognac shows high levels of popularity in Johannesburg; premium gin shows popularity in Cape Town, and cognac is very popular in the Soweto and Khayelitsha townships. Non-metropolitan and rural areas tend to show preferences for low price cognac and whisky, though gin is also gaining popularity.

- **Income:** commercial spirits are more commonly consumed by mid and higher income consumers; with lower income consumers more likely to either prefer beer or home brewed spirits.
- **Gender differences:** among the middle and upper income segment, men, the main consumer of spirits, have generally been brought up on brandy and later have moved to whisky. Increasingly they are exploring new drinks such as rum. Female consumption is growing nonetheless, boosted by the use of vodka and gin in cocktails, and consumption of some fruit vodka.⁶⁵

Drivers and method of consumption

In South Africa there are a number of factors that influence the average consumers decision to purchase a spirit product such as⁶⁶:

- **Flavour exploration:** South Africans are increasingly experimenting with food and beverage flavours and consumers are looking for creative alcoholic options. Such options exist like spirit ciders, Amarula's Vanilla spice and cream flavoured liquors and Savana Blackbeard a cider drink that is infused with rum. White spirits are also influenced by this trend with producers such as SKYY making flavoured vodkas such as pineapple, passion fruit and cherry.
- **Convenience:** South Africans value convenience and retailers have taken note. Checkers has expanded its liquor shop outlets by almost 50 stores last year while Spar now operates 730 of its tops stores which specialise in selling spirits. It is reported that liquor stores in South Africa have the highest turnover out of independently operating stores in the country with an average monthly revenue of roughly EUR 30 000.
- **On-Occasion drinkers:** Many consumers will only drink spirits on an "on-occasion" basis which refers to the celebration of personal milestones such as birthdays or weddings. On these occasions many South Africans will splurge a little bit to purchase spirits from abroad which typically includes whisky, cognac and brandies. Higher income earners will in particular be susceptible to this driver as status is important to South Africans and obtaining imported spirits helps with the perception of being well off. However, such spirits are not commonly consumed during national festivals such as Christmas, New Year or Freedom Day; champagne is generally preferred for these occasions.

⁶⁵ Beer More popular than vegetables, Stats SA, Available at <http://www.statssa.gov.za/?p=10269>

⁶⁶ Euromonitor International: Alcoholic Drinks, 2020; SA liquor stores make the most money among independent retailers, followed by shoe store, Business insider South Africa, Available at <https://www.businessinsider.co.za/south-african-independently-operated-liquor-stores-total-revenue-retail-software-platform-vend-2019-6;>

Finally, it should be noted that imported spirits are often consumed on-trade in bars and nightclubs; particularly in major cities such as Cape Town and Johannesburg.

Spirits on retailers' shelves in South Africa

Spirit retail prices vary considerably based on both alcohol type and target market. As a general rule, imported spirits in off-trade channels target the premium segment and start at ZAR 300 (EUR 15) per litre for rum and ZAR 500 (EUR 25) per 750ml bottle for more high end drinks such as single malt whisky.

While 500ml and 750ml glass bottles are the most common format, 50ml bottles have gained in popularity with lower income consumers who cannot afford the larger formats; and also with occasional drinkers. That said, as a rule premium imported spirits will come in 750ml bottles; sometimes also boxed and / or as a gift pack (see below).





As is the case with wine, higher end imported spirits should have bold, clear and eye catching labels which can be easily identified by consumers.



Pictures: © Agra CEAS / Euromonitor International, 2020.

Purchase criteria

Overall, price tends to be a major criterion for purchasing spirits alongside spirit preference. Nonetheless, mid to higher income consumers tend to prioritise quality over price. Most notably, for special occasions and formal events (such as work conferences), while budget alternatives exist on the market in South Africa, they tend to be passed up in favour of premium ones given that status is important to many South Africans.

Some consumers are also seeking an overall experience and story from the spirits they purchase; meaning that the story behind a brand can be influence consumer choice, particularly if effectively and concisely conveyed on the bottle. Similarly, some millennials are drawn to brands that offer them something new and different (e.g. a connection to a part of the world they've never been in the case of imported spirits). Both cases are partially driven by consumers increasingly want to know that high quality, care and craftsmanship has gone into the making of their drink. The side effect of this is that indications such as “premium” are not enough alone to influence these consumers.

5.5.2.3 Recent market trends

The growth of spirits in South Africa is heavily influenced by new trends brought into the sector. Notable recent trends are:⁶⁷

- **Craft spirits:** most notably, craft gin producers and microbreweries are popping up across the country and resonate with millennials seeking to associate an individual and a personality for their spirits purchases. While gin leads this craft spirit shift, there is also increasing interest in craft rum.
- **Flavours:** Brands are increasingly expanding the number of flavours of their products in South Africa to appeal to an average consumer who is prone to experimentation. Flavoured products accounted for over 10% of the spirits market in 2019. Fruit flavours were popular, but dessert-based and sweet flavours (e.g. chocolate, spiced vanilla) have grown in popularity.
- **Retail channels:** the growth of liquor specific retailers in South Africa has resulted in a wide range of products being on offer.
- **Cognac preferred over brandy:** most notably, cognac is seen as an aspirational product for young consumers, with strong interest in younger aged cognac.
- **Cream based liqueurs:** with the launch of the vanilla spice flavour of Amarula, interest in cream based liqueurs more widely picked up.
- **Increasing consumption among women:** while men are the traditional consumers of spirits, consumption among women is growing rapidly spurred by increased social acceptance of women drinking among themselves and increased disposable income. Some women are also exerting influence over the drink choice of male companions, leading to a more unisex drinking culture.

5.5.3 Offer

5.5.3.1 Domestic production

Due to the large amount and variety of crops that can be grown in South Africa, spirit production in the country can incorporate additional flavours and techniques. The mass production of sugar cane in the country facilitates rum production and will help production further grow; South African rum such as Savanna Blackbeard looks likely to benefit from such growth. Brandy, which is predominantly produced in the cape regions, has a reputation worldwide for its high quality with South African producers winning the International wine and spirits competition worldwide for brandy a total of 6 times - more than any

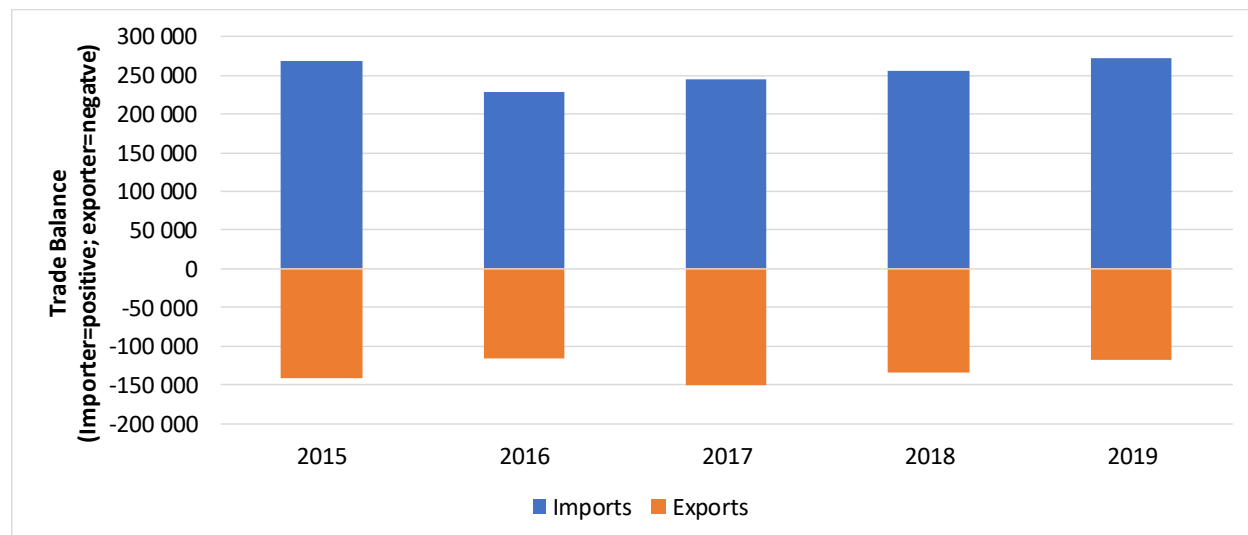
⁶⁷ Euromonitor International: Alcoholic Drinks, 2020.

other country.⁶⁸ Vodka production is also growing in South Africa with brands like Distinkt gaining an international following, with sorghum an ingredient used in the production of vodka; it is a common crop in South Africa allowing for domestic production. Amarula, a cream liqueur from South Africa is also gaining popularity with a key ingredient coming from the African marula tree, a tree found only in Africa and another example of how South Africa can leverage its natural resources to create unique spirit products.

5.5.3.2 Imports and exports

South Africa is a net importer of spirits despite a variety of domestically produced spirits. Exports have declined by 23% since 2017 and today total exports are valued around EUR 118m; about half the value of imports (Figure 5-21). Most of South Africa's exported liquors go to neighbouring nations with Namibia, Mozambique, Botswana and Zimbabwe being the four largest buyers of South African spirits.

Figure 5-21: Trade balance (imports and exports) of spirits in South Africa, 2015-19; EUR 000

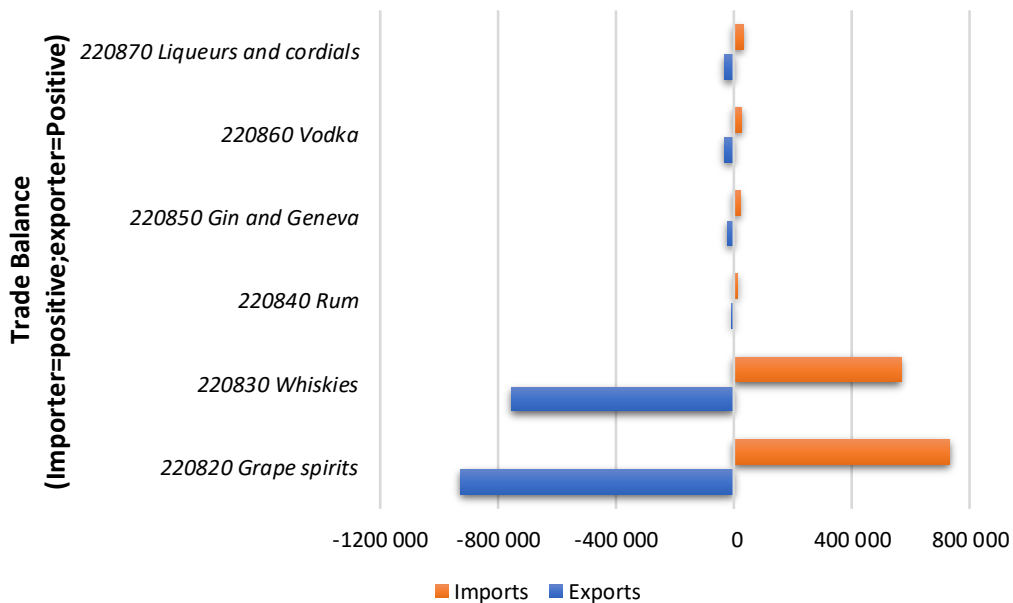


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208.

South Africa imports a large amount of whisky due to the domestic production of whiskey being much smaller in the country than other whisky producing nations. South Africa imports a lot of its whiskey. The UK is by far the largest exporter of whiskey to South Africa with a total value of around EUR 150m. Cognacs are an important EU product exported to South Africa with France being by far the largest exporter with a total value in 2019 of around EUR 50m (Figure 5-22).

⁶⁸ The World of South Africa's Brandy, Forbes, Available at <https://www.forbes.com/sites/joemicallef/2019/07/18/exploring-the-world-of-south-african-brandy/#21cdd3d73633>

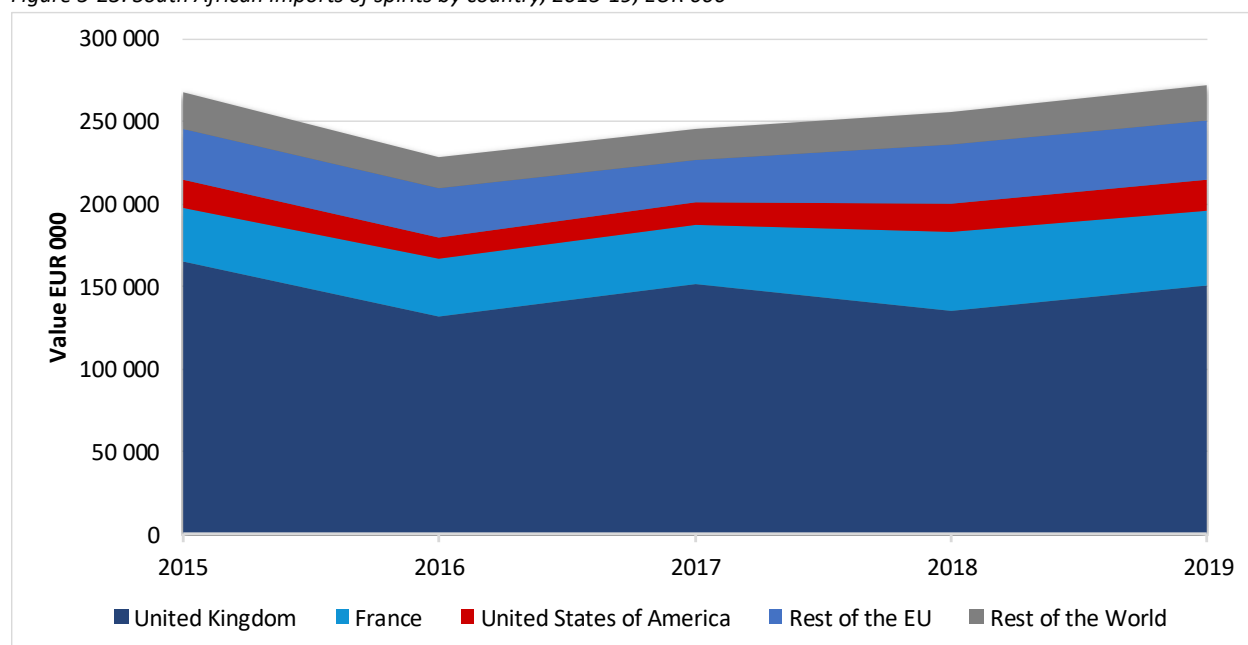
Figure 5-22: Trade balance (imports and exports) of spirits in South Africa, by type, 2019; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Spirit names shortened. CN codes before spirit name.

South Africa is a net importer of spirits with the UK, France and following a large gap the USA accounting for the largest exporters of spirits to South Africa. Diageo South Africa, the largest seller of spirits also sells UK products such as various scotch whiskies and English gin. French spirits such as Cîroc Vodka, Richelieu brandy and Remy martin also benefit from these companies and this helps explain why these two nations are by far the biggest exporters of spirits to South Africa.

Figure 5-23: South African imports of spirits by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2208, Unit Value

5.5.3.3 EU GI products

As reported in section 9, following the adoption of the EU-SADC EPA the following spirits will be afforded geographical indication protection in South Africa:

- Ireland: Irish Cream, Irish Whiskey/ Uisce Beatha Eireannach.
- Greece: Τσίπουρο/Tsipouro.
- Spain: Brandy de Jerez, Pacharan Navarro.
- France: Armagnac, Calvados, Cognac, Rhum De La Martinique.
- Italy: Grappa.
- Cyprus: Ζιβανία/Τζιβανία/Ζιβάνα/Zivania.
- Hungary: Törkölypálinka.
- Austria: Inländerrum, Jägertee/Jagertee/Jagatee.
- Austria/Hungary: Pálinka.
- Poland: Polska Wódka/Polish Vodka.
- Finland: Vodka of Finland/Suomalainen Vodka/Finsk Vodka.
- Sweden: Svensk Vodka/Swedish Vodka.
- Belgium/Germany/Austria: Korn/Kornbrand.
- Greece/Cyprus: Ούζο/Ouzo.

5.5.3.4 Main competitors

The main competition for EU producers of spirits will come from South African spirit producer's ability to incorporate additional flavours such as amarula fruit and sorghum into their products which give them a

distinct niche market to operate in, largely away from EU products. Craft spirits are growing in popularity in South Africa particularly amongst the youth population as producers of craft spirits can provide a customer experience superior to EU producers which resonates with younger consumers. The UK is a major exporter, mainly of whisky. Bourbon from the USA and tequila from Mexico also pose a threat to EU products in South Africa, however, French exports are twice as much as the USA and Mexico at present.

5.5.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry of spirits can be found in 4.2. EU spirits do not face tariffs entering South Africa if they fulfil the necessary rules of origin.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=ZA>

Customs procedures

A list of standard documents required for the import of spirits into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of spirits in South Africa are in line with international standards.

The South African Liquor Products Act Regulations defines liquor products, including spirits. Most notably for cognac, the definition requires that it be aged for 3 years in a barrel with specific characteristics.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=ZA#h18>

Labelling

Labelling spirits for the export to South Africa has to follow certain specific rules. Spirit labels need to include the following information: country of origin, information about the importer, alcohol content in per cent or volume, product class designation, a statement that the beverage contains sulphites if it has more than 10mg/l, a lot number and the date of bottling.

Furthermore, specific health messages are a required part of the label as well. Messages such as “Alcohol reduces driving ability, don’t drink and drive” or “Drinking during pregnancy can be harmful to your unborn baby” are necessary and to be added to the label taking up a minimum amount of 1/8th of the total size of the container (black letters on white background). Furthermore, it is obligatory to show all health messages with equal regularity on each product line within a 36 months cycle.

In contrary, it is not allowed to use any words that would suggest that spirits have health benefits in any way such as “health”, “healthy”, or “cure”. Words, pictorial representations or descriptions, which make consumers assume that the product has been produced in accordance with the recommendations made by a registered health professional or a health organisation are forbidden as well. It is prohibited to use the measure “cl” on labels and bottles with a size of 700ml are not to be exported to South Africa. In addition, all general labelling requirements are listed in 4.2.3.

Finally, as noted in section 4.2.2, there is a proposal to amend the labelling of alcoholic beverages. This could, among other things, require producers to further rotate multiple different warning labels; something which could be particularly challenging for smaller producers/exporters. The amendment was first proposed some years back, and while it has not progressed there is a fair chance a conclusion will be reached during the course of 2020.

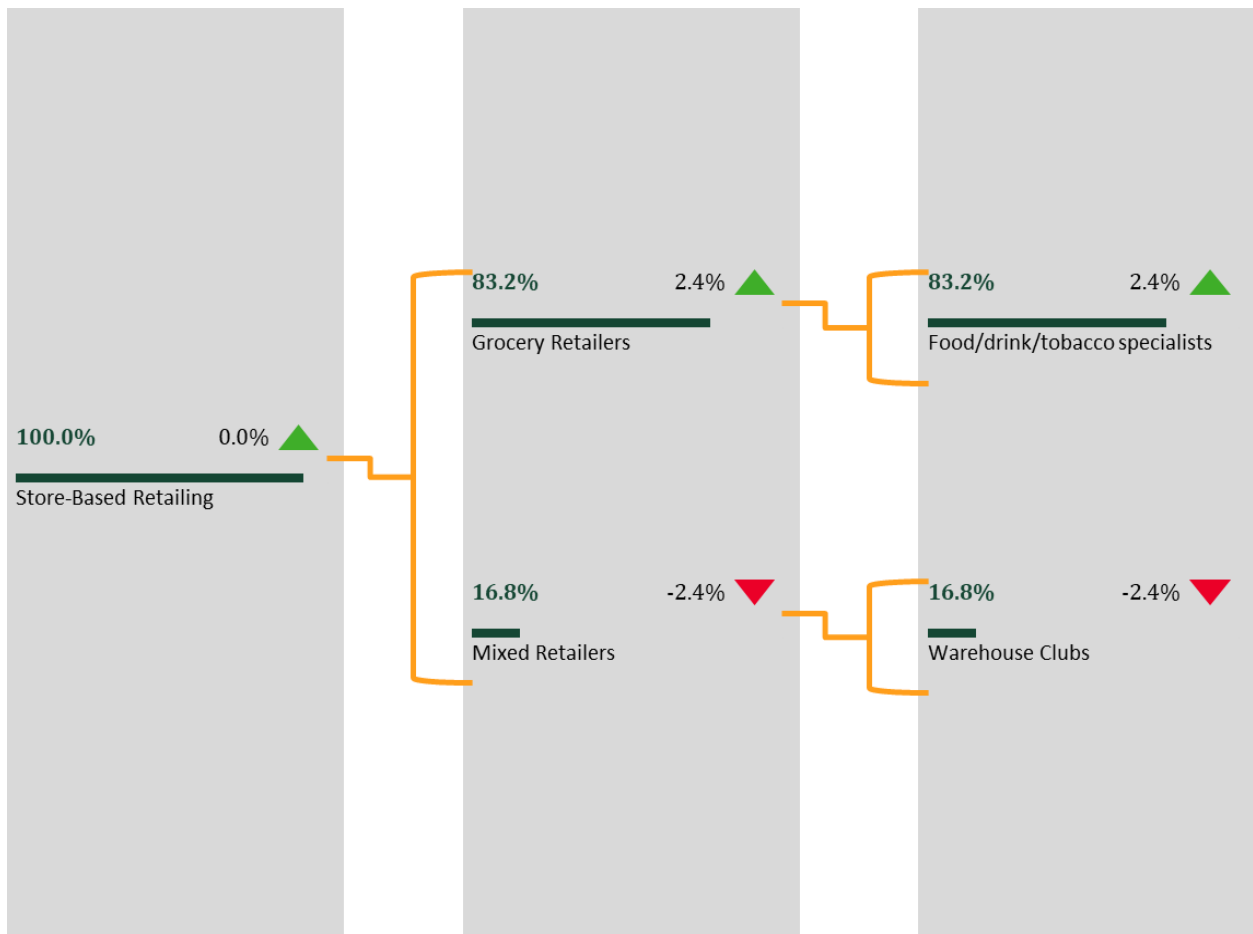
Up to date information on appropriate documents concerning labelling measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA#h43>

5.5.5 Distribution

The off-trade distribution of spirits in South Africa account for 71% of the volume of consumption in the country. Grocery retailers are the predominant off-trade distributor of spirits through channels like food, drink and tobacco traders. Warehouse clubs which can offer spirits at a discount price for a larger quantity are declining slightly at a 2% drop in spirits distribution to 16.8% in 2018 as observed in Figure 5-23. On-trade distribution accounts for 29% of the volume of consumption of spirits in South Africa and these channels come in the form of bars, nightclubs and hotels which sell spirit products and purchasing from on trade distribution channels is typically more expensive than off-trade channels.

Figure 5-24: Distribution channel overview of spirits in South Africa (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.6 Challenges for EU products

South African producers can domestically produce most of the ingredients needed for spirit production in the country and on top of this they can incorporate unique ingredients found only in the country. EU producers will have to contend with emerging South African producers of spirits that are entering the market and adapting practises to appeal to millennials who often place an emphasis on brands engaging with them on a personal level.

Market Takeaway: Spirits

Consumption: *Third largest consumed alcoholic beverage in South Africa, more popular in the Cape regions and generally consumed by both genders and across ethnic and monetary lines; though imported spirits are generally consumed by mid and upper income consumers.*

Competition: *UK a major origin. USA and Mexico provide competition in the imported spirits sector however going forward it is likely that domestically produced spirits, including most notably craft spirits will form the largest competition for EU producers.*

Distribution: *Generally distributed through off-trade channels which is compounded by the growth of liquor specific retailers in South Africa, on-trade channels such as bars, nightclubs and hotels are also important and account for 29% of distributed spirits.*

Challenges: *Domestic producers – craft producers in particular - can provide the customer experience and unique flavours which an increasing number of South Africans desire.*

Opportunities: *Growing incomes and the association of imported spirits with success will compound the growth of imported spirit sales. Conveying the story behind a drink and craftsmanship may help a product to gain traction.*

5.6 Olive oil

5.6.1 SWOT analysis

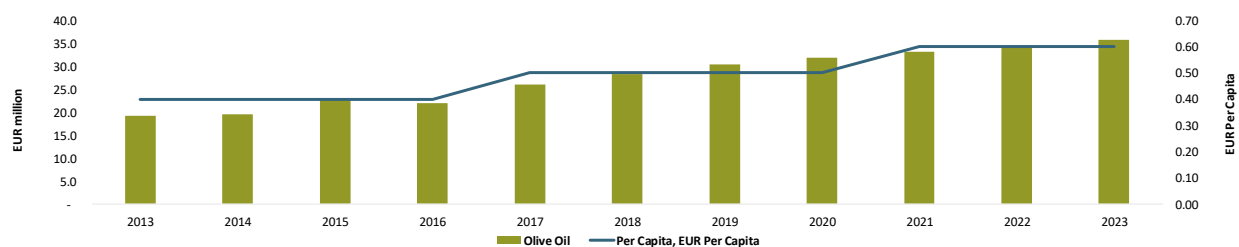
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> The market has been growing in recent years and is forecast to grow in the future. EU countries already dominate this export market. Domestic production means there is awareness of the product in the country. 	<ul style="list-style-type: none"> The current fairly small demand of olive oil in the country. Olive oil has to compete with other more popular and cheaper cooking oils.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Droughts and other unfavourable bad weather conditions in South Africa shortened their production outputs and increase need for imports. The forecasted growing demand of olive oil in the country. Some imported olive oil is cheaper than domestically produced oil; and private label products are increasingly popular in the country. 	<ul style="list-style-type: none"> Fast growing domestic production of olive oil, which is also of a high and further improving quality. If the economic situation deteriorates, growth in olive oil consumption could come under more pressure.

5.6.2 Consumption

5.6.2.1 Evolution of consumption

As shown in Figure 5-25 the market for olive oil has been growing since 2013. Only in 2016 in comparison to 2015 the market momentarily decreased by close to 3%. However, thereafter it rebounded strongly by approximately 16% compared to the year before. In 2018 the olive oil market had a value of about EUR 28.3m. Between 2013 and 2018 the market grew at a CAGR of 8.1% and is forecast to continue to grow between 2018 and 2023 at a CAGR of 4.8%, which, while slower is still relatively high. In total terms, the market grew about 32% from 2013 to 2018. In 2023 the market is expected to be worth close to EUR 36m.

Figure 5-25: Evolution and forecast of market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in South Africa; 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

5.6.2.2 Consumer profile and purchase criteria

Consumers

As the market is not that big not everyone is consuming olive oil. Olive oil consumers are mainly concentrated in larger cities (particularly in the Western Cape and Gauteng); have mid to high incomes; and have a higher level of awareness of the health benefits of certain oils such as olive oil.

Drivers and method of consumption

Growing health consciousness is driving the consumption of olive oil because this product is perceived as having many health benefits. Moreover, it becomes more popular in the cooking scene and thus becomes more commonly used everywhere, both in restaurants and at home.

Olive oil is mostly used: for cooking meals of all kinds, which is why it can be consumed frequently; and as a salad dressing; or with bread. In the area of cooking, however, there is competition with other oils that are more common to use on a day-to-day basis; most notably, sunflower oil dominates the cooking market due to its low price and ready availability. Efforts are being made by local producers to expand its recognised uses to other areas such as butter replacement, frying, marinades, baking and desserts; but none of these uses are as common as the aforementioned main ones.

Purchase criteria

Depending on disposable incomes consumers choose lower quality or higher quality olive oils. The general bad economic situation in South Africa and low to medium high disposable incomes explain why most consumers prefer to buy cheaper olive oil (often from Spain if it is not domestically produced). This is, if indeed they buy olive oil at all - as mentioned above, sunflower oil is generally preferred. Fewer consumers will buy more pricey olive oil products. The focus on price actually plays to the advantage of many olive oil importers as South African olive oil is often more expensive than imported olive oil.

Nonetheless, with South Africa producing quality olive oil, consumers are aware of quality issues and have an overarching preference for domestically produced olive oil, where possible. When purchasing domestically produced olive oil, consumers will most commonly look for bottles bearing the certification “Member of SA Olive Commitment to Compliance Scheme (CTC)”. The CTC seal informs the consumer that the producer is committed to truthful labelling and complies with the standards of the SA Olive Codes of Practice and that the product is 100% South African. It also displays the year of harvest. Against this background, year of harvest / expiry date are common criteria which consumers look for regardless of origin.

Finally, it is common to indicate the style of extra virgin olive oil on the bottle in South Africa (delicate / medium / intense); and consumers most commonly look for the delicate or medium styles.

While health concerns are a driver of olive oil consumption, it is not necessarily a key criterion for selection at the moment of purchase; though some producers have nonetheless recently chosen to promote the health benefits of their product.⁶⁹

Olive oil on retailers' shelves in South Africa

The retail price of olive oil varies based on whether it is branded or private label. Private label products are cheaper, with a 500ml bottle of private label olive oil typically retailing at around ZAR 90 (EUR 4.50), compared to ZAR 100 (EUR 5) or higher for branded products.



More often than not, olive oil products will have their own segment alongside other oil products, though the range of olive oil products available can be quite limited.

⁶⁹ Euromonitor International: Packaged Food, 2020



Olive oil is most typically sold in glass bottles that are between 500ml and 1 litre in size. A few vacuum-packed bag in box products are also available, as are some metal tins for larger volumes. Promotions on branded olive oil are not normal in South Africa.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.6.2.3 Recent market trends

Recently there has been health focused trend, which has benefited olive oil as a whole, with the product very much seen to be on trend. Somewhat contrary to this, olive oil has also benefitted from increased interest in the Banting diet, which has gained popularity in South Africa in recent years and advocates the consumption of fats. Domestic production has grown in recent years, though drought – which have been problematic – have also impacted production.

While for a long time South African consumers have believed that the best olive oils come from Mediterranean countries, this perception is slowly changing as the quality of domestic production increases (see below). Furthermore, certain reports of manipulation of imported olive oils (e.g. olive oil which does not test as extra virgin according to International Olive Council (IOC) guidelines but is bottled as such – something that has not occurred to the same extent with domestic production) has had a slightly

negative impact on the perception of imported olive oils. Nonetheless, South Africa continues to have a strong structural deficit in olive oil and hence imports are necessary to meet demand.

At the middle to upper end of the market, infused / flavoured olive oils have gained traction among consumers recently, with garlic, rosemary, chilli, lemon and sun-dried tomato commonly used as infusions. At the lower end of the market, interest in private label olive oil products is picking up; and some producers are offering mixes of oils so that they can advertise some of the benefits of olive oil while keeping prices down.

5.6.3 Offer

5.6.3.1 Domestic production

South Africa's olive oil production is evolving, however, currently can only meet about 1/3 of the country's demand. In 2008 around 1 400 ha of olive trees were planted in South Africa. This number more than doubled up to about 2 900 ha in 2018. Most new trees have been planted in Western Cape close to Cape Town. This area experienced an astonishing growth of more or less 640% from less than 60 ha up to close to 420 ha between 2012 and 2019. Most olive oil is produced in this region, which accounts over 90% of the country's production. All other regions, except KwaZulu-Natal contribute about 1% to 3% to domestic production. 170 olive farmers were registered in 2018 but most of them only farm small areas under 5 ha and not all of them produce olive oil. Yet, the 11 biggest farmers contribute nearly half of the total olive oil production of South Africa.

In recent years due to a severe drought in the country and especially in the Western Cape region, farmers had to deal with some shortages and thus consumers had to deal with higher prices of domestic olive oils. Water scarcity is and probably will remain a big issue for domestic producers.⁷⁰

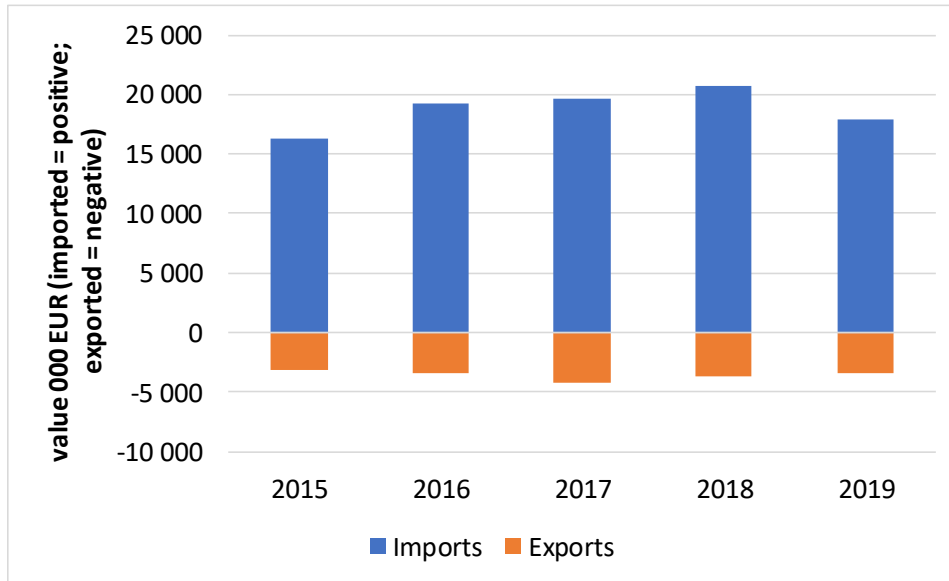
Despite the various challenges facing the domestic olive oil industry, domestic production is continuously increasing in quality, as witnessed by the international awards that some South African olive oils have won in recent years. The CTC seal (see above) is also boosting the profile of South African olive oil domestically.

5.6.3.2 Imports and exports

Even though South Africa has domestic production of olive oil it is a net importer by far. It imported close to 6 times more olive oil than it exported in 2019. In general, the market values of imports as well as exports increased between 2015 and 2019. That said, the value of the imports of olive oil decreased in 2019 as did the value of exports (which also declined slightly in 2018) - as depicted in Figure 5-26. The later might be due to unfavourable weather and climate conditions in those years.

⁷⁰ Olive oil production <http://southafrica.co.za/olive-oil-production.html>; Inside South Africa's olive oil industry <https://www.cnbcfric.com/news/southern-africa/2017/09/29/inside-south-africas-olive-oil-industry/>

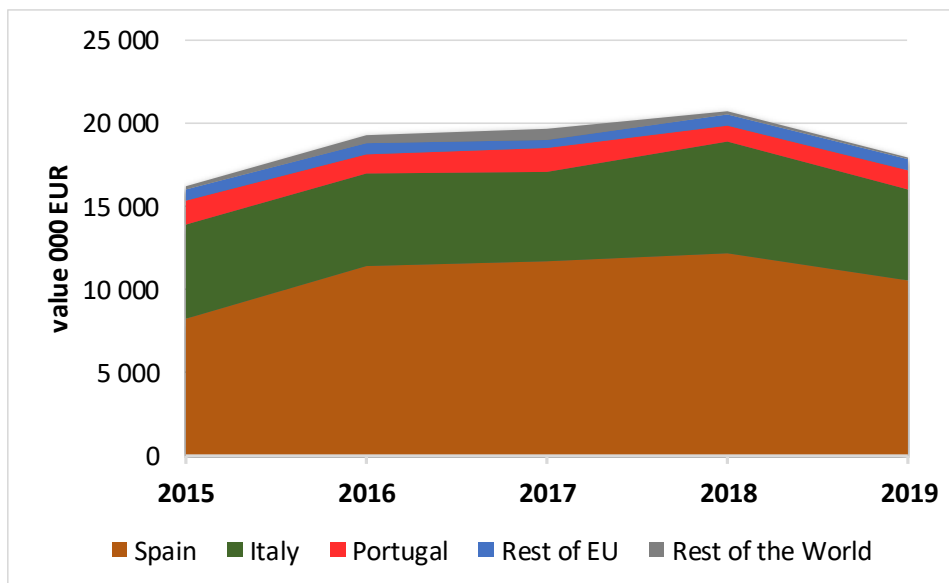
Figure 5-26: Trade balance (imports and exports) of olive oil in South Africa, 2015-2019; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

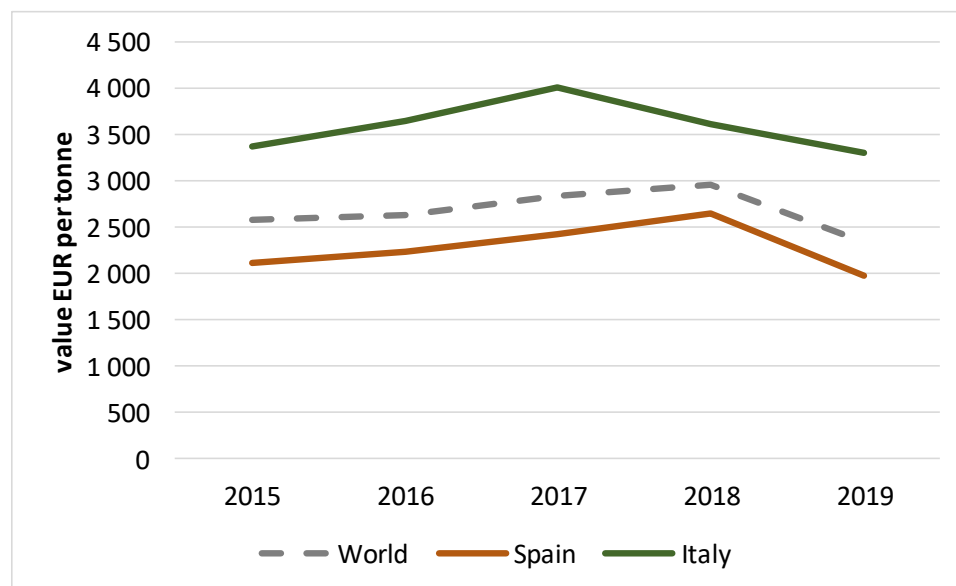
The main three exporters of olive oil to South Africa are Spain, Italy and Portugal, which are all European countries. As shown in Figure 5-27, Spanish exports alone account for nearly 69% of all exports and all three countries together export around 96% of the whole market's value, which makes all other exporting countries of olive oil nearly insignificant. In total, seven out of the ten largest exporters in value terms are from the EU.

Figure 5-27: South African imports of olive oil by country, 2015-2019; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

Figure 5-28: South African imports of olive oil by country, 2015-19; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

Spain is by far the biggest exporter of olive oil and accounts for nearly 60% of the whole market, but its unit value is low comparing to products from Italy as shown in Figure 5-28. This suggests that Spanish olive oil is cheaper than the one from other origins and that price-conscious consumers may prefer it. Spanish olive oil had a unit value of close to EUR 2 000 per tonne in 2019, compared to Italy with a much higher one at about EUR 3 300 per tonne. Olive oil exported from Italy may on average be considered to be a more expensive product. The world's average was in between them with a value of approximately EUR 2 350 per tonne; though obviously it is primarily driven by the unit values of these two major exporters.

5.6.3.3 EU GI products

- **Greece:** Καλαμάτα/Kalamata, Κολυμβάρι Χανίων Κρήτης/Kolymvari Chanion Kritis, Λακωνία/Lakonia, Σητεία Λασιθίου Κρήτης/Sitia Lasithiou Kritis.
- **Spain:** Aceite de Terra Alta/Oli de Terra Alta, Aceite del Baix Ebre-Montsià/Oli del Baix Ebre-Montsià, Aceite del Bajo Aragón, Baena, Les Garrigues, Priego de Córdoba, Sierra de Cádiz, Sierra de Cazorla, Sierra de Segura, Sierra Mágina, Siurana.
- **France:** Huile d'olive de Haute-Provence.
- **Italy:** Toscano, Veneto Valpolicella/Veneto Euganei e Berici/Veneto del Grappa.
- **Portugal:** Azeite de Moura, Azeite do Alentejo Interior, Azeites da Beira Interior (Azeite da Beira Alta, Azeite da Beira Baixa), Azeite de Trás-os-Montes, Azeites do Norte Alentejano, Azeites do Ribatejo.

