

JULY

2024



TOP STORIES

- ▶ Local companies to participate at Maputo fair
- ▶ Buhera Basket Weavers get certified
- ▶ Next She Exporter programmes helps female entrepreneurs



Incoming **Event**

MAPUTO INTERNATIONAL TRADE FAIR

26 August-01 September 2024





ZIMTRADE TRAINS MANICALAND SMES

By Dorcas Makotore

ZIMTRADE FACILITATED for the FairTrade certification of 257 basket weavers in Buhera who are operating under the Self-Help Development Foundation (SHDF).

The FairTrade Certification is a globally recognized standard that guarantees products meet stringent social, environmental, and economic criteria.

Administered by the World Trade Organization (WTO), this certification aims to create equitable trading conditions for producers in developing countries, empowering them to achieve sustainable livelihoods and engage in environmentally sound practices.

The Buhera baskets cluster, one of ZimTrade's export development clusters recently attained Fair Trade certification from the World Fair Trade Organisation (WFTO) after a series of independent audits from the international organisation.

Buhera is one of Zimbabwe's baskets weaving communities located in Manicaland Province in South-eastern Zimbabwe.

The Buhera baskets cluster is registered as Maoko- Izandla Heritage Association under the Zimbabwe Co-operative Societies Act.

The popular Buhera baskets are a stunning example of Buhera women's ancient weaving tradition passed from generation to generation.

These baskets are made from ilala palm leaves harvested through sustainable practices in communities in Zimbabwe.

Each basket is meticulously woven using locally sourced, sustainable materials that not only guarantee durability but also convey a story of cultural preservation and environmental consciousness.

No two baskets are ever the same as these baskets are handwoven by skilled women who are passionate about making them.

Each handwoven, distinctive, and environmentally friendly basket has a unique narrative to tell.

The FairTrade certification attained by the Buhera baskets cluster is expected to open global market opportunities and allow the cluster to export to different countries including Europe.

Consumers know and trust Fairtrade as it is the most widely recognized ethical label in the world.

The European Union, USA, UK, Germany and France are among the most important regions for fair trade products.

These markets often prefer fair trade products and attribute a monetary value to intangible ethical principles.

Such markets are usually willing to pay more for products whose production preserves the environment, respects social conditions or helps developing countries.

FairTrade products are often sold at a premium to enable producers to cover the cost of sustainable production.

FairTrade certification ensures that producers receive a guaranteed minimum price for their goods, protecting them against market volatility.

This stability allows farmers to cover the costs of sustainable production and invest in their communities.

The certification also enforces strict standards to protect workers' rights, including safe working environments, reasonable work hours, and the freedom to join labour unions without fear of reprisal.

Environmental sustainability is another cornerstone of FairTrade certification. Producers are encouraged to minimize the use of harmful chemicals, manage waste responsibly, and promote biodiversity.

The WTO FairTrade Certification has zero toler-

ance for child labour and forced labour, ensuring that all production processes are ethical and humane.

Achieving WTO FairTrade Certification involves a rigorous process.

Producers or producer organizations apply through recognized certification bodies.

An initial audit by independent auditors assesses compliance with FairTrade standards.

Upon successful completion, certification is granted, allowing products to bear the FairTrade label.

Regular audits ensure ongoing adherence to these standards, with non-compliance resulting in corrective actions or loss of certification.

For producers, FairTrade certification provides a stable income, allowing them to invest in their communities and improve their living standards.

It also ensures safer working conditions and access to social programs funded by the FairTrade premium.

For consumers, the certification empowers them to make ethical purchasing decisions.

When consumers buy FairTrade-certified products, they contribute to sustainable development and the fair treatment of workers and producers, fostering a more equitable global economy.

The global arts and crafts trade is on an upward trend with world imports being US\$ 36.3 billion in 2023, an eight percent increase from US\$33,8 billion in 2022.

Major global importers of arts and crafts products in 2023 were USA, China, Austria, UK and Switzerland.

In 2023, Zimbabwe exported crafts worth US\$ 10.1 million, a 14 percent increase from US\$8,8 million recorded in 2022.

Major import markets for Zimbabwean arts and crafts in 2023 were South Africa, USA, China, UK and Spain.





p r e s e n t s

Invitation to Maputo International Trade Fair

Sectors Invited

Agricultural Inputs & Implements, Packaging, FMCG, Building and Construction, Clothing & Textiles, Engineering as well as Services.

26 Aug-
01 Sept
2024



VENUE

Ricatla International Trade Fair & Exhibition Centre
Marrcuene municipality, Maputo Mozambique.

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2 LOCAL COMPANIES TO PARTICIPATE AT MAPUTO FAIR

By Pamela Sarumete

ZIMTRADE, IS organizing the participation of Zimbabwean companies at the Maputo International Trade Fair (FACIM) from 28 August – 3 Sep 2024.

This participation is a follow-up to the Outward Trade Mission conducted in Tete in June this year, aimed at boosting trade between Zimbabwe and Mozambique.

FACIM is an annual and multisectoral trade fair, which brings together all economic sectors on an international scale.

