

EXPORT STRATEGY FOR THE PROVINCE OF KWAZULU-NATAL

Export Strategy Report

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[AWAITING NEW
TIKZN LOGO]



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KWAZULU-NATAL PROVINCIAL GOVERNMENT

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Foreword – MEC for Economic Development

Suggested possible content:

The KwaZulu-Natal government supports the concept that a focused export strategy will assist policy makers and export promotion programme managers to tailor make initiatives to ensure that resources are used optimally to achieve the best results. Export-led economic growth has been highlighted in economic circles as a key vehicle through which developing countries and emerging markets can realise their economic fortunes and developmental aspirations, opening up entrepreneurial opportunities for emerging businessmen and businesswomen, creating jobs and attracting investors to assist us all in building successfully for the future.

With the key exception of certain Asian economies such as India, China and Singapore, the global recession has ravaged economies of most emerging markets around the world. As global demand dwindled, exports and the associated foreign direct investment in emerging economies have plummeted significantly. The global recession has also created a dent, albeit temporary, in the economy of KwaZulu-Natal. Exports volumes have also fallen and as a result the provincial economy has slipped into recession.

The KwaZulu-Natal government has responded by putting in place a number of stimulus packages, including public infrastructure development such as the King Shaka International Airport and Dube Trade Port. An export strategy is one of the many approaches that the province is using to reduce the impact of the global recession on the economy and to build the economy and create jobs for the future. By means of the accompanying strategy government aims to tailor make programmes that support the provincial export sector.

The main aim of this project is therefore to develop an export strategy that details the initiatives that the KwaZulu-Natal government should employ to facilitate a revamp of the export sector within the province. A detailed implementation plan specifying deliverables, role players and explicit time frames has been prepared. The strategy addresses various initiatives believed necessary to assist potential exporters. Also prioritised are export promotion activities that will lead to the optimal success rates for KwaZulu-Natal exporters in foreign markets.

I look forward to the rapid and purposeful roll-out of the export strategy and wish all the players involved the best of success in their export endeavours.

Executive Summary

KwaZulu-Natal's share of the total exports of South Africa has dropped from 14% to 11% over the past ten years. A high percentage of exports from KwaZulu-Natal are raw materials and primary goods which means the value added to KwaZulu-Natal exports and therefore the employment and profits generated from these exports are benefitting another economy rather than our own.

Furthermore, high logistics costs, red tape and labour and energy costs rising at a pace much higher than the general level of price inflation are damaging KwaZulu-Natal export competitiveness. The recent strength of the rand relative to the currencies of our major trading partners is further hampering export competitiveness.

KwaZulu-Natal is however in a strong position to continue expanding exports through the recent growth of developing economies, and through regional integration the province can grow its exports to African markets, whilst taking advantage the recent BRICS arrangement to both increase its exports to other developing economies, and work within South Africa's image of being the 'gateway' to trade with Africa. The province's developed transport and communication infrastructure further increase the opportunities for export development.

This strategy takes account of these challenges. A set of five programmes designed to successfully address the promotion of exports from KwaZulu-Natal through correctly identifying, harnessing and developing export potential and improving export performance have been formulated. These programmes cover the full spectrum of export assistance and promotion, by addressing exporter development, training, finance and communication, integration of research and export promotion and through providing the framework for enabling the province to maximise its export assistance.

It is recognised that the province is a part of the greater national trade effort, and that within exports there are many topics which include elements beyond the scope of provincial government and its associated institutions. Thus the strategy is aimed at maximising those elements within the control of province, while ensuring that the capacity exists to engage with national government and other stakeholders to ensure KwaZulu-Natal exports and exporters are represented in those elements of trade that are outside of provincial control.

Programme No 1: Enhancing the Export Climate and Competiveness

1.A Addressing of Cross-cutting Issues

High transport and logistics costs and burdensome red tape within both the province and South Africa as a whole are a severe impediment to export success. Whilst addressing high transport and logistics falls outside of the scope of an export strategy, this reality highlights the need for the strategy to include steps to address problem issues that are outside of control, but still impact on KwaZulu-Natal exports.

This strategy suggests three actions:

- 1) Elevating dialogue on problem issues to a national level, taking care to use the correct channels;
- 2) Ensuring that these efforts supported by relevant research to provide data to motivate the dialogue; and
- 3) Ensuring that training and communication channels are efficient and equip exporters with the required support to combat and overcome constraints until they can be successfully removed.

An annual meeting between provincial and national representatives of the various export promotion agencies and exporters is suggested where success and challenges are work shopped.

1.B Export Sector Development

Export sector development is viewed as a joint objective of the provincial industrialisation, investment and export strategies to ensure the main thrusts are aligned. Priority sectors for export promotion are identified. It is envisaged that implementation and roll-out of the policy will be organised by an Export Promotion and Strategy Planning (EPSP) team.

1.C Integrated Research Plan

Harmonisation of research and data collection and dissemination is planned. The many organisations conducting research into exports and collecting data for exporters need to be integrated to ensure that an up-to-date and relevant picture of export success, new export markets and new opportunities is always available. Sources must be identified and research must be efficiently collected and processed and made available to a wide range of stakeholders. Research into export markets and trade partners, local trade and exporter data needs to be undertaken. Where a gap exists, this must be identified.

The appointment of local export trade officers is seen as vital to organise the collection and collation of data within all districts of the province. Such officers also need to be trained. The objective must be to achieve a standardised level of data coming from all districts of the province, to ensure the province develops export potential throughout KwaZulu-Natal.

Establishment of an Export internet portal is foreseen. This will provide a central point where research and advice to exporters can be processed and published. There must be scope for any stakeholders, such as exporters and customers, to add to the research data and to access research relevant to them. A continuous flow of information is envisaged between the national Dept. of Trade and Industry (DTI), the provincial research team at TIKZN, district export officers and exporters and customers (through local workshops and other intelligence gathering initiatives).

Programme No 2: Improving Market Penetration

2.A Determining priority markets

Determining priority markets for KwaZulu-Natal exports will require close consultation and the co-operation of DTI and TISA, foreign export officers, district export officers, export councils and industry associations. Integrated research and enhanced communication headlined by the export internet portal will facilitate identification of the right markets for KwaZulu-Natal exports. Opportunities will be chosen on a scientific, research driven basis and opportunity matching will take place timeously and successfully. The feedback of experience, both good and bad, into the skilling for export programme will ensure exporters stay on a continuous learning curve – essential for success in the ever changing international markets.

2.B Market Access

The strategy envisages using existing preferential trade agreements, sister city agreements, and other such bilateral international relationships to boost export market access. The EPSP team must engage with the foreign economic representatives in order to ensure a two-way information flow is active, such that trade leads, market access issues and other data is available to exporters through the export internet portal or directly. As this function is not purely a provincial one, close alignment with the DTI and national initiatives within this area must be achieved.

Programme No 3: Exporter Development

3.A Information Strategy

The need for an accurate and efficient information flow between all export stakeholders within KwaZulu-Natal is the main motivation for the creation of the export internet portal. This information platform will provide a central meeting point for all information and act as a means of engaging with the provincial export effort in so many ways. The export internet portal will take the form of a website and be the collective face of the KwaZulu-Natal export effort. It will be supported on the back end by a centrally managed database, and run mailing lists and a call centre. It will be managed by the EPSP team, and contain features and information such as contact management, export calendar, exporter readiness, export documentation, exporter finance and insurance, export promotion, and membership functionality. This should also be supported by training workshops which introduce and establish the portal to potential users.

3.B Exporter Interaction and Training

A programme of export forums is proposed to ensure that the message of the KwaZulu-Natal export strategy reaches all districts and addresses the needs of all exporters, from SMMEs to large

exporters. Local forums and workshop hosted within the districts and special workshops to address, *inter alia*, industry-specific, exporter finance, SMME and BBBEE topics are envisaged. The establishment of provincial export clusters acting as the intermediary between provincial level initiatives and industry level export councils is provided for. High end export topics will be addressed at a provincial export forum. Training and links to communication channels will be offered through a system of interactions to ensure exporter development is prioritised and achieves the desired results. The scale of interactions called for will be a logistical challenge and the implementation plan accompanying the strategy sets various ways in which the challenge can be overcome and to ensure buy-in from all stakeholders.