5.6.3.4 Main competitors

The three biggest exporters of olive oil are all from the EU and as stated in 5.6.3.2 account for about 96% of all olive oil exports to South Africa. This means competition for EU countries is currently low. However, the domestic olive oil production has been growing, but it is still far away from being able to satisfy the domestic demand. Moreover, the country's production had to deal with production drawbacks due to the severe droughts previous years. In conclusion, this means that competition for EU producers is currently relatively low.

5.6.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for olive oil can be found in section 4.2. EU olive oil imports that comply with rules of origin do not face tariffs (the MFN tariff for imports from other countries is 10%).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1509&countryid=ZA>

Customs procedures

A list of standard documents required for the import of olive oil into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1509&countryid=ZA#h9>

SPS measures

Sanitary and Phytosanitary measures concerning the import of olive oil in South Africa are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=ZA#h18>

Labelling

Olive oil labelling has to follow general label requirements set out in section 4.2.3. There are no specific ones required for those products. Information can also be found on the following website.

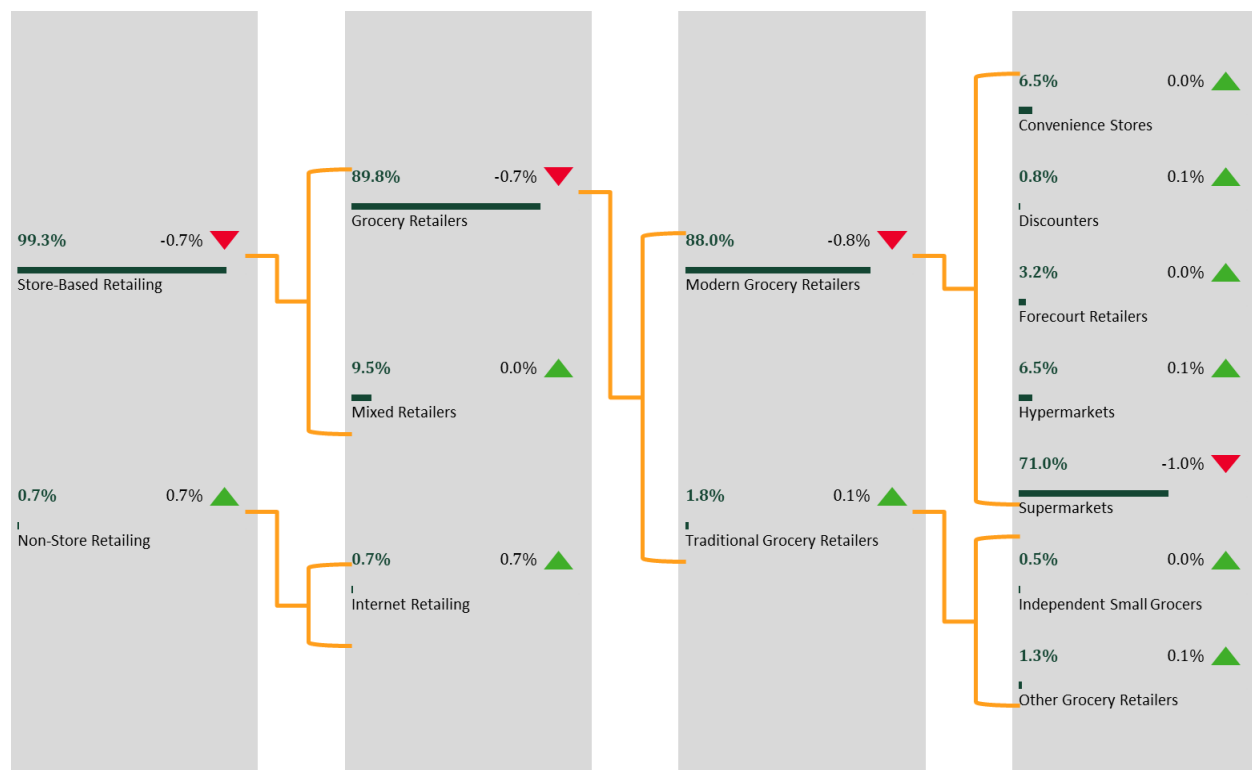
Up to date information on appropriate documents concerning labelling measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1509&countryid=ZA#h43>

5.6.5 Distribution

Even though olive oil is also used on-trade in for example in restaurants, the majority is sold off-trade for everyday use at home as depicted in Figure 5-29, which represents the situation for edible oils as a whole. Over 90% of the retail value of edible oils is achieved through store based retailing, with supermarkets, which account for 71% of the total retail value being the main channel. In 2018 the internet retail sector started to grow as well as traditional grocery retailers. However, purchases through modern grocery stores are a lot more frequent. Besides supermarkets, hypermarkets and convenience stores account for about 6.5% of retail value each and thus are important and growing outlets as well.

Figure 5-29: Distribution channels overview of edible oils (including olive oil) in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.6.6 Challenges for EU products

The EU is the main exporter of olive oil and is not facing many challenges besides having to face the growing domestic production. This domestic production cannot meet the demand, which is why South Africa requires olive oil imports. Nonetheless, it should be noted that these domestically produced olive oil products are of a high quality, and many consumers prefer them over imports. Depending on the quality of the product it might not be easy to establish very high-priced olive oils easily in the market because of price sensitive consumers and the interest in high quality domestic production. Moreover, the market for olive oil in South-Africa is comparatively low and not a lot of olive oil is currently being used. However, in general the market is very open to EU olive oil products and challenges are small. This could

change in the future in case the domestic olive oil production keeps growing as rapidly as it has in recent years.

Market Takeaway: Olive oil

Consumption: *Relatively small but growing demand, focused in mid-higher income consumers in urban centres.*

Competition: *EU is leading in exports, but domestic production is growing and might become a major threat to volume as well as quality at some point.*

Distribution: *Store based retailing, mainly in supermarkets (70%).*

Challenges: *Growing domestic production which is preferred by many consumers, and comparatively low general demand of olive oil.*

Opportunities: *A growing demand and consumer base and the need for imports to satisfy the domestic demand. Increased interest in private label products and flavoured olive oils.*

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Premiumisation trend which is good for EU chocolate in particular. ▪ The rising middle class, which means more consumption of high-quality chocolate in the future. 	<ul style="list-style-type: none"> ▪ Many price-sensitive consumers in low- and mid-income groups. ▪ A lot of competition from big players such as Mondelez and Nestlé and Tiger Brands, who all have factories in South Africa.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Seasonal chocolate is on the rise. ▪ Healthier confectionery is in demand due to health trend. ▪ Interest in innovative confectionery, both chocolate and sugar, with interesting new flavours. 	<ul style="list-style-type: none"> ▪ The bad economic situation means consumers are cutting back on their confectionery indulgence. ▪ A lot of international competition in the sugar confectionery sector in particular. ▪ EU chocolate in particular is usually high priced and only a few consumers are able to afford it.

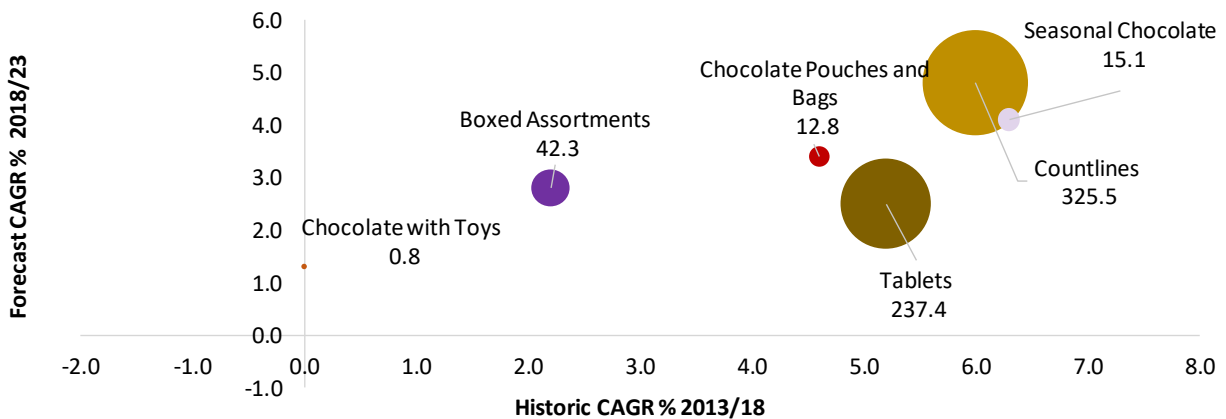
5.7.2 Consumption

5.7.2.1 Evolution of consumption

In 2018 the retail value of the **chocolate confectionery** sector was about EUR 634m. The two biggest contributors were countlines with more than EUR 325m and tablets with EUR 237m. Both combined accounted for nearly 90% of the retail value. All other chocolate categories are far behind the previous two, however some are still important. Boxed assortments accounted for EUR 42m, seasonal chocolate for EUR 15m and chocolate pouches and bags for EUR 13m. The smallest category is chocolate with toys which only generated EUR 0.8m in 2018.

However, the categories with the highest forecasted growth are countlines with an expected CAGR from 2018 to 2023 of 4.8% and seasonal chocolate with 4.1%, followed by chocolate pouches and bags with 3.4%. All other categories, except chocolate with toys with a forecasted CAGR of only 1.3%, are expected to grow with CAGRs between 2% and 3% (Figure 5-30).

Figure 5-30: Evolution and forecast of chocolate confectionery market in South Africa, 2013-2023; total retail value EUR million

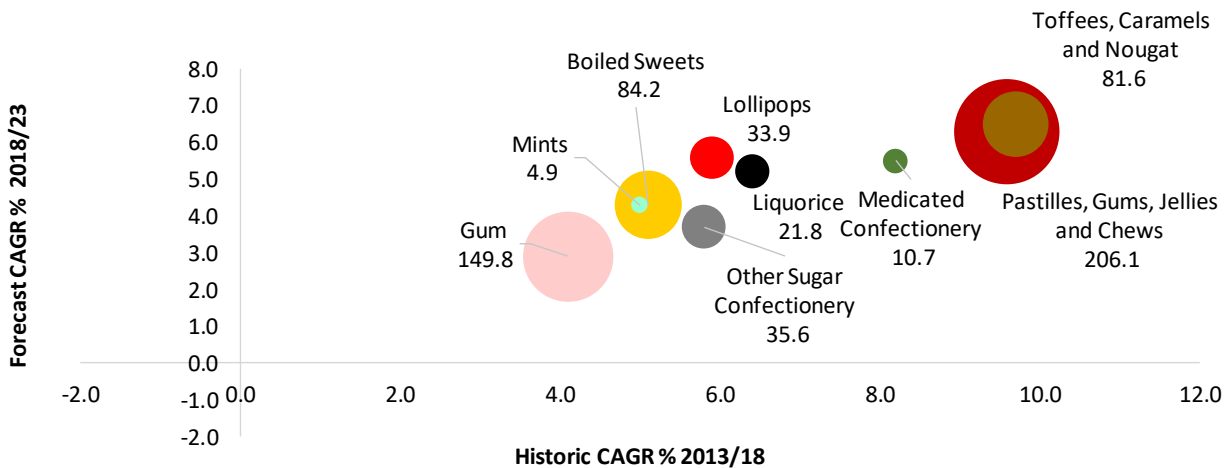


Source: Euromonitor International: Packaged Food, 2020.

The total retail value of **sugar confectionery** in South Africa in 2018 was EUR 628m. The two biggest categories are pastilles, gums, jellies and chews with a market size of EUR 206m and gums with EUR 150m. Together they accounted for more than half of the markets retail value. Boiled sweets and toffees, caramels and nougat follow, each having a market size of over EUR 80m. After another gap categories of other sugar confectionery and lollipops followed with market sizes of more or less EUR 35m. The three categories with the smallest market size were liquorice (EUR 22m), medicated confectionery (EUR 11m) and mints (EUR 5m).

All historic CAGRs between 2013 and 2018 are bigger than those forecasted between 2018 and 2023. Yet two categories are forecast to grow at over 6% per year; those are toffees, caramels and nougat as well as pastilles, gums, jellies and chews. Moreover, lollipops, liquorice and medicated confectionery are forecast to grow at a CAGR of over 5%, followed by mints and boiled sweets at over 4%. The categories that are suspected to grow the least are other sugar confectionery and gums (Figure 5-31).

Figure 5-31: Evolution and forecast of sugar confectionery market in South Africa, 2013-2023; total retail value, EUR million



Source: Euromonitor International: Packaged Food, 2020.

The overall markets for chocolate confectionery and sugar confectionery are very similar in their market size, however, most sugar confectionery categories are forecast to grow more than the chocolate confectionery ones partially because of their lower prices.

5.7.2.2 Consumer profile and purchase criteria

Consumers

Consumers of **chocolate confectionery** span all ages and socio economic groups and both genders, though there are differences in the products different groups tend to consume. Lower-income consumers are very price sensitive and tend to purchase products with lower price points, such as those offered by the brand Beacon; and while consumers in this segment do consume chocolate products, on balance they may prefer sugar confectionery. Middle income consumers are more likely to purchase the countlines and tablets offered by companies such as Nestlé and Cadburys. High-income consumers are more likely to purchase premium products such as those from Lindt and Ferrero, though they may also purchase the aforementioned countlines.

While both males and females consume chocolate in roughly equal quantities brands often chose to target one of the two genders. The two products offered by one company, Nestlé, provide an example of this: Aero targets mainly women and Barone men. There are some differences in preferences across ages; most notably, flavoured chocolates are more popular among the younger generation (20-30 age group).

Sugar confectionery consumers similarly span all age groups and social-economic groups to some extent. Nonetheless, on balance, consumers are more likely to have mid or lower levels of income, with boiled sweets, pastilles and jellies particularly popular among lower income segments. In terms of age, children tend to consumer more sugar confectionery.

Due to rising sugar prices, a rise in VAT and the government's decision to raise prices of imported sugar to protect the local sugar industry the price of sugar confectionery has increased. This is problematic because consumers, low-income consumers in particular, are very price sensitive.

Drivers and method of consumption

Chocolate in general and high-quality chocolate in particular is perceived to be something special. Even lower-income classes consume chocolate, though in smaller volumes than before. This shows chocolate confectionery is a treat for many people and something they do not necessarily consume every day. Indeed, it is often used as a gift during special occasions for this reason; boxed assortments in particular. Chocolate is also consumed at Christmas and Easter for this reason, with special chocolate egg style products popular at Easter.

Nonetheless, for some consumers, chocolate is also an easy snack on the go on a busy day for example and is often consumed when there is not enough time for a proper meal; this is particularly true of countlines. Tablets may also be consumed as snacks or shared.

Like it is the case for chocolate, **sugar confectionery** is an easy snack on the go. Health concerns made people more aware of their sugar intakes which is why sugar confectionery is seen as an occasional treat, rather than a product consumed on a daily basis. That said, some evidence suggests that lower income groups on average are less concerned about health, and hence their consumption is not as affected by the overall increasing health concerns. The low prices of sugar confectionery compared to chocolate are a notable driver of consumption. Some informal sellers have recently sold sugar confectionery loose in order to make them more accessible / affordable in view of tax increases.

Purchase criteria

Lower and mid-income groups try not to buy unnecessary **chocolate confectionery**, due to rising chocolate prices caused by a shortage in the cocoa supply and higher imported sugar prices and lower disposable incomes. On the other hand, higher-income groups tend to buy more high-quality and premium products. While health-conscious consumers pay attention to the chocolate they consume, countlines are still the number one category because they can be consumed easily on the go and are less price-intense than tablets, which makes them more attractive for price conscious consumers.

While price plays a role in the purchasing decision, flavours are important for South African consumers. While plain milk chocolate is the most popular tablet type overall (around 40% of sales) there is a strong interest in flavoured bars as well (around 30% of sales). Young people tend to buy chocolate with fruit flavours, while consumers over 25 often prefer mint flavours. Additionally, consumers demand more complex and interesting flavours such as chocolate that pairs opposite tastes like salty and sweet. Brands do play a role in the purchasing decision for chocolate, with well established brands often preferred. Private label is not popular among chocolate confectionery.

The price is the main purchase criterion for **sugar confectionery**. However, sugar confectionery prices do not differ as much as chocolate confectionery prices and are usually lower, despite recent price increases.

Thus, low-income consumers might rather purchase sugar confectionery instead of chocolate confectionery when offered both. Despite increased prices, sugar confectionery is forecasted to stay more affordable than chocolate confectionery in the long term as well. Pastilles, gums, jellies and chews are the biggest category and produce the newest products and many consumers are interested in these products. Similar to chocolate confectionery consumers look for innovative products with new interesting flavours. Health-conscious consumers will prefer sugar free confectionery, whereas lower-income consumers are most likely less concerned about their health than about the prices.⁷¹

Confectionery on retailers' shelves in South Africa

Premium chocolate in South Africa typically retails in the range ZAR 80 to 120 (EUR 4 to 6) per 200 grams, with super premium chocolates reaching in excess of ZAR 200 (EUR 10) per 200 grams. Chocolates for special occasions (such as Easter) may be sold by retailers at slightly higher prices (e.g. up to 35% higher) as retailers are conscious that they may be left with stock at the end of the season that has to be sold off as clearance stock below cost.



⁷¹ Euromonitor International: Packaged Food, 2020; [Are South Africans ready for some new product innovations?](https://www.marketinstinct.co.za/are-south-africans-ready-for-some-new-product-innovations/)

Overall, confectionery is likely to be sold in flexible plastic. However, ultimately packaging does vary based on the product. Gum is likely to be sold in flexible aluminium / paper; seasonal chocolate is often sold in rigid containers (most notably cartons); and premium sugar confectionery in metal tins.



It is common for confectionery to be promoted through free-standing display units. In the case that the brand is not well established or recognised in South Africa, the packaging and in store display should be strong in order to transmit the message clearly.

Pictures: © Agra CEAS / Euromonitor International, 2020.

5.7.2.3 Recent market trends

Premiumisation and consumer health are trends in **chocolate confectionery**. Many new and fancy chocolate tablets are being introduced into the market, which at the same time use more health-conscious ingredients such as sustainable cocoa with no artificial colours, preservatives or flavours. Due to health trend consumers try to reduce their sugar consumption and this try to avoid eating too much chocolate to counteract possible health risks such as obesity and high cholesterol. Dark chocolate is also gaining in popularity for this reason. Chocolate confectionery is forecasted to become even more premium and mature and thus, expensive in the coming years. The demand for sugar-reduced and artisanal products furthermore resulted in the rise of many new niche chocolatiers, who follow the premiumisation trend. As a result, total volume numbers are forecast to go down because a lot of the chocolate consumed will become too expensive for low-income groups in the future.

Another trend is seasonal chocolate. Figure 5-30 shows that this type of chocolate is forecast to grow substantially until 2023. Brands introduce more seasonal products to counteract low consumption periods. Specialised products sold around holidays such as Easter or Christmas are particularly in demand.

Building on the consumer interest in flavoured chocolate (see previous section), there have also been launches of various more complex and indulgent flavours. These include: strawberries & cream, salted caramel, tiramisu, coffee, matcha tea and sea salt.

One negative trend became obvious over the past few years. Due to the bad economic situation, higher prices of imported sugar and a not sufficient enough cocoa supply influence consumers buying behaviour. Nonetheless, some producers have tried to launch quality economy products to keep consumers.

As is the case for chocolate, the main trend in the **sugar confectionery** sector is the growing health awareness for consumers. Obesity is starting to become a problem in South Africa. Obviously, health-conscious consumers are bad for the sugar confectionery industry, however, new sugar-free products have been launched to keep those consumers on a more regular basis.

One trend to spark kids' attention in particular are licencing deals with television companies or film studios. Such an agreement allows the producer to advertise film or cartoon characters on their products. Sugar confectionery producers make use of this opportunity to attract young people. The trendiest figures in 2019 were from Star Wars, Dog Patrol and Disney's Frozen. In addition to this kind of advertisement, producers start to pay more attention to the look of their packaging in general and try to make it as appealing for the consumers' eyes as possible, using bright and entertaining images for example.⁷²

⁷² Is the state of the SA Chocolate Industry 'Unhealthy'? <https://www.insightsurvey.co.za/blog/is-the-state-of-the-sa-chocolate-industry-unhealthy>; Flanders Investment and trade market survey: Food and beverages in South Africa; Euromonitor International: Packaged Food, 2020; Size & State of the Industry, Influencing Factors, Competition, Outlook & Key Players <https://www.prnewswire.com/news-releases/south-africa-confectionery-industry-2019-size--state-of-the-industry-influencing-factors-competition-outlook--key-players-300796492.html>

Finally, there has been a trend towards focusing on nostalgia / childhood memories, with producers who have long been present in the market relaunching products that had been popular in the past. Examples of this include Maynard's Apricot Halves, Frutips fruit pastilles and Mister Sweet's Frutus.

5.7.3 Offer

5.7.3.1 Domestic production

Many international companies have domestic production facilities such as Nestlé and Mondelez (Cadbury), which are the biggest two players in South Africa. Tiger Brands is the market's domestic leader and ranks third in total in chocolate confectionery. Mondelez has a chocolate confectionery value share of over 40%, Nestlé has close to 25% and Beacon, which is part of Tiger Brand between 5-10%. Tiger Brands is the number one brand selling sugar confectionery in South Africa. Sub-brands like Maynards, Beacon, Beacon Liquorice Allsorts, Wilsons, Jelly tots, mmmMallows and Fizzer are only some of the 33 brands of Tiger Brands snack and treat section. The company has two factories; one in Mobeni and one in Jacobs, both situated in the Kwa Zulu Natal region. It should be noted that some international companies use South Africa as a regional production hub, with products subsequently exported to various other countries in sub-Saharan Africa. In addition to these big companies more and more local manufacturers set up small chocolate boutiques selling usually high-quality artisanal chocolate products.

Moreover, due to premiumisation and health trends the number of niche chocolatiers is growing. With the shortage in the cocoa supply due to the changing climate and higher prices on imported sugar, domestic chocolate prices are growing, creating challenges for the South African chocolate industry. Furthermore, the health trend is pressuring South Africa's chocolate confectionery market as well.

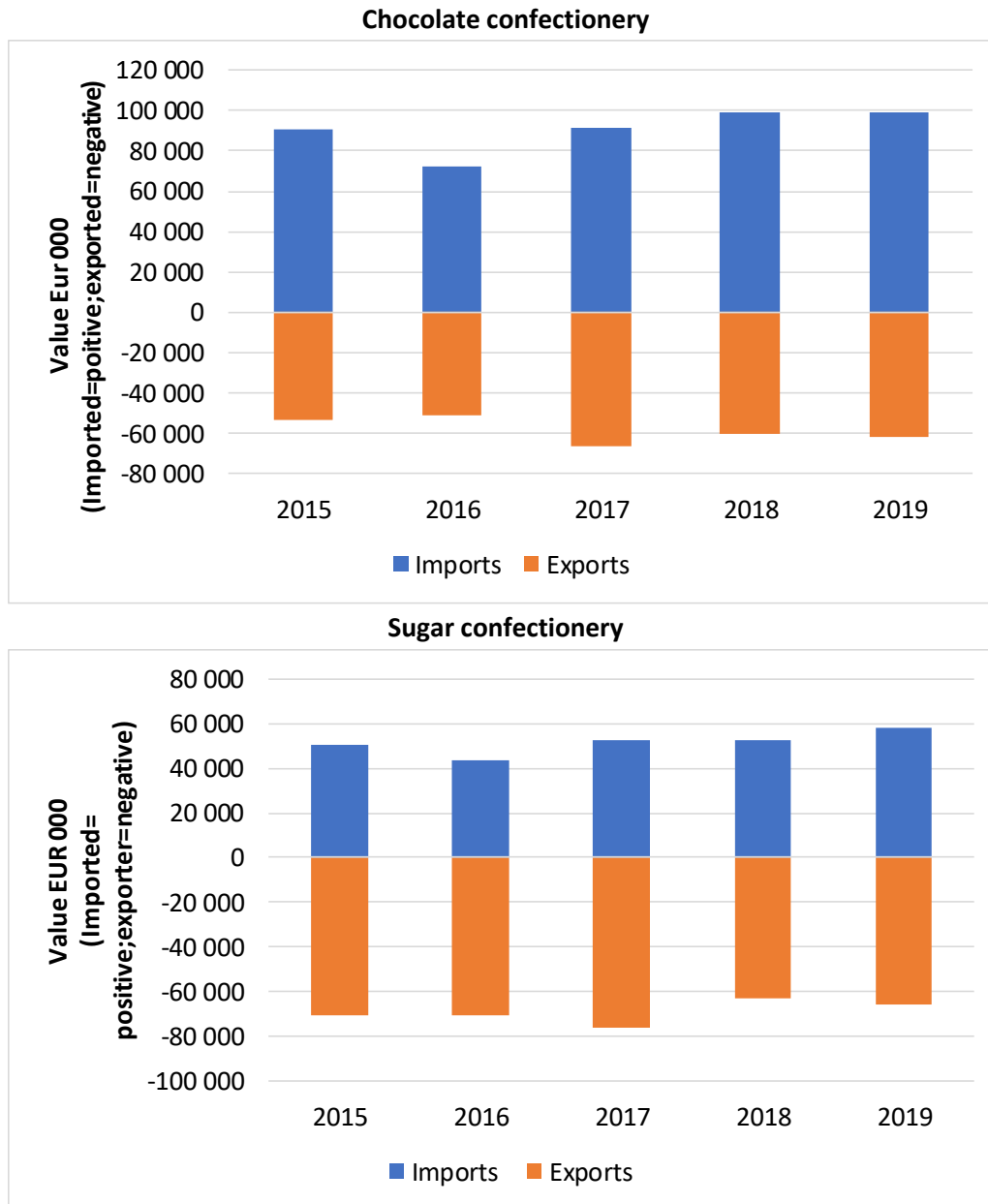
Even though Tiger Brands is the main player in the sugar confectionery market, it starts to face many new and cheaper companies and due to this its sales share dropped slightly. Its main competitors are companies such as Manhattan, Premier Foods and Candy Tops, who sell their candy at lower prices. In South Africa Woolworths was one of the biggest retailers of sugar confectionery, but it decided to stop selling confectionery to follow the rising health concerns of consumers.⁷³

5.7.3.2 Imports and exports

South Africa is a net importer of chocolate confectionery as visualised in Figure 5-32. In 2019 imports had a value of EUR 99m, whereas the exported value was about 40% lower at about EUR 62m in the same year. Since a decrease in 2016 import values are rising but export values still stay below the ones in 2017. However, overall a trend is visible when comparing the different values in 2019 with numbers from 2015. Like in 2019, in 2015 the exported value was circa 40% higher than the imported one as well.

⁷³ Snacks Treats & Beverages <https://www.tigerbrands.com/aboutus/strategyportfolio/food-groceries/snacks-treats-beverages>; South Africa Confectionery Industry 2019: Size & State of the Industry, Influencing Factors, Competition, Outlook & Key Players <https://www.prnewswire.com/news-releases/south-africa-confectionery-industry-2019-size--state-of-the-industry-influencing-factors-competition-outlook--key-players-300796492.html>; The state of the SA chocolate industry <https://www.foodstuffs.co.za/the-state-of-the-sa-chocolate-industry/>

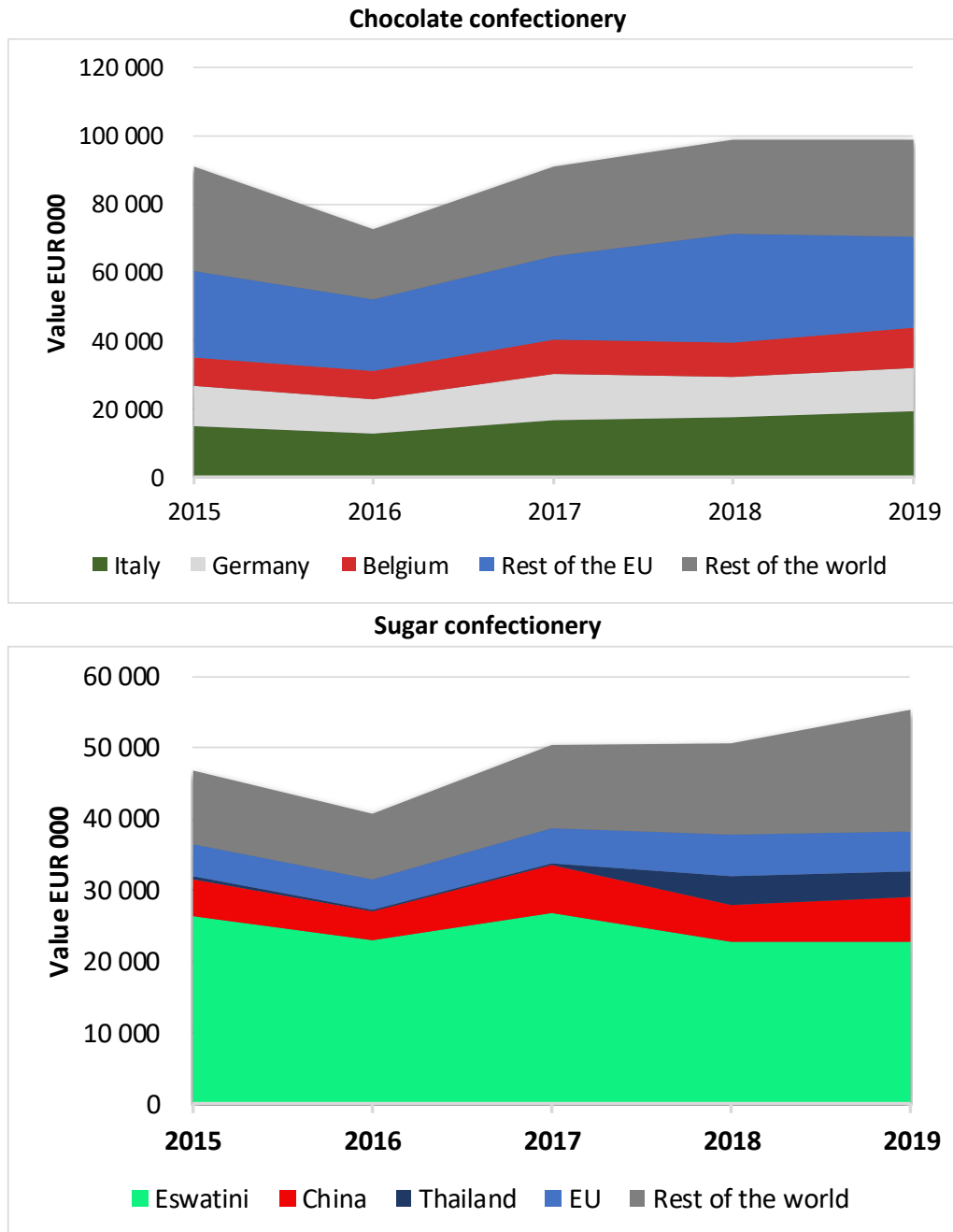
Figure 5-32: Trade balance (imports and exports) of confectionery in South Africa, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

The situation looks different for the sugar confectionery sector because South Africa is a net exporter in this category. As depicted in Figure 5-32, in 2019 South Africa exported sugar confectionery with a value of EUR 66m and imported sugar confectionery with a value of EUR 58m. Thus, exports were approximately 12% higher than imports. Since 2016 the value of imports is constantly rising, whereas the exported value peaked in 2017 and is lower in 2018 and 2019, even compared to other previous years. This is visible in particular when comparing the 2019 numbers with 2015. In 2015 exports have been about 30% higher than imports, whereas this number was only half as big in 2019.

Figure 5-33: South African imports of confectionery by country, 2015-19; EUR 000

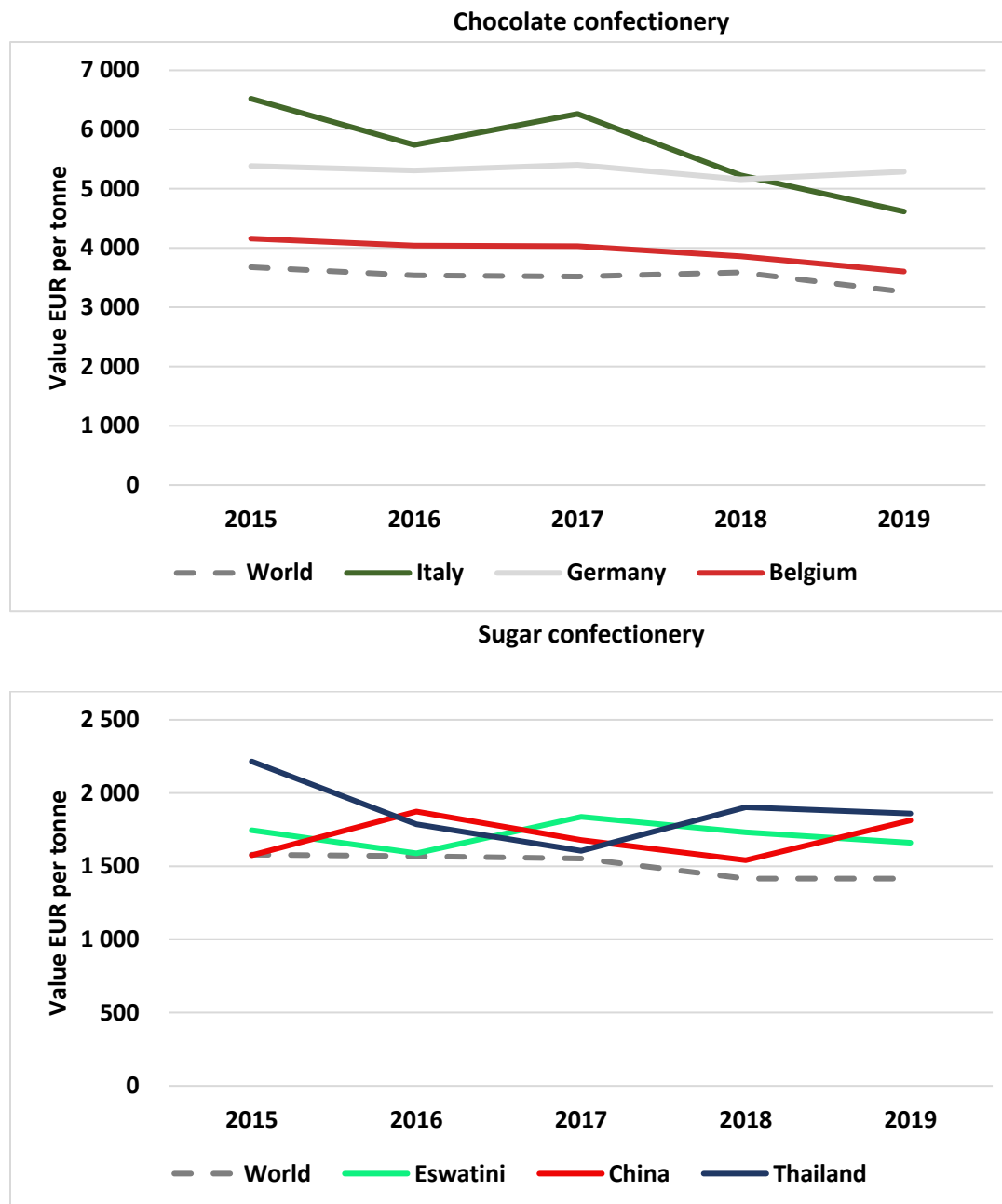


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

Six out of the first ten **chocolate confectionery** exporters with the biggest markets according to value are from the European Union. The ranked first 3 countries, as shown in Figure 5-34, are all from the EU namely Italy, Germany and Belgium. These three countries together accounted for about 44% of all chocolate and imports in 2019. In 2019 Italy exported to South Africa chocolate with a value of approximately EUR 19m, followed by Germany with over EUR 12m and Belgium with just under EUR 12m.

When it comes to **sugar confectionery** imports the EU is not a big player. Under the 10 biggest exporters by value, the EU is represented only by Belgium, which ranks 10th. Other countries are from all over the globe and the three biggest importers, who account for about 55% of all imports by value are Eswatini, China and Thailand. In 2019 Eswatini exported sugar confectionery worth close to EUR 23m, followed by China with roughly EUR 6m and Thailand with roughly EUR 3.5m.

Figure 5-34: Per unit value of South African imports of confectionery for selected countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806 and 1704.

As depicted in Figure 5-34, the value per tonne is higher for **chocolate confectionery** exports from EU countries than the world average. Italy was having the highest unit value for many years; however, it also had been dropping since 2017 and in 2019 the unit value decreased to a point where it was lower than the unit value of German chocolate confectionery exports. In 2019, German exports valued approximately EUR 5 300 per tonne whereas Italy's exports valued circa EUR 4 600 per tonne followed by Belgium, which is close to the world's average, with EUR just over 3 600 per tonne. The world's average is about EUR 3 200 per tonne and thus below the unit values of the other three countries.

The different unit values for **sugar confectionery** are more similar than the ones for chocolate confectionery. In 2019 the unit value of exports from Thailand was the highest with close to EUR 1 900 per tonne, followed by China with about EUR 1 800 per tonne and Eswatini with a unit value of nearly EUR 1 700 per tonne. The world's average in this case is less than the ones from those other three countries as well at about EUR 1 400 per tonne.

5.7.3.3 EU GI products

No EU chocolate or sugar confectionery GI products are listed. For a full list of EU GI products in South Africa please refer to section 9.

5.7.3.4 Main competitors

Mondelez is the leading company in **chocolate confectionery** in South Africa. With its release of Cadbury countlines, it furthermore is the consumers favourite countlines brand. Nestlé ranks second because of its popular brands such as Kit Kat. Tiger Consumer brands ranks third due to the increased popularity of its Beacon brand.⁷⁴ The market for chocolate is developing into a premium one and high-quality EU products seem to have good chances. Indeed, while the South African chocolate industry is quite well developed, it has suffered from increasing input prices recently, creating further opportunities for imports.

The situation is different in the **sugar confectionery** sector. The EU is not one of the main exporters yet and due to low prices of sugar confectionery from other countries or domestic production is not helping. The biggest competitor is South Africa's Tiger Brands. However, high export values from Eswatini, Thailand and China are making them part of the main competitors as well. In conclusion, the competition for sugar confectionery is high.

5.7.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry chocolate and sugar confectionery can be found in section 4.2. EU chocolate confectionery products imported into South Africa generally do not face tariffs if they

⁷⁴ Euromonitor International: Packaged Food, 2020.

comply with the rules of origin. This compares to MFN tariffs of 17% to 21%. Sugar confectionery products do face tariffs of 25%; by comparison, MFN tariffs vary from 25 to 37%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

Sugar confectionery:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=ZA>

Chocolate confectionery
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1806&countryid=ZA>

Customs procedures

A list of standard documents required for the import of chocolate and sugar confectionery into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

Sugar confectionery:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=ZA#h9>

Chocolate confectionery
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1806&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of confectionery in South Africa are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=ZA#h18>

Labelling

Chocolate and sugar confectionery labelling has to follow general label requirements; these are set out in section 4.2.3. They are also described on the following website.