The trade fair brings together innovators, policy-makers, and members of the industry while providing exporters with a special forum to engage with potential buyers of their products.

Through several events, such as exhibitions, seminars, promotion sessions, and B2B meetings, the fair offers a forum for communication and collaboration.

More than 3,050 exhibitors, about 26 nations, 750 organizations, and 65,000 attendees are anticipated for the 59th edition of FACIM this year.

Participating at FACIM will help open opportunities for Zimbabwean companies to increase their sales revenue and in turn national export value.

Zimbabwe-Mozambique trade

Mozambique is Zimbabwe's fourth most important export destination with exports worth US\$398 million having been realised in 2023. Zimbabwe's exports to Mozambique doubled in value from US\$190 million in 2022 to US\$ 398 million in 2023 indicating an upward trend in trade between the two countries.

Top products exported by Zimbabwe to Mozambique in 2023 were building materials, tobacco, minerals, tea, coffee, spices and fruits.

The Mozambican economy is experiencing an increase in building and construction, which is driving up demand for steel and timber products.

As of 2023, Zimbabwe exported Iron and steel worth USD\$5.5 million and Timber products worth USD\$1.4 million to Mozambique.

Fast-moving consumer goods, such as cereals, have potential in Mozambique, in 2023 Mozambique accounted for 19% of Zimbabwe's cereal exports.

Products related to horticulture, like tea, coffee, avocados, macadamias, and pineapples, have a lot of potential in the Mozambique market.

Apart from the proximity advantage, exporters have an even bigger chance of cutting down on costs by taking advantage of the Bilateral trade agreement between Zimbabwe and Mozambique.

The main aim of the agreement is to eliminating tariff and non-tariff barriers as well as to cooperate customs and trade promotion.

This means the agreement provides for duty-free trade between the two member countries with the rules of origin specifying a 25 percent domestic value added.

Additionally, Zimbabwe and Mozambique are both members of the COMESA, SADC and AFCFTA trade protocols all of which allows the

two nations to trade with each other duty free and quota free on non-sensitive and exclusive products.

It is critical that the business community leverage on the trade protocols and opportunities that exist between Zimbabwe and Mozambique to unlock the full potential in business cooperation between the two nations.

■ Requirements to exhibit

To showcase at the FACIM Trade Fair, exhibitors typically need to have products or services related to industrial equipment, agricultural machinery and implements, plastic products, processed foods, building materials, clothing and textiles etc.

Participants customarily include agricultural companies, technology providers, government officials, investors, and industry experts.

Companies interested in exhibiting under the Zimbabwean pavilion need to confirm their participation with ZimTrade to secure the limited stands.

For more information contact ZimTrade on info@zimtrade.co.zw





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NEXT SHE EXPORTER PROGRAMMES HELPS FEMALE ENTREPRENEURS

By Nozipho Maphala (Opinion)

ONE OF the most compelling aspects of entrepreneurship is its ability to transform everyday frustrations into opportunities for growth and innovation.

It becomes even more remarkable when entrepreneurs who successfully build such businesses can penetrate new markets, exporting their products into new territories and solving similar problems across international borders.

Such is the case of participants in ZimTrade's Next She Exporter program, the pioneering initiative that has empowered participants to solve local challenges and seize export opportunities, transforming their ideas into successful businesses on the global stage.

Training for this year's group of participants began this July, and the program, now in its third season, seeks to empower more female-led businesses into exporters by tapping into their unique experiences and solving everyday problems.

In the second season of the program, Rutendo

Shumba, a teacher turned entrepreneur, joined the program with a business birthed by a simple but frustrating dilemma: finding affordable and nutritious snacks for her diabetic husband.

Frustrated by the lack of suitable options in local markets, Rutendo took matters into her own hands.

Her company specializes in diabetic-friendly foods made from locally sourced ingredients.

Her products not only cater to her husband's needs but also address a growing demand among health-conscious Zimbabweans.

ZimTrade is working with her to supply shops in Botswana with her high-quality health foods.

"I realized there was a gap in the market for healthy, diabetic-friendly foods that tasted great," Rutendo explains.

"Through the Next SHE Exporter program, I further learned how to scale up my business into a viable export business that not only supports my family but also contributes positively to the community."

The business has a wide selection of traditional foods and pulses, including sorghum, rapoko, millet meal, baobab drinks, coffee and powders amongst others.

Several Zimbabweans in the diaspora take up the company's products owing also to the nostalgic appeal in addition to the nutritional value of the products.

Rutendo's story is just one example of how entrepreneurs can start and develop export businesses by identifying and solving everyday problems.

In the current season of the programme, Rutendo Tuwe (38), is also eyeing export markets having encountered similar challenges to her namesake Rutendo Shumba.

Inspired by her personal challenges, Rutendo embarked on a mission to redefine replacements for meat and meat products with wholesome alternatives.

Her passion for health and creativity in the kitchen have blossomed into a thriving business offering vegetable patties, meatballs, and samoosas crafted with nutritious, locally sourced ingredients.