Programme No 4: Export Promotion

4.A *Export Systems*

The strategy calls for a multifaceted approach to export promotion which provides a comprehensive export promotion platform to all exporters within the province.

Trade shows and missions will be enhanced by the integrated research approach, by efficient communication through the export internet portal and through the training and communication provided through export forums established under the exporter development programme described above. Support must be given to exporters to successfully close export deals and to follow up on first sales for on-going export success. A 'KwaZulu-Natal' export brand must be established and fully integrated into the export internet portal and all the other faces of the provincial export effort.

4.B *Export finance*

Establishment of a KwaZulu-Natal export finance forum is recommended. This is a forum involving exporters, commercial banks and finance institutions and the province with a specific brief to formalise a programme of export financing for KwaZulu-Natal exporters. The institutions that provide direct financial assistance to KwaZulu-Natal exporters must be engaged and the assistance offered coordinated.

Programme No 5: Export Strategy Performance Measurement, Management & Review

5.A Export Promotion and Strategy Planning Team

A focussed provincial export planning team led by DEDT and TIKZN and reporting to the MEC will oversee and organise implementation, evaluation and review of the programmes of the strategy. The team will compile monitoring and evaluation reports, elevate 'big issues' to appropriate levels and propose any policy reviews affecting provincial exports. The team needs to have the scope to influence both district and provincial export related initiatives, as well as be able to co-ordinate dialogue between province and national export councils, government departments, industry associations, finance institutions and most importantly the DTI. The team should comprise of both TIKZN and DEDT members, who will have different functions and responsibilities within the team.

Implementation Plan

The programmes of the export strategy will be realised by implementation of the following seven strategic action plans:

Strategic Action Plan 1: Establish an export promotion and strategy planning team

Setting up the team and establishing the institutional and logistical framework within which the Export Promotion and Strategy Planning (EPSP) team will operate. A framework for meetings needs to be established and the strategy needs to be discussed and implementation planned. This is an immediate and short-term action. It is foreseen that this will be supported by bi-annual report backs on initiatives, forthcoming plans and the preparation of progress reports for presentation to the MEC.

Strategic Action Plan 2: Institute a programme of stakeholder interaction

Effective and efficient organisation of on-going stakeholder interaction is vital to the successful achievement of the goals of the export strategy. Workshops proposed include district export workshops, a provincial workshop, special topic workshops and the establishment of provincial industry export clusters. The action plan includes setting up the agendas, mailing lists and logistical framework for these meetings, integrating notices, agendas and outcomes with the export internet portal (to publicise a calendar well in advance of the meetings), organising and hosting the meetings, and compiling the report on the results and outcomes of meetings and of the actions required to follow through.

Strategic Action Plan 3: Construct an export internet portal

The export internet portal will be designed by the EPSP team in conjunction with IT professionals, who will then take on the building, testing and commissioning of the portal. The EPSP team will be responsible for organising the setting up of data gathering systems and of the back-end systems to support and update the portal. Implementation and showcasing of the portal at workshops and training on the use of the portal and application of the portal within the provincial export context will follow. This can happen on a short to medium term timeframe. A process whereby the portal is

upgraded and adapted on an on-going basis, taking account of comments and feedback from users will need to be put in place.

Strategic Action Plan 4: Ensure skills and resource provision

The strategy set outs the various areas in which training and skills provision need to be arranged. The export internet portal can play a role in advertising, promoting and facilitating access to this programme throughout the province. The planning of the training programme should take into account the findings of the integrated research plan. Export officers (both those deployed to international markets and those who will work in the districts) need to be trained in areas such as export data collection, export lead generation, skilling for exports, hosting trade shows and missions, export red tape and exporter finance.

Strategic Action Plan 5: Fund and organise an export research plan

Research into exports must be managed by the EPSP team. This is multi-faceted - district level research, local, provincial and national data collection, co-ordination with institutions such as SARS, research conducted by export councils and industry associations and the research conducted into foreign markets by the DTI and TIKZN. The research plan must revolve around the collection of this data into a central location, integration with the exporter internet portal and the training of export officers in research and data collection. The future planning and updates to research (as addressed at EPSP meetings) should be informed by the various levels of stakeholder interaction, as well as by the experience in the field of export officers and feedback through the export internet portal.

Strategic Action Plan 6: Ensure access to export financing

The exporter finance forum will be arranged by the EPSP team and from this platform an export finance assistance programme will be established. The programme must be marketed through the various planned stakeholder interactions and the export internet portal. Feedback must be collected monitored and evaluated to inform future development of the programme.

Strategic Action Plan 7: Roll out local export plans to all KwaZulu-Natal districts

Local export initiatives will emanate from district export officers and the district exporter workshops. These will include detailed plans which outline plans for performance of exports originating within the district, highlighting potential for growth and possibilities for new markets or new export products and services, exporter development and promotion and constraints and problem issues inhibiting exports from a specific district. These plans will be updated regularly and will form the basis for provincial export development.

Strategic Action Plan 8: Assisting exporters in market access

Through the integrated research plan and system of exporter interaction, market access issues will be brought to light. This action plan details how the province, through the EPSP team, should engage with the DTI and the Foreign Economic Representatives that are stationed in markets around the world, to resolve market access issues, and ensure provincial exports are represented within these global markets.

1 Introduction

1.1 Vision of the Export Strategy

The guiding vision of the KwaZulu-Natal export strategy is to position the province as a global player and strategic source of value-added goods and services destined for the rest of South Africa and for international markets.

1.2 Strategic Goal

The overriding goal of the KwaZulu-Natal export strategy is to double the level of export growth in terms of value from businesses located in the province from the average level achieved over the past ten years to 8% *per annum* in real terms by 2016, through smart growth of the export business of the province.

1.3 Objectives

The objectives of the KwaZulu-Natal export strategy are to:

- Identify appropriate markets for our commodities and thereby define priority sectors
- Ensure business is equipped to export to demand whilst ensuring reliable supply
- Provide effective market intelligence to direct exporter efforts
- Improve co-ordination between export stakeholders and provide platforms for engagement
- Target businesses with latent or under-realised export potential
- Prioritise exports that have been beneficiated within the province
- Provide research capacity to establish sectors and markets with export potential
- Raise export awareness in business in the province
- Ensure the closing and sustaining of export deals
- Include emerging businesses in export promotion initiatives
- Inculcate an export culture in KwaZulu-Natal
- Raise awareness of KwaZulu-Natal exports in targeted foreign markets

2 Policy Review and Alignment

2.1 Motivation: Why KwaZulu-Natal needs an Export Strategy?

The value of KwaZulu-Natal exports has grown at an average of 4% *per annum* over the last ten years, from a total export value for all commodities from the province of R23 billion in the year 1999 to R35 billion in 2009. As can be seen from the data in the accompanying schedule, the province has not kept pace with the growth in exports experienced by the country, or Gauteng or the Western Cape. KwaZulu-Natal's share of the total exports of South Africa has dropped from 14% to 11% over the past ten years.

Province	1999	2009
KwaZulu-Natal	14%	11%
Gauteng	66%	67%
Western Cape	9%	10%

Furthermore the effect of the recent global recession has negatively impacted exporting businesses in the province, with the value of exports in 2009 falling by around R9 billion or 20.5% from the 2008 level of R44 billion to R35 billion for 2009. This export strategy aims to stimulate exports activity in the province through improving existing support to exporters based in the province, as well as identifying new and additional export opportunities. The aim is to boost existing exports as well as develop new export opportunities, thereby setting KwaZulu-Natal on a path of export-led economic growth.

2.2 Problem Statement

There are a number of challenges that both the province and the country face in achieving success with export activities. A study of the figures below shows that a high percentage of exports from KwaZulu-Natal are raw materials and primary goods. This is not an ideal situation as it means the value subsequently added to KwaZulu-Natal export products, and therefore the employment and profits generated from these exports, are benefitting another economy, rather than our own.

On the other hand, KwaZulu-Natal logistics costs, red tape, labour and certain other inputs are relatively expensive when compared to other emerging nations such as Brazil, Russia, India and China, which affects KwaZulu-Natal export competitiveness. Strategy and policy formed to promote and support exports needs to take account of these challenges and successfully address them.