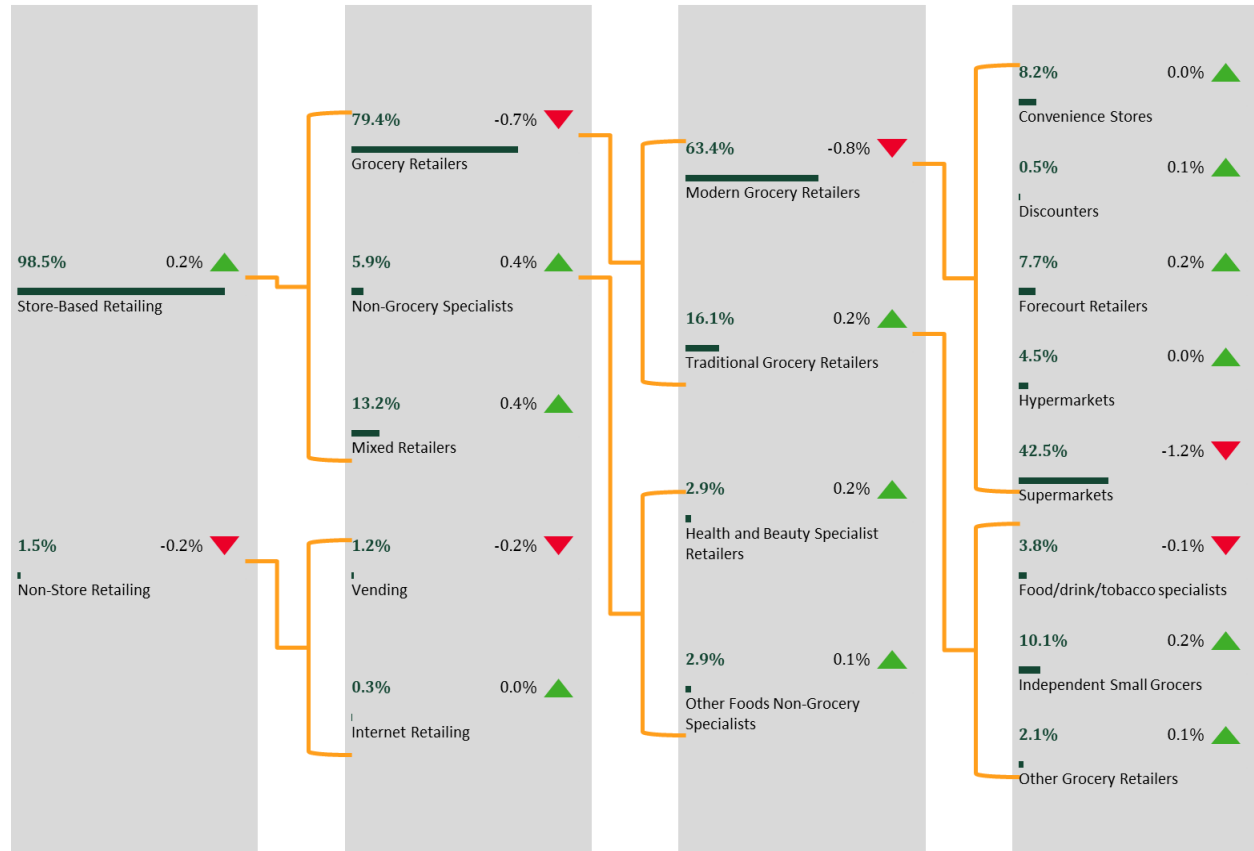
Up to date information on appropriate documents concerning labelling measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=ZA#h43>

5.7.5 Distribution

Nearly all **chocolate confectionery** is sold off-trade in store-based retailing (98.5%). The remaining 1.5% is sold online. Even though this number is already small it has been declining recently as depicted in Figure 5-35. The most popular outlets are supermarkets and independent small grocers which account for just

over 50% of retail value. Other important shops are convenience stores with just over 8% and forecourt retailers with just under 8%.

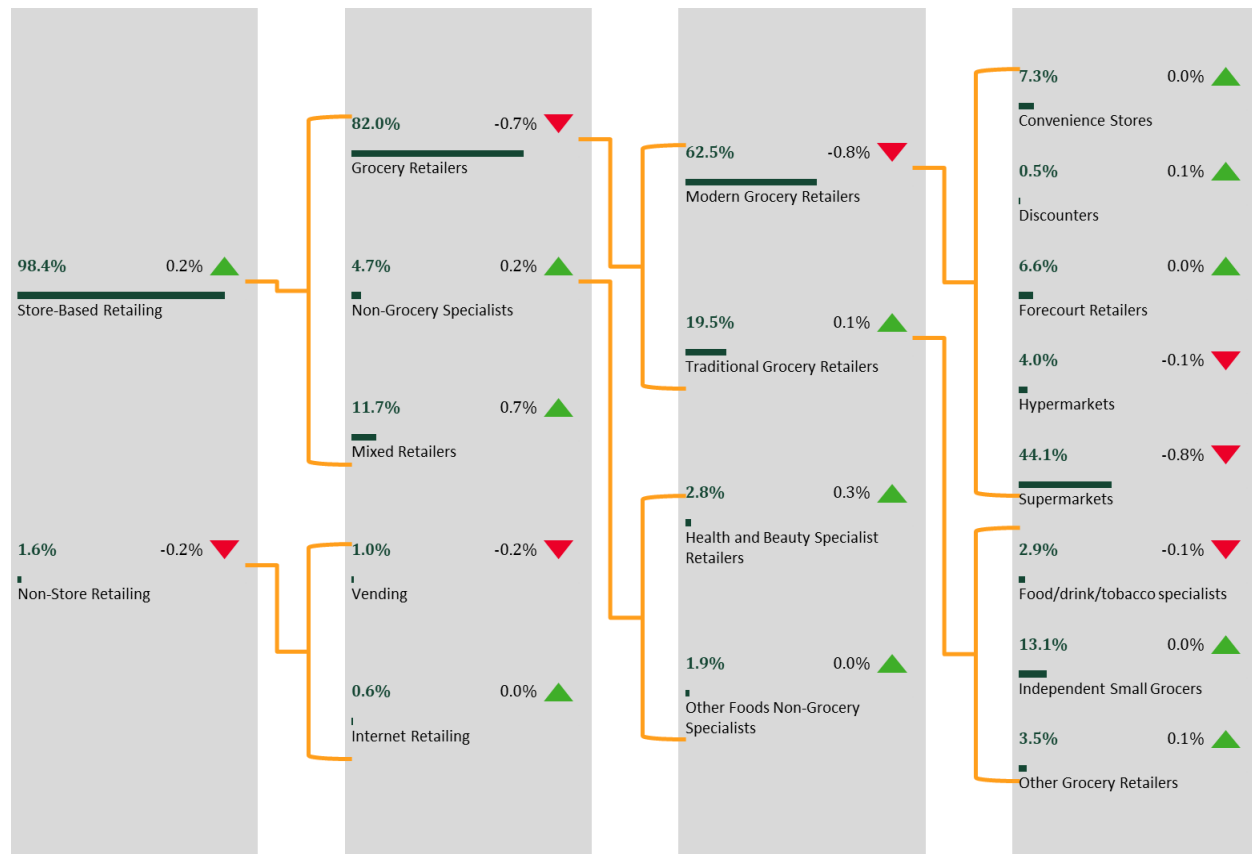
Figure 5-35: Distribution channel overview of chocolate confectionery in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

Sugar confectionery sales are almost all made through stores as shown in Figure 5-36. Around 1.6% of sales are online, however, the rest is still store-based. Like it is the case for chocolate confectionery online sales decreased by 0.2% in 2018 as well. More than 4/5th of sugar confectionery is sold in grocery retailers, with supermarket and independent grocers being the most prominent ones and accountable for close to 60% of the retail value. Other important outlets include convenience stores with over 7% and forecourt retailers with 6.6%.

Figure 5-36: Distribution channel overview of sugar confectionery in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.7.6 Challenges for EU products

The market for **chocolate confectionery** is suited for high-quality EU products and EU countries are already the main exporters and thus, there are opportunities. Domestic production with big international players manufacturing in South Africa is the main competitor. However, it is still important to keep in mind current trends besides premiumisation, such as health consciousness. Not all consumers have enough disposable income to purchase high-quality chocolate confectionery on a regular basis which is why the sector's value is forecast to grow but not its volume; and indeed tough economic conditions do place some downward pressure on the chocolate market as a whole.

The **sugar confectionery** market for EU products is challenging. On the one hand, domestic production and brand recognition are high and on the other hand many other countries like China and Thailand - which typically sell products cheaper than it may be possible for many EU producers - already dominate the market for imports. Many price-sensitive consumers would choose the cheap option. There is no clear premium market like it is the case for chocolate confectionery.

Market Takeaway: Chocolate and confectionery

Consumption: In value terms consumption for chocolate is expected to grow moderately, whereas total volume numbers are forecast to decrease. Sugar confectionery market, on the other hand, is forecast to grow in value and volume.

Competition: Competing with big international manufacturers in South Africa as well as the big local ones such as Tiger Brands.

Distribution: Mostly in supermarkets or other off-trade channels.

Challenges: Consumers' price sensitivity, high domestic production with international brands and big general international competition in exports.

Opportunities: The premiumisation trend in chocolate confectionery is a good opportunity for EU exporters. Moreover, there are opportunities for innovative products with interesting flavours.

5.8 Beer

5.8.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Beer consumption is common in South Africa and this has been the case for decades. ▪ A large youth population which is much more open to trying international products helped in part by the rise of the internet. ▪ The youth are moving away from traditionally brewed beer such as Umqombothi in favour of lagers. 	<ul style="list-style-type: none"> ▪ There is a large amount of cheap domestically produced beer available in South Africa. ▪ South Africa's variety of agricultural products allow producers to create unique flavours specific to the country. ▪ South Africans often cannot afford imported beer which is compounded by the availability of cheaper domestic alternatives.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The middle class of South Africa is rising and average incomes across South Africa are rising year on year as well. ▪ Non-alcoholic beer, though small in market size, is growing rapidly and EU producers are accustomed to this trend. ▪ A rapidly urbanising population combined with growth of modern retailers will lead to an increase of exposure of imported beers to consumers in South Africa; and there is increased demand from consumers for different beers, whether imported or craft. 	<ul style="list-style-type: none"> ▪ Craft beer is rising in South Africa and is increasingly common. ▪ Namibia is the largest exporter and its geographic proximity allows it to sell beer cheaper than European producers. ▪ The youth of South Africa are more concerned about health and diets than older generations.

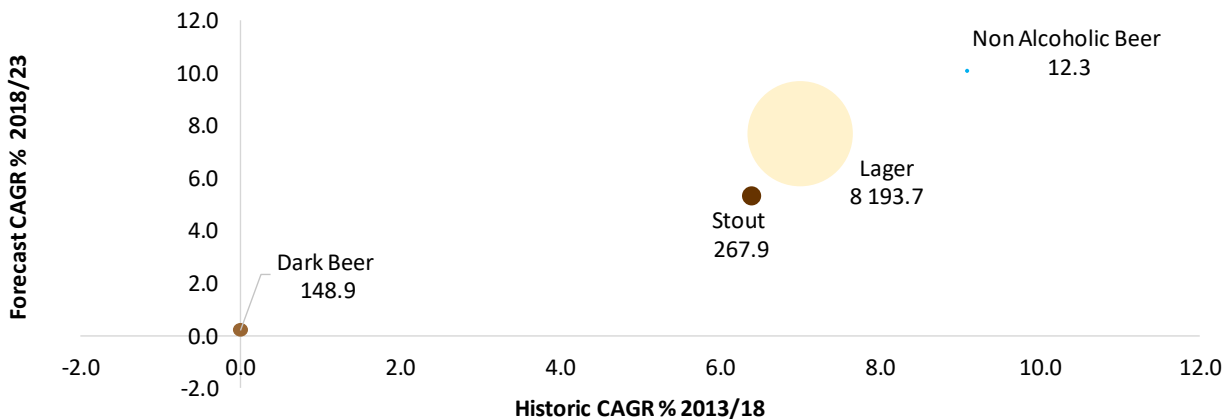
5.8.2 Consumption

5.8.3 Evolution of consumption

Beer is the most popular alcoholic drink in South Africa, it is estimated as much as 2.1% of the total household spending in South Africa is spent on beer. In relation to spending on alcoholic beverages per household, 54% is spent on beer. As indicated in Figure 5-37, non-alcoholic beer has grown rapidly in the country aided by the rise of a health-conscious consumer base and a government crackdown on drink driving. That said, the segment remains the smallest by some margin. Lager is by far the largest segment, worth over EUR 8bn. It is also the second fastest growing segment (after alcoholic beer) with a recent growth rate of 7% per year, plus it is forecasted to continue growing at a rate of over 5% for the period up until 2023. Lager's growth is pushed by the large market share it currently has in South Africa with the top five largest beer brands in South Africa being lager (*Carling Black label, Castle, Hansa Pilsner, Castle Lite and Heineken*). Stout continues to grow in popularity with a forecasted CAGR of 6.3% (having grown at 6.4% per year in recent years) but will remain a relatively small market of EUR 268m with the largest stout, Castle Milk Stout occupying just 2.8% of the total beer market. Dark beer has stabilised and may contract slightly during the next few upcoming years; typically dark beer is more expensive than alternatives which makes it difficult to grow in a market that is extremely frugal and cost-conscious.⁷⁵

⁷⁵ Beer More popular than vegetables, Department of Statistics, South Africa Available at: <http://www.statssa.gov.za/?p=10269>

Figure 5-37 the beer market in South Africa (value, EUR million); 2013-2023



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.3.1 Consumer profile and purchase criteria

Beer is the most popular alcoholic beverage in all the provinces of South Africa. In Mpumalanga, households spend 71% of their alcohol budgets on beer – the highest rate in the country. While remaining the most popular alcoholic beverage in Western and Eastern Cape, the competition here from spirits and wine is stronger than other regions of the country.⁷⁶

Consumers

Consumers of all ages and social classes will drink beer in South Africa but the type of consumption will vary wildly as the nation has a wide ethnic and monetary divide that impacts the type of beer and setting in which beer is consumed. Domestic production of beer is high which allows for cheaper prices and in turn, leads to higher prices on imported beer such as Guinness and Heineken. Lower income consumers generally drink sorghum beer; while lower middle income consumers upwards tend to favour the mass market lagers (such as Carling Black Label, Hansa Pilsner and Castle). Consumers of imported and craft beers are generally middle and higher income. Craft beer is likely to be consumed by younger consumers seeking an “eccentric” and unique beer outside of the mainstream, the variety of crafts beers in South Africa varies giving these consumers plenty to choose from.

Drivers and method of consumption

Some of the notable drivers and methods of consumption are as follow:

- **Cost Consciousness.** The majority of South Africans are very cost-conscious as a result of the high levels of unemployment and low levels of income, beer is preferred over other drinks, and cheap

⁷⁶ Beer More popular than vegetables, Department of Statistics, South Africa Available at : <http://www.statssa.gov.za/?p=10269> ; Euromonitor International: Alcoholic Drinks, 2020.

beers are generally preferred over the more expensive ones. Johannesburg and Cape Town are some of the cheapest places in the world to buy a beer, though a beer can be found across South Africa for a relatively cheap price. Generally, cheaper beers will be lagers and consumed by individuals with lower levels of income and are available throughout South Africa.

- **Climate and Lifestyle.** The cold lagers are a compliment good for the typically hot climate of South Africa. Many South Africans enjoy spending time outside with friends and families and having gatherings such as BBQs which aids in the consumption of beer products.
- **Microbreweries:** Microbreweries have grown increasingly popular in South Africa over the last years since around 2010, and today there are roughly 215 craft breweries in the country. South African microbreweries typically move away from brewing techniques found in the US and Europe by incorporating local ingredients such as Sorghum grain. Craft beers are typically more expensive as the production costs associated with them are higher meaning many consumers will have above-average disposable incomes. Craft beers are largely consumed with meals such as dinner.

Purchase criteria

As previously mentioned, low-income earners will be more price-sensitive which also means they will be more unlikely to purchase beer imported from abroad, especially with the large variety of cheap domestic beer available to them. Beers imported from abroad or craft beers brewed in microbreweries will cost a little more but even a slight increase in price in a country like South Africa can cause these beers to remain more likely to be consumed by wealthier consumers. Beers are typically divided into three pricing categories. A retail price of more than EUR 1.30 for half a litre would typically be a premium brand, between EUR 1 and-1.30 would be a mid-priced beer while anything underneath this would be a cheap beer and typically domestically produced.

In addition to price, consumers specifically of imported or craft beers tend to choose on the basis of style, freshness and taste. Imported lager is generally preferred; as well as typically being cheaper than stouts or dark beers, it is also due to lager's freshness and taste, which is preferred given the hot and humid temperature in the country. Most South African men prefer light and mild-bitter flavour of brands such as Corona, Bavaria and Stella Artois. On the other hand, women prefer sweeter beer taste and flavoured/mixed lager, thus, preferring various shandy and flavoured beers.

Beer on retailers' shelves in South Africa

As noted above, beers over ZAR 25 / half litre (about EUR 1.30) can be considered premium; with those under the ZAR 18-20 range / half litre (EUR 0.90 to EUR 1) being economy. Imported beers from Europe tend to be premium.



Packaging formats for beer vary considerably, with smaller glass bottles (typically around 330-350ml), metal beverage cans (typically 440-500ml) and resealable bottles (typically 900ml to 1 litre) all common. Large multipack cans have gained in popularity in recent years due to the combination of economic constraints and their positioning as a product to share.



For mass market beer, it is common to see promotions of the nature “Buy X, get Y free” (e.g. buy 12, get 6 free). Typically these occur mid-month or month end; and are more common e.g. in the South African winter.

Pictures: © Agra CEAS / Euromonitor International, 2020.

5.8.3.2 Recent market trends

The growth of craft beers and imported beers has unnerved domestic producers who are already competing in a crowded field which means producers have to innovate. One such example comes from brewers introducing resealable bottle tops and promotions such as purchase 12 cans of beer and get 6 for free. A combination of innovation in areas such as alcohol-free alternatives and unique flavours with retail promotions will be essential for brewers in the South African market to remain competitive in the market for upcoming years. Craft beers are likely to become a more common fixture in South Africa as an increasing number of entrepreneurs begin to realise the economic benefits of microbrewing in South Africa to meet consumer demand for different beers. This demand for different beers nonetheless also opens the door to imported beers as well.

Furthermore, the market for non-alcoholic beer is growing quickly. Discussions ongoing relating to a ban on the advertising of alcoholic drinks containing up to 0.5% alcohol by volume (ABV) are expected to further encourage manufacturers to shift toward alcohol-free beverages. While there are currently only two major non-alcoholic beers in the country at present (Castle Free and Beck’s Blue) and just a few low

alcohol brands, some larger manufacturers have announced their intention to launch more such products in coming years.⁷⁷

5.8.4 Offer

5.8.4.1 Domestic production

As previously stated in section 2, South Africa's abundance of climate regions and different soils allows it to produce a wide variety of agricultural crops which also translates to beer production. The South Africa division of brewer SAB Miller is the largest beer producer in South Africa with over 70% market share. It should be noted that Heineken is slowly chipping away at this dominance as they today have 13% of the market share which is growing year on year. The largest beer brand in South Africa is the Castle lager brand which has recently been recognised as the national beer of South Africa and is produced from ingredients exclusively from South Africa. Internationally, South Africa is the world 12th largest producer of beer. The beer industry contributed 1.5% of the GDP of South Africa in 2018 and employed 210 000 Individuals which accounted for 1.4% of national employment in the country. Despite droughts inflicting South Africa in recent years, beer producers have managed to adapt by using techniques which limit water usage such as irrigation.⁷⁸

In recent years, a domestic craft beer industry has emerged, with some 34m litres produced in 2019, up around 5% from the prior year. It is estimated that there are over 200 microbreweries in the country; half of which are in the Western Cape.

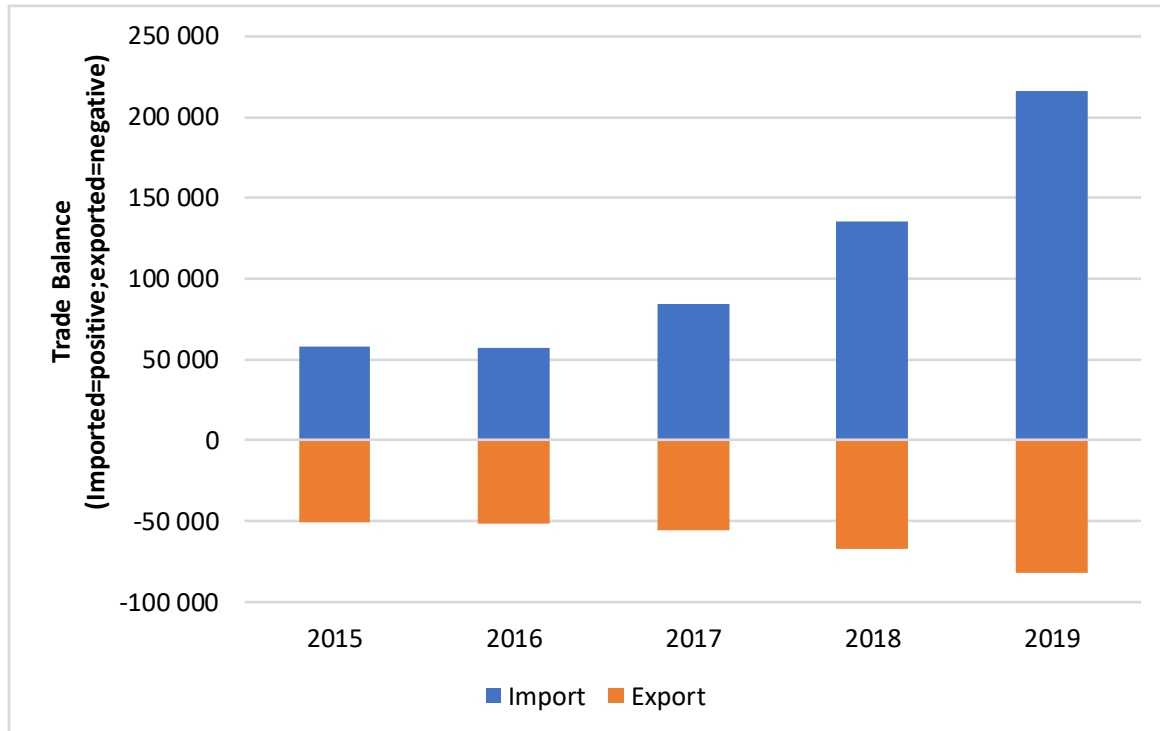
5.8.4.2 Imports and exports

As indicated in Figure 5-38, South Africa has moved from a near trade balance in beer exports and imports in 2015 to a substantial net importer of beer by 2018-2019. Many factors can be attributed to this change with the rise of the Heineken brand in the country, the merger of Anheuser-Busch InBev NV and SABMiller in 2016 and the introduction of Stella Artois, Corona and Budweiser to the market during this period being the main cause of this shift. It should, nonetheless be noted that a certain percentage of beers that are imported are subsequently re-exported to neighbouring countries.

⁷⁷ Euromonitor International: Alcoholic Drinks, 2020.

⁷⁸ Beer Association of South Africa, About Us, Available at <https://beersa.org/about-us/>; Beer supply won't dry up in drought, brewing giant promises, The Times, Available at <https://www.timeslive.co.za/news/south-africa/2017-09-21-beer-supply-wont-dry-up-in-drought-brewing-giant-promises/>

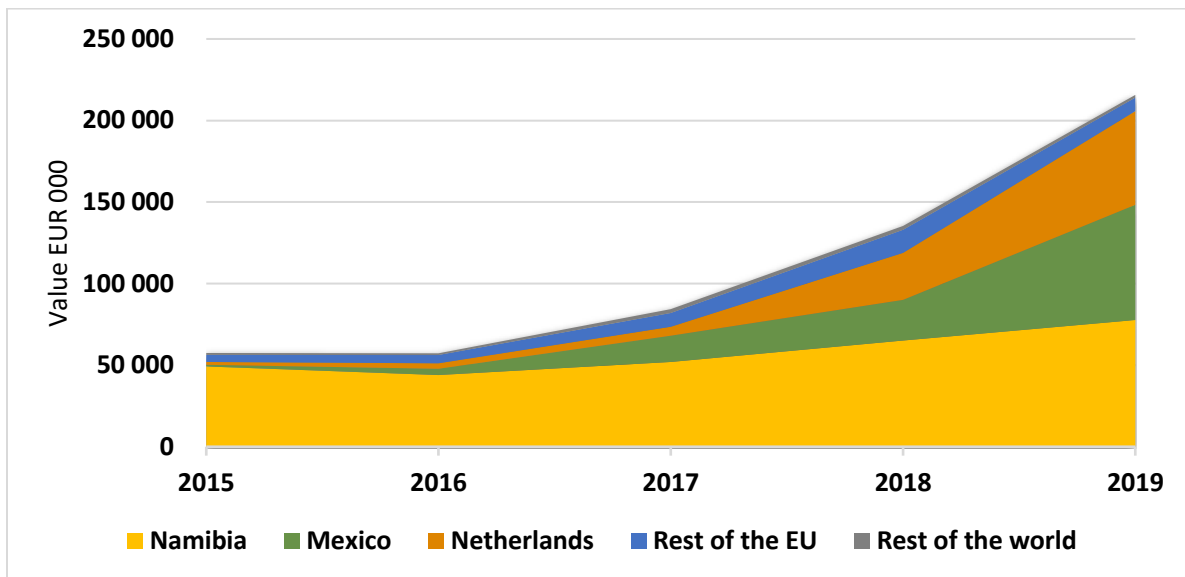
Figure 5-38: Trade balance (imports and exports) of beer in South Africa, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

Namibia is the largest exporter of beer to South Africa with lager such as Windhoek gaining popularity and the close proximity of Namibia to South Africa aiding trade. Mexico is the second-largest exporter is aided by the sales of Corona in South Africa, and to a slightly lesser extent, Sol. The Netherlands is the third-largest exporter with the Heineken brand largely accounting for this. Beers from Germany and Belgium (notably Becks and Stella Artois) are also popular in South Africa and these two countries make up the fourth and fifth largest exporters respectively (Figure 5-39).

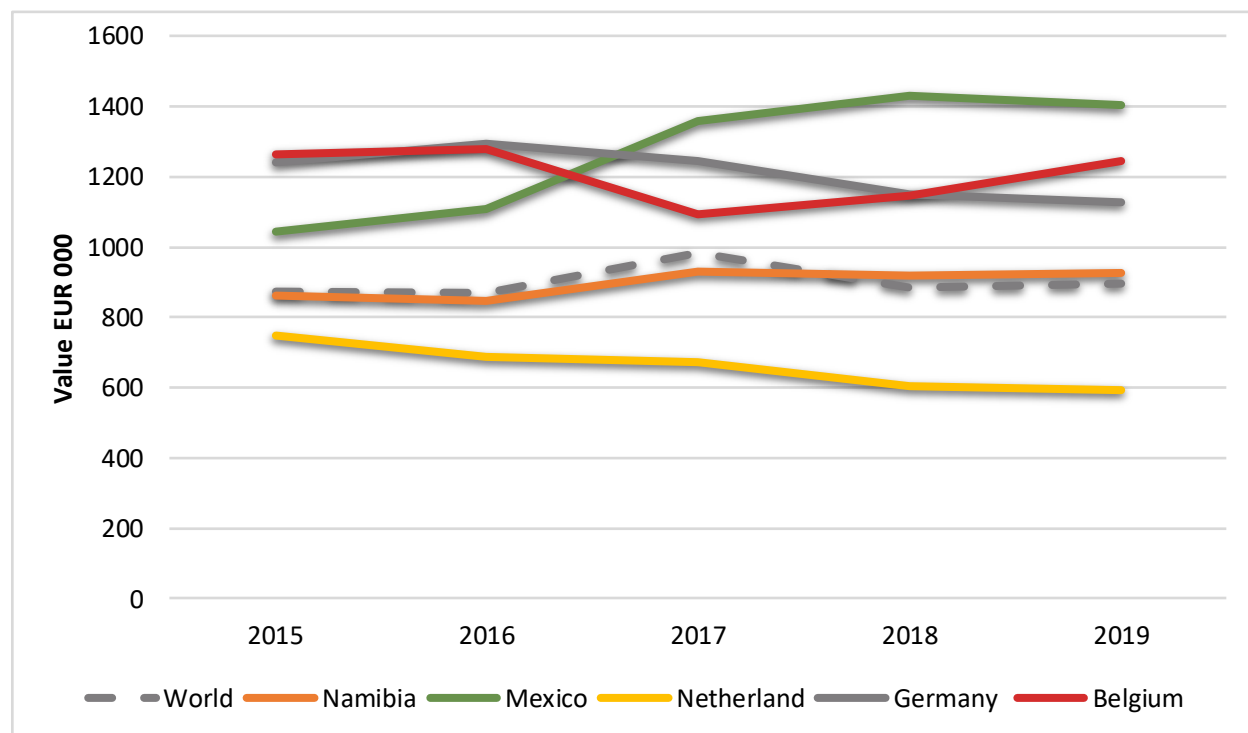
Figure 5-39: South African imports of beer by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

The strength of the imported beer market can be demonstrated through Figure 5-40 which outlines the growth in unit value with Mexican and Namibian beers recording year on year growth, with the latter still generally quite cheap. The highest per unit value beer from EU exporters comes from Belgium, which is then followed by Germany; both countries' beers are more expensive than the world average. Dutch beer has the lowest unit value among major exporters.

Figure 5-40: Per unit value of South African imports of beer for selected EU countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

5.8.4.3 EU GI products

As Reported in section 9, under the EU-SADC EPA Agreement the following beers will be recognised as geographical indications for in South Africa:

- Czech Republic: České pivo, Ceskobudějovické pivo.
- Germany: Bayerisches Bier, Bremer Bier, Münchener Bier.

5.8.4.4 Main competitors

The main competition for EU beer exporters comes from the already large number of domestic producers in the country, reflected by South African Breweries (SAB) having a 72% market share. Beer from Namibia (Windhoek), Mexico (Corona) and the USA (Budweiser) also pose a threat to EU beers. Craft brewing in the country is on the rise and currently, 215 breweries are in operation in the country. Imported beer has grown rapidly in recent years and will continue to grow but exporters need to be aware that they are entering an already crowded domestic market.

5.8.5 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry of beer can be found in section 4.2. EU beers do not face tariffs entering South Africa if they fulfil the necessary rules of origin. This compares to an MFN tariff of 5% for most other countries.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=ZA&hocode=2203>

Customs procedures

A detailed list of standard documents required for the import beer into South Africa is presented in section 4.2.1 (Table 4-1 and Table 4-2).

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=ZA&hocode=2203>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of beer in South Africa are in line with international standards.

The South African Liquor Products Act Regulations defines liquor products, including beer. However, no major challenges with specific definitions in this act for EU producers have yet been noted.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hocode=2203&countryid=ZA#h18>

Labelling

Labelling beer for the export to South Africa has to follow certain specific rules. Beer labels need to include the following information: country of origin, information about the importer, alcohol content in per cent or volume, product class designation, a statement that the beverage contains sulphites if it has more than 10mg/l, a lot number and the date of bottling.

Furthermore, specific health messages are a required part of the label as well. Messages such as “Alcohol reduces driving ability, don’t drink and drive” or “Drinking during pregnancy can be harmful to your unborn baby” are necessary and to be added to the label taking up a minimum amount of 1/8th of the total size of the container (black letters on white background). Furthermore, it is obligatory to show all health messages with equal regularity on each product line within a 36 months cycle. Bottles of a size of 700ml may not be imported into South Africa, the measure unit “cl” is not permissible.

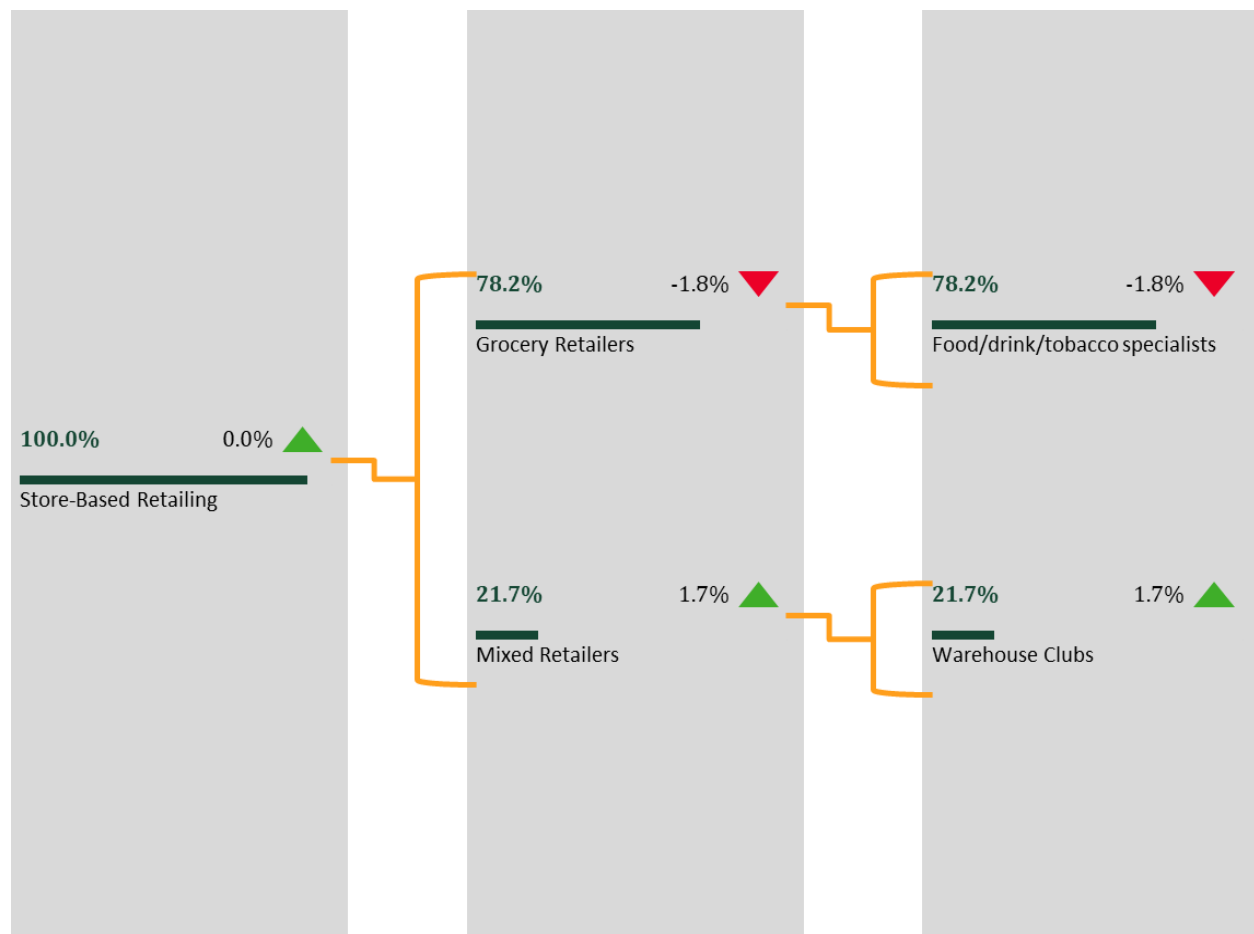
Up to date information on appropriate documents concerning labelling measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hocode=2204&countryid=ZA#h43>

5.8.6 Distribution

In South Africa, the off-trade accounts for 62% of total volume of beer distribution in the country. As can be seen in Figure 5-41, the most popular off-trade distribution channel is grocery retailers which typically sell every variety of beer available on the market. Dedicated liquor stores inside modern retailers such as Spar and Woolworths are examples of where consumers typically purchase off-trade beers. These retailers will often offer promotional campaigns for beers such as purchase 10 cans get 5 free which resonates with the consumers in South Africa. Mixed retailers such as warehouse clubs are growing in popularity and currently account for 22% of beer distribution sales in South Africa. The ability to purchase a large quantity of beer at a cheaper price through warehouse clubs such as Makro is appealing to South Africans and warehouse clubs allow South African consumers to purchase beers at a larger quantity for an overall cheaper price than the same quantity in a retailer.

Figure 5-41: Distribution channel overview of beer in South Africa (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.7 Challenges for EU products

South Africa has the resources available to produce a wide variety of beers with unique flavours. Namibia and Mexico are the biggest exporters of beer to South Africa which poses a challenge for EU products.

Indeed, these three origins of domestic production, Namibia and Mexico fit well with the largely price-driven South African beer consumer. At the higher end, the domestic craft beer industry has grown quickly in recent years and poses a threat to imported beers as they tend to target a similar end consumer.

Market Takeaway: Beer

Consumption: Consumed across income and ethnic classes. Higher earners are more likely to consume specialist beer (including EU beer) as there is a large amount of domestically produced beer which are cheaper alternatives.

Competition: Large domestic production, but a net importer due to the high levels of demand. Namibia and Mexico are the biggest exporters of beer to South Africa. The gap between the top three (Namibia, Mexico and the Netherlands) and the remaining exporters is large and unlikely to narrow soon.

Distribution: Highest volume distributed predominantly through off-trade channels (62%) which include grocery retailers and increasingly warehouse clubs. On-trade distribution through bars, nightclubs and hotels etc account for 38% of sales in South Africa

Challenges: Crowded market with many imported beers entering at roughly the same time (Stella Artois, Corona and Budweiser all largely entered this market between 2015-2018), plus growing craft production. Cheaper domestically produced beer and some cheap imports also prices a lot of imported beer out of the reach of many South Africans.

Opportunities: The middle class is growing slowly, and South Africa has a culture of beer consumption. This combined with a large and curious youth population due to the rise of the internet allows opportunities for imported beer to be introduced to new consumers.

5.9 Processed meat

5.9.1 SWOT analysis

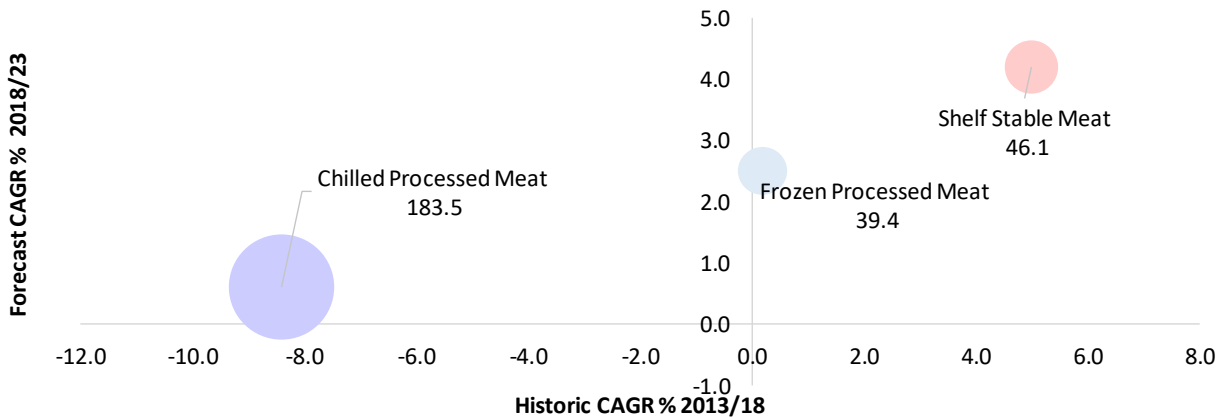
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Rising costs of living are affecting middle-income earners who traditionally did not purchase much-processed meat but are beginning to in larger numbers. ▪ The four largest exporters of sausages are all EU Member States. ▪ Processed meat continues to be the largest source of meat for many south Africans. 	<ul style="list-style-type: none"> ▪ The reputation of the product after the 2018 Listeriosis outbreak continues to haunt producers. ▪ South African producers can meet most domestic demand and have little need to import from abroad. ▪ Sales of processed meat are unlikely to return to pre listeriosis outbreak levels in the foreseeable future (2019-2024).
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Despite setbacks in 2018, the retail value of the processed meats market has started to recover. ▪ Ready meals which incorporate processed meat are growing quickly in South Africa. ▪ The costs of production continue to rise for domestic producers which may led to EU producers becoming price competitive. 	<ul style="list-style-type: none"> ▪ South Africa's neighbours produce many processed meats that are popular in the country such as <i>polony</i> from Namibia. ▪ Prices of the product are volatile and affected heavily from external factors such as the price of raw materials required for production. ▪ An increasing health-conscious population will have an impact on processed meat sales.