"I wanted to create products that nourish both the body and the soul," Rutendo shares.

"These recipes are a reflection of my journey to better health and a commitment to sharing that journey with others."

Rutendo's products have quickly gained acclaim for their delicious flavours and health-conscious ingredients.

The global health foods market is worth an estimated US\$1,5 billion with increasing trend towards embracing healthy living.

From busy professionals to health-conscious families, health foods and snacks have become a staple at local markets and community events, catering to those seeking tasty options without compromising on nutritional value.

The business is targeting regional markets, where health and wellness is equally important.

Vegetarian products also present viable options to those seeking meat alternatives because of religious reasons, and also as the region faces more food insecurity following a poor rainy season.

The NEXT She Exporter program equips women like the aforementioned with essential skills in export logistics, market analysis, and branding.

A total of 115 participants from the country's ten provinces are part of this year's edition, and their businesses are spread across sectors including manufacturing, agriculture, services, arts and crafts, clothing and textiles, cosmetics and processed foods.

Participants receive mentorship from industry experts and gain access to networks that facilitate entry into international markets.

This comprehensive support enables them to scale their businesses beyond borders while promoting Zimbabwean craftsmanship and ingenuity on a global platform.

"The program has been instrumental in helping me navigate the complexities of international trade," another participant, Trauma Chiwira shares.

"I'm proud to export our heritage and craftsmanship to the world, while contributing to the economic empowerment of local artisans."

Trauma's company makes high-quality leather goods from sustainably sourced suppliers.

The business began after she felt she had failed to source leather products that matched her style and uniqueness.

As Zimbabwe strives for economic growth and diversification, initiatives like the Next SHE Exporter program play a crucial role in empowering women entrepreneurs to drive sustainable development.

By encouraging them to leverage their skills and creativity to solve global challenges, the program fosters a culture of innovation that benefits both local communities and international markets.

In the words of Bokani Moyo, a producer of industrial grade chemicals who is also part of the program, "Every challenge is an opportunity waiting to be seized.

"Through determination and support, we can turn our dreams into reality and inspire others to do the same."

With each success story, Zimbabwean women are proving that exporting solutions is not just about business; it's about making a positive impact on the world.

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4

OPPORTUNITIES FOR PINE RESIN EXPORTS

By Luckson Chimundiza

IMAGINE A natural resource that strengthens buildings, heals wounds, and fuels economic growth.

This is the case with pine resin, a versatile and sustainable product with a booming global market.

With an estimated 70-75,000 hectares of pine plantations and access to 40 percent forest cover, Zimbabwe boasts a strong foundation for pine resin production and even better for export.

The Pine Resin Market is a developing market being spurred by the derived demand of resin in industries like building and construction, pharmaceutical and the food industry.

Pine resin is an essential input in the pharmaceutical industry. It is used to make Salve for pain relief and wound healing, treatment of cough, gonorrhoea and rheumatism.

It is also known for its medicinal benefits being anti-inflammatory, anti-microbial, increases blood circulation and is also used to make body butter, lotions and soaps.

Among a myriad of uses, resin is also used in the manufacturing industry for making adhesives, paints, varnishes, rubbers and printing inks.

Turpentine from certain pine trees has been used to make road markings.

Additionally, pine resin derivatives such as gum rosin are used in food packaging.

The Pine resin market has been expanding. The market growth is a factor of the versatility and application of pine resin across diverse sectors. This is evidence of its strong backward and forward linkages as it improves other industries, as an input and as a product.

Take for example, the Rosin Resin Market was valued at around US\$2,32 billion in 2022 and is projected to grow at a Compound Annual Growth Rate (CAGR) of over five percent between 2023 and 2032.

Zimbabwe boasts a strong foundation for pine resin production.

Major export markets with potential are Africa's largest importers, such as South Africa, Egypt, Morocco, Burkina Faso, Algeria and Ethiopia.

To tap into these markets, there is room for the county to capitalize on the African Continental Free Trade Area, as well as other agreements such as COMESA and SADC.



5 UNDERSTANDING INTERNATIONAL TRADE DISPUTE RESOLUTION

By Gugulethu Mpofu (Opinion)

INTERNATIONAL TRADE is like a Shakespearean play—full of ambition, passion, and the occasional drama of disputes.

For Zimbabwean exporters, navigating these twists and turns requires more than just a flair for business; it demands a strategic approach to dispute resolution that can turn potential tragedy into triumph.

In the grand theatre of international trade, legal frameworks set the stage for how disputes are resolved.

A core principle of international law is that each nation has the right and the ability to determine the laws that govern that specific territory.

Thus, contracting parties must either agree to disputes being resolved in an unfamiliar territory, their own territory or a third-party state or body which has competence to oversee these disputes.

One prominent actor in this ensemble is the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Adopted by over 90 countries including many of Zimbabwe's esteemed trading partners, the CISG brings a touch of uniformity to the chaos of cross-border transactions.

Picture this: you are a Zimbabwean exporter, keen to sell your fantastic products to the world. For Zimbabwean exporters, understanding and complying with CISG rules isn't just good practice—it's the secret sauce to success in global markets.