Logistics and transportation costs in KwaZulu-Natal, in particular, are significantly higher than in most parts of the rest of the world and the industry is significantly less efficient on certain key measures¹. KwaZulu-Natal is predominantly dependant on trucks and other heavy vehicles for

¹ Export Strategy Research Report Pages 10-17

moving freight around the province. This leaves the KwaZulu-Natal logistics and the transport sector extremely vulnerable to any fuel price spikes and hikes. With global oil production widely believed to have peaked, this is a very disadvantageous position upon which to build good export performance. KwaZulu-Natal needs to look at investment strategies to decrease its transport and logistics costs by some 40% to become truly globally competitive.²

Apart from logistics costs, the exporters within the province also are face with relatively higher labour costs, and labour productivity does not offset the cost of this labour. In addition, exports represent a specialised form of trade, affected by trade agreements, product specifications and standards, complex distribution and communication channels, and intricate financial circumstances. Although there is assistance offered by the various levels of government, in some cases exporters are not aware of these, or what needs to be done to qualify for this support. These factors present significant challenges for KwaZulu-Natal exporters, and are attended to by this strategy.

2.3 Challenges to be addressed

The challenges facing provincial exporters will be addressed by ensuring:

- good communications
- cost-effective and reliable transport
- certainty that goods will be efficiently delivered across international borders to customers
- competitive pricing of the goods at destination through assistance with constraints
- efficient payments to exporters and access to finance for exports
- minimising of “red tape” associated with exports
- skilling for exports and training in reducing input costs
- *smart export development, including spatial export development*

This strategy incorporates these elements into targeted programmes to provide exporters with assistance in the challenges they face. However in order to successfully overcome these challenges and achieve the strategic goal of the strategy, there will have to be buy-in from all export stakeholders, and recognition of the vital role external bodies, such as national government and export councils, play in creating an enabling environment for trade. Many of these challenges will involve elements beyond the scope or control of a provincial export strategy, and thus a key element in its success will be the response from these groups to the programmes implemented by the strategy.

² Export Strategy Research Report Pages 10-17

2.4 SWOT Analysis

The following table presents a summary of the comparative strengths and weaknesses of trade within KwaZulu-Natal province, as researched by the project team:

Table 2-1 KwaZulu-Natal Export Strengths and Weaknesses

Export Strengths	Export Weaknesses
Access to key raw material inputs	Relatively high labour costs
Port infrastructure (incl. Dube Trade Port)	Inconsistent labour supply
Climate, weather and scenery	Expensive telecommunications
English language	Expensive & constrained transport & logistics
Proximity to emerging African markets	Red tape
Biodiversity	Rand currency volatility
Opportunities	Threats
Beneficiation	Rand currency strength
Tourism development	Strike action
Port infrastructure (incl. Dube Trade Port)	Climate change
Transport and logistics expansion	Unfavourable trade agreements
New trade routes through airport	Electricity shortages
High value agricultural products exports	Inflation
BRICS agreement, other such agreements	Constrained transport and logistics without investment
Exporting services	

2.5 National and Provincial Policy Alignment

2.5.1 Trade Policy and Strategic Framework

A provincial export strategy cannot exist in isolation, but rather must be located within the wider national trade policy framework, within key national government initiatives and within complementary provincial government initiatives.

It is at a national level that critical export-related decisions are made. These include the setting of tariffs; the determination of export controls; major transportation infrastructure investments and the concluding of trade agreements with other countries. Ideally a provincial export strategy should take its lead from a national export strategy. In the absence of a national export strategy for South Africa, as at present, however, the KwaZulu-Natal export strategy must look toward the national

government's Trade Policy and Strategic Framework (TPSF) for direction. The TPSF focuses on developing the industrial and manufacturing capacity of South Africa and recognises that this key sector has the potential to generate more jobs than other, previously prominent, sectors like mining and agriculture. In line with this thinking a focus of the TPSF is that trade policy in South Africa needs to be pursued in alignment with industrial policy, which in the national context means that trade policy must be aligned with the NIPF.

Provincial Export Strategy Implications

The following are the key considerations:

- KwaZulu-Natal's export policy and strategies must look to complement provincial industrial strategies such as the KwaZulu-Natal Industrial Development Strategy as well as reflect the findings and planning of the Provincial Spatial Economic Development Strategy.
- In following the national strategy to promote higher-value secondary and tertiary industry exports, KwaZulu-Natal should look to export more to Africa. Africa accounts for 22% of KwaZulu-Natal's exports and is the fastest growing market for KwaZulu-Natal exports, having grown by over 200% in the past 8 years. Exports to Africa also tend to be higher-value added and have a greater services and beneficiation composition than exports to other regions. Increased levels of exports to Africa will help meet the objective of growing the industrial capacity of South Africa and KwaZulu-Natal in particular.

2.5.2 Provincial Spatial Economic Development Strategy

The Provincial Spatial Economic Development Strategy (PSEDS) highlights the strength of the industrial and manufacturing sector in KwaZulu-Natal but also identifies the poor export performance of the agricultural sector in KwaZulu-Natal. This poor performance is not regarded as something that is unchangeable but rather an area which presents an opportunity to increase the province's exports. The PSEDS supports the development of an Agrarian Revolution Programme by the Provincial Department of Agriculture and Environmental Affairs that will help subsistence farmers "cross from the second subsistence economy to the first commercial export-led economy". This strategy, among other things, will involve identifying agricultural producers with future export potential and making them aware of the export opportunities that exist.

Provincial Export Strategy Implications

The following are the key considerations:

- Promote the opportunities offered by the Dube Trade Port and encourage fresh produce farmers to become exporters. Identify agricultural producers, particularly in a 100km-150km radius of the facility, who could potentially utilise the Trade Port and provide these producers with some basic handles on how to best use the facility. This would involve site visits by export officers to agricultural producers and the hosting of export seminars conducted in rural areas with the aim of educating agricultural producers as to the potential export opportunities that the Dube Trade Port provides.
- Develop the local markets around the Trade Port, in order for them to be able to absorb the excess capacity of agricultural exports.
- Promote the re-opening of railway branch lines for the transport of agricultural products from remote regions to export markets.
- Lobby national government to pursue the African Agenda (as mentioned in the TPSF) which aims to remove some of the obstacles facing agricultural exports out of Africa. These obstacles include rules of origin; stringent health and product standards and developed-country subsidies to farmers.

2.5.3 KwaZulu-Natal Industrial Development and Investment Strategies

The KwaZulu-Natal Industrial Development (Industrialisation) Strategy 2005 has a strong focus on creating an environment which is conducive to industrial exports. The strategy stresses the importance of improving transport infrastructure and logistic services in the province as well as developing the technological capacity of the province by facilitating the rollout of ICT infrastructure and regional connectivity. In terms of specific export development and support strategies, the Industrialisation Strategy recommends the review of “the trade related role of TIKZN to increase focus and eliminate duplication” (KZNDED, 2005b). The lack of clarity over the roles to be performed by various provincial and national export bodies needs to be addressed.

The KwaZulu-Natal Investment Strategy 2011 is currently in the process of being completed and the Export Strategy project team has worked closely with the Investment Strategy project team to ensure alignment with the investment strategy for the province.