5.9.2 Consumption

5.9.2.1 Evolution of consumption

Chilled processed meat accounts for the majority of the retail market in value terms, with the market being worth roughly EUR 184m 2018; however, this is against the backdrop of a significant decline in retail value in recent years with chilled processed meat contracting by some 6% per year in recent years - the largest decline in this category. The market for frozen processed meat is small at around EUR 40m but forecast to grow at just under 3% per year going forwards, having been stable in recent years. Sales of processed meat as a whole took a huge hit in 2018 registering -32% of the sales it did in 2017 as a result of the price of meat rising and the backdrop of the outbreak of the world's largest listeriosis outbreak, which hugely impacted confidence in the sector from consumers. Shelf stable meat is worth some EUR 46m and is the fastest growing category (Figure 5-42).

Figure 5-42: Evolution and forecast of the processed meat market in South Africa, 2013-2023; retail value EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.9.2.2 Consumer profile and purchase criteria

Consumers

The cost of processed meat combined with the conveniences they offer are what largely sway South African consumers towards them. Lower-income earners will be more like to purchase products such as *polony* – sausage similar in style to mortadella - which is a widely consumed processed meat in South Africa. Lower-middle income earners will likely purchase shelf-stable process meats as they provide both convenience and they do not need to be refrigerated. The decision to raise the level of VAT in South Africa has further priced out fresh meat products for many South African consumers which compounded the consumption of processed meat alternatives. However, many consumers hold reservations however about consuming processed meat products as the recent listeria outbreak has shaken consumer confidence in the product. Middle-Class earners who typically did not used to purchase much-processed meats are slowly coming around aided by the rising costs of living in South Africa and the increasing availability of process meat products. German butchers are available in many urban centres in South Africa offering European processed meats such as black forest ham, typically these products will appeal to high income earners.

Drivers and method of consumption

Consumers are largely driven by value, promotions, and discounts. Private label product ranges offer discounts and cheaper prices for shelf-stable meats which is done to make it more difficult for manufacturers to pass on the increasing costs of production to consumers. Processed meat can be consumed as a part of most meals in South Africa, for example: breakfast (bacon, sausages); lunch (*polony*); and dinner (chicken, ham). *Biltong* – dried and seasoned meat, normally from cows - is another processed meat that is widely consumed in South Africa as a snack item (though the substantial market for biltong is not included Figure 5-42 as it falls under the separate category of savoury snacks). Processed meats provide many low-income earners the chance to consume meat regularly as fresh meat is out of the pricing range for a large number of consumers. Most South Africans will incorporate processed meats

into a wider dish since meat forms a core element of many South African dinner meals. Most of the year South Africa has a warm climate which is perfect for BBQs which are popular in South Africa. Certain processed meats such as shelf-stable hot dogs and frozen burgers are common for this while dinner meals from microwaved meals are growing in popularity in South Africa with frozen pizza alone growing by 20% in retail value in 2019, at the heart of this is the common theme of convenience and affordability.

Purchase criteria

Suitability and convenience play a large role in the purchasing criteria for processed meats. However, ultimately consumers in South Africa will prioritise the price of processed meats over other factors, to this end we have seen the rise of middle income earners purchasing processed meats as the price of fresh meat continues to rise. *Polony* and other cheap processed meats will be largely consumed by lower income earners due to price. Indeed *polony* is largely associated with low income earners in South Africa.⁷⁹

5.9.2.3 Recent market trends

There is no escaping that the lingering legacy of the 2018 listeria outbreak continues to shake consumer confidence and the sector has yet to return to pre outbreak retail value levels after suffering a 6.4% contraction in 2018. The necessity of processed meats for many South Africans as a source of protein will allow the market to stabilise as fears begin to fade but this is a market that has a large task ahead of it in returning consumer confidence.

2017-2018 Listeriosis Outbreak

Between 2017-2018 South Africa was heavily affected by an outbreak of Listeria in processed meats, it was the world's largest-ever listeriosis outbreak and led to 1060 infected cases. The South African government immediately recalled all products from certain food brands affected by the outbreak which shook consumer confidence, 7 nations also suspended the imports of South African processed meats. The situation is now widely considered to be under control and processed meat has started to recover but remains a product of much suspicion in South Africa.

5.9.3 Offer

5.9.3.1 Domestic production

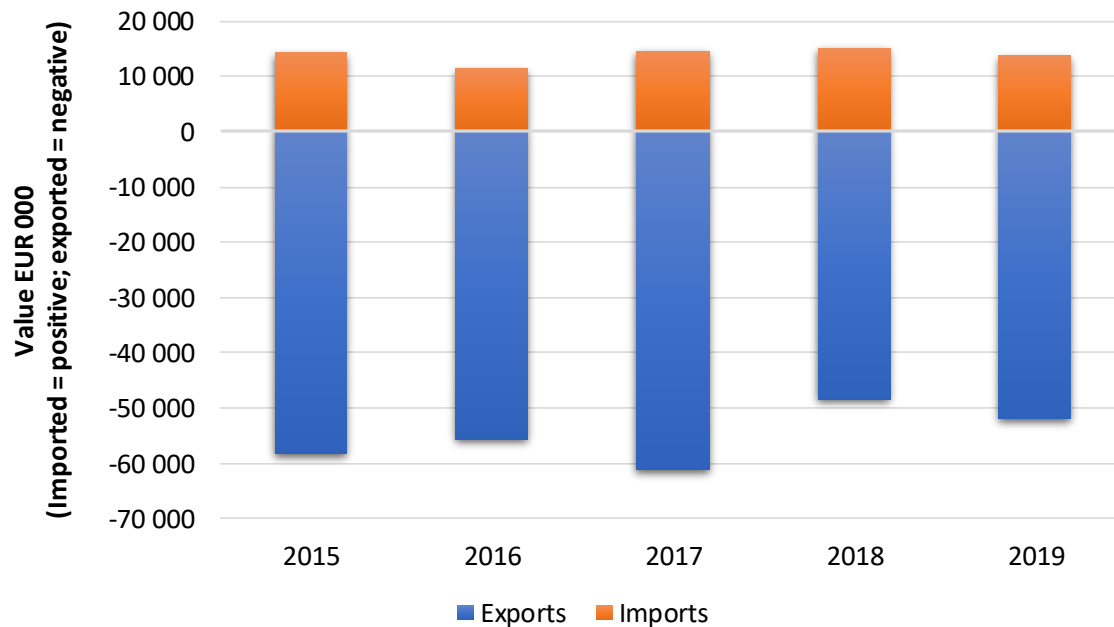
There are a large number of processed meat producers in South Africa as the country has a large agricultural industry that revolves around the product of meat. The listeriosis outbreak has taken a toll on the confidence of the domestic processed meat sector; however, as the crisis has been dealt with, coupled with stricter regulations being enforced from June 2018 the sector is slowly recovering. Many factories in the country were shut following the outbreak. In general, despite the many setbacks in recent years domestic producers continue to meet most domestic demand and consumers are very receptive to meat products produced in South Africa as they are generally cheaper than imported products and considered to be good quality.

⁷⁹ Source: Euromonitor International: Packaged Food, 2020.

5.9.3.2 Imports and exports

South Africa is a substantial net exporter of processed meat products, with exports outweighing imports by a factor of around four to one. That said, the level of exports has fallen in recent years, reaching just over EUR 50m in 2019. Imports have remained steady over the same period at around EUR 13m (Figure 5-43).

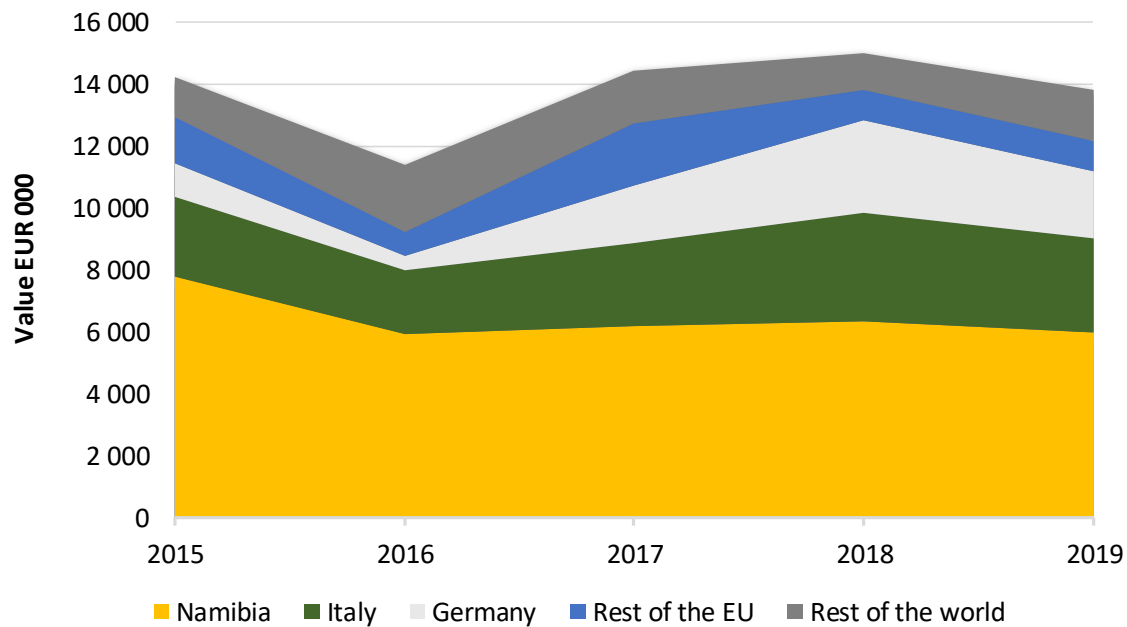
Figure 5-43: Trade balance (imports and exports) of processed meat in South Africa, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 0210, 1601, 1602.

In terms of origin, Namibia is the number one origin of processed meat, accounting for just under half of all imports by value. Italy and Germany take second and third place with just under 40% combined. Italy is particularly important for sausage style products (Figure 5-44).

Figure 5-44: South African imports of processed meat by country, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601, 1602.

5.9.3.3 EU GI products

The following processed meat products have been afforded geographical indication status as a part of the EU-SADC EPA. For a full list please refer to section 9.

- Germany - Nürnberger Bratwürste/Nürnberger Rostbratwürste.
- Spain- Dehesa de Extremadura, Guijuelo, Jamón de Huelva, Jamón de Teruel, Salchichón de Vic, Sobrasada de Mallorca.
- France- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy), Jambon de Bayonne.
- Italy- Bresaola della Valtellina, Cotechino Modena, Mortadella Bologna, Prosciutto di Modena, Prosciutto di Parma, Prosciutto di San Daniele, Prosciutto Toscano, Speck Alto Adige/Südtiroler Markenspeck/Südtiroler Speck, Zampone Modena.
- Hungary- Szegedi szalámi/Szegedi téliszalámi.
- Portugal - Chouriça de Carne de Vinhais/Linguiça de Vinhais, Presunto de Barrancos, Salpicão de Vinhais.

5.9.3.4 Main competitors

The main competitors in this market come from domestic brands such as Tiger food brands and Eskort as they and others can meet most of the demand in the country and the need to import from abroad is small. Domestic competitors are also accustomed to producing products that are popular amongst the South African consumer base such as *polony*; and overall South Africa is a substantial net exporter of processed meat products. Namibia presents a further challenge to European producers as its close geographic and

cultural proximity to South Africa allows the country to export processed meats that South Africans are accustomed to cheaply.

5.9.4 Specific market entry requirements

Market Access and Entry

As noted in section 5.1.4 on fresh meat, countries and establishments have to be authorised/approved to export certain meat products to South Africa. This requirement applies to the majority of processed meat products, as well as fresh ones. It is recommended that this section is consulted for more details. As with fresh meat, there are a number of specific documents that must be acquired in addition to the general requirements of South Africa in order to export processed meat to the country (see also below).

The EU-SADC EPA led to many tariffs being removed however in the case of processed meat, tariffs 15-40% of FOB value remains in place for most products (with a few exceptions, the rate applied is the same as the MFN rate).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.: Salted, dried, smoked meat:
<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=ZA&hscod=0210>

Customs procedures

The customs procedures for importing foodstuffs are set out in 4.2.1. A full list of the general requirements for export set out in Table 4-1. A list specifically for processed meat was identified in per Table 4-2 and full details can be found on the website indicated in the box below; most notably, a veterinary health certificate is required.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g.:
Salted, dried, smoked meat:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0210&countryid=ZA#h3>

SPS measures, standards

As noted in section 4.3.4 and also covered in section 5.1.4, there are certain barriers that EU exporters should be aware of. While primarily affecting fresh meat, they can all also impact processed meat. It is recommended that these sections be consulted for more details.

Up to date information on appropriate documents concerning SPS measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0210&countryid=ZA#h18>

Labelling

Prepacked processed meat products must comply with generic labelling which were described in section 4.2.3. It should be remembered that specific regulations which include requirement for labelling of meat/carcass markings and classes/classification exist. These are:

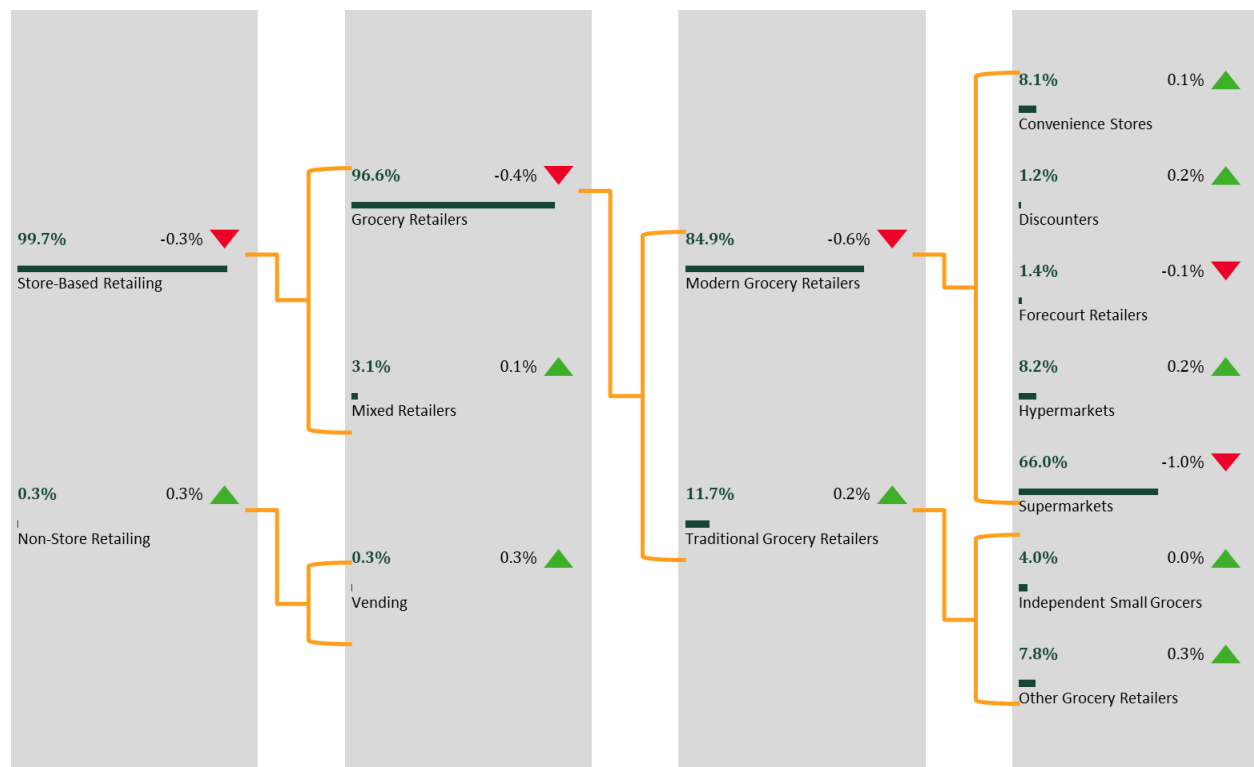
- Poultry (labels) - R. 946 of 1992 (updated 2016)
- Meat (classification and marking) - R. 55 of 30 January 2015

More details on some of the key requirements are covered in section 5.1.4, and it is recommended that this section be consulted.

5.9.5 Distribution

As can be seen in Figure 5-45, practically all of the processed meats sold in South Africa are distributed through store-based retailers. Modern grocery retailers make up 85% of distributed sales of processed meats with supermarkets account for two-thirds of modern grocery retailer sales. Hypermarkets are catching up slowly at 8.2% of sales and slightly edges out convenience stores which have 8.1% of sales. Traditional grocery retailers have seen sales grow slowly to reach 11.7%.

Figure 5-45: Distribution channel overview of processed meat and seafood in South Africa (2018); retail value



Source: Euromonitor International: Packaged foods, 2020.

5.9.6 Challenges for EU products

Consumers of processed meat are most likely to be low-income earners who are very cost-conscious. Therefore, imports of processed meat from the EU - which will likely be more expensive than domestic brands - may be out of the price range for the average consumer at present. Furthermore, it may be challenging for importers to attract middle class and higher earners as there is a wide variety of domestic meat products – both processed and fresh – already available to them. There are a number of German and wider European butchers in the urban centres of South Africa which offers the sale of processed meats from the EU which presents an opportunity; however, this market is quite small.

Market Takeaway: Processed meat

Consumption: *most commonly consumed by low-income and middle-low income earners as a substitute for fresh meat, which is often too expensive for these consumers.*

Competition: *Domestic brands can meet most of the domestic demand and Namibia is also a notable exporter of processed meat to South Africa.*

Distribution: *Sold mainly through Modern Grocery retailers with 85% of sales occurring through these retailers, traditional grocery retailers have slowly begun to incorporate more processed meat products into their stores which resulted in a small growth for this segment to reach 12%.*

Challenges: *Consumer confidence remains shaken as a result of a listeriosis outbreak in 2018 and sales are unlikely to return to pre outbreak levels for a number of years. Lower income consumers unlikely to be able to afford EU products.*

Opportunities: *The listeriosis outbreak affected the reputation of domestic brands which are usually enthusiastically supported by South African, opening a window for EU products to enter the market and be trusted.*

5.10 Ice cream

5.10.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The whole ice cream market is forecast to grow. ▪ Take-home ice cream and impulse ice cream are the two biggest categories and also have the highest forecasted growth rate. ▪ TRQs for imports of EU ice cream exist and have generally been underutilised. 	<ul style="list-style-type: none"> ▪ South Africa is by far a net exporter of ice cream. ▪ A small amount of ice cream imports in general. ▪ Market partially suffers from mainly seasonal demand (summer months).
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ New innovative products and flavours, even though classic ice cream flavours such as vanilla, chocolate and strawberry remain overall favourites. ▪ Smaller sized packages of bulk ice cream. ▪ Ice cream based on popular chocolate bars. 	<ul style="list-style-type: none"> ▪ Large companies such as Unilever and Nestlé, which have ice cream factories in South Africa, have the biggest market share with close to 80% of the retail value in 2018. ▪ China is a big competitor when it comes to volumes of exports and cheap ice cream prices. ▪ Indirect competition with other indulgence products such as chocolate.

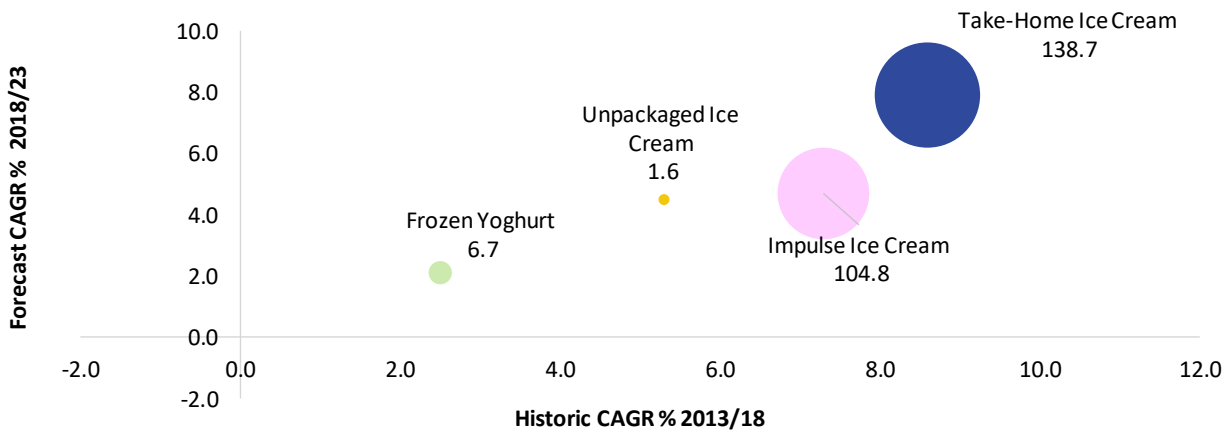
5.10.2 Consumption

5.10.2.1 Evolution of consumption

In 2018, the total ice cream market in South Africa had a value of about EUR 252m. Take-home ice cream and impulse ice cream accounted for nearly 97% of the markets retail value and thus are the two most important categories. Take home ice cream had a value of close to EUR 139m and impulse ice cream a little bit lower of about EUR 105m, which means the market size for impulse ice cream was over 24% smaller than the one of the biggest market category (Figure 5-46). Compared to the biggest 2 categories the markets for frozen yoghurt (approximately EUR 6.7m) and unpackaged ice cream (about EUR 1.6m) were very small in 2018 and together were only accountable for a small market share of circa 3%.

All four categories have been growing since 2013 and are forecast to continue to grow until 2023, although at smaller CAGRs than before. The biggest category, take-home ice cream is forecast to grow the most at a high CAGR of 7.9% between 2018 and 2023. The frozen yoghurt category is forecast to grow the slowest rate of 2.1% per year in the same period. The other two are somewhere in between with expected growth rates of 4.7% per year for impulse ice cream and 4.5% for unpackaged ice cream.

Figure 5-46: Evolution and forecast of the ice cream market in South Africa, 2013-2023; retail value EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.10.2.2 Consumer profile and purchase criteria

Consumers

Consumers span all age and social groups, but different income groups tend to prefer different products. Most ice cream consumers are low- and mid-income consumers who are price-sensitive and tend to buy cheaper ice cream. High-income groups on the other hand do not consume a lot of ice cream and prefer high-quality chocolate instead.

Drivers and method of consumption

Ice cream is a mainly seasonal product and consumed in particular when it is hot outside in the South African summer. However, media campaigns by big players in addition to efforts to enhance in-store visibility of ice cream products are helping to increase the demand all year round.

Overall, ice cream is a popular dessert that is mostly consumed at home during a peaceful evening watching TV or during dinner parties. When temperatures are high consumers also often have ice cream in cafes or have it outside while enjoying the sun.

Purchase criteria

The health trend influences the ice cream market but consumers favour ice creams that are attractive in taste terms as ice cream is seen as an occasional treat anyway. The three most bought flavours in 2019 were the classic ones: vanilla, chocolate and strawberry. However, consumers increasingly demand flavours with more than one ingredient and sauces such as Tin Roof, which is vanilla ice cream infused with chocolate-covered peanuts and fudge; cookies and cream; or chocolate and mint ice cream.

Consumers are price-conscious, but also still try to get the most out of their money. This latter fact has increased the interest of some consumers in higher quality products - whether bulk ice cream or single-serving ice cream. However in general, premium ice cream is too expensive for most South Africans and

hence remains a niche. Moreover, consumers who have the money to purchase premium ice cream tend to buy high-quality chocolate instead.

Finally, the decision to buy ice cream is also still highly dependent on the season and ice cream is mostly bought when temperatures are high and consumers want to refresh themselves with some cold ice cream.⁸⁰

5.10.2.3 Recent market trends

The ice cream market in South Africa is changing and the following are the main recent market trends in this sector:

- **Smaller individual packaging:** since it becomes increasingly important for consumers to get as much value as possible from the money they spend on ice cream, smaller packaged bulk ice cream options, such as 150ml to 500ml ice cream containers instead of 1l containers or even bigger ones, gain interest because they usually have affordable prices and thus appeal to the majority of consumers despite the country's poor economic situation at the moment.
- **Constant innovation and new ingredients:** As consumers want to get better value without spending more money it is on trend for manufacturers to come up with new and innovative ideas when it comes to packaging, flavours and the quality of ingredients such as beetroot chocolate ginger or turmeric latte ice cream.
- **Ice cream based on famous chocolate brands and bars:** It became common for chocolate manufacturers to release ice cream based on chocolate countlines or brands that customers already know. For example, producers such as Dairymaid Nestlé released some ice creams that are based on well-known brands such as Cadbury Crunchie, Oreo or Kit Kat.⁸¹

5.10.3 Offer

5.10.3.1 Domestic production

Most of the ice cream market is dominated by big multinational companies such as Unilever and Nestlé. Unilever South Africa is one of the biggest fast moving consumer goods company in South Africa and has an ice cream factory in Johannesburg, which opened in 2015 and serves brands such as Magnum, Cornetto, Gino Ginelli, Paddelpop, Frutarre and Rich 'n Creamy.⁸² Nestlé is producing their ice cream in Johannesburg as well, with brands such as Rollo, KitKat, Dairymaid, County Fresh, Eskimo Pie and King

⁸⁰ Source: Euromonitor International: Packaged Food, 2020.

⁸¹Source: Euromonitor International: Packaged Food, 2020.; We went to the world's best ice cream parlour and tried their signature flavours that had turmeric and beetroot — and it blew our minds <https://www.businessinsider.com/we-tried-mind-blowing-flavors-worlds-best-ice-cream-parlor-2019-10?r=US&IR=T>;

⁸²Unilever, South Africa Johannesburg https://www.acobuildingdrainage.us/fileadmin/standard/acostainless/documents/UNILEVER_JAR_customer.pdf; Unilever opens its first ice cream factory in Africa <https://www.unilever.co.za/news/press-releases/2015/unilever-opens-its-first-ice-cream-factory-in-africa.html>

Cone.⁸³ Those big brands also exports their goods to other places in sub-Saharan Africa from South Africa. Moreover, there are domestic ice cream manufacturers as well such as Jumba Jay Ice Cream Company⁸⁴, Garner Wafers & Confectionery⁸⁵ or Alaskan snow ice cream⁸⁶. Other private ice cream labels in general made up close to 10% of the sector's value in 2019.

Moreover, there are many small and artisanal ice cream manufacturers in South Africa, such as the ice cream parlour “Unframed Ice Cream” in Cape Town, which has been rated best in the world in 2019 according to Big 7 Travel.⁸⁷

5.10.3.2 Imports and exports

South Africa is by far a net-exporter of ice cream as shown in Figure 5-47. This is mainly due to the importance of South Africa for ice cream production in the Southern African region, though 1/3 of exports also go to the US.

In 2019 the value of exports was over 8 times higher than imports, with EUR 22m of exports compared to EUR 2.7m of imports. From 2015 to 2017 the value of imports and exports decreased, but this trend reversed in 2018. In 2019 imports decreased again substantially whereas exports increased slightly by EUR 200 000.

⁸³ County offices <https://www.nestle-esar.com/aboutus/countryoffices>; Nestle South Africa ice cream acquisition a springboard' for growth: R&R<https://www.dairyreporter.com/Article/2015/03/12/Nestle-South-Africa-ice-cream-acquisition-a-springboard-for-growth-R-R>

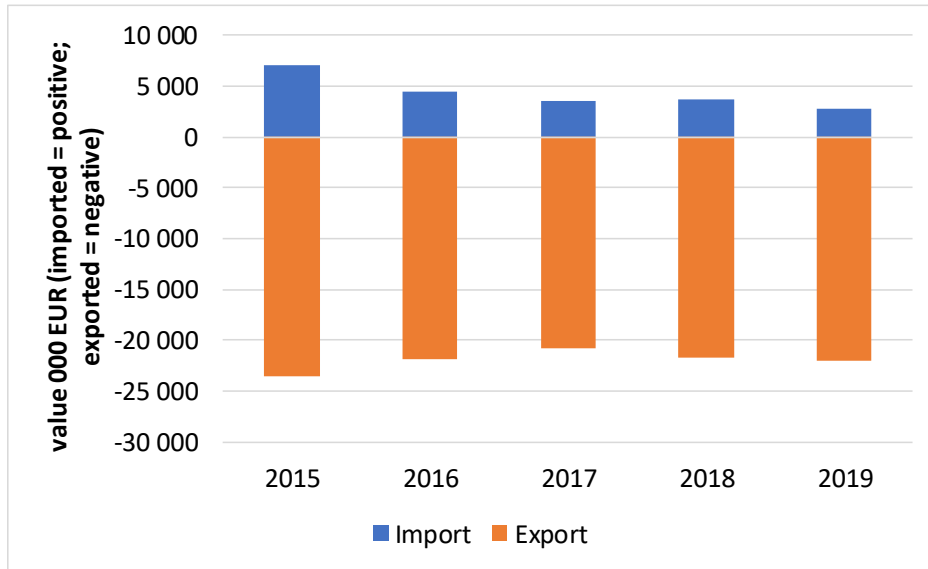
⁸⁴ Jumba Jay Ice Cream Company <https://www.snupit.co.za/johannesburg/central/jumba-jay-ice-cream-company/370730>

⁸⁵ Welcome to Garner Wafers & Confectionery <http://www.garner-wafers.com/>

⁸⁶ Alaskan snow so cool <http://www.alaskansnow.co/index.html>

⁸⁷ Cape Town ice cream parlour 'Unframed Ice Cream' rated the best in the world <https://www.iol.co.za/lifestyle/food-drink/cape-town-ice-cream-parlour-unframed-ice-cream-rated-the-best-in-the-world-33853100>

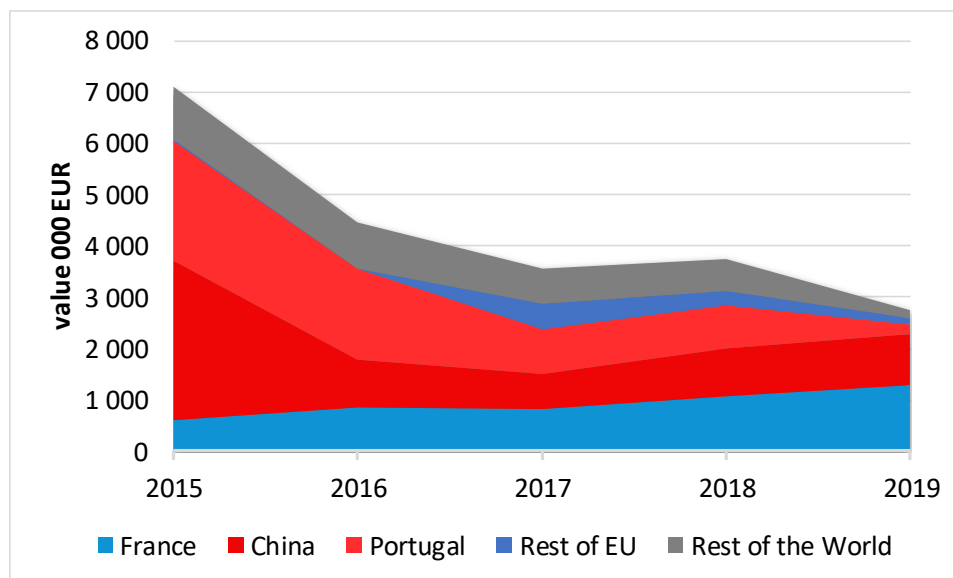
Figure 5-47: Trade balance (imports and exports) of ice cream in South Africa, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

There are two main exporters of ice cream to South Africa, which account for around 85% of all imported ice cream. These countries are France with a market value of more than EUR 1.3m and China with approximately EUR 1m in 2019. Portugal ranks third but is far behind the first two with a market value of about EUR 180 000 in the same year (Figure 5-48). In general, four out of the ten biggest exporters of ice cream to South Africa are from the EU including the already named countries, plus Poland and Italy. However, the context of the low level of ice cream imports must be remembered.

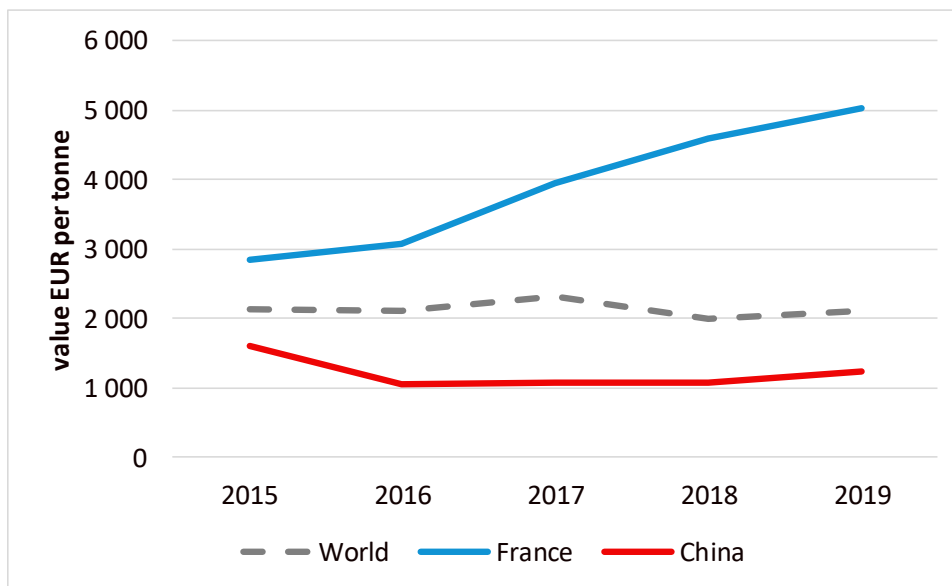
Figure 5-48: South Africa imports of ice cream by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

As described in the paragraph above the ice cream market seems to be split between French and Chinese products. Figure 5-49 can help explain the reasons being the split. The unit value for French ice cream products was much higher at about EUR 5 000 per tonne in 2019, compared to Chinese ice cream with about EUR 1 200. The world average was in between those two unit value at more or less EU 2 100. This may imply two conclusions. First, due to its low unit value but still very high general market value China's exported ice cream is a cheap option in the country. The second implication is that China is exporting more than France in terms of volume (in fact twice as much).

Figure 5-49 Per unit value of South African imports of ice cream for selected EU countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

5.10.3.3 EU GI products

No GIs for EU ice cream products are listed. For a full list of European GI products please refer to section 9.

5.10.3.4 Main competitors

The South African domestic production of ice cream is the number one competitor, particularly because it is a net-exporter of ice cream as well. Multinational companies such as Unilever and Nestlé, who are producing their ice cream in factories in South Africa, are the biggest competitors because they hold the biggest market share. Unilever managed to stay number one ice cream maker in South Africa in 2019 even though the cheaper competition was rising. The company is strong due to its many popular impulse ice cream brands such as Magnum, Cornetto Ola and Paddle Pop. The leader of the bulk ice cream section is Dairymaid Nestlé, which ranks second in total. The company has popular brands such as Country Fresh and Farmhouse in their repertoire. Besides these two giants, other private label players are getting increasingly popular as well such as products from retailers such as Woolworths because consumers tend

to either look for cheaper alternatives or premium products. Woolworths offers different label ice creams as well as their own brands and consumers can order ice cream online as well.

In general competition from non-EU exporters is rather small due to the small value of exports to South Africa. However, China is the biggest non-EU competitor due to its high export volume of ice cream to South Africa and its comparatively cheap prices.

5.10.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for ice cream can be found in section 4.2. There is a 150 tonne tariff rate quota (TRQ) for EU ice cream imports under the EPA, and it has not been fully utilised in recent years. In comparison, the MFN tariff for imports from most other countries is between 10 and 25%).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=2105>

Customs procedures

A list of standard documents required for the import of ice cream into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2105&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of ice cream in South Africa are in line with international standards.

There is a specific regulation which covers the classification, packing and marking of edible ices. This is R. 78 of 2013. Most notably, this regulation:

- Defines the classes of products and criteria they must fulfil.
- Includes labelling and packaging requirements.
- Specifies methods of analysis.

The original 2013 regulation can be found at the following link:

<https://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Edible%20Ices%20-%20R.78%20of%208%20Feb%20'13.pdf>

Special dispensations and minor amendments have since been published in 2013, 2015 and 2016. These can be found at:

<https://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Industry%20dispensation%20-%2026%20June%202013.pdf>

<https://www.dairystandard.co.za/images/downloads/DAFF/Amendment%20to%20industry%20dispensation%20-%20Edible%20Ices%20-%202015%20Sept%202015.pdf>

<https://www.dairystandard.co.za/images/downloads/DAFF/Dispensation%20-%20Edible%20ices%20regulations%2021%20Jan%202016.pdf>

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2105&countryid=ZA#h18>

Labelling

Ice cream labelling has to follow general label requirements set out in section 4.2.3. The regulation mentioned above contains some specific labelling requirements, such as:

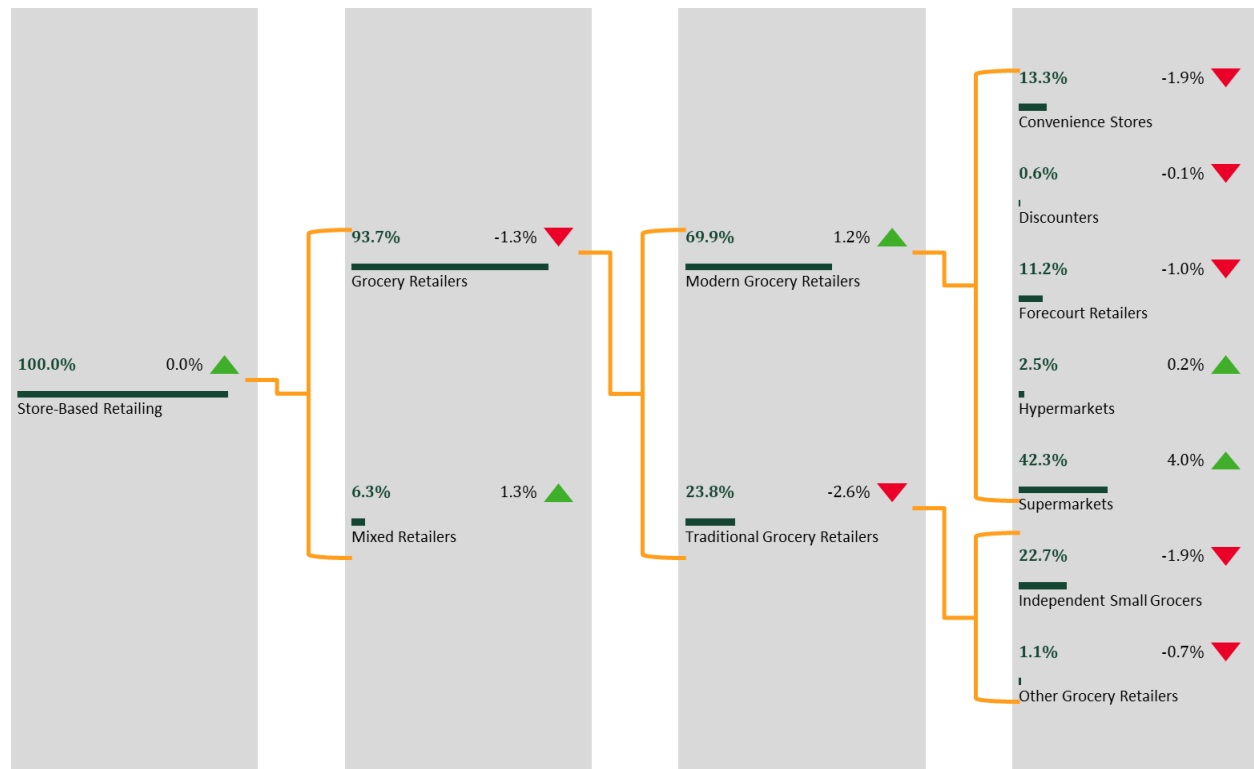
- The requirement to indicate the class designation.
- The cases in which expressions such as “pasteurised” and “contains no live cultures” can be used.
- Requirements for packaging.