By embracing the CISG's uniformity, clarity, and flexibility, exporters can navigate the complexities of international trade with confidence, turning potential disputes into standing ovations of business success.!

The CISG acts as your trusty script, laying out the rules of the game with clarity and finesse by providing the following benefits

■ Uniformity and Predictability

Like a well-rehearsed performance, the CISG ensures that international sales contracts follow a familiar script.

The CISG provides a set of rules that everyone on stage can understand.

■ Obligations of Parties

Every good play has its protagonists and antagonists, and in international trade, both buyers and sellers have their roles to play.

Under the CISG, you know exactly what's expected of you: deliver goods as promised, pay the price on time, and take a bow when the curtain falls on a successful transaction.

■ Remedies for Breach of Contract

What happens when a deal goes awry?

Fear not, for the CISG has your back with a range of remedies for breaches of contract. Whether it's damages, specific performance, or the right to walk away from a bad deal, you've got options to ensure justice is served and the show goes on.

■ Exclusion and Opting Out

There's room for improvisation too! The CISG allows savvy traders to tweak the script to better fit the stage.

With the CISG, you can tailor your contracts to suit your unique style of business, while still enjoying the safety net of its default rules.

■ Case Studies and Practical Applications: Behind the Scenes

Let's bring these concepts to life with a backstage pass to real-world scenarios:

Imagine a Zimbabwean farmer strikes a deal with a CISG-adopting country in Asia.

When a disagreement arises over variety specifications, the CISG steps in to clarify obligations and provide a framework for resolving the dispute.

Through mediation and arbitration, the farmer and its international partner find common ground, salvaging the deal and keeping all interested parties applauding.



Energising Zimbabwe's Export Growth



EXPORTERS' *Guide* 2024

Scan Here
to access Exporters Guide



www.tradezimbabwe.com



By Natalie Franciko (Opinion)

ENTERING THE export market is a significant milestone for any business, offering opportunities for growth and expansion beyond domestic boundaries.

However, the complexities of international trade can be daunting for new exporters.

The ZimTrade New Exporter Guide is an invaluable resource designed to demystify the export process and equip businesses with the knowledge and tools needed to succeed in global markets.

As a new exporter, here is how you can effectively use the ZimTrade New Exporter Guide to navigate the journey from local to international success.

The ZimTrade New Exporter Guide is tailored to provide practical insights and step-by-step guidance for businesses looking to enter the export market.

It covers key areas such as export readiness assessment, market research, export procedures, documentation, pricing strategies. By utilizing this guide, new exporters can gain a comprehensive understanding of the export landscape and make informed decisions to enhance their competitiveness.

Below is a highlight of what the document entails as the steps new exporters should follow as they venture in a new market:

■ Step 1: Assessing Export Readiness

Before venturing into the export market, it is crucial for businesses to assess their export readiness. The guide outlines essential criteria for evaluating readiness, including management commitment, financial resources, production capacity, and product adaptability.

•**Management Commitment:** Ensure that top management is fully supportive of the export initiative and willing to allocate the necessary resources.

•**Financial Resources:** Evaluate whether the company has sufficient funds to cover the costs associated with exporting, such as production, marketing, and logistics.

•**Production Capacity:** Determine if the current production capacity can meet increased demand from international markets.

•**Product Adaptability:** Assess whether the product can be modified to meet the preferences and regulations of foreign markets.

By conducting a thorough readiness assessment, businesses can identify areas that need improvement and develop strategies to address potential challenges.

■ Step 2: Conducting Market Research

Effective market research is a cornerstone of successful exporting. The ZimTrade New Exporter Guide emphasizes the importance of understanding target markets to identify opportunities and tailor products to meet consumer needs.

The guide recommends the following approach:

•**Identify Target Markets:** Analyze potential markets based on factors such as population size, economic conditions, cultural preferences, and competitive landscape.

•**Understand Consumer Preferences:** Gather data on consumer behavior, purchasing habits, and preferences to tailor products accordingly.

•**Evaluate Market Access Requirements:** Research import regulations, tariffs, and trade barriers to ensure compliance and feasibility.

•**Analyze Competitors:** Study competitors' offerings and strategies to identify areas for differentiation and competitive advantage.

By leveraging market research insights, new exporters can make informed decisions and develop strategies that resonate with international consumers.

■ Step 3: Developing an Export Business Plan

A well-structured export business plan is essential for guiding export activities and securing support from stakeholders. The ZimTrade New Exporter Guide provides a framework for developing an export business plan that includes:

•**Export Objectives:** Define clear and measurable goals for entering the export market.

•**Product Adaptation:** Outline strategies for modifying products to meet foreign market requirements.

•**Pricing Strategy:** Determine competitive pricing based on market research and cost analysis.

•**Distribution Channels:** Identify and evaluate distribution options, including agents, distributors, and direct sales.

•**Promotional Activities:** Plan marketing and promotional activities to raise awareness and generate demand in target markets.

A comprehensive export business plan serves as a roadmap for successful market entry and guides decision-making throughout the export journey.