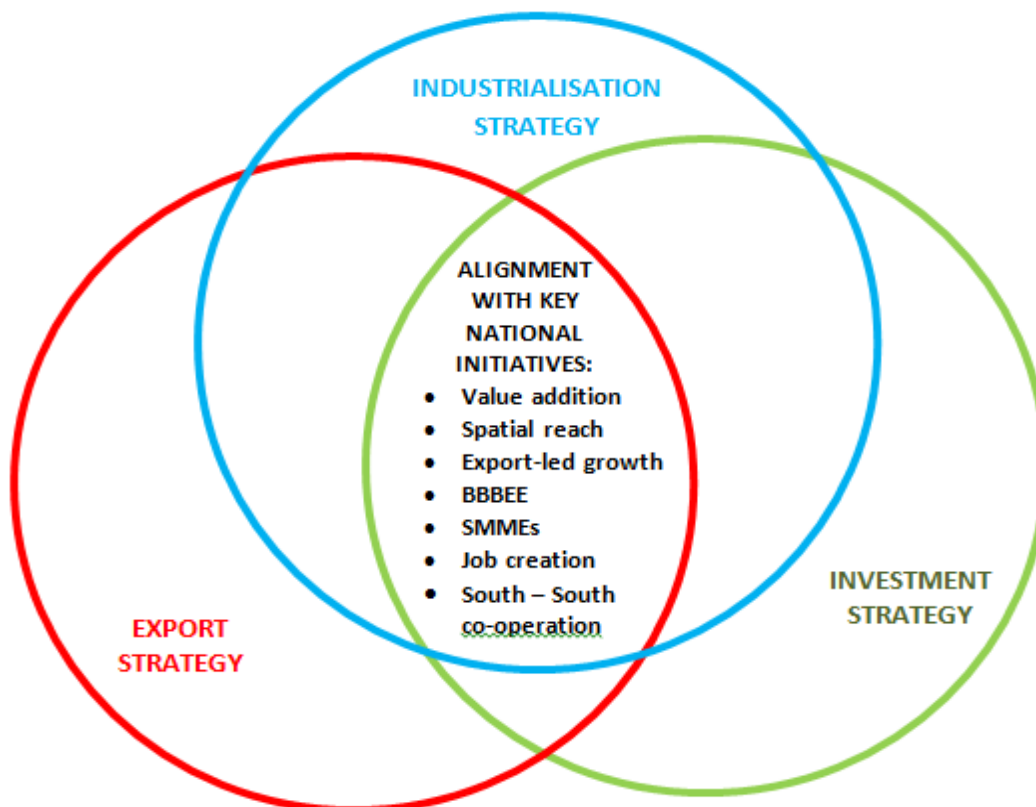
As depicted in the diagram on the following page, the respective project teams have sought to achieve close alignment of all three strategies with each other and with key national and provincial initiatives.

Implications for the Provincial Export Strategy

The following are the key considerations:

- Provincial export role players need to engage with Transnet regarding issues surrounding transport and logistics costs (port costs and rail services in particular).
- There needs to be a clear definition of the roles played by the different export assistance bodies; TIKZN; KwaZulu-Natal DEDT; DTI; TISA; Tradepoint; Local Municipalities and Tourism KwaZulu-Natal and which exporter groups (or stage in the export process) each of these bodies target.
- There should be an integrated approach to growing exports in KwaZulu-Natal. This can, in part be achieved by means of a central website-based exporter portal for KwaZulu-Natal which clearly directs exporters to opportunities and guides exporters to success by providing intelligent links to the above listed bodies.
- Exporters within KwaZulu-Natal need be empowered to influence the agenda of trade missions and trade pavilions rather than these being autonomously set by national government. TIKZN should channel the needs of exporters to the DTI, by means of regular forums involving government and exporters/export councils.

Figure 2-1 Alignment of Strategies



2.5.4 Regional and International Trade Relations

The TPSF recommends pursuing preferential trading agreements (PTAs) as opposed to free trade agreements as PTAs have greater scope to deal with the whole range of trade obstacles. Unfortunately many of South Africa's trade agreements are free trade-related ones and which mainly focus on the reduction of tariffs. There are, however, opportunities in some of the new trade agreements, to embark on a more holistic trading relationship which addresses some of the prohibitive non-tariff barriers facing exporters.

The SACU-Mercosur preferential agreement is one such relatively new agreement which lays the foundation for future mutually beneficial trading relations between the respective countries. This agreement is further cemented by South Africa recently joining the BRIC group (now BRICS, of which Brazil is a part of) of emerging countries. While there is little in terms of concrete trading agreements within this group at present, it provides the opportunity for increased trade between these nations. The export opportunities presented by both the SACU-Mercosur preferential trade agreement and the BRICS group, should be exploited by the province.

Implications for the Provincial Export Strategy

The following are key considerations:

- Considering that Curitiba in Brazil and Guangzhou in China are sister cities of Durban, KwaZulu-Natal should exploit the opportunity that BRICS as well as the SACU-Mercosur preferential agreement and the China bilateral trade agreement can offer, by proactively looking to identify new export markets for KwaZulu-Natal goods in these countries.
- The processing of trade leads and other data from foreign economic representatives should be formalised, so as to ensure this information reaches KZN exporters. This should be fully integrated with the export internet portal which is introduced by programme 3 of the strategy.

2.5.5 Future National Export Strategy Alignment

A national export strategy has still to be developed. Once the national export strategy has been completed, the existing provincial strategy will need to be updated, where necessary, to align itself with the national strategy and in order take advantage of any identified national initiatives emanating from the national export strategy which will benefit the province.

3 Situational Analysis

3.1 Findings of the Situational Analysis

This section sets out a summary of the situational analysis and strategy formation process, which provides the context for the strategy programmes which follow.

The key stakeholders involved in the project are:

- Trade and Investment KwaZulu-Natal (TIKZN)
- The KwaZulu-Natal Department of Economic Development and Tourism (KZN DEDT)
- Tradepoint South Africa, Durban
- Metro and District Municipalities
- Export Councils
- KwaZulu-Natal exporters and potential exporters
- The Department of Trade and Industry (DTI) - including Trade and Investment South Africa (TISA)

TIKZN, being the provincial trade and investment promotion agency, promotes the province as an investment destination and promotes export trade by assisting KwaZulu-Natal based companies to identify export markets and to export their products. Therefore the practical application of the agreed and finalised export strategy will be carried out by TIKZN. The organisation is thus the focal point for both exporters and export customers and the common link to the various levels of government. Within the strategy other specific responsibilities have been detailed.

KZN DEDT in its role of supporting economic development within the province assists TIKZN in the development of strategy and policy and in resourcing its network of local officers, as well as providing the link to national government. KwaZulu-Natal DEDT will thus play a vital role in ensuring that the adopted strategy is implemented effectively.

Tradepoint South Africa Durban is part of the international Trade Point Programme of the World Trade Federation and has offices in 70 countries. Tradepoint South Africa Durban is a partnership between the KZN DEDT, TIKZN; the Durban Chamber of Commerce; SEDA and eThekweni Municipality. Tradepoint's primary focus is enabling SMMEs to access global export markets.

Local and district municipalities have an important role to play in the development of export capability throughout the entire province. Local municipal offices are responsible for regional research into export potential and for promoting export development, especially for SMMEs and

smaller exporters, who are not able to readily access TIKZN directly. A key aspect of the strategy is to ensure the achievement of export success across all regions of the province. Local and district municipalities will play a vital role in the achievement of this.

Export councils represent a link to the various groups of exporters with common interests, products and / or service offerings. Export council co-operation and co-ordination with the efforts of TIKZN and KwaZulu-Natal DEDT is essential to achieving member participation in and support for the export development initiatives of TIKZN and KwaZulu-Natal DEDT.

KwaZulu-Natal exporters and potential exporters (together with their employees and suppliers) are the ultimate beneficiaries of this strategy and it is therefore vital that they are involved in the formulation of the strategy or programme within the strategy. A vital aspect of the strategy is therefore a requirement on the part of TIKZN to keep in contact with exporters and potential exporters to ensure databases are up to date, to conduct on-going research and to identify support needs. Furthermore, once the strategy is in place, a supplementary programme of interactive workshops and forums need to be implemented on a regular basis to keep the strategy close to the beneficiary group it is assisting and to ensure on-going buy-in and participation.

The DTI, through TISA, is responsible for providing exporters throughout South Africa with support and guidance through programmes such as the export marketing and investment assistance scheme. In addition, the extent to which provincial government and TIKZN can contribute to export promotion efforts such as trade agreements and treaties is limited. Through these initiatives the DTI and TISA play a vital and somewhat over-arching role in the achievement of KwaZulu-Natal export success. The inception report sets out the separation of powers between the provincial and national spheres of government in relation to provincial export development and promotion and in those areas where provincial government does not have direct influence and responsibility, there must be clear guidelines and procedures for taking the case for KwaZulu-Natal export development and promotion to national government and the appropriate national agencies..