A link to the regulation is provided above, and it is recommended this be consulted to see full specific labelling requirements.

5.10.5 Distribution

Ice cream is of course a popular food on-trade in restaurants for example, but it remains distributed mainly through off-trade channels. All ice cream products are distributed in store-based retailing, which means internet retailing is not used that often (Figure 5-50). Close to 94% of the retail value is accumulated through the distribution of products in grocery retailers. Those retailers can furthermore be separated into modern and traditional retailers, with the first one being more popular in general. The three biggest modern grocery retailers in 2018 were supermarkets with over 42%, followed by convenience stores with more than 13% and forecourt retailers with about 11% of total retail value. Together these three channels accounted for 66% of the total retail value. With approximately 23% the biggest traditional retailers are independent small grocers. In 2018 the retail values of many grocery retailers have been decreasing due to a 1.3% rise (up to 6.3%) in mixed retailers.

Figure 5-50: Distribution channel overview of ice cream in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.10.6 Challenges for EU products

There are several different challenges EU producers have to face when planning to export ice cream to South Africa. First of all, South Africa is a net exporter of ice cream and exports a value more than 8 times as much as it imports. Thus, import values are comparatively small. Moreover, one of the main exporters to South Africa is China, which sells ice cream to cheaper prices than most EU exporters, which is appreciated by the price-conscious South African consumers. On top of that the market for ice cream is dominated by two big multinational players Unilever and Nestlé, which produce their ice cream domestically in South Africa which makes it complicated for smaller companies to establish themselves on the market. Finally, the ice cream sector has to compete with other indulgence products such as chocolate. There are many different challenges, however, opportunities do also exist.

Market Takeaway: Ice cream

Consumption: *Ice cream is still mostly a seasonal product, even though this seems to change a little bit and consumption of all kinds of ice cream are forecast to grow in the next years.*

Competition: *South African domestic production together with big international brands which are holding the biggest market share and cheap ice cream imports from China.*

Distribution: *Off-trade especially in supermarkets, independent small grocers and convenience stores; plus on-trade in restaurants and cafes.*

Challenges: *strong competition in the ice cream market, as well as competition with other indulgence products such as chocolate. Price consciousness of consumers.*

Opportunities: *Consumers favour new flavours and ice creams with several ingredients, but also the classic ones such as vanilla, chocolate and strawberry. When it comes to packaging, consumers prefer small bulk ice cream packages.*

5.11 Prepared baby food

5.11.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The whole market is forecast to grow. ▪ Consumers increasingly pay attention to good nutrition of their babies. 	<ul style="list-style-type: none"> ▪ A lot of private label products. ▪ More low and middle-income consumers who might not be able to pay for European baby food products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Milk formula is the biggest sector with the second biggest forecasted CAGR. ▪ Other baby food is the smallest sector but is forecast to grow the most with a CAGR of 6.9%. 	<ul style="list-style-type: none"> ▪ South Africa is a net exporter of baby food. ▪ Price-consciousness of consumers.

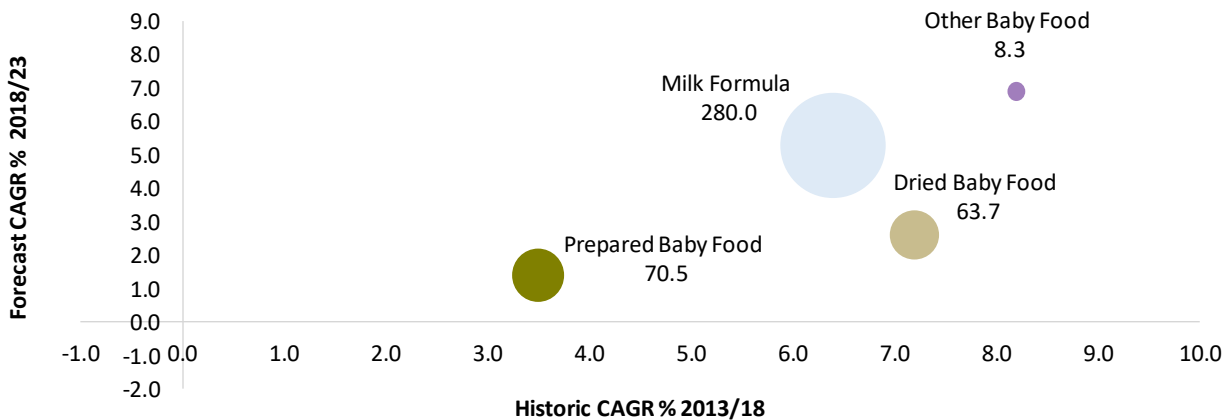
5.11.2 Consumption

5.11.2.1 Evolution of consumption

Milk formula had the biggest retail value in 2018 with about EUR 280m and is thus leading the market and contributed close to 66% of the whole sector's value. Still ahead of the last category but far smaller than milk formula are the segments of prepared baby food with a market value of about EUR 70.5m and dried baby food with approximately EUR 63.7m. The two categories combined accounted for circa 32% of the market's value in 2018. The last category, other baby food made up about only 2% of the markets value in 2018 with about EUR 8.3 (Figure 5-51).

All four categories are forecast to grow between 2019 and 2023, however, at a slower pace than they grew between 2013 and 2018. The strongest growth rate is forecast for the so far least popular category of other baby food with a CAGR of 6.9%. Milk formula, the biggest category according to its value is forecast to grow at a strong 5.3% per year, while the other two categories are forecast to grow at a much lower rate of about 2.6% for dried baby food and 1.4% for prepared baby food. Historically between 2013 and 2018, the CAGR of dried baby food grew at a much bigger rate of 7.2% and thus, this category's growth is forecast to decrease the most.

Figure 5-51: Evolution and forecast of prepared baby food market in South Africa, 2013-2023; retail value, EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.11.2.2 Consumer profile and purchase criteria

Consumers

People who purchase baby food span all social classes and are usually young adults with most women giving birth when they are between 20 and 29 years old. The two provinces with the highest number of births are Gauteng and KwaZulu-Natal.⁸⁸ Higher-income parents mostly purchase baby food to fulfil their kids' nutrition needs, while low-income groups might not have the money to do so. Moreover, in the beginning of the HIV pandemic in South Africa mothers with HIV were encouraged to use baby food instead of breastfeeding to reduce the baby's chances to get an HIV infection itself. Hospitals and clinics were giving away milk formula for free and breastfeeding of HIV positive mothers became a taboo. Until today this is to some extent still part of how some South Africans think, even though the WHO announced already in 2009, that this effectively is a misconception. According to WHO's findings, HIV can be transmitted through breastmilk, but after many mothers stopped breastfeeding infant death numbers went up instead of down. The WHO encourages all mothers to breastfeed their babies until they are six months old. In addition, for HIV positive mothers there is a special medication that can be taken or/and given to the baby to minimize HIV risks from breast feeding.⁸⁹

Drivers and method of consumption

As stated above parents increasingly care about easily fulfilling nutrition needs for their babies. This development is driving the consumption of packaged and specialised baby food. Moreover, with life becoming more and more hectic combined with the fact that in modern families typically both parents work full time, the demand for on the go products is growing due to their convenience. Saving time is a key element. South Africa has an average low exclusive breastfeeding time, with about six months, even

⁸⁸ Recovered live births <http://www.statssa.gov.za/?p=10524>

⁸⁹ Breast is always best, even for HIV-positive mothers <https://www.who.int/bulletin/volumes/88/1/10-030110/en/>; Should HIV-positive Mothers Breastfeed? <http://southafrica.co.za/should-hiv-positive-mothers-breastfeed.html>

though government campaigns tried to promote breastfeeding and banned advertisements for baby milk formula.

Purchase criteria

Due to the increase in VAT and the general bad economic situation in South Africa consumers became very price-conscious on the one hand, but they want the best for their babies on the other hand, which is why consumers try to seek value for money when it comes to choosing baby food. People often look for promotions and special offers by retailers to save some money. Competitive private labels from stores such as Woolworths and Clicks are becoming more popular as well. Lower-income groups in particular are more likely to choose cheaper alternatives such as dried baby food and other baby food, while higher-income groups will always buy what they perceive as best for their babies. Consumers are increasingly likely to purchase smaller package sizes because of the cheaper price and convenience. Thus, nutrition and price are the main purchase criteria.⁹⁰

5.11.2.3 Recent market trends

One important trend that affects the baby food market are decreasing birth rates. South Africa has an increasing number of women who could become mothers, but due to different reasons decide otherwise. Those numbers are forecast to decrease more in the future; however, fertility will be approximately staying at a level of about 2.1 children per female and thus, is about the number needed to maintain the same population numbers as now (not taking into account net migration of the country). Even though fertility rate is falling, South Africa's population will continue to grow for some time because of its young population, which is good for the baby food industry on the one hand, but smaller family sizes and thus fewer babies might be negative for the market longer term.

Despite the changing population structure, the market is forecast to grow as shown in Figure 5-51. The biggest trend seems to be the growth of the other baby food category due to continuous innovation in baby rusks, jelly, yoghurt or rooibos tea for example. This trend is driven by manufactures like Rhodes Food group and retailers such as Clicks, who offer a lot of new products which seem to attract consumers. Those products, which are also often come in smaller packages and sizes mostly attract middle- and low-income consumers which are the majority of consumers in general. Currently, the category "other baby food" is overlooked due to the high unit prices of products and because this kind of baby food can easily be substituted with adult snacks such as porridge. However, this is expected to change in coming years.⁹¹

5.11.3 Offer

5.11.3.1 Domestic production

Domestic production of baby food in South Africa is high. Nestlé South Africa, Sanulac Nutritionals South Africa and Tiger Consumer Brands – all producing within the country - are three companies with the biggest market value in 2019. Nestlé alone accounted for over 45% of the whole markets value, followed

⁹⁰ Euromonitor International: Packaged Food, 2020.

⁹¹ Euromonitor International: Packaged Food, 2020.

by Sanulac Nutritionals with close to 18% and Tiger Brands with about 17%. This means, that those three brands in total accounted for over 4/5th of the whole markets value in 2019.

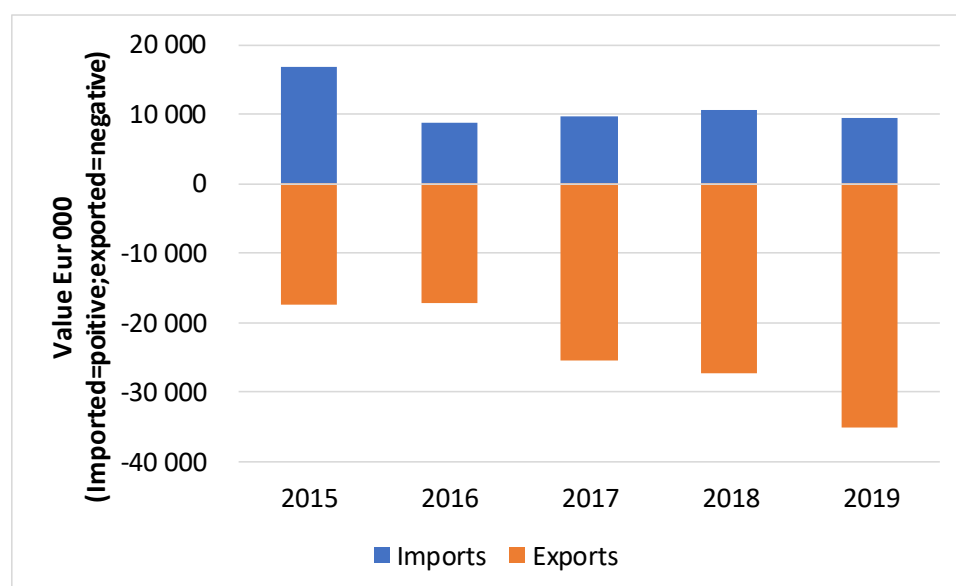
5.11.3.2 Imports and exports

South Africa is a net exporter of baby food and exported around 70% more than it imported in 2019. Baby food imports had a value of around EUR 9.5m, while South Africa exported baby food with a value of more or less EUR 35m, with exports primarily going to other countries in the Southern African region (Figure 5-52).

In 2015 the value of imports was been nearly double as high as it was in the following years at close to EUR 17m. In the following years between 2016 and 2019 it has fluctuated in a narrow range between EUR 8.5m and EUR 10.5m.

The market value of South African exports of baby food on the other hand has been rising since 2015, (except a little very small increase in 2016) and nearly doubled until 2019. In 2015 the market had a value of EUR 17.3m and this number increased to EUR 35m in 2019, demonstrating the strength of the South African baby food industry.

Figure 5-52: Trade balance (imports and exports) of food preparations for infant use in South Africa, 2015-19; value EUR 000



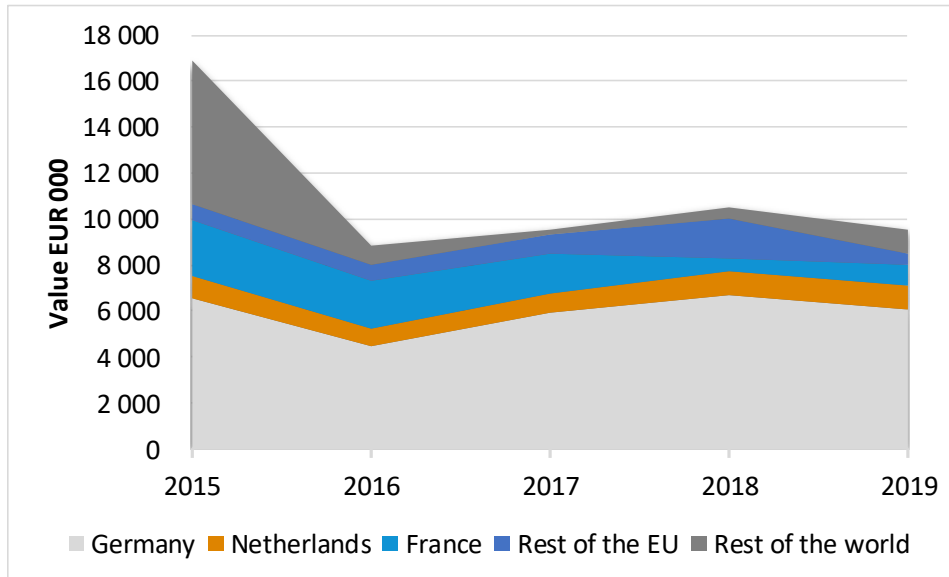
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

Five out of the 10 biggest importers by value are from the EU. Germany is by far the leading exporter of baby food to South Africa and accounted for over 3/5th (EUR 6.1m) of imports as depicted in Figure 5-53. The other two main exporters, though far behind, are the Netherlands and France with a value of approximately EUR 1.1m and EUR 0.9m. The remaining two top 10 countries from the EU are Ireland and

Portugal. The share of exports from the rest of the world remains constantly low after a big decrease between 2015 and 2016.

Figure 5-53: South African imports of food preparations for infant use by country, 2015-19; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190110

5.11.3.3 EU GI products

No baby food is listed as a GI in South Africa.

5.11.3.4 Main competitors

The biggest competition is the domestic production of baby food in South Africa and the country's ability to even export a lot of their domestic baby food products. In general, the biggest exporters of baby food to South Africa are mainly from the EU which means there is not a lot of competition from other exporters. The main non-EU exporters are the Philippines, Switzerland and the UK, but their export levels are really low and thus they are not really big competitors for EU countries.

5.11.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for prepared baby food can be found in section 4.2. Tariffs vary depending on the CN code of the product; but products under CN code 190110 for example which comply with rules of origin do not face tariffs. In comparison, the MFN tariff for imports from most other countries is 20%).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.:
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=190110>

Customs procedures

A list of standard documents required for the import of processed baby food products into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g.:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=190110&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of processed baby food products in South Africa are in line with international standards.

There is a specific regulation, R. 991 of 2012 which covers foodstuffs for infants and young children. This includes, among others, composition and labelling requirements. It is highly recommended that the regulation be consulted for full details. A link to this regulation is provided below:

http://blogs.sun.ac.za/jplaw/files/2013/12/ZAF-2012-Regulations-relating-to-foodstuffs-for-infants-and-young-children-R.-No.-991-of-2012_0.pdf

Up to date information on appropriate documents concerning SPS measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0811&countryid=ZA#h18>

Labelling

Prepared baby food products have to follow general label requirements set out in section 4.2.3. In addition, the regulation on foodstuffs for infants and young children contains some specific labelling requirements. This includes, for example, indicating the intended age range of the product and (in the case of formula milk) certain mandatory statements such as “does not contain breast milk”, “Breast milk is the best food for babies” and “This product shall only be used on the advice of a health professional”.

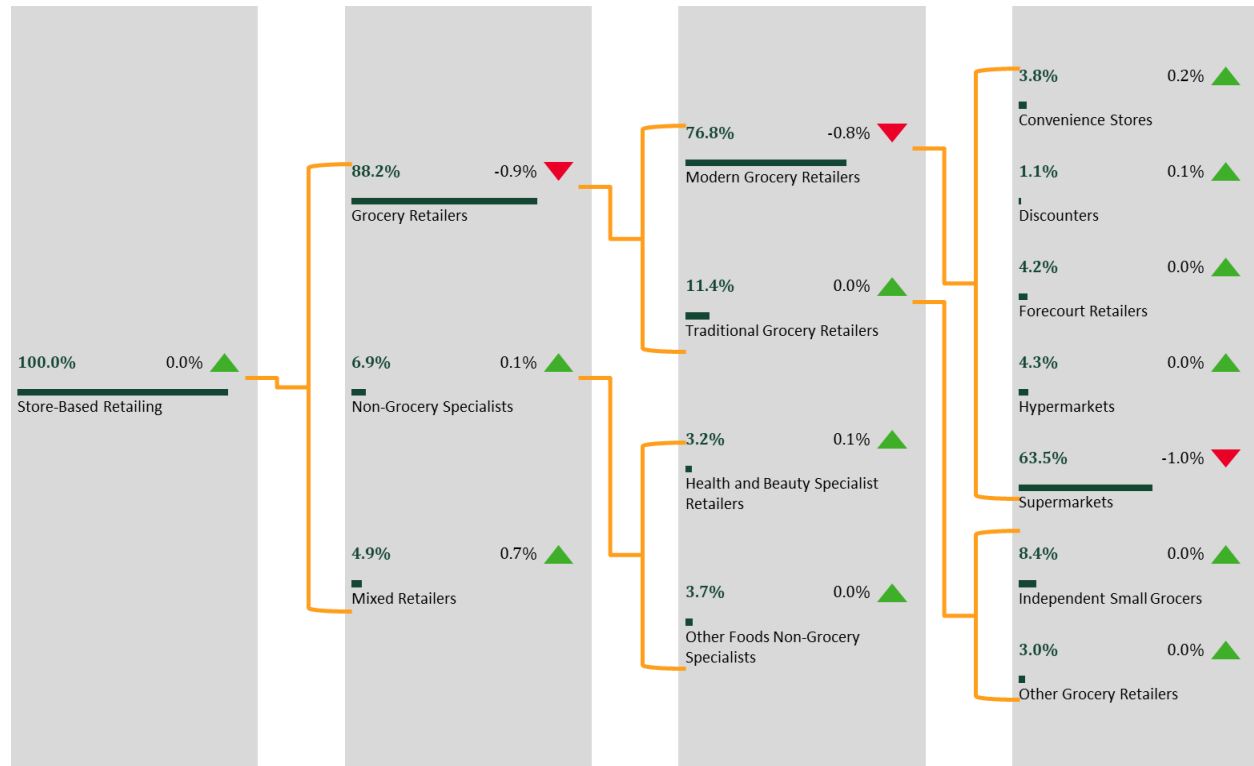
The exact specific requirements for labelling vary by product type (e.g. infant/young on formula, complementary foods). **It is strongly recommended that the regulation be consulted for full requirements; a link to the regulation was provided above.**

5.11.5 Distribution

All baby food in South Africa is sold in stores and not online. Over 88% of its retail value in 2018 was accumulated through sales in grocery retailers, with supermarkets being the number one outlet with about 64%. However, this number is decreasing because the retail value of all other outlets in the modern grocery retailer category is growing and so are non-grocery specialists. The growth of the mixed retailers’

category with was the biggest in 2018 and this category accounted for almost 5% of the whole retail value in the same year.

Figure 5-54: Distribution channel overview of prepared baby food in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.11.6 Challenges for EU products

There are several challenges EU exporters have to face when entering the South African baby food market. South Africa has a strong domestic production of baby food which enables the country to meet its own demand and on top of this it is even a net exporter of such products. South Africa is exporting baby food to many other sub-Saharan countries in particular such as Mozambique, Zambia and Botswana. On another note, the price-consciousness of consumers could be problematic because products from the EU usually have higher prices.

Market Takeaway: Prepared baby food

Consumption: Even though birth rates are declining the sector is forecast to grow in the coming years.

Competition: Main competition with domestic production and cheaper prices of products.

Distribution: Off-trade mainly in supermarkets, however the popularity of all other outlets is growing.

Challenges: The big domestic production and decreasing birth rates.

Opportunities: The biggest market for milk formula and the smallest market with the highest forecasted growth rate other baby food.

5.12 Processed fruit and vegetables

5.12.1 SWOT analysis

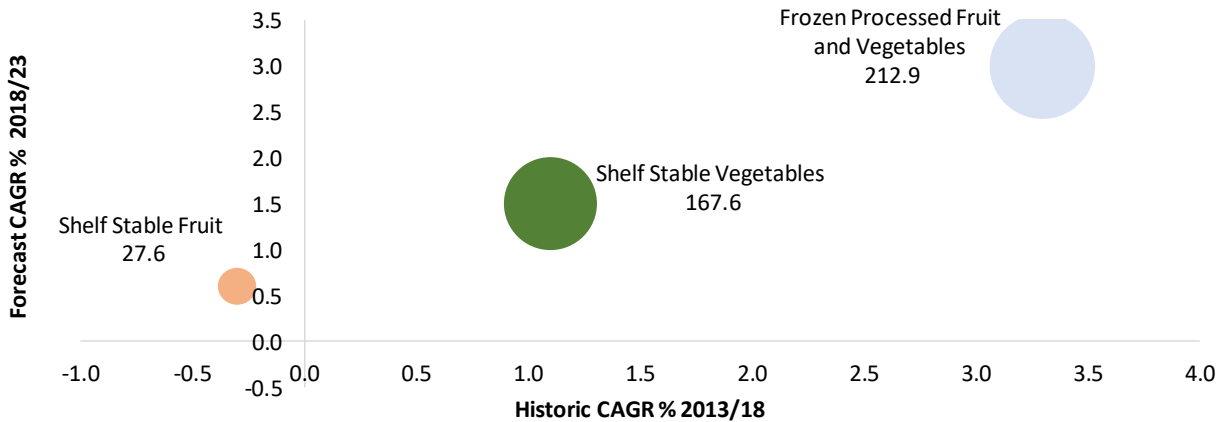
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The experimental mindset of younger South Africans will cause some to purchase EU processed fruit and vegetable products. ▪ The market is growing, combined with an increasing need for convenience foods could allow for conditions that make EU products viable in this market. ▪ The population is slowly becoming more educated about the nutritional benefits of processed fruit and vegetables. 	<ul style="list-style-type: none"> ▪ Domestic producers fulfil domestic demand. ▪ Product is perceived to be too expensive for low-income earners. ▪ Fresh fruit and vegetables are preferred and widely available at a cheaper price.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Distributors such as street vendors are increasingly targeting low-income earners, opening up this product to a new consumer group that has largely not purchased this product previously. ▪ The sales of refrigeration appliances is growing in South Africa, which aids the ability of consumers to purchase some processed fruit and vegetable products. ▪ Consumers are increasingly aware of the national value of processed fruit and vegetables. 	<ul style="list-style-type: none"> ▪ China and the USA have entered this market in recent years. ▪ The three largest companies have now grown to have over 50% of the market share and this is growing each year, they are all domestic companies. ▪ Domestic companies are continuously introducing new products to this market, encouraging domestic consumers to remain loyal to their brands.

5.12.2 Consumption

5.12.2.1 Evolution of consumption

Processed fruit and vegetable retail value sales continue to rise. Retail value sales of processed frozen fruit and vegetables were valued at EUR 212m as a result of a 3.3% annual growth rate between 2013-2018. Shelf stable vegetables also grew modestly at a rate of 1.1% between 2013-2018 leading to its retail value today of EUR 167m. Shelf stable fruits performed poorly in recent year seeing a contraction of 0.3% to have a small retail value of just EUR 27m (Figure 5-55).

Figure 5-55: Evolution and forecast of the market for processed fruit and vegetables (EUR million) in South Africa, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

5.12.2.2 Consumer profile and purchase criteria

Consumers

South Africans have a strong preference towards fresh fruit and vegetable products over processed fruit and vegetables. This is due to the high level of fresh domestic production of fruit and vegetables which makes them largely cheaper and therefore more attainable for a large segment of the South African population than processed fruit and vegetable products. Processed fruit and vegetable products are largely only available through retail outlets and are generally more expensive than fresh fruit and vegetables. As a result of this, that a large number of consumers will have above average incomes and live in urban centres. South Africans are very cost conscious due to the high level of unemployment and low-income earners in the nation, which goes a long way to explain why consumers largely prefer fresh and fruit and vegetable products over their processed counterparts. While many South Africans continue to perceive fresh fruit and vegetable products as a superior healthier product, those who are aware of the nutritional benefits of processed fruit and vegetable products will likely spend more on them. This group, however, will be mainly middle income-earners or higher as they can afford the luxury of choosing processed fruit and vegetables over fresh ones.

Drivers and method of consumption

Certain products stand out in this sector and appeal to a wider base of consumers. For instance, shelf-stable beans are popular in South Africa due to beans taking a longer time to prepare than standard vegetables and having processed beans allows consumers to quickly prepare traditional meals such as *chakalaka*. Convenience is valued by South Africans and shelf stable beans stand out from other processed fruit and vegetable products due to its lower costs, versatility, and nutrition which appeals to all demographics. Processed fruit is typically perceived to be a luxury product by many South Africans and as a result largely only consumed on special occasions such as Christmas or a birthday gathering. Street vendors are beginning to pop up in South Africa with the aim of selling processed fruit and vegetable products aimed at lower income earners. However, the investment needed to make this business model

sustainable (purchasing a freezer, keeping it running in poorer areas with at times limited electricity access) makes this a slow process.

Purchase criteria

The many types of processed fruit and vegetable products lend themselves to being largely exposed to different types of consumers, each of which will have their own purchase criteria:

- **Low income earners** - likely to purchase products such as processed beans as these products provide them nutritional and convenience value at a cheap price. New super-can brands aimed at low income earners are entering the market but remain largely unaffordable.
- **Middle and urban consumers** - largely have the capacity to purchase appliances that allow for some processed fruit and vegetable products to remain fresh such as freezers. Typically, products include ready meals such as processed spinach and processed deserts with fruits.
- **Splurge consumers**- special occasions often incorporate processed fruits which are purchased from many consumers as a treat product. Consumers who typically associate a processed fruit desert with an occasion such as trifle with Christmas will splurge on this product for the occasion and will not focus so much on price.⁹²

5.12.2.3 Recent market trends

The market for processed fruit and vegetables is expected to largely grow across the sector with only a few outliers such as shelf stable fruit. This growth is being driven largely through consumers with growing incomes also becoming more health conscious. Brands in South Africa have caught onto this trend with McCain recently introducing new products such as frozen spinach and frozen mashed butternut to jump onto this growing consumer base. Manufactures who incorporate new healthier products which can actively offer both convince and price competitiveness over fresh alternatives will be competitive in the South African market.⁹³

5.12.3 Offer

5.12.3.1 Domestic production

South Africa has wide variety of different agricultural regions and as a result almost all agricultural processing techniques are used. The majority of fruit produced in South Africa is sold fresh, however the “rejected” fruit and vegetables are sent to be processed to manufactured juice concentrates, purees, pulps and preserves which account for 29% of fruit produced in South Africa. While there are over 1 800 food production companies in this sector, the top ten account for 70% of the industry’s turnover in South Africa which includes brands like Tiger, AVI and Premier Foods leading to a very concentrated market. Some of the biggest challenges facing this sector in South Africa include the declining number of farm owners combined with most of South Africa’s premium fresh fruit and vegetables being exported at high prices with the remainder sold on the local market at a cheaper price.

⁹² Euromonitor International: Packaged Food, 2020.

⁹³ Euromonitor International: Packaged Food, 2020.

Often many farmers also make the decision to focus on producing fresh fruit and vegetable products to export fruit and vegetable produces instead of producing them for processing as fresh fruit and vegetable exports will earn them more money.⁹⁴

5.12.3.2 Imports and exports

Identifying data on the trade of processed fruit and vegetables is extremely complicated largely due to the large number of different lines under which such products can be imported; and trade was ultimately captured in the data in section 5.2.3.2.

5.12.3.3 EU GI products

As reported in section 9, following the adoption of the EU-SADC EPA the following fruit and vegetable products will be afforded geographical indication protection in South Africa:

- France: Pruneaux d'Agen/Pruneaux d'Agen mi-cuits.

5.12.3.4 Main competitors

The main competitors in this sector comes from the number of domestic producers in the country who can largely fulfil the demand in South Africa domestically and in the wider SADC market. China and the USA have also stepped up exports to South Africa, but their impact is in its infancy. South African companies will likely continue to innovate in this sector and implemented further cost cutting technologies that allow them to sell processed fruit and vegetable products at a competitive rate, something EU producers will have to compete with. Finally, the indirect competition with fresh fruit and vegetables – which are widely-preferred – should be kept in mind.

5.12.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for processed fruit and vegetables can be found in section 4.2. Fresh fruit and vegetable imports require the country of origin to be authorised for export, and this authorisation requirement can extend to some specific processed fruit and vegetable products. It is recommended to consult section 5.2.4 for more details.

Tariffs vary depending on the CN code of the product, but many EU processed fruit and vegetables imports that comply with rules of origin do not face tariffs. In comparison, the MFN tariff for imports from most other countries is generally in the range of 10 to 30%.

⁹⁴ The current state of fruit and vegetables agro-processing in South Africa, Netherlands enterprise Agency Available at:

<https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2019/01/07/the-current-state-of-fruit-vegetable-agro-processing-in-south-africa/The+Current+State+of+Fruit+%26+Vegetable+Agro-Processing+in+South+Africa.pdf>

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g. fruit uncooked or cooked by steaming, frozen:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=0811>

Customs procedures

A list of standard documents required for the import of processed fruit and vegetable products into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g. fruit uncooked or cooked by steaming, frozen:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0811&countryid=ZA#h9>

SPS measures, standards

Sanitary and Phytosanitary measures concerning the import of imported fruit and vegetable products in South Africa are in line with international standards.

Details on pesticides and maximum residue levels can be found in section 5.2.4.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0811&countryid=ZA#h18>

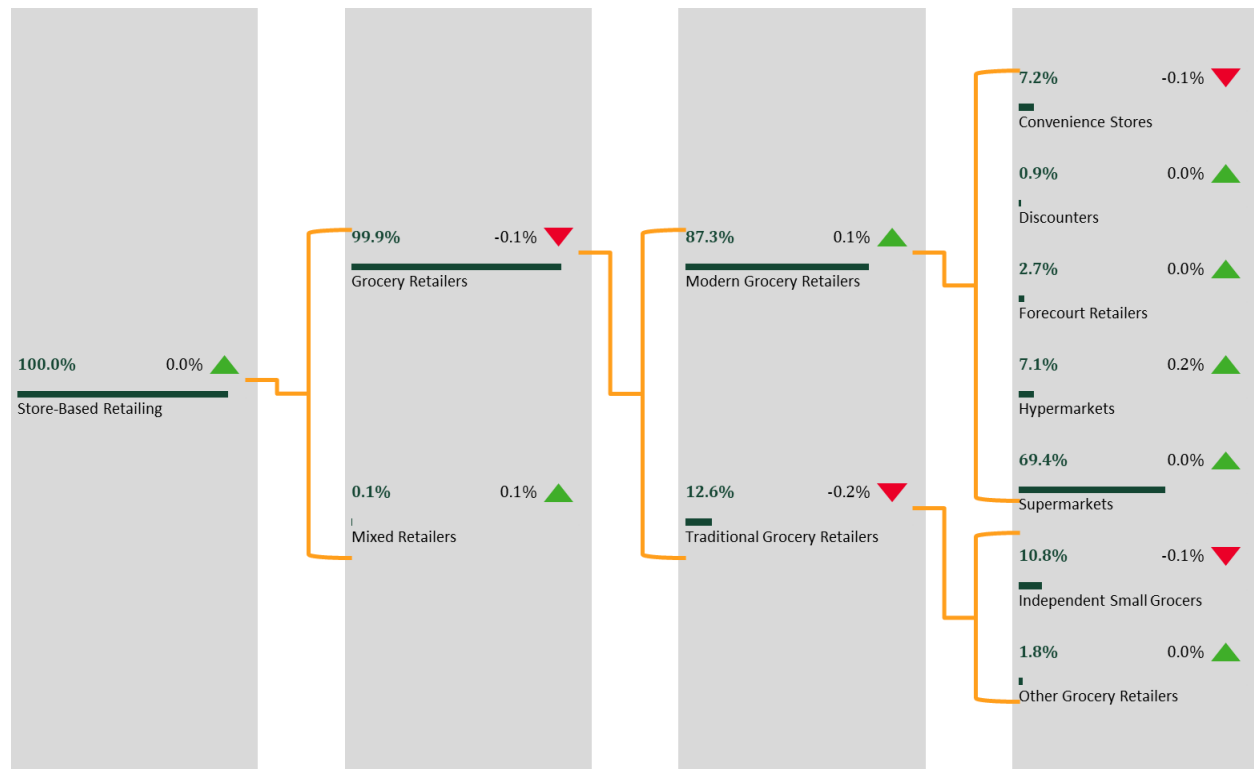
Labelling

Processed fruit and vegetable products have to follow general label requirements set out in section 4.2.3.

5.12.5 Distribution

As can be seen in Figure 5-56 below, all of South Africa's processed fruit and vegetable products are sold through the store-based retailing channel which makes sense as the appliances that make these sales possible (such as a freezer) are mainly limited to retailers. Out of these retailers, supermarkets make up 69% of total sales. Supermarkets are often able to introduce promotions and discounts that make the typically expensive processed fruit and vegetable product more competitive, but this can also be said of hypermarkets which make up 7% of sales. Independent grocers, who account for 10% of sales and convenience stores who account for 7% of processed fruit and vegetable sales may also offer promotions to a more limited extent. This ability to introduce price friendly measures may explain why hypermarkets are growing their distribution of processed fruit and vegetables while traditional retailers are declining slowly.

Figure 5-56: Distribution channel overview of processed fruit and vegetables in South Africa (2018); retail value



Source: Euromonitor International: Packaged food, 2020.

5.12.6 Challenges for EU products

The main challenges for EU products entering this market in South Africa include the large number of domestic producers with both access to fruit and vegetable products and established supply chains that allow them to produce processed fruit and vegetable at a rate that meets domestic demand. South Africa also exports to nearby markets further demonstrating their ability to produce processed fruit and vegetable products domestically. Processed fruit and vegetables produced domestically are already perceived to be too expensive for low-income earners and imported products are unlikely to be able to compete for the middle class who although can purchase processed fruit and vegetable products, remain cost conscious and will largely prefer domestically produced products which are largely of the same quality. Limited competition from the USA and China also poses a challenge but the main hurdles remain domestic producers and indirect competition with plentiful domestic fruit and vegetables. Finally, the overarching preference for fresh fruit and vegetables must be remembered.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumers in South Africa prefer fresh fruit and vegetable alternatives; the perception of processed fruit and vegetables also limits the consumer base for the product with those on low-incomes unlikely to purchase this product.

Competition: Domestic producers can largely fulfil the demand domestically which leaves little room for imported products to grow, although American and Chinese producers have tried, providing an additional competition for EU producers.

Distribution: Distributed through store-based retailers due to the need for necessary appliances (such as a freezer) for some products to make selling them viable, which can restrict sales to this distribution channel.

Challenges: Processed fruit and vegetable products are too expensive for many South Africans, coupled with the abundance of fresh fruit and vegetable products on the market at a cheaper price and this market is highly competitive.

Opportunities: South Africans increasingly are aware of the nutritional values of processed fruit and vegetables and increasingly have access to appliances such as freezers to store some of these products.

5.13 Pasta

5.13.1 SWOT analysis

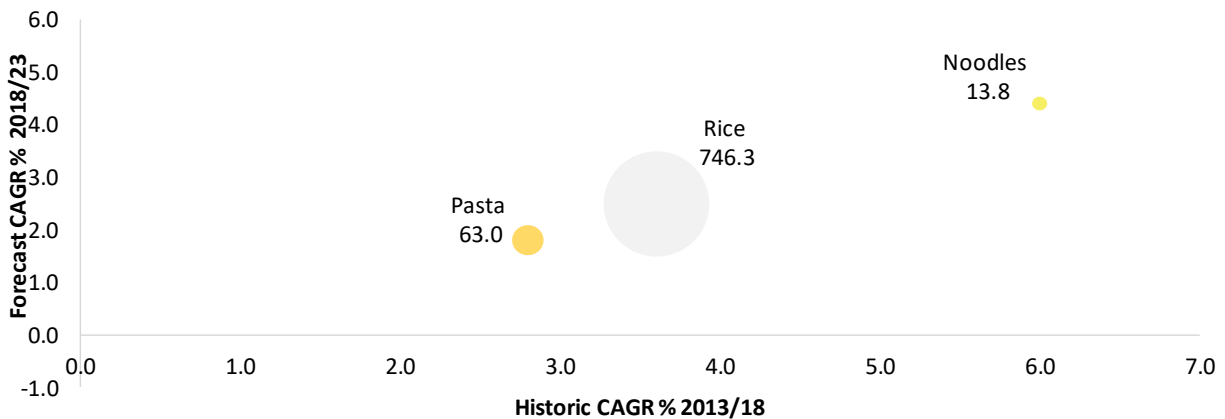
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Domestic production in South Africa is small and in its infancy. ▪ EU Member States make up four of the ten largest exporters of pasta, noodles and couscous to South Africa. ▪ A large segment of the South African population is yet to be exposed to pasta products on a large scale given room for growth in this sector. 	<ul style="list-style-type: none"> ▪ The price of maize has declined which is leading to many consumers to purchase this product instead of pasta. ▪ Pasta is largely too expensive for lower-income earners. ▪ Pasta is yet to penetrate rural South African areas on any large scale.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ A rapidly urbanising population is increasing receptive to the convenience of pasta products. ▪ Ready meals which incorporate pasta and rice are growing in consumption in South Africa. ▪ Italian restaurants are common in South Africa and this helps drive growth and exposure. 	<ul style="list-style-type: none"> ▪ China and Namibia are large exporters of these products to South Africa. ▪ Domestic companies have a majority of the market share in South Africa.