■ Step 4: Navigating Export Procedures and Documentation

Understanding export procedures and documentation is critical for compliance and smooth transactions. The ZimTrade New Exporter Guide provides detailed information on key export documents and procedures, including:

•**Commercial Invoices:** Prepare accurate invoices detailing the description, quantity, and value of goods.

•**Certificates of Origin:** Obtain certificates verifying the origin of goods to benefit from preferential trade agreements.

•**Packing Lists:** Create detailed packing lists specifying the contents, packaging, and dimensions of shipments.

•**Export Licenses and Permits:** Secure any necessary licenses or permits required for specific products or markets.

By familiarizing themselves with these requirements, new exporters can minimize delays and avoid costly errors in the export process.

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■ Step 5: Leveraging ZimTrade Support and Resources

In addition to the New Exporter Guide, ZimTrade offers a range of support services to assist new exporters. These services include:

•**Capacity Building and Training:** Participate in training programs and workshops to build skills and knowledge in export-related areas.

•**Market Intelligence:** Access market intelligence reports and insights to stay informed about global market trends and opportunities.

•**Trade Promotions:** Take advantage of trade fairs, exhibitions, and missions facilitated by ZimTrade to showcase products and connect with potential buyers.

•**Cluster Initiatives:** Join industry clusters to collaborate with other businesses, share resources, and enhance competitiveness.

By utilizing these resources, new exporters can enhance their capabilities and increase their chances of success in international markets.

To access the exporter's guide use the below link:

<https://tradezimbabwe.com/virtual-library/>


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7

EXPORTING TO CHINA

By Tatenda Machirori (Opinion)

CHINA'S ESTABLISHED trade partnership with Africa, spanning over 14 years, and both parties have facilitated a steady exchange of goods and services.

While African exports have primarily consisted of minerals, fresh produce, tobacco, and services, China has supplied Africa with machinery, vehicles, processed foods, and ICT products and services.

A collaborative effort between ZimTrade, the Confederation of Zimbabwe Industries (CZI), the Agricultural Marketing Authority (AMA), and the Macadamia Association saw Zimbabwean representatives join a recent seminar in Jiangxi, China, focused on "Exporting to China" for African nations.

This seminar aimed to further explore the potential for expanded trade relations and mutual benefit.

This delegation, alongside counterparts from Tanzania, Eritrea, Nigeria, Cameroon, and Uganda, gained valuable insights into the Chinese market's most sought-after products and assessed the current state of China-Africa trade.

There are a number of benefits that come with Africa having China as a trading partner including access to a growing market.

China is the world's second-largest economy and has a population of over 1.4 billion people. This presents a significant opportunity for African countries to tap into a large consumer base and expand their export markets.

Exporting to China also opens doors to economic growth and diversification.

It can also stimulate economic growth through increased trade and investment flows.

China is known for its advancements in technology and innovation.

By exporting to China, African countries can also benefit from technology transfer, knowledge exchange, and capacity building in various sectors.

Before entering the Chinese market, African countries should conduct thorough market

research to understand consumer preferences, regulations, competition, and distribution channels. Businesses also need to identify what solutions their products/ services are providing.

It is also important to developing a solid export strategy is crucial for success in the Chinese market.

This includes identifying target markets, positioning products competitively, and setting realistic goals.

In terms of regulatory compliance, African countries must ensure that their products meet Chinese regulatory standards and certifications to gain access to the market.

This may involve obtaining licenses, permits, and compliance with quality control measures. The regulatory standards are determined by type of products/services.

Choosing the right distribution channels is key to reaching Chinese consumers effectively.