3.2 Strategy Formulation Process

The development of the strategy has been conducted through desktop research, accompanied by interviews with both public and private export industry stakeholders and through workshops held to give the stakeholders an opportunity to integrate with the process, provide additional insights and information and comment on the preliminary research findings. These findings were compiled in the Export Strategy Research Report, and include a review of the export climate for KwaZulu-Natal exports, a summary of the provinces export performance, a best practice report, the provinces comparative advantages, and comments from stakeholders. The following is a summary of the findings:

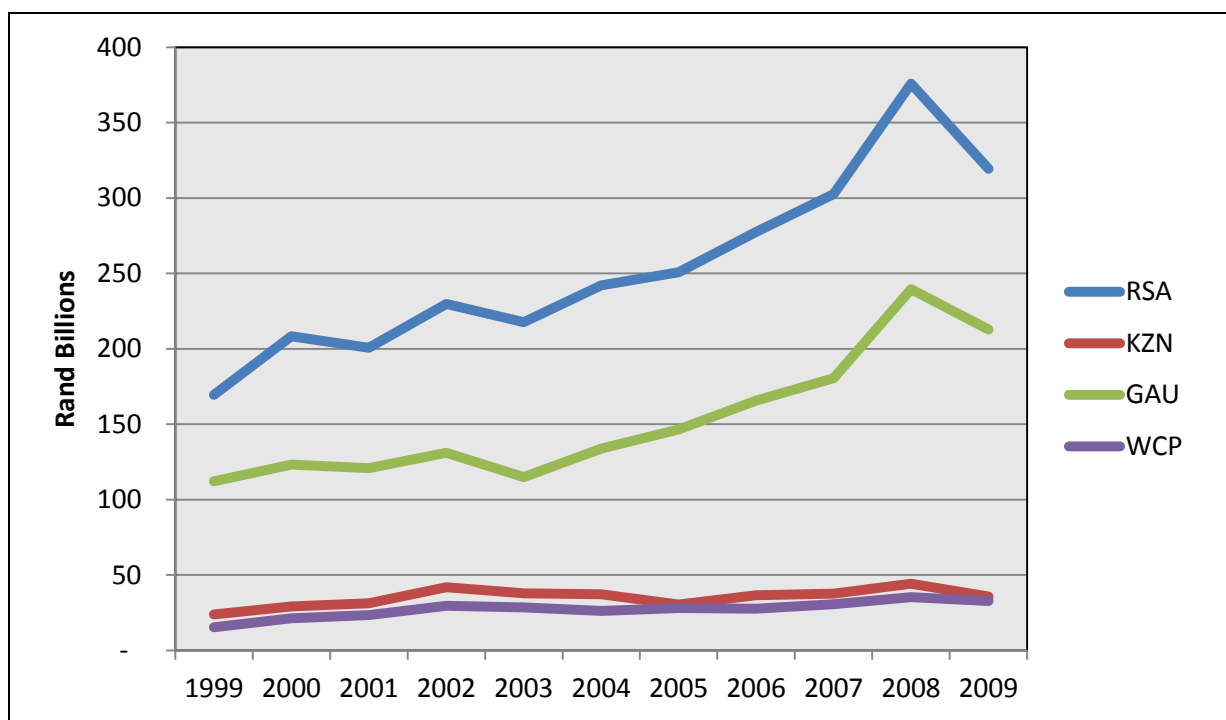
KwaZulu-Natal has enjoyed moderate annual growth in exports over the last ten years and has made progress in diversifying its export base. This modest growth in exports has occurred against a backdrop of limited investment in tradable goods production capacity. Businesses in KwaZulu-Natal tend to utilise internally generated savings to fund capital investment rather than using external

borrowing to finance the additional capacity to generate exports (which can then be used to pay back debt). Therefore the impressive provincial economic growth rates observed between 2004 and 2008 are not externally sustainable. However, as was noted in the research report, it was seen that KwaZulu-Natal exports had decreased as a percentage of South African exports between 1999 and 2009. The European Union, Eastern Asia and SADC continue to be major destinations for KwaZulu-Natal exports, however over the last ten years KwaZulu-Natal exports to other Asian regions and importantly African regions such as West, North and East Africa have grown considerably. Exports to Africa are typically secondary or tertiary in nature and thus are more desirable as they are more likely to have been beneficiated within the province.

As a result of the global recession which has temporarily slowed economic growth in both developed and emerging markets around the world, exports and the associated foreign direct investment have recently reduced significantly. South African export performance has also been negatively impacted amidst slowing global demand. Some governments have responded by putting in place economic stimulus packages. Export strategies are one of the many approaches that governments are using to reduce the impact of the global recession on local economies. The involvement of governments in the designing of export promotion programmes to promote specific domestic sectors has led to the export success of the Asian “tiger economies”. Thus it is clear that government needs to implement a strategy that supports the export sector in KwaZulu-Natal in a targeted and purposeful manner.

The graph below (Figure 3-1) shows the province’s export performance over the last ten years, compared to South Africa, Gauteng, and the Western Cape. KwaZulu-Natal exports have not kept pace with the rest of the country, but have grown by 4% over the period.

Figure 3-1 KwaZulu-Natal Export Performance 1999-2009

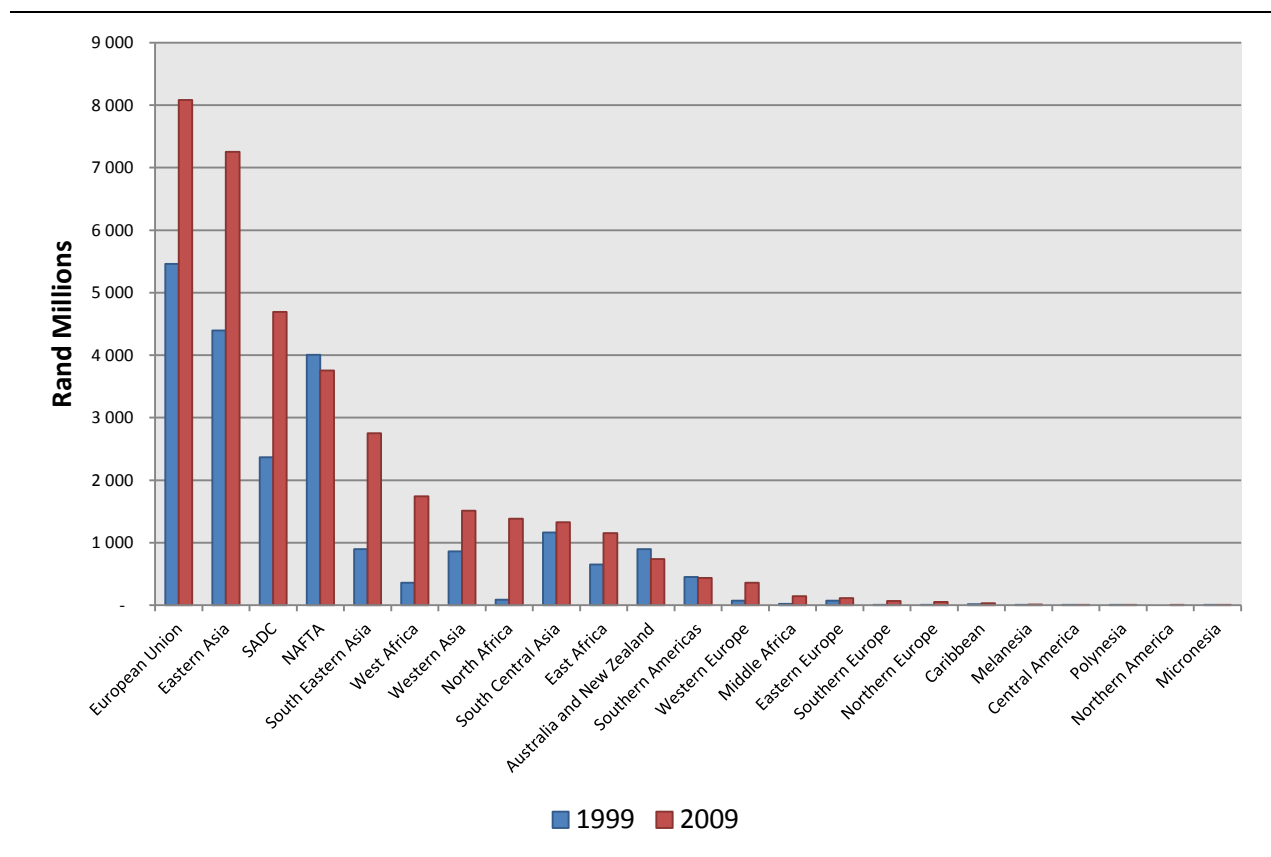


Source: Quantec

Upon review of the province’s export sector, it was found that KwaZulu-Natal’s export profile shared similarities, but was not the same as that of South Africa in terms of both export destinations and the range of products and services that are exported. Therefore it is vital that the strategy focus on the provinces strengths in terms of sectors and export partners, and that research, promotion and training are geared towards these.