5.13.2 Consumption

5.13.2.1 Evolution of consumption

The consumption of pasta, rice, and noodles continues to grow rapidly in South Africa. Rice is by far the most popular category with, as Figure 5-55 shows, a total consumption of 747 000 tonnes. This vastly dwarfs the two other categories in this sector as pasta has a total consumption of 63 000 tonnes leaving noodles with a total consumption of just 14 000. All categories have grown between 2013-2018 and this will stay the same for the forecasted period up until the end of 2023. Over the forecasted period until 2024, the sales of noodles, pasta and rice are expected to reach a total retail value of EUR 793m, a growth of 7% from 2019. South Africans on average consume 1 kg per capita of pasta per year.

Figure 5-57: Evolution and forecast of market for pasta compared to rice and noodles (000 tonnes) in South Africa, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

5.13.2.2 Consumer profile and purchase criteria

Consumers

Consumers are drawn to noodles, rice and pasta for the quick convenience the foods offer them. Middle and upper-income earners with busy lives that revolve around the workplace will find value in the convenience a quick meal from noodles, rice and pasta brings them. Lower-income earners who purchase noodles, rice and pasta will be drawn to retail promotions and price discounts. Pasta which is typically the most expensive product in this category will be largely passed up by low-income earners who will largely opt for the cheaper rice alternative instead. Maize prices which have declined recently have threatened the sales of both pasta and rice as maize based product such as pap has become cheaper.

Asian cuisine is growing in popularity in South Africa and consumers in many urban centres will be well accustomed to the wide variety of Asian restaurants in their cities which compounds the growth of noodle consumption. Certain rice alternatives have sprung up in the market aimed at appealing to health-conscious consumers, these alternatives include broccoli rice and cabbage rice. Finally, there is a small population of Italians in South Africa numbering roughly 77 000 individuals which may help drive the imports from Italy as mentioned in section 5.13.3.2.

Drivers and method of consumption

The main driver behind the sales of noodle, pasta, and rice are the convenience the foods give to the consumer. Urban employees are drawn to these products as they provide a quick snack for them as during their busy lives. In rural areas, the consumption of pasta and noodles is less prevalent however rice is largely available and incorporated into meals such as bobotie. Quick ready meals with pasta and rice are growing in popularity as are health focus organic pasta and brown rice, again due to the convenience of these products however only high-income earners are likely to purchase them. Pasta is largely consumed

by urban middle income earners as the products provide a quick and filling meal which is increasingly desired.

Purchase criteria

Retailers are under pressure to enforce discounts and promotional campaigns to help further drive up sales of noodles, pasta and rice and rising costs in the country compounded by a VAT increase recently has put pressure on these products and their appeal to low-income earners as a cheaper alternative are available to them. Middle-income earners, however, will continue to be drawn to these products due to the convenience they bring to their lives. Consumers will also be willing to spend a little more on organic or unique pastas which are large only available in urban retail outlets.⁹⁵

5.13.2.3 Recent market trends

As previously stated, the market for noodles, pasta, and rice is being heavily influenced by a growing urban population with increased access to their products and an increased desire for convenience foods to complement their ever-busier lives. Brands in this market have caught on to these trends which are exemplified by the rise of Ramon bowl dishes from producers such as Nissin foods and the growth of instant noodles over packaged alternatives. Healthier alternatives such as organic pasta and brown rice are growing on the market but have yet to catch on to consumer groups outside of higher-income earners.

5.13.3 Offer

5.13.3.1 Domestic production

The South African pasta manufacturing industry is small compared to other food and beverage industries in the country. Tiger Brands remains the largest producer in the country with the popularity of its Fatti & Montis pasta brand. South Africa's pasta production represents a small segment of its overall agricultural sector and the influx of cheap imports has threatened the growth of domestic producers. Tiger Brands and Pioneer foods together account for half the pasta market in the country and are both domestic brands. Overall, the sector in South Africa is very small and only accounts for the employment of fewer than 1 000 employees in a country of 56 million individuals.⁹⁶

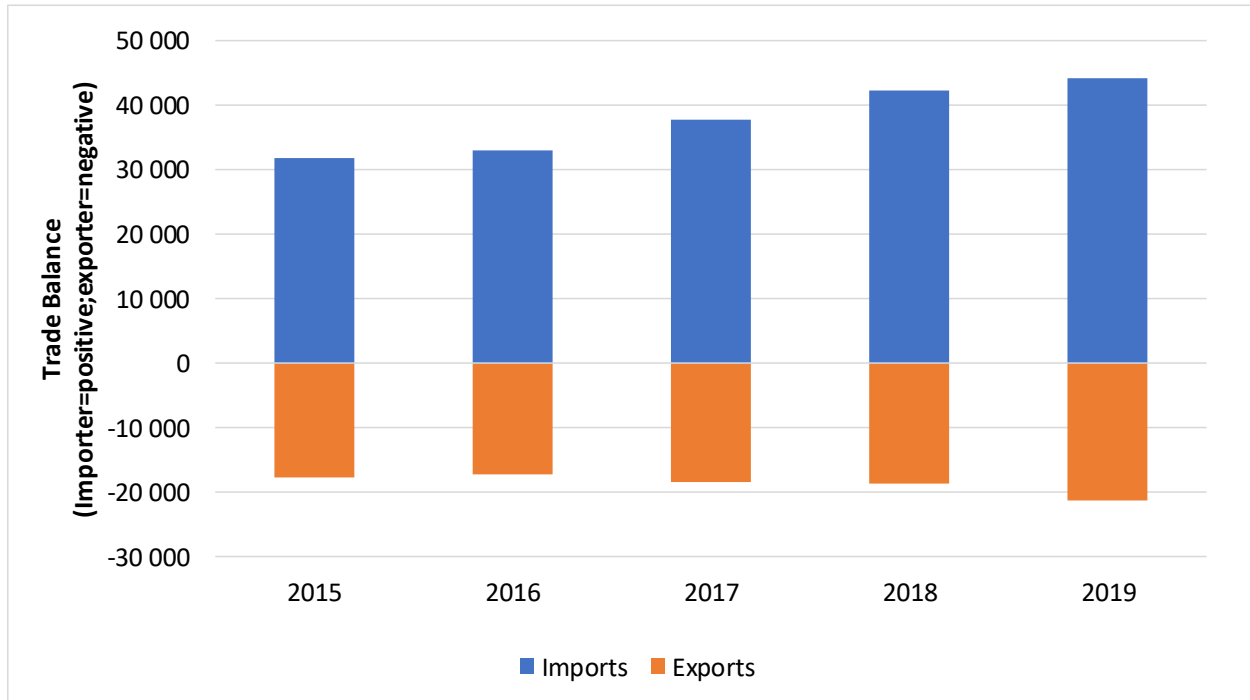
5.13.3.2 Imports and exports

As Figure 5-58 demonstrates, South Africa is a net importer of pasta, noodles and couscous due to the lack of a large domestic production base in the country. The country has steadily increased its exports of pasta to a value today of EUR 23m. Imports, however, are valued at double this at EUR49m haven risen by 25% since 2016.

⁹⁵ Euromonitor International: Packaged Food, 2020.

⁹⁶ Whoownswho, African Business Information, Available at <https://www.whoownswhom.co.za/store/info/3282?segment=Food+%26+Beverage>

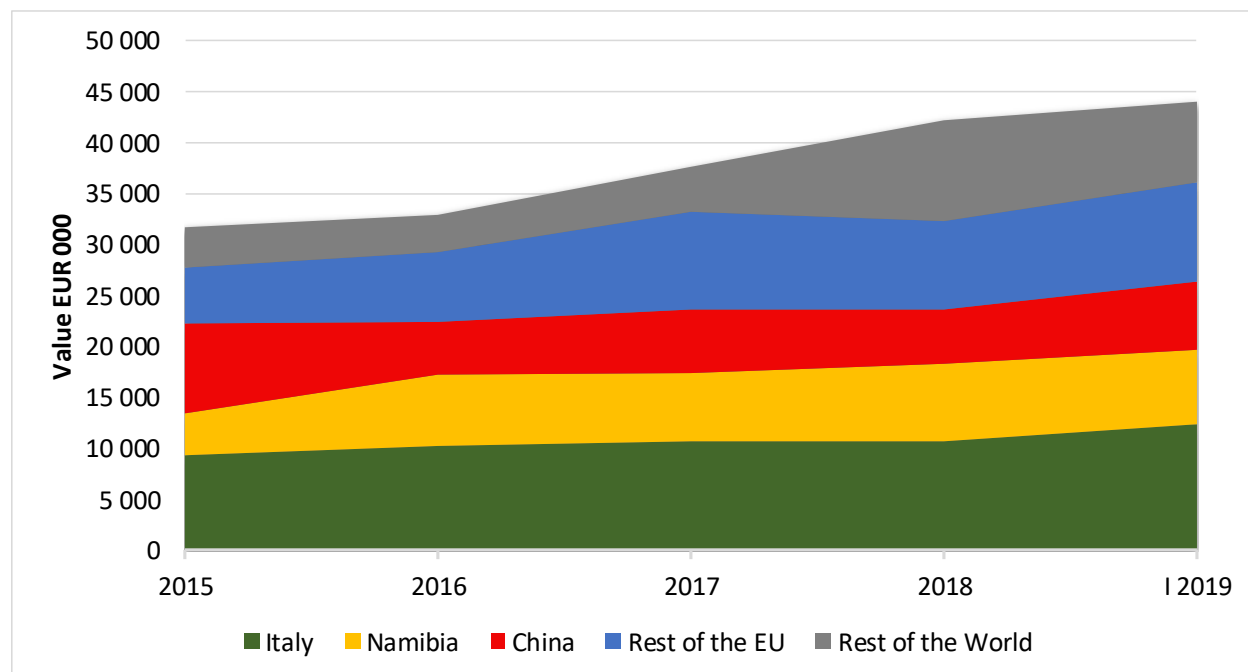
Figure 5-58: Trade balance (imports and exports) of pasta, noodles and couscous in South Africa, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

As observed in Figure 5-59, Italy is the largest single exporter of pasta, noodles and couscous to South Africa at a total value of EUR 13m in 2019. Following Italy in South Africa's neighbour Namibia which exported a total value of EUR 8m in 2019. The third-largest exporter is China which exported EUR 7.1m worth (assumed to be noodles). The EU plays a large role in the export of pasta, noodles and couscous to South Africa as four of the ten largest exporters to South Africa are EU nations (Italy, Latvia, Lithuania, and Portugal).

Figure 5-59: South Africa imports of pasta, noodles and couscous by country, 2014-2018; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

5.13.3.3 Main competitors

The main competitors to EU producers come from the countries of Namibia and China which are the 2nd and 3rd largest exporters of pasta / noodles / couscous to South Africa respectively, although the margin between China and the 4th largest exporter Lithuania is close. Pasta is growing in South Africa and as these nations already export sizable amounts to the country it gives them room to familiarise themselves and further develop trade relations with the country. EU exporters will continue to have a large presence in this sector, however.

5.13.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for pasta can be found in section 4.2. EU pasta imports that comply with rules of origin do not face tariffs (the MFN tariff for imports from most other countries is up to 40% approx.).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=ZA&hscod=1902>

Customs procedures

A list of standard documents required for the import of pasta into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1902&countryid=ZA#h9>

SPS measures

Sanitary and Phytosanitary measures concerning the import of pasta in South Africa are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1902&countryid=ZA#h18>

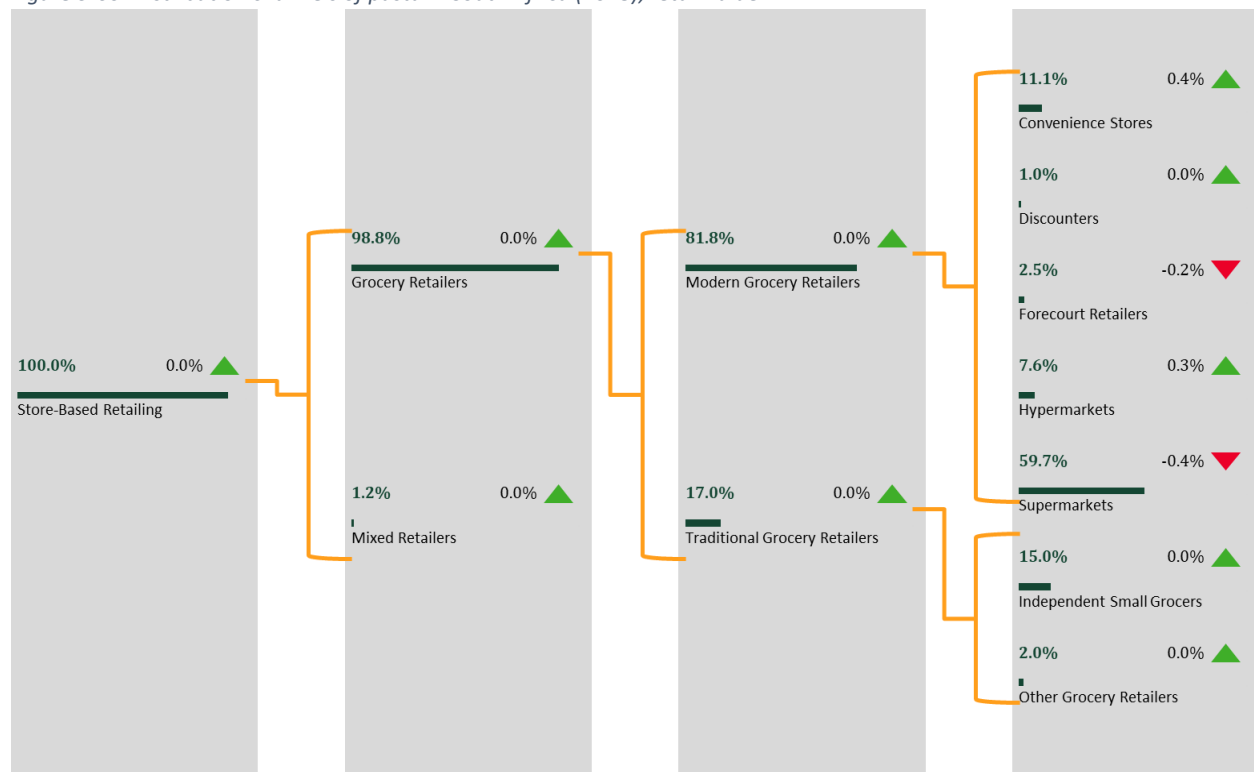
Labelling

Pasta labelling has to follow general label requirements set out in section 4.2.3. There are no specific ones for pasta products.

5.13.5 Distribution

The entire sale of pasta in South Africa comes from store-based retailers in the country. Modern grocery retailers account for 81% of pasta sales in South Africa; of these, supermarkets and hypermarkets make up the majority of sales. Traditional grocers, who are increasingly incorporating pasta products into their stores account for 17% of pasta sales in the country of which 15% are sold through the independent small grocers distribution channel.

Figure 5-60: Distribution channels of pasta in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.13.6 Challenges for EU products

EU products in this sector in South Africa face numerous challenges, from the rise in maize consumption threatening the viability of their products to the increase in domestic production in the country (even if it remains overall a small segment). EU pasta products have a large importance as domestic production and production in South Africa’s vicinity remain small allowing for EU products to get a foothold in the market. Going forward it is likely domestic production will rise as an ever-urbanising population will lead to increasing demands for convenience foods, such as pasta. This will impact the influence of EU products in the future.

Market Takeaway: Pasta

Consumption: Consumed as a convenient food by middle- and upper-income classes with rice consumed more by the lower-income classes as a pasta substitute.

Competition: Growing domestic production combined with exports from Namibia and China (noodles) pose the major significant competition for EU producers.

Distribution: Largely distributed through modern grocery retailers which account for 81.8% of distributed sales with the remainder being filled from traditional grocery retailers in the country.

Challenges: Pasta consumption has grown significantly in recent years. However cheaper alternatives such as maize based pap dishes (in addition to the dominant rice), combined with pasta being too expensive for a large portion of the population poses a challenge to this continuous growth.

Opportunities: Local production is small considering the size of the market which gives room for EU products to compete in a sector that is uniquely not dominated by domestic production in South Africa.

5.14 Pet Food

5.14.1 SWOT analysis

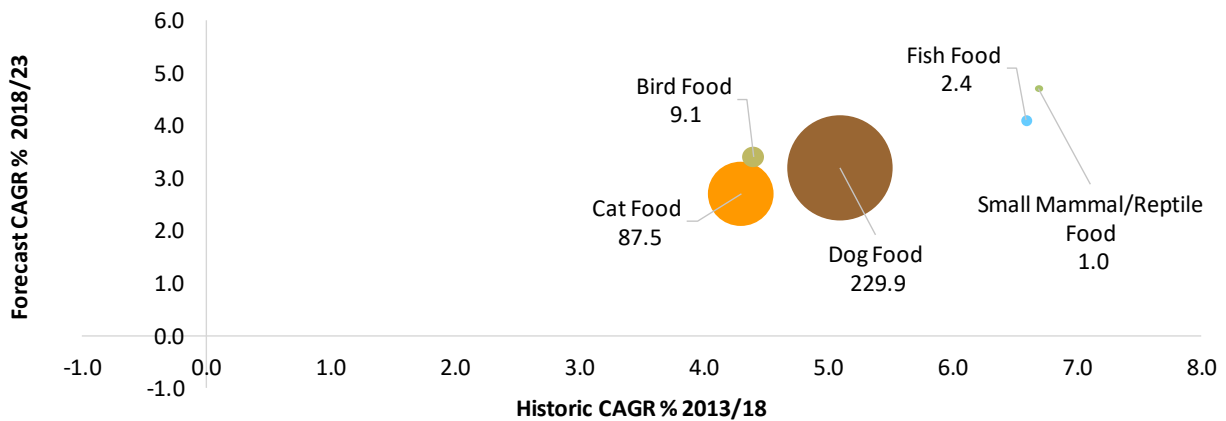
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ With over 7m dogs and 2m cats, there is a large addressable market in South Africa. ▪ The market is growing quickly, with all segments growing above 4% per year in recent years. 	<ul style="list-style-type: none"> ▪ South Africa has recently become theoretically self-sufficient in cat and dog food. ▪ The market is quite value focused.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The humanisation trend is throwing up a variety of niche opportunities for pet food producers, whether flavours, functionality or other aspects. ▪ The market of other pet food is growing quickly as urban consumers with small apartments opt for small mammals, reptiles, birds and fish. 	<ul style="list-style-type: none"> ▪ Domestic production is high and there are several local companies which are long established and well regarded. ▪ Furthermore, these local producers are able to better respond to aspects of the value focus such as large economy packs.

5.14.2 Consumption

5.14.2.1 Evolution of consumption

The market for pet food is increasing rapidly in South Africa. Dog food is the largest segment, with a market worth EUR 230m in 2018, having grown at over 5% per year in the preceding years. With market of EUR 88m, cat food is the second biggest segment. It grew slightly more slowly at 4.3% per year. There are notable and growing niche markets for bird food (EUR 9m), fish food (EUR 2.4m) and small mammal food (EUR 1m). Going forwards, all segments are forecast to grow at between 3 and 5% per year, with the exception of cat food at 2.7% (Figure 5-61).

Figure 5-61: Evolution and forecast of the pet food market in South Africa (million EUR), 2013-2023; total value



Source: Euromonitor International: Pet Care, 2020.

5.14.2.2 Consumer profile and purchase criteria

Consumers

As seen in section 5.14.2.1, the largest pet food market in South Africa is that of dog food. This reflects dogs being the most common pet in South Africa; they are primarily kept for security purposes by many households. Indeed, it is estimated that there are over 7m dogs in South Africa (pets or otherwise). Nonetheless, there is a trend towards pet humanisation which is seeing many dogs being treated more as family members. This is most notable among mid to high income consumers with smaller dogs and is creating a niche market for products to address these dogs.

Cats are less common - there are around 2m cats in South Africa. Once again, they are often kept for practical reasons (e.g. catching mice or rats), but there is also a clear humanisation trend for these animals as well.

Owners of small mammals, reptiles, birds and fish are largely urban based with such pets being chosen due to the limited space available in small urban apartments; and the lower levels of care required. Small mammals are particularly popular among urban families with small children.

Drivers and method of consumption

Humanisation is a notable trend in the markets for dog and cat food. With both animals traditionally kept for functional purposes, the food provided to them has also often been functional (whether homemade / left overs or more basic commercial food). However, with dogs increasingly being treated as family members, owners increasingly focus on providing their animals with products which provide good nutrition; are suited to animals of a certain age, with certain conditions or for certain functions; and/or have more complex flavours.

For the smaller niche markets for other pet food, humanisation is less of a driver; though nonetheless, some owners do favour more expensive products for their pets. Ultimately these niche markets tend to be driven more by the nature of the animals themselves and the desire of owners to have and keep animals without the need for high levels of attention.

Purchase criteria

Value for money is a key purchasing criterion for most pet owners – regardless of the pet type. This value for money criterion can manifest itself in different way:

- For both dog and cat food, consumers tend to focus on a combination of price and the benefits/functions of the product. Against this background, products with multiple functions have been popular of late. Larger, economic packs are also looked for by consumers for this reason.
- For other pet food, consumers have recently tended to favour standard and economy products⁹⁷.

5.14.2.3 Recent market trends

As noted in section 5.14.2.2 above, the humanisation of pets is a major trend and driver; and this is affecting the products being launched on to the market. In the dog food segment, this has resulted in the launch of *braai* (barbecue) based flavours, such as smoky variants of meats and BBQ grill flavours. This trend smartly combines both the humanisation trend and the love of South Africans for *braai*. Non-barbecue flavours recently launched include ostrich & strawberries, chicken & broccoli and lamb & apples. Packaging design is also being changed by some manufacturers to make it more appealing and appetising for human eyes – even if the dog is the consumer.

In the cat food segment, products offering multiple benefits, products which target certain ages / breeds / conditions and weight control products are a result of this humanisation trend. Nutritional information is increasingly displayed on packaging as a result of this humanisation trend; and as with dog food, packaging is being made more attractive to human eyes. The impact of the humanisation trend is somewhat weaker in the other pets category, with a squeeze on prices visible recently due to the economic conditions. Nonetheless, some products advertising nutritional benefits have come on to the market.

Finally, a longer standing impact of the humanisation trend is that of dog and cat foods using human grade ingredients, including added vitamins or probiotics, and having organic certification.

5.14.3 Offer

5.14.3.1 Domestic production

South Africa has considerable domestic production of pet food, as reflected by its recent self-sufficiency in cat and dog food (see section 5.14.3.2). Major domestic producers include: RCL foods (the leading manufacturer of dog food with more than a ¼ market share, and the number 3 manufacturer of cat food);

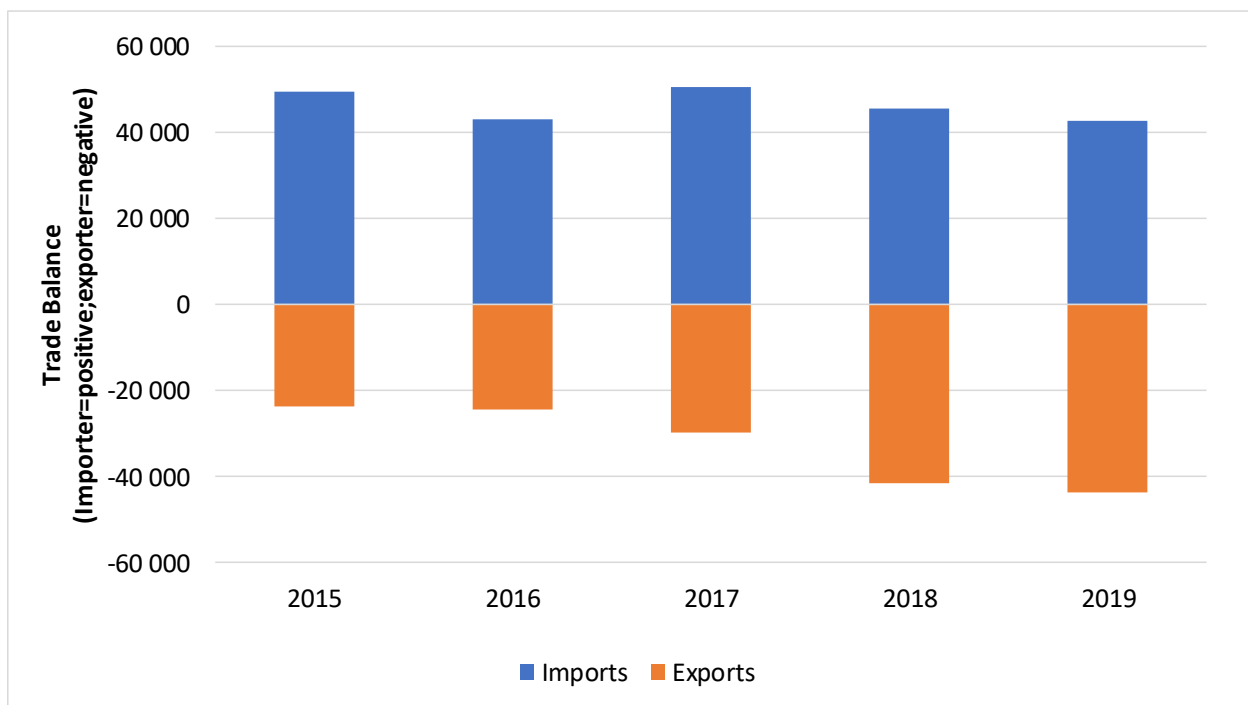
⁹⁷ Euromonitor International: Pet Care, 2020; <https://www.petsecure.com.au/pet-care/a-guide-to-worldwide-pet-ownership/>

Martin & Martin (Pty) Ltd (number 2 in both dog and cat food with over 20% and 25% respectively); and Montego (number 3 in dog food. Multinational Mars is also has some plants in South Africa.⁹⁸

5.14.3.2 Imports and exports

While historically South Africa has been a net importer of cat and dog food in recent years, it became a very margin net exporter in 2019. Imports were just under EUR 43m, having fallen from a recent high of EUR 50m in 2017. Exports on the other hand reached just over EUR 43m, having increased fairly consistently from EUR 24m in 2015 (Figure 5-62). About 1/3 of these exports are to neighbouring countries.

Figure 5-62: Trade balance (imports and exports) of pet food in South Africa, 2015-19; EUR 000

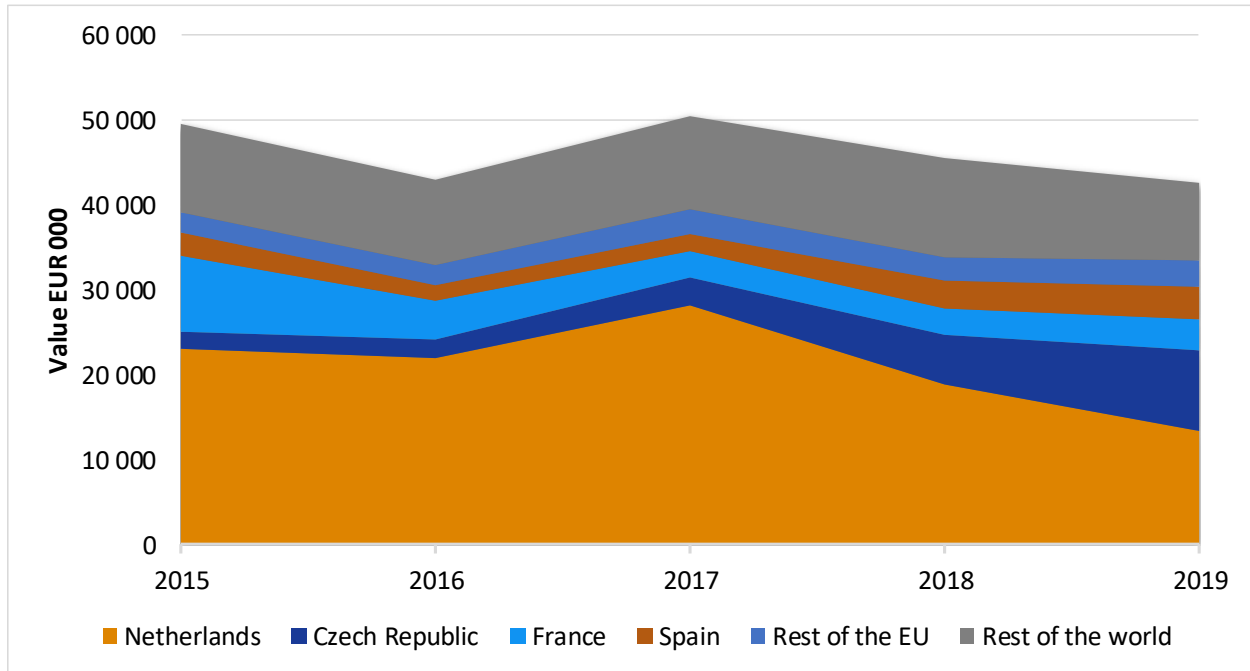


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 230910 (cat and dog food).

EU countries dominate the sources of imports (Figure 5-63). The Netherlands is the single largest origin, accounting for around 1/3 of imports. The Czech Republic, France and Spain follow. Overall, the EU accounts for around ¾ of all imports of pet food in to South Africa.

⁹⁸ Sector Spotlight, Bakeries, Business for sale Available at <https://www.businessforsale.co.za/southafrican/search/bakers-and-confectioners-for-sale/articles/sector-spotlight-bakeries>

Figure 5-63: South Africa imports of pet food by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 230910 (cat and dog food)

5.14.3.3 EU GI products

Currently there are no EU pet food products in the EU-SADC EPA that are protection under GI; for a full list of GI products please refer to section 9.

5.14.3.4 Main competitors

Domestic production forms the main competition. Three large local companies between them (RCL foods, Martin & Martin and Montego) hold almost 2/3 of the dog food market. Mars is the biggest player in the cat food market with an almost 1/3 market share, though it is very closely followed by Martin & Martin. The reliance on imports has fallen in recent years, with the country now a very marginal net exporter of cat and dog food. Nonetheless, EU countries account for the vast majority of the EUR 42m of imports.

5.14.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for pet food can be found in section 4.2. EU cat and dog food imports that comply with rules of origin do not face tariffs (the MFN tariff for most imports from most other countries is 20%).

Detailed information on import duties and Rules of Origin can be consulted on the European

Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2309&countryid=ZA>

Customs procedures

A list of standard documents required for the import of pet food imports into South Africa is presented in Table 4-1 in section 4.2.1. In addition, documents specifically required for the import of cat and dog food (under HS code 230910) are:

- Registration of feeds (see sub-section below).
- Veterinary import permit for animals and animal products.
- Veterinary health certificate for animal health products.

There occasional further requirements for feed imported under HS code 230910, but normally these do not apply to meat based cat and dog food. More specifically:

- Import permit for agricultural pest act (only if the product is subject to the agricultural pest act – which meat based pet food should not be).
- Certificate of analysis (only if the product is considered farm feed, which pet food should not be).

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2309&countryid=ZA#h9>

Standards, SPS measures

Pet food in South Africa is controlled by the Farm Feed Regulation Act 36 of 1947. This sets out requirements for safety, nutritional adequacy, and proper labelling of pet food. A link is provided below: https://laws.parliament.na/cms_documents/fertilizers-farm-feeds-and-agricultural-remedies-a26a61ba9a.pdf

In order to manufacture, import, or sell farm feed or pet food in South Africa, operators must be registered in terms of the Fertilizers, Farm Feeds, Agriculture and Stock Remedies Act; and (as per above) apply for an import permit. More information on both can be found at the links below:

<https://www.gov.za/node/727474>

<https://www.gov.za/services/fertilizers-farm-feeds-agricultural-remedies/import-farm-feed-and-pet-food>

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2309&countryid=ZA#h18>

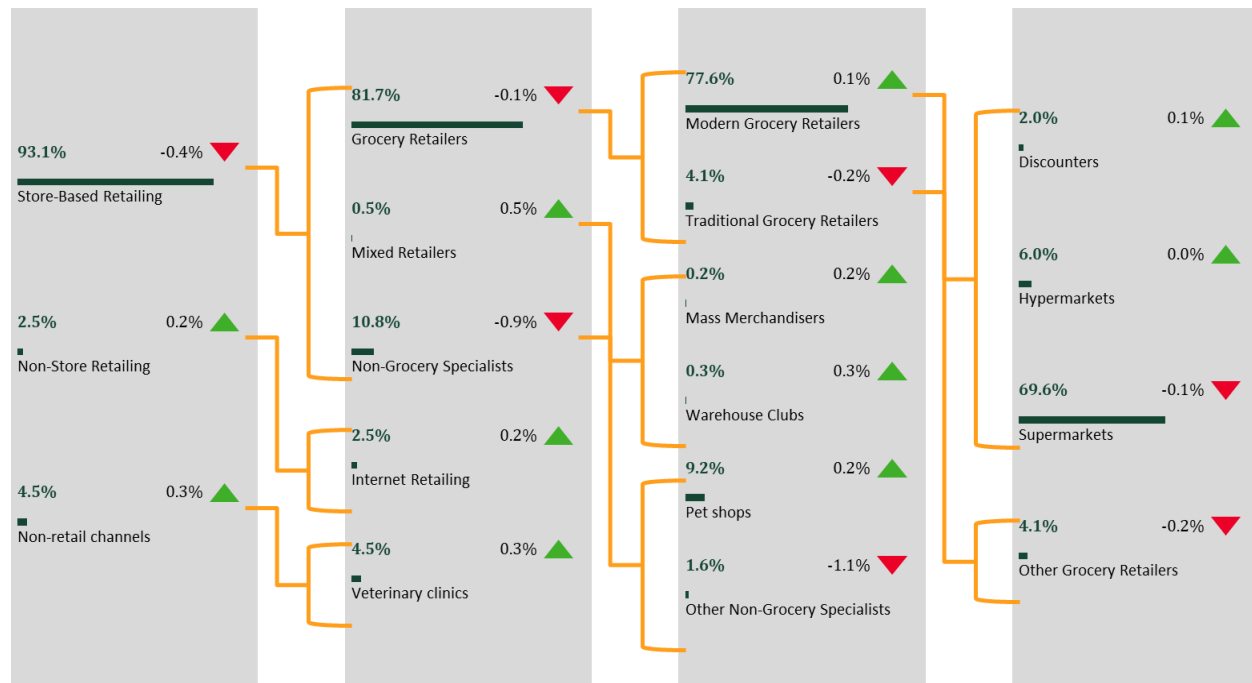
Labelling

Labelling requirements are set out in the Farm Feed Regulation Act 36 of 1947 (see above for link to this piece of legislation).

5.14.5 Distribution

As can be seen in Figure 5-64 the vast majority of pet food sales come from modern grocery retailers in the country with a total distribution of 82% of pet food. Supermarkets account for 70% of sales. The next most common channel, pet shops, account for only 9% of pet food sales.

Figure 5-64: Distribution channel overview of pet food in South Africa (2018); retail value



Source: Euromonitor International: Pet Care, 2020.

5.14.6 Challenges for EU products

The main challenge for EU products comes from competition from the strong, long established and popular domestic producers, as well as multinational Mars. Domestic production has recently increased to the point where it theoretically meets domestic demand for cat and dog food. Nonetheless, EU products have managed to gain a substantial foothold in the market as they account for ¼ of all imports.

Market Takeaway: Pet food

Consumption: dogs, which are historically used for security, are by far the most popular pet. Cats are next. Both animals are increasingly being treated as family members as part of a humanisation trend.

Competition: Domestic producers are long established and account for a large part of the market.

Distribution: Largely sold through supermarkets, which have a 70% share. Pet shops are next but only account for 9% of sales.

Challenges: the strong domestic production and well respected, long established producers.

Opportunities: EU countries have long been the main exporters of pet food to South Africa. The market is growing fast and the humanisation trend is offering a variety of niche opportunities.

5.15 Biscuits and cereal bars

5.15.1 SWOT analysis

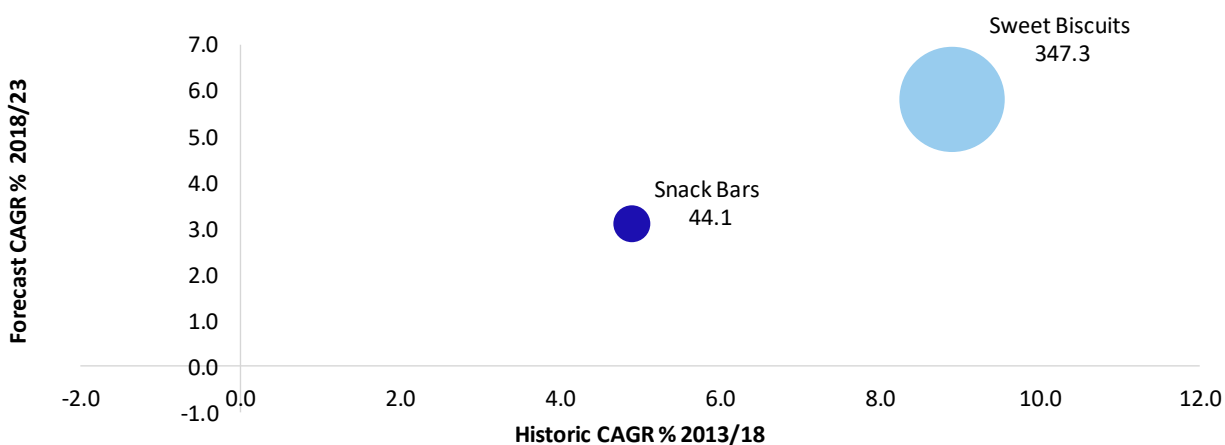
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> South Africa's population is an increasingly urban population, which is a compliment for biscuit and cereal bar products. Product consumption across this sector is growing rapidly with plain and savoury biscuits are recording double-digit growth. 	<ul style="list-style-type: none"> Domestic producers meet most of the market demand in South Africa. The large amount of fruit available in south Africa will mean the cereal bars which incorporate fruit will almost be exclusively domestic.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> EU biscuits such as Danish Cookies and French butter cookies have yet to greatly penetrate this market but have to capacity to grow. The disposable incomes of higher income consumers give them the opportunity to splurge on EU products if they wish. 	<ul style="list-style-type: none"> India exports the most amount of Sweet biscuits to South Africa. Low-income earners will struggle to purchase EU products over domestically produces ones with the price being the main influence on this.

5.15.2 Consumption

5.15.2.1 Evolution of consumption

As seen in Figure 5-65, the consumption of biscuits and cereal bars continues to grow in South Africa with sweet biscuits having a market size worth EUR 347m in 2018. Trends such as increasing need for “on the go” products to help provide a quick snack for consumers is compounding this rapid growth; sweet biscuits grew at almost 9% per year over the period 2013-18 and the market for them is set to grow at 5.8% per year going forwards. The market for snack bars is much smaller at EUR 44m, and also more slowly growing; 4.9% per year over the period 2013-18, and 3.1% per year forecast going forwards (Figure 5-65).

Figure 5-65: Evolution and forecast of the market for sweet biscuits and snack bars in South Africa, 2013-2023; EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.15.2.2 Consumer profile and purchase criteria

Consumers

Consumers of biscuits and cereal bars in South Africa cross ethnic and monetary lines – many people across the spectrum will consume biscuits and cereals bars on a weekly basis. Consumers in an increasingly urbanised country are seeking a quick convenient food and the practicality of food on the go consumption, and biscuits/cereal bars can fulfil this demand. There is a movement towards healthier eating amongst consumers which is influencing the sales of fruit and protein cereal bars. However, a large segment of consumers still prefer to consume sweet biscuits which are typically cheaper than the healthier alternatives mentioned above.

Drivers and method of consumption

The increasing need for on the go snacks and products that cater to a busy and urban population is a key driver in the growth of biscuits and cereal bars in the country. Consumers will today be widely exposed to biscuit and cereal bar products through retailers and will purchase them during any part of the day.