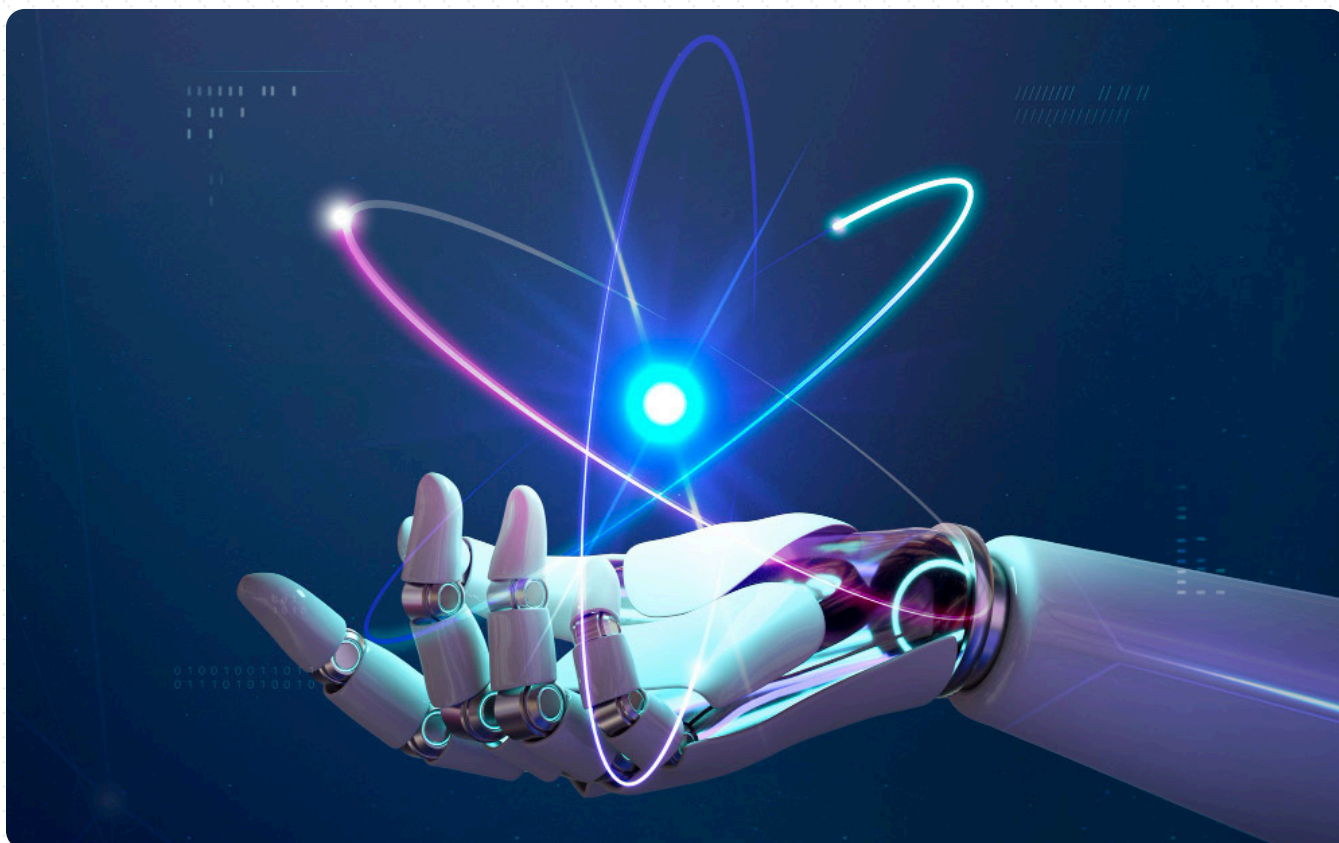
Options include e-commerce platforms, distributors, wholesalers, retailers, and trade shows.

In addition, promoting African products in China requires a targeted marketing strategy that highlights the unique selling points, quality, and authenticity of the products.

This could involve social media, influencer marketing, and promotional events.

Africa has the potential to supply China with significant amount of products that include:

- **Agricultural Products** - Africa is well known for its rich agricultural resources, including coffee, cocoa, tea, fruits, and nuts. These products have a strong demand in China due to their quality and uniqueness.
- **Minerals and Ores** - African countries possess abundant mineral resources such as gold, copper, cobalt, and diamonds. China is a major importer of these minerals for industrial and manufacturing purposes.
- **Textiles and Apparel** - The textile and apparel industry in Africa is growing, with a focus on sustainable and ethically produced garments. Chinese consumers have shown interest in African-inspired fashion and textiles.
- **Handicrafts and Artisanal Products** - African handicrafts, artwork, and artisanal products are highly valued for their craftsmanship and cultural significance. These products appeal to Chinese consumers seeking unique and authentic items.
- **Tourism and Hospitality Services** - African countries can also export tourism and hospitality services to China, including eco-tourism, safari adventures, cultural exchanges, and luxury accommodations.



8 EXPORTERS MUST EMBRACE **DIGITAL TECHNOLOGY**

IN TODAY'S increasingly interconnected global marketplace, the importance of digital platforms for businesses seeking success in export business cannot be overstated.

The traditional methods of conducting international trade are rapidly being overshadowed by the vast opportunities presented by digitalisation.

Digital platforms offer unparalleled access to international markets, providing businesses with the tools to reach a global audience efficiently and effectively.

Undoubtedly, companies that are quick to adopt digital technologies in their business and export strategies are not only increasing visibility but also building brand recognition and credibility on a global scale.

This is why President E.D Mnangagwa is at the centre of championing the development and adoption of ICTs by the Government and local businesses, which is expected to propel them for success in regional and international markets.

In recognising the potential of digital technology in positioning Zimbabwe as a strong player in the international market, the Second Republic has launched numerous initiatives to support digital infrastructure development and provide training for businesses to harness the power of digital tools.

President Emmerson Mnangagwa earlier this year launched three ICT policies at Somabhula Secondary School, which are expected to develop the country's digital economy by creating an investment climate for players to succeed.

The three policies, viz National ICT Policy, the Smart Zimbabwe 2030 Master Plan and the National Broadband Plan will assist the country in its development towards the upper middle-income economy by 2030 using technology.

Considering the current drive by the Government to increase the adoption of digital platforms, local exporters must leverage on technology to overcome traditional export challenges and open new avenues for growth and innovation.

The integration of digital platforms is no longer a luxury but a necessity for companies aspiring to succeed in the export business.