There have been some interesting developments in the destinations for KwaZulu-Natal exports over the last ten years. As can be seen by the graph below (Figure 3-2), exports to the European Union, Eastern Asia and SADC have grown substantially over the last ten years and these remain our major trading partners, however it is encouraging that exports to areas such as South-Eastern Asia, West Africa, North Africa, and East Africa have increased substantially in value over the period.

Figure 3-2 KwaZulu-Natal Export Destinations



Source: Quantec

3.2.1 The Context for KwaZulu-Natal Exports

The literature review provides context for KwaZulu-Natal exports, being situated within South African, SADC and the African continent. African trade in general had suffered from interfering politics, corruption, bureaucracy and poor planning. However the continent contains fast growing developing economies, which present exciting opportunities for trade. It can be seen that the world economic outlook is changing, with export markets increasingly growing in developing countries. Therefore, in looking to export-led economic growth, KwaZulu-Natal must look to trade manufactured goods and services with trading blocs within Africa, which provide potential for

growth, and in addition do not replicate the current pattern of economic relations with the rest of the world, in which Africa exports commodities and imports manufactured goods and services. KwaZulu-Natal must look to south-south co-operation (which is trade with areas such as South America and Asia) which again are high growth developing economies.

KwaZulu-Natal needs to continue its alignment with and strengthen its support for national and regional trade initiatives. The province must support the South African Development Community (SADC) in its attempt to establish a common market, a single currency and move to establish higher levels of economic integration. This is even more pertinent as South Africa's recent acceptance into the BRICS club ahead of other larger economies is a signal that South Africa is seen as the gateway trade with the African continent. KwaZulu-Natal therefore is in a strategic position to take advantage of this situation to expand and establish new trade with SADC and other African trade blocs, whilst establishing and expanding trade with the other BRICS countries, thereby establishing the province as a significant part of the 'gateway' to African trade.

3.2.2 National Logistics Context

When the state of exporting nationally was reviewed, it was found that logistics and transportation costs in South Africa are extraordinarily high in comparison to the rest of the world and the industry is significantly less efficient on certain key measures. South Africa is predominantly dependant on trucks and other heavy vehicles for moving freight around the country. This leaves South African logistics and the transport sector extremely vulnerable to any fuel price spikes and hikes. With global oil production widely believed to have peaked, this is a very disadvantageous position for export performance.

South Africa also needs to decrease the "red tape" (numbers of documents) required for exporting a container and significantly decrease the average time taken to achieve the successful export of the average container. South Africa needs to look at strategies to decrease its transport and logistics costs by some 40% to become globally competitive. South Africa ideally needs to increase the market share, the efficiency, the capacity and the speed of rail in the transportation of containers throughout the country. This would help the economy circumvent future diesel fuel price shocks and generally decrease the cost of logistics in the country and hopefully improve efficiencies.

The logistical freight routes (road and rail) within KwaZulu-Natal Province have limited capacity and any infrastructure upgrades will, in all likelihood, lead to further increases in logistics costs unless this investment leads to significant and more than offsetting improvements in productivity. Until this is achieved it is important for export orientated manufacturing companies to locate themselves close to the Port of Durban, the Port of Richards Bay or the Dube Tradeport. Such strategic locational decisions would help to negate the current high transportation costs associated with moving products to ports for shipment in both the short and long term. Furthermore, this strategy would help relieve the stresses on the current freight routes, thereby minimising the need for and the additional cost of creating extra capacity on current freight routes.

3.2.3 Spatial Export Performance

The table below gives a spatial picture of the province's export performance, in terms of the annual compound growth rate between 1999 and 2009, level of total export value in 2009 (in 2000 Rands) and the top five exports in terms of value in 2009. The accompanying research report takes this analysis further, listing the top ten exports in terms of value for each district, as well as the fastest growing exports over the period 1999 – 2009 in terms of value.

Table 3-1 KwaZulu-Natal District Export Performance (1999 to 2009 – Year 2000 Rands)

	KwaZulu-Natal	eThekweni	Uthungulu	uMgungundlovu	Amajuba	iLembe	Uthukela	Umzinyathi	Ugu	Sisonke	Zululand	Umkhanyakude
Annual Growth Rate	4%	1%	7%	13%	7%	14%	14%	16%	0%	94%*	19%	-16%
2009 Exports	R 35.8 billion	R 18.5 billion	R 11.9 billion	R 3.9 billion	R 0.42 billion	R 0.37 billion	R 0.28 billion	R 0.24 billion	R 86.5 million	R 17.6 million	R 7.6 million	R 0.68 million
Top 5 Export Sectors for each District	Aluminium	Vehicles	Aluminium	Aluminium	Inorganic Chemicals	Soaps, Lubricants	Other Made Textile Articles	Cereals	Fish	Wood	Raw Hides & Leather	Vehicles
	Vehicles	Paper & Paper Products	Ores, Slag And Ash	Sugar	Iron & Steel	Textile Articles	Pharmaceutical Products	Mineral Fuels, Oils	Chemical Products	Vegetables	Tools, Implements	Works of Art
	Ores, Slag And Ash	Pulp Of Wood	Iron & Steel	Tanning	Organic Chemicals	Essential Oils, Cosmetics	Articles Of Apparel	Grain, Seed, Fruit	Woven or Tufted Fabric, Lace, Tapestry	Food Preparations	Fruit, Nuts	Bird Skin, Feathers, Artificial Flowers
	Paper & Paper Products	Machinery	Inorganic Chemicals	Iron & Steel	Machinery	Animal, Vegetable Fats & Oils	Machinery	Wood	Vehicles	Machinery	Works Of Art	Plaiting Material, Basketwork
	Iron & Steel	Sugar	Machinery	Electronics	Ores, Slag And Ash	Vehicles	Rubber	Textile Articles	Raw Hides & Leather	Textile Articles	Vehicles	Machinery

Source: Quantec

*[high growth rate off a low export base]

3.2.4 Export Best Practice

The following table represents the findings of the best practice report, set out by the best practice element, and the proposed response for the export strategy.

Table 3-2 Best Practice Summary

Best Practice Element	Response
Promote Spatial Development	Focus on export development in all districts
Develop Globally Competitive Exports	Ensure research and training are focussed and integrated, and geared towards identified priority markets
Smart Development	Focus on provincial strengths, working with well performing sectors, and integration with industrial policy and investment strategy
Highly Efficient Organisation	Ensure structures are in place that maximise export assistance effort (exporter portal)
Develop with Exporters	Ensure co-operation with KwaZulu-Natal Exporters, work together to develop exports (exporter forums)
Market Exports Globally	Maximise trade interactions (shows, missions); Foreign Economic Representatives
Support Past First Sale	Put feedback and monitoring measures in place
Build Capacity	Focussed Exporter Development (Local export plans, special forums for SMMEs, BBEEE exporters)
Build Export Culture	Brand KwaZulu-Natal, stakeholder interactions (portal and forums)

3.2.5 Issues Raised by Exporters

Some of the main issues raised by exporters revolved around the following issues:

- Access to and assistance with exporter finance
- Deployment of trade officers in key foreign markets
- Support in market penetration
- Concern over:
 - expensive ports and logistics

- a lack of value added exports from the province
- organisational issues in terms of export performance and promotion

3.2.6 Conclusions

The research report concluded that provincial exports should target:

- Services, such as education, call centres, documentation processing, medical tourism, tourism and professional and technical services, because these are not affected by constrained and expensive logistics and thus represent an immediate export opportunity for the province
- SADC and other African markets, since exports to Africa are typically secondary and tertiary in nature, implying higher beneficiation content or services content
- Expanding trade with the BRICS countries, and other South-South trade, and positioning the province as a gateway to African trade.
- Sectors which offer penetration into high-growth markets providing new opportunities based on increase in demand
- Established and well-performing export sectors and markets, e.g. sectors such as motor vehicles, sugar, wood products; and markets such as Japan, the United Kingdom, the Euro Area and the United States thereby promoting short-term stability for provincial export levels
- Beneficiated products in general to ensure enhanced value and an improvement in the balance of trade.