Biscuits are perceived as a quick snack or treat item which are bought both for personal consumption and as gifts for special occasions such as a birthday or Christmas. Cereal bars are largely a quick snack that is consumed on the go, typically consumed more in urban areas than rural ones. Consumers wishing to indulge may purchase chocolates which incorporate biscuits into them and consume these products as a treat. Health-conscious consumers will be drawn to sugar-free biscuits and snack bars with ingredients such as granola and fruit. Rusks are a type of biscuit that can be consumed as a part of a breakfast meal with homemade rusks being increasingly produced at the home.

Purchase criteria

Cost-consciousness dominates the purchase criteria of most South Africans for biscuits and cereal bars. Private labels are increasingly chosen by consumers due to their lower prices, and some brands are associated by consumers with low prices. Nonetheless, middle-income consumers will place a premium on foods offering additional health benefits such as biscuits and cereal bars with high -fibre content, added vitamins and omega oils.⁹⁹

5.15.2.3 Recent market trends

The shift towards health-conscious products and pressures from producers to make products that cater to low-income earners are two defining trends in this sector. Health-conscious products will largely cater for middle and upper-income earners who can afford the higher-priced products. Lower-income earners will be receptive to cheaper biscuits and cereal bar products such as rusks. Snacking is an increasing trend in the country which will be compounded by urban population growth and rising consumer disposable incomes in the country. Internet retail in this sector is a new and growing trend and as the population continues to gain exposure to the internet this trend can be expected to continue compounding the

⁹⁹ A South African biscuit tradition, life&Thyme <https://lifeandthyme.com/recipes/a-south-african-biscuit-tradition/>; Euromonitor International: Packaged Food, 2020.

growth of biscuits and cereal bars in the country. Many producers have innovated with new packaging designs and promotional agreements with retailers in order to compete.

5.15.3 Offer

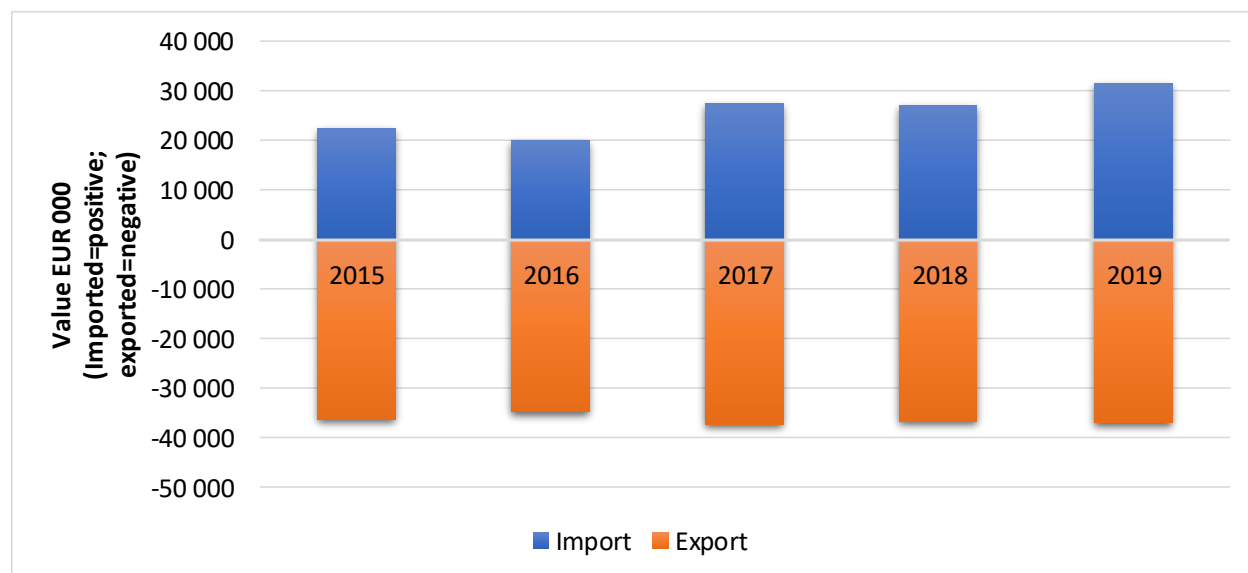
5.15.3.1 Domestic production

Domestic producers meet most of the demand that is in the South African market with the top four companies in this sector in the country being domestic producers. The company National Brands hold an almost 40% market share making it by far the largest company in this sector. The local market is competitive due to the number of producers in the country which offer protections from international exports as producers in the country can focus on South African specific products such as rusks and *karringmelk* (South African buttermilk biscuits). Cereal bars are also largely produced domestically with brands like Nakd incorporating the wide variety of fruits available in South Africa into their cereal bars such as Berry Delight and Blueberry Muffin.¹⁰⁰

5.15.3.2 Imports and exports

As can be seen in Figure 5-66, South Africa is a net exporter of biscuits, with the main destination markets being countries within the vicinity (Botswana, Namibia, Mozambique, Eswatini and Zambia). Exports have remained fairly stable over recent years, while imports have moderately increased (Figure 5-66).

Figure 5-66: Trade balance (imports and exports) of biscuits, waffles and wafers in South Africa, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

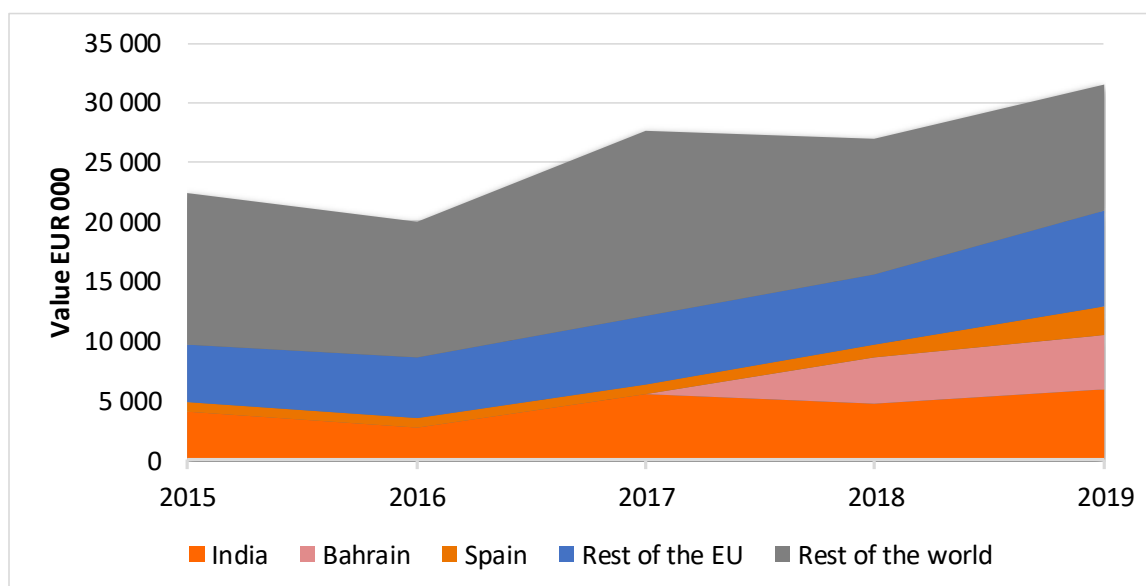
Data for CN codes 190531 and 190532.

India is the largest single exporter of sweet biscuits to South Africa with *Maska Khari* being an example of Indian biscuits in the country. Saudi Arabia is historically the second-largest exporter; however, exports

¹⁰⁰ Euromonitor International: Packaged Food, 2020.

have dropped significantly from there from a high of EUR 3.9m to a negligible amount in 2019 and subsequently are included under rest of the world. Bahrain has replaced Saudi Arabia as the second largest exporter, while Spain is the third largest exporters. Overall, imports of biscuits are quite fragmented, but the EU combined plays a notable role accounting for over a third (Figure 5-67).

Figure 5-67: South Africa imports of biscuits, waffles and wafers by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190531 and 190532.

5.15.3.3 EU GI products

Currently there no EU biscuit GIs under the EU-EPA. For a full list of GI products in South Africa please refer to section 9.

5.15.3.4 Main competitors

The main competition in this market comes from a large number of domestic producers in the country who are largely able to meet the demands of the domestic market. Imports and exports of cereal bars and biscuits are small for a country and market of South Africa's size. Indeed, South Africa is a net exporter, and this further reflects the levels of domestic production in the country. While import origins are fragmented, India accounts for the largest amount of sweet biscuits imported into the country. It has to be noted though that these exports are small and for context, India exports more sweet biscuits to Guinea than to South Africa. EU countries combined account for a bit over a third of imports.

5.15.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for biscuits and cereal bars can be found in section 4.2. EU imports that comply with rules of origin do not face tariffs (the MFN tariff for most imports from most other countries is 21% or 25%, depending on the product).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the appropriate CN code, e.g. biscuits:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=ZA>

Customs procedures

A list of standard documents required for the import of biscuits and cereal bars into South Africa is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the appropriate CN code, e.g. biscuits:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=ZA#h9>

SPS measures

Sanitary and Phytosanitary measures concerning the import of biscuits and cereal bars in South Africa are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=ZA#h18>

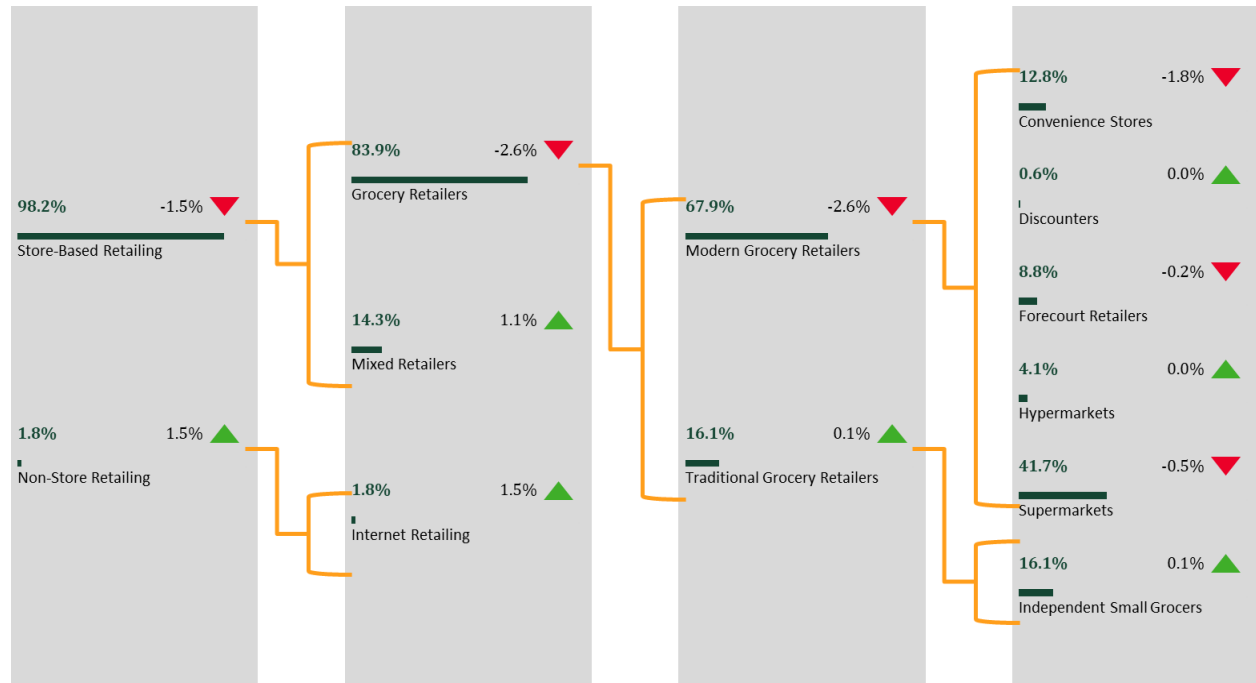
Labelling

Biscuit / cereal bar labelling has to follow general label requirements set out in section 4.2.3. There are no specific ones for biscuit / cereal bar products.

5.15.5 Distribution

Biscuits are mainly distributed through modern grocery retailers in South Africa with supermarkets being the largest distributor at around 42%. This also allows for smaller traditional grocery retailers (more specifically independent small grocers) to have a sizable share of distribution – they account for 16% of sales. Convenience stores, which are the third-largest distribution channel account, for 13% of sales but their importance is slightly declining. Internet retail sales are a new and growing phenomenon in the South African market and it can be expected that sales through this distribution channel will increase in coming years (Figure 5-68).

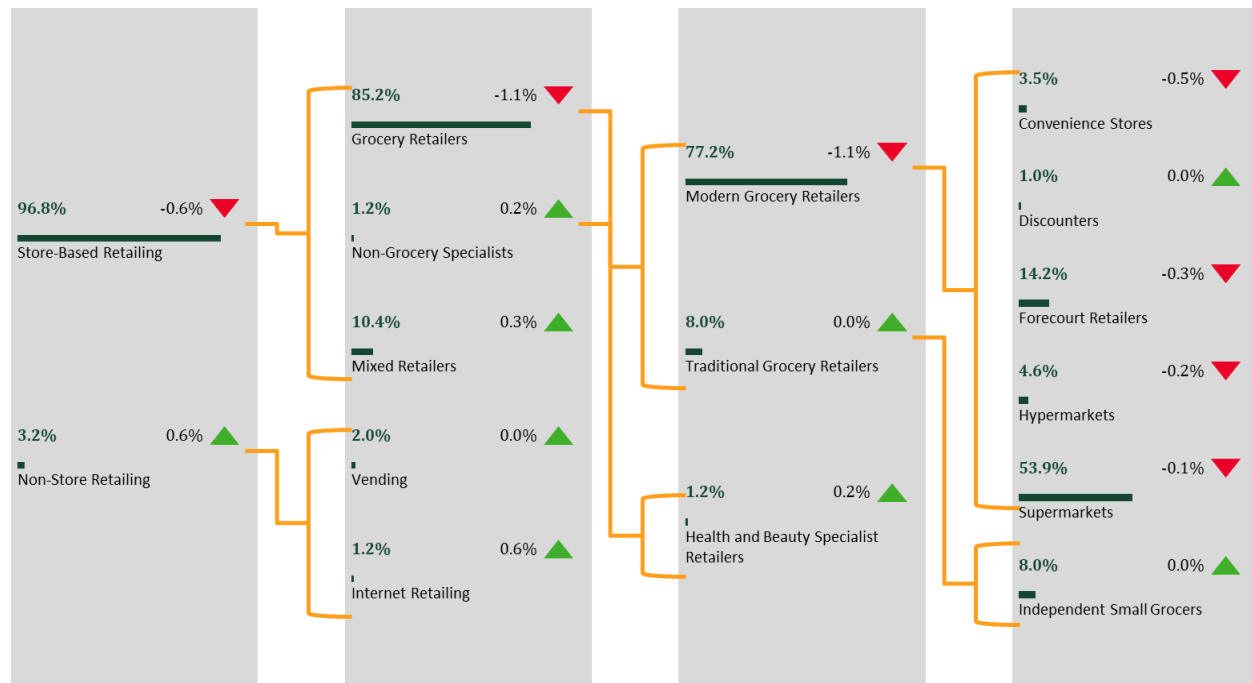
Figure 5-68: Distribution channel overview of sweet biscuits in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

Cereal and snack bars are sold through supermarkets at a higher rate than biscuits, with a majority of cereal bars sales coming through this channel. This compliments the convenience trend that is growing amongst urban consumers. Independent small grocers account for 8% of cereal bar sales while internet retail accounts for 1.2% and is expected to continue growing in share. Health and beauty specialists account for only 1.2% of sales; typically these outlets will sell high fibre bars and those with certain nutritional properties (Figure 5-69).

Figure 5-69: Distribution channel overview of snack bars (including cereal bars) in South Africa (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.15.6 Challenges for EU products

The main challenge for EU products comes from a market that does not import many biscuit and cereal bar products with an imported value of EUR 31m. A large volume of products such as rusks are also produced in the country. Furthermore, domestic production caters for consumer preferences and flavours which it is difficult for EU producers to emulate. However, the market for biscuits in particular is rapid growing and this may give room for EU producers in the future to gain a foothold in the market.

Market Takeaway: Biscuits and Cereal bars

Consumption: Consumed daily by South Africans with the convenience and on the go traits of these products appealing to consumers.

Competition: Domestic producers largely meet the domestic market demand. India provides a small amount of competition in sweet biscuits.

Distribution: Both products largely distributed through modern grocery retailers and have a growing presence on the internet.

Challenges: South Africa can make the majority of biscuit and cereals that are demanded by consumers in the country and they are able to produce affordable products specific to the South African marketplace.

Opportunities: South Africans are increasingly consuming biscuit and cereal bar products which tend to do well in urban environments; the rapidly growing market may offer room in the future for EU products to have an impact.

6 Communication

6.1 Communication strategy

South Africa has a large mass media sector and is one of Africa's major media centres, making media in the country important for both locals and residents further afield throughout Africa. South Africa's 1996 constitution aims to protect the freedom of its media, though reforms such as the 2004 terrorism act have limited the ability of media outlets to report on certain issues such as the activities of prisons, mental institutions, and the military. Currently, the country is ranked 31st in the world press freedom index which places it ahead of nations like the USA.

6.1.1 Online & Digital Media

As stated in 2.1.3, 66% of the South African population is under the age of 35 and in this age bracket roughly 90% own a smartphone device giving them potential access to the internet. Naturally, this leads to a large availability of online and digital media. However, internet penetration remains a large problem in the country as only 56% of the nation has access to the internet, still, this translates to 31 million individuals in South Africa who use the internet every day, most of them young. Currently, the most popular social media platforms in the country are Facebook with a penetration rate of 53% of internet users in South Africa, followed by LinkedIn at 18% and Instagram at (9%).¹⁰¹

Digital advertising agencies (see box below) may provide companies with support to develop a successful digital marketing strategy.

South African Main Digital Advertising Agencies:

Magnetic <https://magneticcreative.com/>

Blue Magnet <https://www.bluemagnet.co.za/>

So Interactive <https://sointeractive.co.za/>

Bnry <https://bnry.digital/>

FCB Global <https://www.fcb.com/>

Mirum <https://www.mirumagency.com/en/home>

Trade way <http://www.tradeway.co.za/>

Digital marketing in South Africa is increasing and brands are incorporating digital marketing campaigns to help generate brand awareness in the country and the wider market on the African continent. Traditional methods of advertising such as radio and TV do not appeal to younger consumers in the same

¹⁰¹ These are the biggest social media and chat platforms in 2019, Businesstech Available at <https://businesstech.co.za/news/internet/296752/these-are-the-biggest-social-media-and-chat-platforms-in-2019/>

way as advertising in the digital space. Younger South Africans are also very receptive to influencers advertising on the behalf of brands. The way online social media can be used in South Africa for marketing purposes is further analysed in the sections below.

6.1.1.1 Social media platforms

As the population of South Africa is very young, social media has a lot of appeal in the country which leads to many user of Social media in South Africa. Social media plays a large role in the spread of ideas and communication amongst the growing South African youth.

YouTube

YouTube is not as prevalent as other social media platforms with many consumers opting to watch videos through Facebook instead. Many users of YouTube, however, may watch the content without necessarily having an account; it is estimated that at least 73% of internet users will watch at least one video on YouTube per week.¹⁰²

Facebook

Facebook is the most used social media platform in South Africa and a successful marketing campaign through this platform will grant a high level of exposure for producers. With a total of 16 million users in the country and a predominantly young demographic of users, campaigns on this platform need to appeal to this demographic by raising environmental issues or highlighting diversity. Most Facebook users are between the ages of 25-34 and women make up the slight majority of users at 50.9%. The lowest demographic are men between the age of 55-64 at just 1.6% of users.¹⁰³

Top Facebook influencers in South Africa

[Carlinn](#)

[Liesel Van Der Westhuizen](#)

[UJ Just Kidding](#)

[Major League DJz](#)

[Cricket South Africa](#)

[Die Antwoord](#)

[Springboks](#)

Twitter

Twitter is not as popular as other social media platforms in South Africa; it is behind other platforms such as Instagram, YouTube and WhatsApp. 37% of Twitter users are female and 63% are male, which shows a

¹⁰² Digital News Report, South Africa, Reuters institute of politics, Available at https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-06/South_Africa_DNR_FINAL.pdf

¹⁰³ Facebook Users in South Africa, NapoleonCat, Available at https://napoleoncat.com/stats/facebook-users-in-south_africa/2019/03

much bigger divide than Facebook. The most active demographic are males aged 25-34 accounting for 17% of total users, the smallest demographic are males aged 55-64 accounting for 1.3% of users.¹⁰⁴

Top Twitter influencers in South Africa

[Boity Thulo](#)

[Gareth Cliff](#)

[Minnie Dlamini Jones](#)

[Bonang B Matheba](#)

[AB De Villiers](#)

[Troye](#)

Instagram

Instagram is popular in South Africa with over half of internet users with a social media account using the platform at 54%. Instagram users are split by gender almost equally at 52% female and 48% male. The largest demographic using Instagram are females aged 25-34 at 17.7% while the lowest demographic is males ages 55-64 at 0.9%.

Top Instagram influencers in South Africa

[Sarahlanga](#)

[Bakedonline](#)

[Nadiajaftha](#)

[Fashionbreed](#)

[Afuarida](#)

[Mihlali n](#)

WhatsApp

WhatsApp is the largest messaging platform in South Africa, and the country has one of the highest numbers of WhatsApp users in the world. WhatsApp appeals to South African users due to the light amount of data it takes up. It is estimated that as much as 92% of students in South Africa use WhatsApp which makes it by far the most popular platform. WhatsApp's popularity in South Africa is being hailed as an example of the mobile market in the rapidly developing and urbanising African Continent.¹⁰⁵

¹⁰⁴ South Africa's Digital Media overview, January 2019, Hootsuite Available at <https://www.slideshare.net/DataReportal/digital-2019-south-africa-january-2019-v01>

¹⁰⁵ Why WhatsApp is South Africa's favourite App, Forbes, Available at <https://www.forbes.com/sites/tobyschapshak/2015/09/04/why-whatsapp-is-south-africa-s-favourite-app/#473f4a82e2be>

6.1.1.2 Food blogs

Food bloggers in South Africa have the advantage of portraying the many varieties of foods that can be found in South Africa. Ethnic foods and international foods with a South African twist typically appear in food blogs in the country. Some of the most popular food blogs in South Africa include:

- **Kamini Pather;** Winner of MasterChef South Africa in 2013, Kamini writes regularly about the ethnic foods found in South Africa and has a programme on the local food network channel.
- **Lise van der Merwe;** Ms Van der Merwe won the 2014 best food blogger awards; writes reviews of restaurants found throughout South Africa; and regularly advertises new ingredients on her blog on the <http://thefoodfox.com/> network.
- **Katelyn Williams;** Ms Williams hosts a show on the Food network called Expression which focuses on South African baking techniques. She won the best South African food and wine blog award in 2014.
- **Nina Timm;** Nina Timm shares her recipes and easy-cooking methods through one of the most read food blogs in the country found at <http://www.my-easy-cooking.com>

6.1.2 Traditional Media

Traditional media such as television arrive later in South Africa than many other nations with the first broadcast in the country occurring in 1976. Media in the country is highly regionalised based on both ethnic and linguistic markets. Radio also plays a large role in South African society; however it is steadily declining as the popularity of the internet continues to grow. Print media is also popular in South Africa.

- **Television:** the South African Broadcasting Corporation (SABC) is the state broadcaster for South Africa and is the most popular channel in the country. It is also one of the largest organisations owned by the state of South Africa. New expansions of SABC include channels like SABC 4 AND SABC 5 which emphasise indigenous languages. It is estimated that around 75% of South African households have a television.¹⁰⁶
- **Radio:** there are more than 165 community radio stations in South Africa that broadcast collectively to over 7.44 million listeners on a weekly basis. Each significant ethnic group will have its radio station adapted for their language and culture. The number of radio stations in South Africa, however, is steadily declining as new media such as the internet begins to increase. The most popular radio station is Ukhozi .

6.1.3 Fairs and exhibitions

A large number of food and beverage fairs and exhibitions take place in South Africa and these advertise South Africa's many goods and companies that work in the agricultural sector. Many trade events also host exhibitors from nearby nations such as Namibia and Botswana whose markets are much smaller than South Africa's. Each major urban centre has an exhibition hall capable of hosting events such as the Cape Town International Convention Centre, The Deck convention centre in Johannesburg, the Expo centre in Johannesburg and Sandton Convention Centre one of the largest in the country.

¹⁰⁶ Trading Economics, Households with Televisions, South Africa. Available at <https://tradingeconomics.com/south-africa/households-with-television-percent-wb-data.html>

A list of major fairs/exhibitions in 2020 can be found in section 8.4.

6.2 Advertising regulations

The **Advertising Standards Authority of South Africa (ASASA)** is an independent and voluntarily organised institution dealing with advertisement regulations in South Africa. The authority is sponsored by the marketing and communications industry with an aim to create fair and just competition for the industry and protection of consumers. The guiding document is the so-called **Code of Advertising Practice**. The document was developed using the worldwide accepted Code of Advertising Practice, which is the foundation for most domestic self-regulating systems. However, the ASASA's guiding document is custom-made for the South African advertising market and gets amended from time to time to stay up as up to date as possible. A wide spectrum of people and organisations are benefiting from the Code: the marketing industry, the general public, the government and consumers. It is the Authority's aim to enforce and adopt the Code of Advertising according to the following rules:¹⁰⁷

- **Offensive advertising:** Advertisements should not contain any content that might go against good taste or decency or anything that could result in general or sectoral offence. If an advertisement is offensive depends on different aspects such as the target audience, public interest, degree of which it might worry the public and the nature of a product.
- **Honesty:** Advertisements are not supposed to trick unknowing consumers or make unfair use of their trust. Products are expected to be always presented in a most truthful manner.
- **Unacceptable advertising:** Anything unjustifiable that plays on fear or fosters violence, illegal activities, discrimination or especially gender discrimination.
- **Comparisons:** Comparisons of prices are allowed under special circumstances which are listed in the Code of Advertising practice. However, it is forbidden to do factual comparisons between services or products from competitors.
- **Disparagement:** It is forbidden to attack and discredit products from other companies directly as well as indirectly.
- **Exploitation of advertising goodwill:** It is forbidden to take benefit from the advertising goodwill of a trade name or symbol of a competitor's product; however, parodies are allowed.
- **Imitation:** It is forbidden to copy advertisements in general, meaning local and international advertisements because those could lose some of their value due to the imitation.
- **Testimonials:** Testimonials need to be honest and can only be used when the person giving it actually used to product over a certain period of time.
- **Protection of privacy and exploitation of individual:** Advertisements cannot use the name or image of a person, which did not give permission beforehand, except in background shots, or for the advertisement of films, books, radio or television about individuals that are the topic.
- **Identification of advertisements:** If advertisement is placed in mediums, which main purpose is different from advertising it needs to be clearly distinguished and consumers need to be able to identify it as advertisement.
- **Safety:** Advertisements should not show off dangerous practices or unsafe situations, especially when targeted at children.

¹⁰⁷ About the ASASA <http://asasa.org.za/about>

- **Children:** It is important that advertisement does not influence children’s mental, moral, physical or emotional capabilities in any negative way.
- **Guaranties:** The words “guarantee” and “warranty” need to be used in a specific way as possible to not confuse consumers.
- **Use of animals in advertising:** The use of animals is only allowed when they are treated respectfully and do not get harmed. Furthermore, the advertisement is not allowed to encourage animal cruelty in any way. If these rules are disobeyed the animal welfare organisation will take over the case.
- **Clarity:** If several products are advertised at the same time, it needs to be clear which price belongs to which products.¹⁰⁸

Further detailed information about advertising rules and the Code of Advertising conduct can be found at the ASASA’s official website: <http://asasa.org.za/codes/advertising-code-of-practice/>

¹⁰⁸ General principles <http://asasa.org.za/codes/advertising-code-of-practice/section-ii-general>

7 South African Etiquette

7.1 Quick facts

Business Culture

English is the main language of the country, thus, it is important to be fluent. Like in Europe it is important to be on time for meetings as most South Africans are very punctual. It is polite to greet everyone joining the meeting personally, even though the meeting may be with a large group of people. If business cards are to be exchanged, it is important to take some time to examine the card before putting it away. South African people prefer to have set goals for each meeting and are usually quite direct in expressing what they expect or want. It is important to always listen to the person that is speaking; to not do so will be viewed as disrespectful. Also, it should be remembered that all people should be respected equally, and everyone should have the opportunity to voice their opinions. When it comes to negotiating, South Africans commonly take things slow and step by step.

Trust is important in the South African business culture and not gained easily. It is important to be honest with business partners in order to build trust over time. If your company is not well-known yet it is important to find people to vouch for you because otherwise it might be hard to find someone who is willing to do business with you.

It is useful to know that workplaces in South Africa largely follow a hierarchical structure and people in higher positions are usually the ones to make decisions. Due to high unemployment it is quite common for an individual to stay in one company for the entirety of their working life.

Suits and ties are the standard clothes for men to wear when doing business. If it is too warm for a jacket, a long-sleeved shirt is worn instead. Shirts in general are mostly of light colours. Women generally prefer to wear skirts or suits and clothes should not be too short or too tight.¹⁰⁹

Naming

Most people from families with some extent of European roots will use the European format structure when naming someone, which means using forenames first followed by the family's surname. People from the Nguni culture may also use one of their parents' names, for example to identify themselves as the son/daughter of someone.

Visits

Visits to people's houses are mostly pre-arranged, although unannounced visits of close friends is normal as well. When visiting someone's house it is important to greet everyone there politely right after entering the house. In most houses it is expected to take off shoes before entering. Gifts are typically not expected

¹⁰⁹A guide to South Africa – etiquette, customs, clothing and more... <https://www.kwintessential.co.uk/resources/guide-to-south-africa-etiquette-customs-culture-business>; Business etiquette in South Africa <https://www.expatica.com/za/employment/employment-basics/business-etiquette-in-south-africa-105889/>

but are a nice gesture to bring some wine or other drinks to share. Moreover, it is normal to be offered tea or other beverages in people's homes. It is important to note, that objects in the house should not be complimented too many times, otherwise the hosts might feel obligated to offer it to you as a present, even though they do not want to get rid of it. If this happens, show appreciation for the gesture but decline it.¹¹⁰

Dining

Dining rules are very diverse which reflects the wider South African culture. In the traditional Zulu/Xhosa culture, it is polite to wait for the host to seat you, while in Sotho culture you should just seat yourself right away. South Africans are very welcoming and appreciate if guests try to understand and act according to the norms of their specific culture. In many cultures it is unpolite to use the feet to point to the food or other people. In some cultures, people use spoons and their hands to eat, while in others they use cutlery. If cutlery is used do not point it at other people during the meal. Sometimes, food is served according to a hierarchy in which guests are usually served first. In some cultures, it is even polite to wait until the oldest male person started eating. In general, it is impolite to not finish your food or deny a second serving as the host will feel that the food was not good. Following that, it is appreciated to comment on the host good food. On another note, when dining at a restaurant it is a common practise for the person who invited the other person to the restaurant to pay for the food.¹¹¹

¹¹⁰ South African culture <https://culturalatlas.sbs.com.au/south-african-culture/south-african-culture-etiquette#south-african-culture-etiquette>

¹¹¹ South Africa Etiquette https://www.etiquettescholar.com/dining_etiquette/table-etiquette/africas-table_manners/south_african.html

7.2 Key DOs and DON'Ts

Dos	Don'ts
<ul style="list-style-type: none"> • Always greet everyone you meet right away to show respect. It is common to use a simple handshake, with eye contact and a smile. When men meet women, it is polite to wait for them to offer their hand first. • Always use people titles and surnames, until they offer you to approach them with their forename. • South Africans are known to be very hospitable as well as kind natured and this favour should be returned. • Always listen properly when someone speaks. It is deemed impolite not to pay enough attention to conversations. • If possible, try to do all important communication face to face. • Sports are important to many South Africans, so if ever in doubt of what to say, just ask them about their favourite sports / teams. • Compliment the hosts food while dining. • Always show respect to elders! In the South African culture, they are highly respected and seen as knowledgeable and deserving. • Make eye contact. • If someone mentions the challenging situation currently in South Africa, try to respond with kindness and be compassionate. 	<ul style="list-style-type: none"> • Do not criticise the country in public. South Africans do not like outsiders to think they know better and what is right and wrong. The general opinion is that if you have not lived in South Africa, you do not judge it. • Do not talk about politics, apartheid, racism, violence or other sensitive topics. • It is important to always stay in control of your emotions. Do not express anger or other bad emotions towards someone in public. • South Africans perceive silence as something negative which tends to make them feel uncomfortable. To avoid this, it is important to keep conversations going. • Do not leave food on the plate when invited to someone's home. The host will think he/she is not a good cook. • Do not be late for meetings. South Africans are usually on time.

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in South Africa, for producers wishing to export to South Africa. These service providers include EU funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in South Africa.
- Section 8.2 contains the contact information for Member State embassies within South Africa.
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in South Africa in 2020.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

8.1 European Union Organisations

Certain EU funded, or co-funded, projects within South Africa offer a range of business enabling services and information providing important insights into the South African market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.



EU Chamber of Commerce and Industry in Southern Africa

The European Union chamber of commerce and industry in Southern Africa was established in 2015 to represent the interests of EU companies entering the and engaging with the Southern African market. The EU chamber is the voice of all European investors in Southern Africa, that is, 2 000 companies with 300 000 employees.

Contacts

📍 19 Autumn Rd, Rivonia, Johannesburg 2021

☎ (27) (0) 78 803 1852

✉ Info@euchamber.com


🌐 <https://euchamber.co.za/>




European Chamber of Commerce in Africa

The EU-Africa chamber of Commerce (EUACC) can help you enter both the South African and wider African market the EUACC mission is to promote the development of the African private sector and develop sustainable business relationships between both private African and private European companies.

Contacts

 Rue de la Presse 4, 1000 Brussels

 (+32) (0)2 227 11 48


 <http://eu-africa-cc.org/>





Delegation of the European Union to South Africa

Established in 1994, The EU delegation in South Africa represents the common interests of the Union in South Africa and works on enhancing and developing trade relations between the two markets. Except for consular tasks, the delegation in Pretoria functions like an embassy; it is a diplomatic mission to represent the European Union in South Africa.