■ **Enhanced market reach and accessibility**

One of the most significant advantages of digital platforms is their ability to break down geographical barriers.

Through e-commerce websites, social media, and online marketplaces, businesses can reach potential customers across the globe with unprecedented ease.

This expanded reach is particularly beneficial for small and medium-sized enterprises (SMEs) that may lack the resources to establish physical presence in foreign markets.

By leveraging digital platforms, these companies can showcase their products to a vast international audience, thus increasing their chances of securing export deals.

For example, platforms like Alibaba and Amazon Global Selling provide a ready-made infrastructure for companies to display their products to millions of users across different countries.

This visibility not only increases the chances of attracting international customers but also builds brand recognition on a global scale.

For companies that find it difficult to register on international platforms, there are local solutions that have been developed to meet the urgent requirement of local exporters.

For example, national trade development and promotion organisation – ZimTrade – developed Shop@Zim, a platform that is premised on the need to create a singular window for marketing and selling Zimbabwean product virtually.

Here, Zimbabwean companies are hosted for free, for purposes of trading in the international digital economy community.

Through ongoing efforts to promote the platform by ZimTrade at international trade fairs, and other export promotion programmes, the visibility of the platform has expanded across the world.

Already, hundreds of local companies that are hosted on the platform have received good feedback from international buyers who locate them on the platform, with some recording positive leads and generating orders.

■ Cost-effective marketing and branding

Efficiency is crucial in the export business, where logistics and supply chain management can be particularly challenging.

Digital platforms offer tools that help streamline these processes, from order processing and inventory management to shipping and customs documentation.

Integrated software solutions can automate many routine tasks, reducing the risk of errors and ensuring that operations run smoothly.

This level of efficiency is essential for maintaining competitiveness and meeting the demands of international customers.

Further to this, brick and mortar operations are no longer a universal model for business success.

Adopting digital platforms has reduced the costs a business incurs as one can work from anywhere in the world, thus reducing the cost of operations and rentals.

Digital technologies such as cloud computing, online payment systems, virtual collaboration tools allow for entrepreneurs to work remotely reducing the cost of transport and communication.

Enterprises can grow their businesses into export markets as they can streamline their supply chain processes by investing in what needs the most finance.

■ Improved customer engagement and support

Digital platforms facilitate improved customer engagement and support, which are vital for building and maintaining relationships with international clients.

Through online chat functions, customer service portals, and social media interactions, companies can provide timely and effective support to their customers regardless of their location.

Social media channels such as Facebook, Instagram, and Twitter, along with email marketing services like Mailchimp and Sendinblue, allow businesses to engage with their audience, address inquiries promptly, and receive feedback in real-time.

This level of interaction not only enhances customer experience but also builds trust and loyalty, which are crucial for long-term success in the export business.

Tools like Zendesk and Intercom offer businesses the ability to provide prompt and personalized customer service, addressing queries and resolving issues swiftly.

Enhanced customer engagement leads to higher customer satisfaction, repeat business, and positive word-of-mouth referrals.

■ Leveraging data analytics for strategic decisions

Digital platforms generate vast amounts of data that can be harnessed for strategic decision-making.

Analytics tools help businesses understand market trends, customer preferences, and sales performance.

By understanding their target markets better, companies can tailor their approaches to meet specific consumer needs and preferences, thereby increasing their chances of success.

For instance, Google Analytics and Shopify Analytics provide insights into website traffic, customer behaviour, and sales patterns, enabling businesses to optimize their operations and marketing efforts.



7th
SADC
INDUSTRIALISATION
WEEK 2024
HARARE, ZIMBABWE

9 UNPACKING SADC PROCESSED FOOD MARKET

Zimbabwe is set to host the 7th SADC Industrialisation Week from 29 July–1 August this year, which will provide a solid platform for the country to showcase its vast products and services that have an export potential.

The SADC Industrialisation Week convenes annually ahead of the SADC Summit of Heads of State and Government and is aimed at fostering new opportunities for intra-regional trade, developing cross border value chains, and identifying investment opportunities in Southern Africa.

These objectives of the programme dovetails with the ongoing actions by President E.D Mnangagwa targeted at creating strong bridges for local businesses to connect with partners in the region and beyond, through the economic diplomacy agenda being implemented by the Ministry of Foreign Affairs and International Trade.

President Mnangagwa has also constantly highlighted the importance of regional value chains for Zimbabwe's economic growth, emphasising the need to leverage on the country's strategic geographic location and existing trade agreements like the to enhance trade facilitation and improve cross-border operations.

Considering this, the SADC Industrialisation week will connect Zimbabwean manufacturers with leading buyers, industrialists and private sector experts; regional and global policy makers; and financiers.

Here, discussions will focus on identifying business opportunities that will drive intra-regional trade, which will further catapult Zimbabwean products and services into existing and emerging markets.

What is perhaps important is to put Zimbabwe's best foot forward in these engagements, leveraging on areas the country enjoys comparative and competitive advantage.