4 Export Strategy

4.1 Precursors to Success of strategy

There are a number of factors that will affect the capability of the province to reach the target of 8% growth by 2016. From the SWOT analysis performed in the research process, it is clear to see some of these factors are beyond the control of provincial government. This implies that if the province is to meet its growth target it will rely on the support of national government as well as favourable conditions in the post-recession global markets. Such factors include:

- Managing currency volatility and strength, which puts pressure on exporter's ability to compete in global markets
- Overcoming logistics constraints & high transport costs so that provincial exporters are not hindered in getting their goods to market and ability to provide competitive prices
- Supportive infrastructure development which will assist the development of competitive exports
- Reducing the impact of labour costs and increasing labour productivity, by engaging with unions and training on reducing input costs
- Achieving market access through the establishment and utilisation of trade agreements, and support for KwaZulu-Natal exports in both existing and new markets

In light of the above factors the table 4-1 on the following page summarises the separation of the responsibilities of national government and provincial government within the ambit of provincial export promotion.

In order to ensure the success of this strategy, it is vital that these boundaries are recognised by both provincial and national government and that national government supports the implementation of the programmes at provincial level and performs the required supportive role within these programmes.

This support will ensure that the provincial level programmes outlined in this strategy have maximum impact and enable provincial government to create an environment conducive to export led growth in KwaZulu-Natal.

Table 4-1 Separate responsibilities of National and Provincial Government

	Provincial	National
Organisational	<p>Exporter communication and training</p> <p>Engagement between public and private provincial stakeholders</p>	DTI and national trade Issues (Export Councils, Industry Associations, Unions, Government Departments)
Export Awareness	Information about exporting and success recognition	Brand promotion
Exporter Development	Exporter training – workshops, institutions, local export development	Administration, training focussed on national priorities
Identifying Target Markets	Market research, support of national initiatives, develop provincial export promotion initiatives	Embassies, foreign economic representatives
Market Penetration	Trade shows and trade missions, market priority setting, opportunity matching	Market access (trade agreements, foreign relations)
Export Readiness	<p>Training and support on foreign product standards, research and training into all aspects of factors affecting exports</p> <p>Helping successful first-time exporters consolidate their position in a market, expand sales, combat logistical bottlenecks and non-tariff barriers</p>	Support of provincial initiatives
Cross Cutting Issues	Research and development , lowering input costs, switching between markets, lobbying national government	Direct influence on policy and planning
Sector Development	Focus on key provincial export sectors	Focus on key national export sectors
Export Finance	Providing assistance for provincial export development, directing provincial exporters to national assistance, engaging with finance institutions	Providing assistance for exporters out of the national budget

The programmes within the strategy will position the province to best take advantage of the strengths of the province whilst attempting to mitigate the weaknesses as much as possible. The following five programmes make up the provincial export strategy:

Programme	Sub-Programme
Export Climate and Competiveness	Cross Cutting Issues
	Sector Development
	Integrated Research Plan
Market Penetration	Determining Priority Markets
	Market Access
Exporter Development	Information Strategy
	Exporter Interaction
	Exporter Training
Export Promotion	Export Systems
	Financial Instruments
Performance Measurement, Management & Review	Export Promotion and Strategy Planning Team

These programmes cover every aspect of export assistance. The strategy looks to both existing markets and potential markets and speaks to the strengths of the province in terms of export performance and potential.

4.2 Programme No. 1: Enhancing the Export Climate and Competiveness

The following sub-programmes enhance the export climate within KwaZulu-Natal, and improve the competitiveness of the province's exports, by addressing cross-cutting issues which affect provincial exports, identifying which export sectors are the most competitive, and by ensuring research into exports is efficient and coordinated.

4.2.1 Cross-cutting Issues

As discussed earlier in the document, research has revealed **that transport and logistics costs** within both the province and the country as a whole are extremely high in international terms. Whilst transport and logistics development, *per se*, fall outside of the scope of an export promotion strategy, the high costs involved impact negatively on provincial export capability and therefore the recommendation of this export strategy is that provincial government lobbies on behalf of exporters to achieve a national investment strategy to drive South African logistics and transport costs down. Future modern and technologically advanced infrastructure constructed in order to create more capacity will further reduce costs. At the same time, exporters should be encouraged to establish

themselves near to the ports and transport hubs in order to reduce the impact of transport costs, as Toyota has done in Prospecton, close to the Port of Durban. Essentially provision needs to be made for provincial structures to lobby national government in those areas that fall outside the direct scope of influence of provincial government, but impact heavily on local export capacity and capability.

In terms of assistance with export “red tape”, the strategy proposes a system of exporter interactions to take these issues from exporters to the Department of Economic Development and Tourism, and then to the DTI and other relevant authorities. These include the exporter forums, establishment of export clusters, and the formation of the Export Promotion and Strategy Planning Team.

DEDT must lobby on behalf of KwaZulu-Natal exporters to municipalities, private institutions and national government. This will involve identifying key areas out of the scope of direct control by provincial government, but that have a large impact of KwaZulu-Natal exports. Intervention must be motivated to the relevant authorities, be it national government, the local municipalities, or parastatals and private companies such as Transnet and the various airlines.

Table 4-2 Some Constraints Facing KZN Exporters

Expensive transport and logistics (and rising fuel costs)
Constrained logistics
“Red tape” (e.g. number of documents required to export)
Labour costs, and productivity
Volatile currency

In order to address the effects of the issues out of the direct scope of control of the province, there are a number of measures that need to be taken. These measures revolve around three aspects, namely:

1. Elevating the dialogue to a national level and the correct channels to do this through;
2. Ensuring that these effects are part of research into exports, such that data exists to support the dialogue; and
3. Ensuring that training and communication channels are efficient and targeted to equip exporters with the tools to combat these effects.

For example, if high logistics costs are the issue affecting exporters, the Export Promotion and Strategy Planning team³ (EPSP team) needs to set up dialogue between representatives from the national and provincial departments of transport as well as from the DEDT, TIKZN, and the DTI, to discuss the impact of these costs on KZN exporters, evidenced with specific information and data

³ Explained in section 8.5.1

which has been provided out of the research. This data could also be built into training for exporters on how to make their supply chains more efficient or assistance on relocating closer to a port, for example. It is envisioned that out of the system of interactions with stakeholders as well as research, these “big issues” will be identified, and what remains is for a system of dialogue to be set up between the provincial and national organisations. This could be an **annual planning meeting** which includes the EPSP team, and representatives from the DTI, TISA, KZN DEDT and TIKZN, and also representatives from other relevant stakeholder organisations to address the issues brought forward. In the above example it could be representatives from the Department of Transport, Transnet, the National Roads Authority, and other such organisations. Alternatively, there could be an annual planning meeting which excludes the outside organisations and is just between the EPSP Team, KZN DEDT, TIKZN, DTI and TISA. From this, the meetings with the other organisations should be set up, and form part of the provincial export promotion calendar of initiatives for each year.

Other examples could revolve around how to **reduce input costs** and find other ways to reduce the impact of the volatile rand exchange rate on provincial exports, or how to **influence labour costs** (for example by **improving labour productivity**) in order to make provincial exports more competitive. In both of the above-mentioned cases, there would be need for national dialogue with key organisations and government departments, detailed research to provide the impact on KZN exports as well as options for combating the impact, and for this research and dialogue to be communicated to KwaZulu-Natal exporters through the system of interactions proposed by this strategy, and by providing training on how to adapt to deal with these issues.

4.2.2 Sector Development

Sector development lies within the scope of the industrial strategy; however the role of the export strategy in this regard is to set up a process for successful identification of those sectors that exhibit sufficient comparative advantage to warrant a focussed export development research effort. The industrial strategy must be harnessed in tandem to ensure that the sectors so identified are developed in such a way that export potential is successfully realised.

