

Market Overview

South Africa is home to one of the most advanced and diverse economies in the African continent. Its rate of urbanization (almost two thirds of the population lives in urban areas which is equal to 33 million), along with increases in real household income of more than 30% across all income groups, demonstrates that South Africa is an attractive business destination. Since South Africa is nearly self-sufficient in primary food production, consumer-oriented goods have the best prospects in this market.

In 2014, the U.S. averaged a market share of 7.13% for consumer-oriented foods in South Africa. Regarding consumer-oriented foods, exports from the SUSTA region were valued at \$76 million USD in 2014, a figure slightly lower than in 2013 (\$ 78 million USD). Some of the products that tend to do the best in this market are: dairy products, poultry meat & products (including eggs), processed fruits, non-alcoholic beverages, chocolate & cocoa products, and tree nuts among others.

U.S.-South African relations have been furthered by a series of forums focusing on trade facilitation and reducing technical barriers to trade. For example, the Trade, Investment, and Development Cooperative Agreement (TIDCA) as well as the African Growth and Opportunity Act (AGOAS) are both great platforms bringing together representatives in order to negotiate a future Free Trade Agreement.

Opportunities and Advantages

- This market is very opportunistic, given South Africa's status as a gateway to business in the sub-Saharan Africa region.
- South Africa is viewed by others as a regional leader in developing technical standards and regulations and the adoption of advanced technologies, including genetic engineering.
- The new-expanding middle class with growing disposable income is an important prospect market.

Market Challenges

- Local products are preferred against imported products because of price competitiveness and support of the local economy.
- European products are also regarded as high quality and these are more accessible due to geographical and historical ties.

SUSTA Sponsored Events in South Africa:

Food and Hospitality Africa

South Africa Inbound Trade Mission

- http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Hospitality_Pretoria_South%20Africa%20-%20Republic%20of_8-15-2014.pdf
- Euromonitor, Passport Site-Country Profile: South Africa

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