For example, the country is fast becoming the hub for agricultural production and processing, particularly in the processed foods sector, where the SADC region views Zimbabwe's processed foods favourably, appreciating the improvements in quality and standards.

With a special focus on such low hanging sectors, there is room for the country to strike gold.

■ SADC processed foods sector

The SADC processed food sector has experienced significant growth in the recent years, driven by a growing population, rising urbanization, and changing lifestyles.

Since 2014, import figures have floated between US\$20 billion and US\$22 billion annually, according to Trade Maps.

However, a significant jump occurred in 2021, reaching US\$26 billion.

This upward trend continued in 2022, peaking at a record US\$32 billion, suggesting a growing consumer demand for processed food within SADC and presenting a potential opportunity for Zimbabwean businesses.

While SADC shows rising processed food imports, individual countries exhibit distinct patterns.

South Africa, a major regional player, maintained a steadier import range of US\$9 billion to US\$11 billion, with a peak of US\$11.7 billion in 2022, according to Trade Map.

Beyond staples, South Africa imports significant quantities of beverages, sugars, and various processed categories like vegetable preparations, cereal preparations, and coffee and teas (US\$218 million).

Strong international brands dominate these sectors as well.

In terms of source markets, China (US\$1.2 billion) was the largest supplier to South Africa, followed by Eswatini (US\$700 million) – the sole SADC country in the top 10.

Thailand, India, Germany, France, Indonesia, USA, and Poland are some of the leading exporters.

The Democratic Republic of Congo (DRC) stands out with the largest increase, growing its imports from around US\$2.2 billion in 2021 to US\$4 billion in 2022, according to Trade Map.

In DRC, China dominates processed food imports, followed by suppliers from the United Arab Emirates, Qatar, and Kuwait.

Interestingly, the DRC imports a significant number of easy-to-prepare foods like beverages, concentrated milk, soups and broths, sauces, and tomato puree.

This suggests a high demand for convenience foods.

Figures from Trade Map also show that Mozambique displays promising signs, growing imports from US\$1,6 billion in 2020 to US\$2,1 billion in 2022.

South Africa is the the top supplier to Mozambique, followed by Asian countries like Singapore, India, Malaysia, and Thailand.

Cooking oil (palm, soy, sunflower) tops Mozambique's import list, followed by beverages, dairy products, and convenience foods like infant food, fruit juices, and biscuits.

Although this data indicates a strong Asian influence, Mozambique is open to trade where Zimbabwean exporters can target low hanging fruits such as dairy, biscuits, fruit juices, and cooking oils have a good chance to compete.

Packaging and language will make it easy to penetrate the market.

Zambia, Botswana and Namibia also witnessed relative stability, and presents good supply opportunities for Zimbabwean exporters, including small enterprises.

Zambia primarily relies on South Africa for processed food imports, followed by China.

Some of the products in demand include cooking oils and margarine, alcoholic beverages, milk and cream, and familiar staples like fruit juices, and sugar.

Zambia's established demand for products like cooking oils, milk, and biscuits aligns with Zimbabwe's existing industries.

The key lies in increasing production capacity and adopting an export-oriented approach.

To compete effectively in the niche market, Zimbabwean companies should consider offering unique flavor variations within existing

categories, while also focusing on quality, packaging, and branding

Angola presents a unique case.

While processed food imports plunged from US\$4 billion in 2014 to a mere US\$1.4 billion in 2015, they've since rebounded to US\$3 billion by 2023.

As the imports of processed foods in Angola are on a rebound, the market size remains substantial, making it worthwhile for Zimbabwean businesses to consider.

Angola's processed food imports in 2023 were dominated by Portugal, and Brazil, reflecting their shared cultural and linguistic ties.

South Africa remains the top SADC supplier. Key imports include cooking oil and margarin, wine, sausages, and meats, and this suggests a potential market for Zimbabwean producers.

However, competition will likely be stiff, especially considering Angola's established trade relationships with Portugal and Brazil

Success will hinge on innovative marketing strategies that build brand recognition and customer loyalty, allowing Zimbabwean products to weather fluctuations in demand.

■ Shifting consumption patterns

An analysis of SADC imports reveals interesting trends.

Cereals remain the top import category, with wheat (US\$2 billion) and rice (US\$1.8 billion) leading the pack.

Notably, cereal imports have grown by 35 percent between 2019 and 2023, suggesting a significant shift in staple food consumption patterns.

Beyond cereals, other top import products include non-organic chemicals used in food production, with a total value of US\$3.3 billion in 2023.

Other top imports are fluorides (US\$400 million), carbonates (US\$300 million), and sodium hydroxide (US\$250 million).

These trends could point to several factors. The rise in staple food imports might be a response to food security concerns following the droughts experienced in some pockets of the region in recent years.

Additionally, the significant increase in imports of primary products used in processed food production (salt, inorganic chemicals, fats, organic chemicals, and essential oils) between 2019 and 2023 suggests growing regional processing capabilities.

When considering the source of these imports, there are opportunities for Zimbabwean exporters who can align their offerings with these high-demand categories to position themselves for success, leveraging on proximity and existing trade agreement



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