Contacts

 1 Greenpark Estates, 27 Geore Storrar Drive, Groenkloof, Pretoria 0181

 (+27) 12 452-5200

 SAfrica@eeas.europa.eu

 https://eeas.europa.eu/delegations/south-africa_en

8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
Austria (Embassy)	45 A Fehrsen Street Brooklyn, Pretoria 0181	☎ (+27) 45 29 155 ✉ Contact through website 🌐 https://www.bmeia.gv.at/
Belgium (Embassy)	625 Leyds St, Muckleneuk Pretoria 0002	☎ (+27)12 440 32 01 ✉ pretoria@diplobel.fed.be 🌐 https://southafrica.diplomatie.belgium.be/en/embassy-and-consulates/embassy
Bulgaria (Embassy)	1071 Standza Bopape St, Hartfield Pretoria 9983	☎ (+27) 79 893 7336 ✉ Embassy.Pretoria@mfa.bg 🌐 https://www.mfa.bg/en/
Croatia (Embassy)	Ozmik House, 165 Lynnwood Rd, Brooklyn, Pretoria 0028	☎ (+27) 12 342 1206 ✉ croemb.pretoria@mvpei.hr 🌐 http://za.mvep.hr/en/
Cyprus (High Commission)	375, Marais St, Brooklyn, Pretoria 0181	☎ (+27) 12 346 3298 ✉ pretoriahighcommission@mfa.gov.cy 🌐 www.mfa.gov.cy
Czech Republic (Embassy)	936 Pretorius Street, Arcadia, Pretoria 0028	☎ (+27) 12 431 2380 ✉ pretoria@embassy.mzv.cz 🌐 https://www.mzv.cz/pretoria/en/index.html
Denmark (Embassy)	iParioli Office Park, Block B2 1166 Park Street, Hatfield, Pretoria 0083	☎ (+27) 12 430 9340 ✉ pryamb@um.dk 🌐 https://sydafrika.um.dk/
Estonia (Honorary Consulate)	16 Hofmeyer Street, Welgemoed Bellville, Cape Town, 7530	☎ +27 82 550 6363 ✉ estonia@mweb.co.za 🌐 https://estonian_honorary_consuls.za
Finland (Embassy)	628 Leyds Street, Muckleneuk Pretoria 0002	☎ (+27) 12 343 0275 ✉ sanomat.pre@formin.fi 🌐 https://finlandabroad.fi/web/zaf/
France (Embassy)	250 Mek Street, Nieuw Muckleneuk, Pretoria 0181	☎ (+27) 12 425 1600 ✉ france@ambafrance-rsa.org 🌐 https://za.ambafrance.org/

EU MS	Address	Contact information
Germany (Embassy)	201 Florence Ribeiro Avenue, Groenkloof, Pretoria 0181	☎ (+27) 021 405 3000 ✉ Contact through website 🌐 https://southafrica.diplo.de
Greece (Embassy)	Alpine Way and Village Rd, Lynnwood, Pretoria 0081	☎ (+27) 12 3482427 ✉ gremb.pre@mfa.gr 🌐 https://www.mfa.gr/missionsabroad/en/south-africa.html
Hungary (Embassy)	959 Arcadia Street, Hatfield, Pretoria 0083	☎ (+27) 12 430 3030 ✉ mission.prt@mfa.gov.hu 🌐 https://pretoria.mfa.gov.hu/eng
Ireland (Embassy)	570 Fehrsen St, Brooklyn, Pretoria 0181	☎ (+27) 12 452 1000 ✉ Contact through website 🌐 www.dfa.ie/irish-embassy/south-africa
Italy (Embassy)	796 George Avenue, Arcadia, Pretoria 0083	☎ (+27) 12 324 0000 ✉ segreteria1.pretoria@esteri.it 🌐 https://ambpretoria.esteri.it
Latvia (Honorary Consulate)	54 Melville Rd, Illovo PostNet Suite 480, Johannesburg 2010	☎ (+27)11 750 1600 ✉ consul@neishlos.com 🌐 https://embassypretoria.com/
Lithuania (Honorary Consulate)	235 Grosvenor St, Hatfield, Pretoria 0028	☎ (+27) 12 760 9000 ✉ amb.za@urm.lt 🌐 https://za.mfa.lt/za/en/
Luxembourg (Luxembourg is represented by the embassy of the Netherlands)	210 Florence Riberior, Cnr New Muckleneuk Pretoria 0181	☎ (+27) 12454500 ✉ pre@minbuza.nl 🌐 https://www.netherlandsworldwide.nl
Malta (Honorary Consulate)	285, Umhlanga Rocks Drive, Glenashley, Durban 4501	☎ (+27) 031 5722041 ✉ Maltaconsul.durban@gov.mt 🌐 http://www.foreignandeu.gov.mt
The Netherlands (Embassy)	210 Florence Riberior, Cnr New Muckleneuk Pretoria 0181	☎ (+27) 12454500 ✉ pre@minbuza.nl 🌐 https://www.netherlandsworldwide.nl
Poland (Embassy)	14 Amos Sterrt, Colbyn, Pretoria 0121	☎ (+27) 012 430 2621 ✉ konsulat.pretoria@msz.gov.pl 🌐 https://pretoria.msz.gov.pl/en/
Portugal (Honorary Consulate)	Standard Bank Center, Main Tower, 10 th Floor, Hertzog Boulevard, Cape Town 8001	☎ (+27) 41800080 ✉ consulado.cabo@mne.pt 🌐 www.portaldascomunidades.mne.pt
Romania (Embassy)	877 Justice Mahmomed Street, Brooklyn, Pretoria 0181	☎ (+27) 12 460 69 41

EU MS	Address	Contact information
		✉ pretoria@mae.ro 🌐 http://pretoria.mae.ro/en
Slovakia <i>(Embassy)</i>	930, Arcadia St, Arcadia, 0083 Pretoria	☎ (+27) 123422051 ✉ emb.pretoria@mzv.sk 🌐 https://www.mzv.sk/web/pretoria-en
Slovenia <i>(Honorary Consulate)</i>	Plexus House, 9 Queen Street, Durbanville 7551	☎ (+27) 970 2447 ✉ infor@sloveniaconsulate.za 🌐 https://www.slovenianconsulate.co.za
Spain <i>(Embassy)</i>	337 Brooklyn Rd, Lord Charles Complex Brooklyn, Pretoria 0102	☎ (27) 012 460 0123 ✉ pretoria.nac@maec.es 🌐 www.exteriores.gob.es/
Sweden <i>(Embassy)</i>	1166 Grosvenor St, Hatfield, Pretoria 0028	☎ (+27) 12 426 6400 ✉ Ambassaden.pretoria@gov.se 🌐 www.swedenabroad.se/en/embassies/south-africa-pretoria

8.3 Other organisations and service providers

Service provider	Address	Contact information
SERVICES FOR AUSTRIAN COMPANIES		
Austrian Business Chamber	21 Cradock Ave, Sandton, Johannesburg 2196	+27 72 919 4418 Contact Through website https://austrianbc.co.za/
SERVICES FOR BELGIAN COMPANIES		
Belgian Chamber of Commerce in South Africa	19 Autumn Road, Rivonia, Johannesburg 2021	info@belgianchambersa.co.za http://belgianchambersa.co.za/
SERVICES FOR BULGARIAN COMPANIES		
Bulgarian Chamber of Commerce & Industry	17, Adriana Budevskia Str. Sofia 1463, Bulgaria	(+359 2) 8117 400; 987 26 31 bcci@bcci.bg
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy	Rooseveltov trg 2, 10000 Zagreb, Croatia	investicije@hgk.hr ; hgk@hgk.hr www.investincroatia.hr
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	+420 266 721 300 office@komora.cz komora.cz
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	+357 22889800 chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Danish Chamber of Commerce	Dansk Erhverv, Børsen, DK-1217 Copenhagen K	+61 8 9848 2065 info@danskerhverv.dk www.danskerhverv.dk
SERVICES FOR DUTCH COMPANIES		
SANEC (The Southern African Netherlands Chamber of Commerce)	45 Jan Smuts Avenue Westcliff, Johannesburg 4091	(+27) 11 568 12 44 info@sanec.co.za http://www.sanec.org/
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	+372 604 0060 koda@koda.ee
SERVICES FOR FINNISH COMPANIES		
Finland Chamber of commerce- The Southern African Chamber of commerce	World Trade Center Helsinki, Aleksanterinkatu 17, Helsinki 00101	(+358) (0)9 4242 6200 anette.skyten@gmail.com kauppakamari.fi/

Service provider	Address	Contact information
SERVICES FOR FRENCH COMPANIES		
French South African Chamber of commerce and industry	Block A, Inanda Business Park, Albertyn Ave, Sandton, Johannesburg	☎ (+27) 14 940 0083 ✉ fsacci@fsacci.co.za 🌐 https://www.fsacci.co.za/
SERVICES FOR GERMAN COMPANIES		
Southern African – German Chamber of Commerce and industry	Oxford Rd, Forest Town 2193, Johannesburg	☎ (+27) 011 486 2775 ✉ info@germanchamber.co.za 🌐 https://suedafrika.ahk.de/en/
SERVICES FOR GREEK COMPANIES		
Enterprise Greece – Invest & Trade	109 Vasilissis Sophia's Avenue, 115 21 Athens, Greece	☎ +30 210 335 5700 ✉ info@enterprisegreece.gov.gr
SERVICES FOR HUNGARIAN COMPANIES		
Hungarian Export Promotion Agency	1095 Budapest, Ipar utca 5	☎ 06 1 810 1600 ✉ info@hepa.hu 🌐 hepa.hu
SERVICES FOR IRISH COMPANIES		
African Irish Chamber of Commerce	University Business Complex, Castletroy, Limerick City, County Limerick	☎ +353 (061) 633 333 🌐 https://www.africanirishchamberofcommerce.org/
SERVICES FOR ITALIAN COMPANIES		
Italian-south African chamber of trade and industries	Kirkby Rd, Bedford gardens, Germiston 2007	☎ (+27) 11 615 3906 ✉ info@italcham.co.za 🌐 https://www.italcham.co.za/
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	☎ +371 67225592 ✉ info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT-01108 Vilnius	☎ +370 2613 102 ✉ info@chambers.lt 🌐 https://chambers.lt/en/
SERVICES FOR LUXEMBURG COMPANIES		
Belgian Chamber of Commerce in South Africa	19 Autumn Road, Rivonia, Johannesburg 2021	✉ info@belgianchambersa.co.za 🌐 https://web.archive.org/web/20171112125712/http://belgianchambersa.co.za/
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	<i>Not available</i>
SERVICES FOR POLISH COMPANIES		

Service provider	Address	Contact information
Polish – African Chamber of commerce and industry	Al. Jana Pawła II 27, hol B, 2p 00-867 Warsaw	+48 22 100 14 19 office@paig-pacc.com http://paig-pacc.com/EN/
SERVICES FOR PORTUGUESE COMPANIES		
South African – Portuguese chamber of commerce	11 Smith St, Bedfordview 2007	+27 11 616 6420 admin@sapcc.co.za http://www.sapcc.co.za/Default.aspx
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	+40 21 3117534 narcis.pirnaeu@ccir.ro www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	+421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	+386 1 5898 000 info@gzs.si
SERVICES FOR SPANISH COMPANIES		
Spanish Chamber of Commerce in South Africa	C/ Ribera de Loira, 12 - 28042 Madrid	(+34) 010 213 0064 infor@spaincc.ore https://spaincc.net/
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	(+46) 8 555 100 00 https://www.chamber.se/

8.4 Calendar of typical annual trade events and exhibitions

Note: the ongoing issues with coronavirus at the time of writing may result in changes to the general calendar outlined below. It is strongly recommended to monitor the links provided for events. Dates in 2020 are provided only as an indication of roughly which part of the month they occur.

Agencies established at the Provincial level (Wesgro, TIKZN, etc.) or thematic agencies (e.g. GreenCape) are also actively organising events for South African businesses' trade and investment which give insights into market trends.

Event	Date in 2020	Recurrence	Venue	Organiser Details
MARCH				
Hostex Johannesburg	01-03	Annual	Sandton Convention Centre, 161 Maude Street Johannesburg 2196	☎ (+44)(0)20 78863100 ✉ nicks@specialised.com 🌐 https://www.hostex.co.za/
Propak Africa	08-11	Annual	Expo Centre, Johannesburg	☎ (+27) (0)11 835 1565 ✉ andrep@specialised.com 🌐 https://www.propakafrika.co.za/
APRIL				
Mpumalanga Wine Show	3-4	Annual	Riverside Park Ext.1, Nelspruit (Mbombela)	☎ (+27) 011 482 5936 ✉ janice@outsorceress.co.za 🌐 http://www.outsorceress.co.za/mpumalanga/mpumalanga.asp
South African Cheese Festival	25-27	Annual	Sandrinham, Stellenbosch	☎ (+27) 021 975 4440 ✉ admin@agriexpo.co.za 🌐 http://www.cheesefestival.co.za/
MAY				
Organic & Natural Products Expo	08-10	Annual	The Deck, Corlett Drive, Johannesburg	✉ Gill@organicandnaturalexpor.com 🌐 https://www.organicandnaturalexpo.com/
The Vegan & Plant powered Show	30-31	Annual	Cape Town International Convention Centre, Cape Town	☎ (+27) 87 700 6521 ✉ plantpower@liveevents.africa 🌐 https://veganandplantpoweredshow.co.za/
JUNE				

Event	Date in 2020	Recurrence	Venue	Organiser Details
Old Mutual Trophy Wine Show	2	Annual	Public tasting will take place throughout Cape Town and Johannesburg	 (+27) 011 482 5936  janice@outsorceress.co.za  https://www.trophywineshow.co.za/
International Agricultural Technology Conference & Exhibition	17-19	Annual Location Rotation	Cape Town International Convention Centre	 (+972) 74 745 7435  cgelderbloem@kenes-exhibitions.com  https://agritech-africa.com/
FoodNext	22-23	Annual	Gallagher Convention Centre Johannesburg	 (+27) 11 266 3000  Gallagher@gallagher.co.za  https://www.foodnextlive.com/
Africas Big 7	21-23	Annual Location Rotation	Gallagher Convention Centre Johannesburg	 (+27) 11 783 7250  LynnChamier@dmgevents.com  https://www.africabig7.com/
JULY				
Food & Drink Technology Africa	13-15	Annual	Gallagher Convention Centre Johannesburg	 (+27) 11476 8093  dain.richardson@mm-sa.com  https://fdt-africa.com/
Coffee & Chocolate Africa Expo	17-19	Annual	Ticketpro Dome, Randburg	 (+27) 082 563 3332  info@coffeecoc.co.za  https://www.coffeecoc.co.za/
AUGUST				
PMA Fresh Connections :South Africa	19-20	Annual Location Rotation	Sun Area, Time Square, Menlyn Maine, Pretoria	 +1 (301) 781-5853  sdominguez@pma.com  https://www.pma.com/events/fresh-connections-southern-africa
OCTOBER				
Livestock	08-11	Annual	Sandrinham, Stellenbosch	 (+27) 21 975 440  admin@agriexpo.co.za  https://livestock.org.za/

8.5 Database of professionals' contacts

List of relevant buyers, importers and distributors

Company name	Type	Area of interest	Contact information
Adriatic	Importer	Italian Food and Wine	<p>☎ (+27) 215513882</p> <p>✉ cpt@adriatic.co.za</p> <p>🌐 https://www.adriatic.co.za/</p>
Agean Gold	Import / Wholesaler	Olive Oil	<p>☎ (+27) 83 264 7345</p> <p>✉ marina.mars89@gmail.com</p> <p>🌐 http://aegeangold.co.za/</p>
Alfega International Limited	Import / Distribution	F&B	<p>☎ (+27) 11 608 1188</p> <p>✉ Alfega@telkomsa.net</p> <p>🌐 http://www.alfega.co.za/</p>
Aldoukan	Import / Distribution	F&B (various)	<p>☎ (+27) 71 422 1835</p> <p>🌐 www.aldoukan.co.za</p>
Aq Holdings	Import	F&B	<p>☎ (+27) 32 552 2950</p> <p>🌐 http://www.aqholdings.com/</p>
Bakaliko	Import / Distribution	Greek Foods	<p>☎ (+27) 21 6863675</p> <p>✉ info@bakaliko.co.za</p> <p>🌐 http://www.bakaliko.co.za/</p>
Bar Keeper	Import / Distribution	Beer, wine, spirits	<p>☎ (+27) 422 1024</p> <p>✉ capetown@barkeeper.co.za</p> <p>🌐 https://barkeeper.co.za/</p>
Beverage People	Import / Distribution	Beer, Wine, Spirits	<p>☎ (+27) 21 438 6900</p> <p>✉ online@beveragepeople.co.za</p> <p>🌐 https://beveragepeople.co.za</p>

Company name	Type	Area of interest	Contact information
BidFood	Import / Distribution / Wholesale / Food Service supply	F&B	<p>☎ (+27) 11 553 9600</p> <p>✉ info@bidvesfoodservice.co.za</p> <p>🌐 https://www.bidfood.co.za/home.php</p>
Big Daddy Liquor	Retailer	Spirits	<p>☎ (+27) 041 405 9300</p> <p>🌐 http://www.bigdaddysliquors.co.za/</p>
Bole Cucina Italiana	Import / Distribution	Italian Food	<p>☎ (+27 31 705 6241</p> <p>✉ sales@bolecucinaitaliana.co.za</p> <p>🌐 http://bolecucinaitaliana.co.za/</p>
BM Food Manufacturers	Manufacturer	Mediterranean Foods	<p>☎ (+27) 21 551 3733</p> <p>🌐 http://www.bmfoods.co.za/</p>
Britos	Import / Distribution	F&B	<p>☎ (+27)21 950 100</p> <p>✉ info@britos.co.za</p> <p>🌐 https://corporate.britos.co.za/</p>
Cape Classics	Import / Distribution	Wine	<p>☎ (+27) 212 686 1300</p> <p>✉ info@capeclassics.com</p> <p>🌐 https://capeclassics.com/</p>
Cavalieri	Import/ Distribution	Cheese	<p>☎ (+27) 13 752 6424</p> <p>✉ orders@cavcheese.co.za</p> <p>🌐 http://cavcheese.co.za/</p>
Checkers	Import/ Distribution	F&B	<p>☎ (+27) 800 333 385</p> <p>🌐 https://www.checkers.co.za/</p>
Choppies	Retailer	F&B	<p>☎ (+27)14 538 3181</p> <p>✉ info@choppies.co.za</p> <p>🌐 https://choppies.co.za</p>
Creativesweet	Importer / Distribution	Confectionary	<p>☎ (+27) 21 556 9658</p> <p>✉ info@creativesweets.co.za</p>

Company name	Type	Area of interest	Contact information
			http://creativesweets.co.za/
Cremalat	Importer / Distribution / Food Service	Italian Food	<p>☎ (+27)11 822 8320</p> <p>✉ info@cremalat.co.za</p> <p>🌐 https://cremalat.co.za/</p>
Cyber Cellar	Importer / Distribution	Wine & Spirits	<p>✉ support@cybercellar.com</p> <p>🌐 https://www.cybercellar.com/</p>
DCL Foods	Wholesale / Distribution	F&B	<p>☎ (+27) 11 437 8300</p> <p>✉ orders@dclfoods.com</p> <p>🌐 http://www.dclfoods.com/</p>
Del Trade	Wholesale/Distribution	Cheese	<p>☎ (+27) 31 303 8000</p> <p>✉ finance2@deltrade.co.za</p> <p>🌐 http://www.deltrade.co.za/</p>
Devland	Importer / Wholesaler / Distribution	F&B	<p>☎ (+27) 11 989 8800</p> <p>✉ info@devland.co.za</p> <p>🌐 https://www.devland.co.za/</p>
Edward Snell & CO	Importer / Distribution	Wine, spirits	<p>☎ (+27) 21 506 2600</p> <p>✉ info@esnell.co.za</p> <p>🌐 http://www.esnell.co.za/</p>
EuroCatering	Importer / Distribution	F&B	<p>☎ (+27) 21 556 7409</p> <p>✉ info@eurocatering.co.za</p> <p>🌐 http://www.eurocatering.co.za/index.html</p>
EuroSquare	Importer / Distribution	“Frozen fresh” F&B (F&V, dairy, pasta, etc)	<p>☎ (+27) 873504070</p> <p>✉ Ernest@eurosquare.co.za</p> <p>🌐 https://www.eurosquare.co.za/</p>

Company name	Type	Area of interest	Contact information
Flare Beverages	Importer / Distribution	F&B	<p>☎ (+27)21 905 8163</p> <p>✉ Info@flarebev.co.za</p> <p>🌐 http://www.flarebev.co.za/</p>
Food Lovers Market	Retailer	F&B	<p>☎ (+27)21 104 9600</p> <p>✉ care@fnv.co.za</p> <p>🌐 https://foodloversmarket.co.za/</p>
Food Supply Network	Network to connect suppliers with buyers / distributors	F&B	<p>☎ (+27) 21 880 245</p> <p>🌐 https://foodsupply.co.za</p>
Frogit & Vonkel	Importer/Distribution	Wine	<p>☎ (+27) 21 888 8800</p> <p>✉ stellenbosch@frogitt.co.za</p> <p>🌐 http://www.frogitt.co.za/</p>
Fridge Foods Group	Importer/Distribution	F&B	<p>☎ (+27) 722 0666</p> <p>✉ Assist@ffg.org.za</p> <p>🌐 https://www.ffg.org.za/</p>
Fresh Stop	Importer/Distribution	F&B	<p>☎ (+27) 860 00 7728</p> <p>✉ care@freshstop.co.za</p> <p>🌐 https://freshstop.co.za/</p>
Fromages de France	Importer/Distribution	Cheese, wine	<p>☎ (+27) 21 876 3775</p> <p>✉ info@lacotte.co.za</p> <p>🌐 https://www.lacotte.co.za/</p>
Game	Retailer	F&B	<p>☎ (+27) 086 426 322 73</p> <p>✉ service@game.co.za</p> <p>🌐 https://www.game.co.za/</p>
Germangrocer capetown	Importer/Distribution	German Food	<p>☎ (+27) 21 824 9333</p> <p>✉ dale@frandaleimports.co.za</p>

Company name	Type	Area of interest	Contact information
			 https://www.germangroceracapetown.co.za/
Gluckman Trading	Importer / Distribution	Various F&B	 (+27) 114841352  www.gluckmantrading.com
Halewood	Manufacturer, Importer / Distribution	Spirits, beer, wine	 (+27) 860 103 811  info@halewood.za  http://halewood.co.za/
Hume International	Importer / Distribution	F&B (notably meat, F&V, dairy)	 (+27) 41 368 7161  sales@humeint.com  https://humeint.com/
Great Wine	Food service / events / distribution	Wine, cheese	 (+27) 84 616 3410  info@greatwines.co.za  https://www.great-wines.co.za/
Great Domaines	Importer / Distribution	Wine	 (+27) 11 778 9352  https://www.greatdomaines.co.za/
Gourmet Foods	Distribution / Wholesale	F&B	 (+27) 21 552 4346  sales@gourmetfoods.co.za  http://www.gourmetfoods.co.za/index.php
Hoxies	Distribution / Wholesale	F&B	 (+27) 314665378  orders@hoxieskzn.co.za  http://www.hoxieskzn.co.za
Humboldt	Import / Distribution	F&B	 (+27) 86 1111849  hello@humboldt.global  https://humboldt.global/

Company name	Type	Area of interest	Contact information
J & E	Import / Wholesaler	F&B	<p>☎ (+27)2327 5000</p> <p>✉ info@jecc.co.za</p> <p>🌐 https://jecc.co.za/</p>
Kee Ingredient	Import/ Wholesaler	Dairy	<p>☎ (+27)086 124 3373</p> <p>🌐 https://www.keeingredient.co.za/</p>
Kerston Foods	Import/Distribution	F&B (frozen)	<p>☎ (+27)21 551 7258</p> <p>✉ Sales@kerstonfoods.com</p> <p>🌐 https://www.kerstonfoods.co.za/</p>
Kit Kat Cash and Carry	Retail	F&B	<p>☎ (+27) 123 276 116</p> <p>✉ info@kitkatgroup.com</p> <p>🌐 https://www.kitkatgroup.com/index.php</p>
Lacotte	Import / Distribution	Wine, cheese	<p>☎ (+27) 21 8763775</p> <p>✉ info@lacotte.co.za</p> <p>🌐 www.lacotte.co.za</p>
La Marina Foods	Wholesale / Distribution / Retail	F&B	<p>☎ (+27) 011 608 3277</p> <p>✉ info@lamarinafoods.co.za</p> <p>🌐 https://lamarinafoods.co.za/</p>
LibertyFoods	Import / Wholesale / Distribution	F&B	<p>☎ (+27)11 695 2300</p> <p>🌐 https://libertyfoods.co.za/</p>
Lickyourlips	Importer / Distribution	Confectionery	<p>☎ (+27) 0110837099</p> <p>✉ buysweets@gmail.com</p> <p>🌐 https://www.lickyourlipsimporters.co.za/</p>
Liquor City	Import / Distribution	Spirits	<p>☎ (+27) 11 306 9999</p> <p>🌐 http://www.liquorcitcity.co.za/</p>

Company name	Type	Area of interest	Contact information
Liquor on the run	Import / Distribution	Wine, Spirits	<p>☎ (+27) 11 823 1684</p> <p>✉ info@liquorontherun.co.za</p> <p>🌐 https://liquorontherun.co.za/</p>
M&L Distributors	Import/ Distributor	F&B (processed)	<p>☎ (+27) 21 552 5190</p> <p>✉ http://www.distributors.co.za/</p>
Maccallum	Import/ Distributor	Raw materials for foods (notably milk powder)	<p>☎ (+27) 79 504 7350</p> <p>✉ rdt@maccallum.co.za</p> <p>🌐 https://www.maccallum.co.za/</p>
Makro	Import / Distribution	F&B	<p>☎ (+27) 860 600 999</p> <p>✉ makrocare@makro.co.za</p> <p>🌐 https://www.makro.co.za/</p>
Mannys Food Distributors	Wholesale / Distribution	F&B	<p>☎ (+27) 86 586 9391</p> <p>✉ sales1@mannysfood.co.za</p> <p>🌐 http://www.mannysfood.co.za/</p>
Mistro	Wholesale / Distribution	F&B	<p>☎ (+27)11 989-9500</p> <p>🌐 http://www.mistrostore.co.za/contact/</p>
Meridian wines	Import/ Distribution	Wine	<p>☎ (+27) 21 492 2055</p> <p>✉ info@groupmeridian.co.za</p> <p>🌐 https://www.meridianwines.co.za/</p>
Meditalia	Import/Distribution	Italian Food (notably pasta, olive oil, processed vegetables)	<p>☎ (+27) 82 330 2289</p> <p>✉ johannesburg@meditalia.co.za</p> <p>🌐 http://italianfooddistributors.co.za/index.html</p>
Merlog Foods	Import/Distribution	F&B (frozen)	<p>☎ (+27) 31 782 6100</p> <p>✉ merlogfoods@merlog.co.za</p>

Company name	Type	Area of interest	Contact information
			 http://www.merlogfoods.co.za/
Mexco Distributors Pty Ltd	Import/Distribution/Re-export	F&B (various)	 (+27) 83 210 2831  mexcopb@gmail.com
Mythos	Food service	Greek Foods	 (+27) 12 3465659  https://mythos.co.za/
Neo Group	Importer/ Distribuion / Retail	F&B	 (+27) 021 510 1150  info@neogroup.co.za  http://www.neogroup.co.za/
Norberts German Butchery	Distribution / Food service	German Foods (mainly meat)	 (+27) 11 768 7321  http://www.norberts.co.za/
MCP Logistics	Import / Distribution	Pet Foods	 (+27) 21 715 5221  customercare@mcp.co.za  http://www.mcp.co.za
Norman goodfellows	Import / Distribution	Wine, Spirits, beers	 (+27) 11 788 4814  service@ngf.co.za  https://www.ngf.co.za/
Oasis Liquor Wholesaler	Importer/ Wholesale	Alcoholic drinks	 (+27) 011 402 7166  info@oasisliquor.co.za  https://oasisliquor.co.za/
Ocean Breeze	Wholesale / Distribution	F&B	 (+27) 12803000  sales@oceanbreeze.co.za  http://www.oceanbreeze.co.za/
Overberg Food Distributors	Import/ Distribution	F&B	 (+27) 21 691 1169  Sales@overbergfoods.co.za  https://www.overbergfoods.co.za/

Company name	Type	Area of interest	Contact information
Perfect Paella	Restaurant/Caterers	Spanish products / paella	<p>☎ (+27) 733 66 2349</p> <p>✉ jose@perfectpaella.co.za</p> <p>🌐 https://perfectpaella.co.za/</p>
Port2Port	Import/ Distribution	Wine, spirits	<p>☎ (+27)214 221 872</p> <p>✉ help@port2port.wine</p> <p>🌐 https://www.port2port.wine/</p>
Pronto Foods	Wholesale / Distribution	F&B	<p>☎ (+27) 12 661 1662</p> <p>✉ sales@prontofoods.co.za</p> <p>🌐 http://www.prontofoods.co.za/</p>
Profumi	Import/Distribution	Italian Wine	<p>☎ (+27) 68 242 3965</p> <p>✉ support@profumiditalia.co.za</p> <p>🌐 https://profumi.co.za/</p>
PicknPay	Retail	F&B	<p>☎ (+27) 9800 112288</p> <p>🌐 https://www.pnp.co.za/</p>
Rieses Food Imports	Importer	F&B	<p>☎ (+27) 21 551 9037</p> <p>✉ rfi@rfi.co.za</p> <p>🌐 https://rfi.co.za/;</p>
RialtoFoods	Import/ Distribution	Italian Foods	<p>☎ (+27) 021 555 2160</p> <p>✉ info@rialtofoods.co.za</p> <p>🌐 http://www.rialtofoods.co.za/</p>
Rgbc	Import/ Distribution	Spirits, wine	<p>☎ (+27) 21 797 5450</p> <p>✉ stef@rgbc.co.za</p> <p>🌐 https://www.rgbc.co.za/main/</p>
Sagra foods	Import/ Distribution	Premium F&B (notably pasta, processed meat, cheese,	<p>☎ (+27)21 200 8333</p> <p>✉ Hello@sagrafoods.com">Hello@sagrafoods.com</p> <p>🌐 https://sagrafoods.co.za/</p>

Company name	Type	Area of interest	Contact information
		olive oil, processed F&V)	
Shoprite	Retail	F&B	☎ (+27) 800 01 07 09 💻 https://www.shoprite.co.za/
Super Sconto	Import / Distribution / Food service	Italian Food	☎ (+27) 11 728 7561 ✉ chris@supafrica.co.za 💻 http://www.supersconto.co.za/index.html
Sierra Global	Import/ Distribution	F&B	☎ (+27) 84 786 8251 ✉ Info@sierraglobal.za 💻 https://sierraglobalexports.com/
Spar South Africa	Retail	F&B	☎ (+27) 0860 313 141 ✉ kerry.becker@spar.co.za 💻 https://www.spar.co.za/Home
Swiss Divertas	Import / Distribution	Confectionery	💻 https://www.linkedin.com/company/swiss-diversitas-group-pty-ltd/
Tacoma Foods	Importer / Distribution / Food service	F&B (notably biscuits, processed meat, dairy, confectionery, pasta)	☎ (+65) 078 459 6702 ✉ grant@tacoma.co.za 💻 https://www.tacoma.co.za/
Ultra Liquor	Import/ Distribution	Spirits, wine	☎ (+27) 800 44 14 💻 https://www.ultraliquors.co.za
VDP	Import/Distribution	Wine, beer, spirits	☎ (+27) 31 570 7500 ✉ vdp@coindemire.co.za 💻 http://www.vdpdistributors.co.za/

Company name	Type	Area of interest	Contact information
Vital Food Distributors	Wholesaler / Distribution	F&B (mainly chilled)	<p>☎ (+27) 21 527 900</p> <p>✉ orders@vitalfoods.co.za</p> <p>🌐 http://vitalfoods.co.za/</p>
Vino	Import/ Distribution	Wine	<p>☎ (+27) 21 551 6671</p> <p>✉ info@vino.co.za</p> <p>🌐 https://vino.co.za/</p>
Vip Liquors	Import/ Distribution	Spirits	<p>☎ (+27) 32 815 2961</p> <p>✉ info@vipliquors.co.za</p> <p>🌐 http://vipliquors.co.za/</p>
Wine Cellar	Import/ Distribution	Wine	<p>☎ (+27) 21 448 4105</p> <p>✉ info@winecellar.co.za</p> <p>🌐 https://www.winecellar.co.za/</p>
Woolworths	Importer/Distribution	F&B	<p>☎ (+27) 0860 022 002</p> <p>✉ custserv@woolworths.co.za</p> <p>🌐 https://www.woolworths.co.za/</p>

9 European Geographical Indications (GIs) protected under the SADC EPA

Trademark Name	Product type
AUSTRIA	
Tiroler Speck	Bacon
Tiroler Bergkase	Cheese
Inländerrum	Spirit
Jägertee/Jagertee/Jagatee	Spirit
CYPRUS	
Ζιβανία/Τζιβανία/Ζιβάνα/Zivania	Spirit
Κουμανδάρια/Commandaria	Wine
Πάφος/Pafos	Wine
Λουκούμι Γεροσκήπου/Loukoumi Geroskipou	Baked Goods
CZECH REPUBLIC	
České pivo	Beer
Českobudějovické pivo	Beer
Žatecký chmel	Hops
GERMANY	
Bayerisches Bier Sausage	Beer
Bremer Bier	Beer
Nürnberger Bratwürste; Nürnberger Rostbratwürste	Sausage
Münchener Bier	Beer
Franken	Wine
Hopfen aus der Hallertau	Hops
Mittelrhein	Wine
Mosel	Wine
Tettnanger Hopfen	Fruit, vegetables and cereals fresh or processed
Rheingau	Wine
Rheinhessen	Wine
GERMANY, AUSTRIA, BELGIUM (German speaking community)	
Korn/Kornbrand	Spirit
DENMARK	
Danablu	Cheese
SPAIN	
Aceite del Baix Ebre-Montsía	Olive oil
Aceite del Bajo Aragón	Olive oil
Aceite de Terra Alta	Olive oil
Arzua-Ulloa	Cheese
Azafran de la Mancha	Fruit, vegetables and cereals fresh or processed
Baena	Olive oil
Brandy de Jerez	Spirit

Trademark Name	Product type
Cataluña	Wine
Cítricos Valencianos; Cítrics Valencians ¹¹²	Oranges, mandarins and lemons
Desha de Extremadura	Meat Products
Jamón de Teruel/Paleta de Teruel	Ham
Jamón de Huelva	Ham
Jijona	Nougat
Guijuelo	Ham
Idiazabal	Cheese
Mahón-Menorca	Cheese
Les Garrigues	Olive oil
Priego de Córdoba	Olive oil
Queso Manchego	Cheese
Salchichón de Vic	Sausages
Siurana	Olive oil
Sieera de Cadiz	Olive oil
Sierra de Cazorla	Olive oil
Sierra de Segura	Olive oil
Sierra Mágina	Olive oil
Sobrasada de Mallorca	Meat Products
Turrón de Alicante	Nougat
Pacharán navarro	Spirit
Cava	Wine
Empordà	Wine
Jerez-Xérès-Sherry	Wine
Jumilla	Wine
La Mancha	Wine
Málaga	Wine
Manzanilla-Sanlúcar de Barrameda	Wine
Navarra	Wine
Penedès	Wine
Priorat	Wine
Rías Baixas	Wine
Ribera del Duero	Wine
Rioja	Wine
Rueda	Wine
Somontano	Wine
Toro	Wine
Utiel-Requena	Wine
Valdepeñas	Wine
Valencia	Wine
FINLAND	
Suomalainen Vodka/Finsk Vodka/Vodka of Finland	Spirit
FRANCE	

¹¹² Varietal names containing or consisting of "Valencia" may continue to be used on similar product, provided the consumer is not misled on the nature of such term or the precise origin of product.

Trademark Name	Product type
Brie ¹¹³ de Meaux	Cheese
Camembert ¹¹⁴ de Normandie	Cheese
Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy)	Processed meat product of duck
Comté	Cheese
Emmental ¹¹⁵ de Savoie	Cheese
Jambon de Bayonne	Ham
Mont d'Or/Vacherin du Haut-Doubs	Cheese
Pruneaux d'Agen; Pruneaux d'Agen mi-cuits	Prunes
Reblochon; Reblochon de Savoie	Cheese
Roquefort	Cheese
Armagnac	Spirit
Calvados	Spirit
Cognac; Eau-de-vie de Cognac; Eau-de-vie des Charentes	Spirit
Rhum de la Martinique	Spirit
Alsace/Vin d'Alsace	Wine
Anjou	Wine
Beaujolais	Wine
Beaune	Wine
Bordeaux	Wine
Bourgogne	Wine
Cahors	Wine
Chablis	Wine
Chambertin	Wine
Champagne	Wine
Châteauneuf-du-Pape	Wine
Clos de Vougeot	Wine
Corton	Wine
Cote Rotie	Wine
Côtes du Roussillon	Wine
Crozes-Hermitage/Crozes-Ermitage/Hermitage/l'Hermitage/Ermitage/l'Ermitage	Wine
Languedoc	Wine
Côtes de Provence	Wine
Côtes du Rhône	Wine
Côtes du Roussillon	Wine
Graves	Wine
Haut-Médoc	Wine
Huîtres de Marennes Oléron	Fresh fish
Huile d'olive de haute-provence	Hams
Huile essentielle de lavande de Haute-provence	Essential oil - Lavender

¹¹³ The protection of the term "brie" is not sought.

¹¹⁴ The protection of the term "camembert" is not sought.

¹¹⁵ The protection of the term "emmental" is not sought.

Trademark Name	Product type
Margaux	Wine
Médoc	Wine
Meursault	Wine
Montrachet	Wine
Moselle	Wine
Musigny	Wine
Nuits/Nuits-Saint-Georges/Côte de Nuits-Villages	Wine
Pays d'Oc	Wine
Pessac-Leognan	Wine
Pomorol	Wine
Pommard	Wine
Quincy	Wine
Romanee Conti	Wine
Saint-Estephe	Wine
Saint-Emilion	Wine
Saint-Julien	Wine
Sancerre	Wine
Sauternes	Wine
Touraine	Wine
Val de Loire	Wine
Volnay	Wine
GREECE	
Καλαμάτας ¹¹⁶ (Kalamatas)	Table olive
Φασόλια Γίγαντες Ελέφαντες Καστοριάς/Fassolia Gigantes Elefantas Kastorias	Fruit and Vegetables
Ούζο/Ouzo	Spirit
Φέτα (Feta)	Cheese
Γραβιέρα Κρήτης/Graviera Kritis	Cheese
Ελιά Καλαμάτας (Elia Kalamatas)	Fruit & vegetables
Κασέρι/Kasseri	Cheese
Κεφαλογραβιέρα/Kefalograviera	Cheese
Κολυμβάρι Χανίων Κρήτης/Kolymvvari Chanion Kritis	Olive Oil
Κονσερβολιά Αμφίσσης/Konservolia Amfissis	Fruit and Vegetables
Κορινθιακή Σταφίδα Βοστίτσα/Korinthiaki Stafida Vostitsa	Fruit and Vegetables
Κρόκος Κοζάνης/Krokos Kozanis	Other Products (Spices etc)
Λακωνία/Lakonia	Olive Oil
Μαστίχα Χίου (Masticha Chiou)	Natural gum and chewing gum
Σητεία Λασιθίου Κρήτης/Sitia Lasithiou Kritis	Olive oil
Σάμος (Samos)	Wine
Αμύνταιο/Amynteo	Wine
Κρήτη/Crete	Wine
Μακεδονία/Macedonia	Wine
Μαντινεία/Mantinia	Wine

¹¹⁶ The varietal name "Kalamata" may continue to be used on similar product, provided that the consumer is not misled on the nature of such term or the precise origin of product.

Trademark Name	Product type
Νάουσα/Naoussa	Wine
Νεμέα/Nemea	Wine
Πελοπόννησος/Peloponnese	Wine
Ρετσίνα Αττικής/Retsina of Attiki	Wine
Ρόδος/Rhodes	Wine
Σαντορίνη/Santorini	Wine
Στερεά Ελλάδα/Stereia Ellada	Wine
Θράκη/Thrace	Wine
Τσίπουρο/Tsipouro	Spirit
GREECE; CYPRUS	
Ούζο (Ouzo)	Spirit
HUNGARY	
Pálinka	Spirit
Szegedi téliszalámi / Szegedi szalámi	Ham
Törkölypálinka	Spirit
Tokaj/Tokaji	Wine
IRELAND	
Irish Cream	Spirit
Irish Whiskey/Uisce Beatha Eireannach/Irish Whisky	Spirit
ITALY	
Aceto Balsamico di Modena	Vinegar
Aceto balsamico Tradizionale di Modena	Vinegar
Arancia Rossa Di Sicilia	Fruit and Vegetables
Asiago	Cheese
Bresaola della Valtellina	Dried salted beef
Cotechino Modena	Sausages
Fontina	Cheese
Gorgonzola	Cheese
Grana Padano	Cheese
Mela Alto Adige; Südtiroler Apfel	Apple
Mortadella Bologna	Mortadella
Mozzarella ¹¹⁷ di Bufala Campana	Cheese
Parmigiano ¹¹⁸ Reggiano	Cheese
Pecorino ¹¹⁹ Romano	Cheese
Pecorino Sardo	Cheese
Prosciutto di Parma	Ham
Prosciutto di San Daniele	Ham
Prosciutto Toscano	Ham

¹¹⁷ The protection of the term "mozzarella" is not sought.

¹¹⁸ The provisions of Article 6 shall in no way prejudice the right of any person to use, or to register in Viet Nam a trade mark containing or consisting of the term "parmesan". This does not apply in respect of any use that would mislead the public as to the geographical origin of the good.

¹¹⁹ The protection of the term "pecorino" is not sought.

Trademark Name	Product type
Provolone ¹²⁰ Valpadana	Cheese
Taleggio	Cheese
Speck Alto Adige/Südtiroler Markenspeck/Südtiroler Speck	Meat Products
Grappa	Spirit
Acqui/Brachetto d'Acqui	Wine
Asti	Wine
Arancia Rossa di Sicilia	Fruit&Vegetables
Alba	Wine
Barbaresco	Wine
Bardolino Superiore	Wine
Barolo	Wine
Brunello di Montalcino	Wine
Cappero di Pantelleria	Fruit & Vegetables
Campania	Wine
Chianti	Wine
Conegliano Valdobbiadene - Prosecco	Wine
Franciacorta	Wine
Lambrusco di Sorbara	Wine
Lambrusco Grasparossa di Castelvetro	Wine
Marsala	Wine
Montepulciano d'Abruzzo	Wine
Pomooro di pachino	Fruit & Vegetables
Prosciutto di Modena	Meat Products
Sicilia	Wine
Soave	Wine
Taleggio	Cheese
Toscana/Toscano	Wine
Valpolicella	Wine
Veneto	Wine
Vino Nobile di Montepulciano	Wine
Zampone Modena	Ham
NETHERLANDS	
Edam Holland	Cheese
Gouda ¹²¹ Holland	Cheese
POLAND	
Polska Wódka/Polish vodka	Spirit
PORTUGAL	
Ananás dos Açores/São Miguel	Fruit and Vegetables
Azeite de Moura	Olive Oil
Azeite do Alentejo Interior	Olive Oil
Azeites da Beira Interior (Azeite da Beira Alta, Azeite da Beira Baixa)	Olive Oil
Azeite de Trás-os-Montes	Olive Oil

¹²⁰ The protection of the term "provolone" is not sought.

¹²¹ The protection of the term "gouda" is not sought.

Trademark Name	Product type
Azeites do Norte Alentejano	Olive Oil
Azeites do Ribatejo	Olive Oil
Chouriça de Carne de Vinhais/Linguiça de Vinhais	Meat Products
Pêra Rocha do Oeste	Fruit and Vegetables
Presunto de Barrancos	Meat Products
Queijo Serra da Estrela	Cheese
Salpicão de Vinhais	Meat Products
Queijo S. Jorge	Cheese
Alentejo	Wine
Bairrada	Wine
Dão	Wine
Douro	Wine
Lisboa	Wine
Madeira	Wine
Moscatle de Setubal	Wine
Porto/Port/Oporto	Wine
Tejo	Wine
Vinho Verde	Wine
ROMANIA	
Cotești	Wine
Cotnari	Wine
Dealul Mare	Wine
Murfatlar	Wine
Târnave	Wine
SWEDEN	
Svensk Vodka/Swedish Vodka	Spirit
SLOVAKIA	
Vinohradnícka oblasť Tokaj	Wine
United Kingdom*	
Scotch Whisky	Spirit
White Stilton cheese/Blue Stilton cheese	Cheese

Source: Annex 1 to protocol 3 of the EU-SADC EPA

* GIs for UK included as the EPA was signed at a time that the UK was a Member State.

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