In terms of the methodology undertaken to arrive at focus sectors for provincial exports, the export performance of that sector within each district is compared to that sector’s employment level and growth, and gross value added within the district. The level of growth of the export is taken into account, since a large export sector that is static might employ a lot of people and add value, but might not present the opportunity for further growth. Opportunity for beneficiation is also taken into account when determining these sectors. In light of this, business services and tourism both are offer opportunities for increased employment and value-add through exports, and are relatively unbound by infrastructure constraints and thus offer opportunities for export-led growth. Therefore over and above the other sectors highlighted below, these two sectors should be developed for exports within all districts of KwaZulu-Natal.⁴

⁴ The research has been compiled using Quantec data.

Thus for **eThekweni Municipality**, manufacturing is a key sector in terms of employment and gross value added, especially food and beverages, textiles, wood and paper products, machinery and transport equipment. However tourism is also a key sector in terms of value added and employment, as well as financial and business services. Key agricultural goods such as sugar and sugar products and forestry and products thereof provide opportunity for beneficiation and are already established major exports. Communication is also a significant part of the district's tertiary sector which can be exported, since the city of Durban has advanced communication infrastructure, and therefore services exports such as call centres and document processing could be developed. Key exports for **Uthungulu District** in terms of the above criteria are chemicals and machinery within the manufacturing sector. They both are big employers and offer opportunity for beneficiation. High export growth has been seen in mineral fuels and oils, and rubber products.

Sectors which should be focussed on within **uMgungundlovu District** are agriculture, especially sugar and sugar products, and forestry and wood products, and within manufacturing foodstuffs and edible oils, and electronic equipment, all of which offer opportunity for employment and beneficiation and are fast growing export sectors. Within **Amajuba District** the machinery and chemical subsectors are fast growing manufacturing exports that offer high employment and value addition. The plastics subsector has experienced growth in exports and could also present an opportunity for growth.

Key sectors for export growth within **iLembe District** are the textiles, edible oils and allied products of chemicals subsectors within manufacturing. Foodstuffs, wood and paper, and machinery and equipment are manufacturing sectors which are large employers and account for large value addition, thus potential exists for these sectors to be developed further for exports. Sectors which should be focussed on within **uThukela District** are the textiles and chemicals. In addition sectors which offer potential for export growth are machinery, rubber and foodstuffs within manufacturing, and agriculture, which is an important sector within the area in terms of employment and value addition.

Within **uMzinyathi District** the export focus sectors are vegetable products, mineral products, wood products, and textiles within the manufacturing sector, and agriculture, especially forestry. These are high growth export sectors which offer opportunity for job growth and beneficiation. Exports which should be focussed on within **Ugu District** in terms of performance and growth are textiles, vehicles, food and wood products within the manufacturing sector. **Sisonke District** is a similar picture, where focus sectors are textiles, machinery, food and wood products within the manufacturing sector, and agriculture, especially forestry. Within **Zululand District** the sectors that offer potential export growth are food products, and machinery. Within **uMkhanyakude District** the sectors that offer potential export growth are vehicles and machinery.

For each sector the conditions around trade must be investigated; for example, which market the goods are exported to; whether it was a sustainable or once-off export; and whether export from the sector is in line with industrial strategy. It is envisioned that this kind of analysis will happen with local export development plans which are introduced later in the document and through working within the integrated research plan; a district by district export plan with focus sectors for each district could be established.

The following table provides a summary of the above analysis:

Table 4-3 Priority Sectors

eThekweni Municipality	Uthungulu District	uMgun-gundlovu District	Amajuba District	iLembe District	Uthukela District	Umzinyathi District	Ugu District	Sisonke District	Zululand District	Umkhanyakude District
Manufacturing	Chemicals	Sugar & Sugar Products	Machinery	Textiles	Textiles	Vegetable Products	Textiles	Textiles	Foodstuffs	Vehicles
Tourism	Machinery	Forestry & Wood Products	Chemicals	Edible Oils	Chemicals	Mineral Products	Vehicles	Machinery	Machinery	Machinery
Financial & Business Services	Mineral Fuels & Oils	Foodstuffs & Edible Oils	Plastics	Allied Products of Chemicals	Machinery	Wood Products	Foodstuffs	Food Preparations	Tourism	Tourism
Communication	Rubber Products	Electronic Equipment	Tourism	Foodstuffs	Rubber Products	Textiles	Wood Products	Wood Products		
Sugar & Sugar Products				Wood & Paper Products	Foodstuffs	Forestry				
Paper & Wood Products				Machinery & Equipment						

Source: Quantec, GMA research

Part of the research into the successful district export sectors mentioned above should include a study into the beneficiation products and services within that sector. TIKZN should work with the local export officer and industry representatives within the sector to establish if there are ways in which the products being exported could be beneficiated within in the province and if so initiate research into the feasibility of such a venture. The topic of beneficiation for export could be expanded to review what South African exports could be beneficiated within the province and how this might be implemented. If each priority sector within the districts has to produce results stating the breakdown between domestic sales and exports and the nature of their goods, this could be fed into the research, enhancing the opportunities for beneficiation within exports.

4.2.3 Integrated Research Plan

An integrated research plan will ensure export data is current and update to inform all parts of the strategy, especially in developing local export development plans and in determining priority markets for exports. Currently research into export opportunities, international trade trends and related activities is conducted by many organisations. For example, the DTI, with Trade and Investment South Africa (TISA) conducts research into export opportunities and South African embassies based around the world conduct trade and export research and identify global opportunities for the export of South African products and services. TISA provides extensive information on trade leads in a section of their website. TIKZN conduct their own research into foreign export markets for local products and services and present the results to invited stakeholders at presentations around the province.

It is important that TIKZN takes responsibility for integrating all this disparate research with the parallel export information programme, mentioned in section 4.4.1. This will be achieved in a number of ways. Research must be presented on-line for access by stakeholders and the database must afford researchers with access to stakeholders for input information, as exporters and customers have the potential to contribute valuable data to the research effort. The easier it is for information and data to flow, the more effective the research effort will become. For example, if KwaZulu-Natal exporters currently supply to a given export market and can provide market information about that market to the research team, this would help to fulfil a research need regarding that specific market, alerting both exporters and the export promotion structures to trade opportunities.

The research plan needs to be two-tiered, focussing on both local research and international research. Local provincial export research would include local industry reviews, research into export values and volumes by district and area-based research into local products and services with unrealised export potential. This involves collecting already existing data and augmenting it wherever needed. This will continue to inform stakeholders of trends in export performance. Areas and sectors that are experiencing success will be highlighted and this will assist in the broad stakeholder group understanding the underlying drivers of export success and also reasons for failure. Even failures should be treated as opportunities to learn and to avoid repeating past mistakes. This will allow the KwaZulu-Natal export strategy to be continually improved and adapted.

Local export officers should be appointed who are responsible for export research in their respective districts and who will act as the point of reference for both local exporters and for communication with centralised organisations such as TIKZN. Essentially the goal should be to standardise research across districts, which will assist government to answer the questions as to what KwaZulu-Natal should be exporting - where and how and when exports should happen. There would need to be a two-way relationship whereby local export officers convey to the centralised researcher co-ordinators what exports markets / products and services / treaties need to be researched, whilst the centralised researcher co-ordinators continuously feed new research information and data to the local officers.

There should also be a focus on collecting and organising research into international markets, such as research conducted by DTI and TIKZN, and information from the various foreign economic representatives stationed in markets around the globe. This includes information on trade agreements, product standards (such as phyto-sanitary standards), trade leads and other market data.

The following actions are required:

- Establish a research plan that includes both outward research (involving research into areas such as new countries, new markets and globally demanded product specifications) and inward research (involving research into areas such as local competitive advantage, export performance by district and market, the evolving export climate, how to build on existing export successes and new export opportunities)
- Ensure adequate capacity is created to collect and coordinate relevant data regionally and provincially by various sources and to conduct subsequent research
- Ensure that the capacity exists for this research to be organised and arranged such that it is accessible to the relevant stakeholders (either for free or for a fee)
- Ensure there is the capacity within local district municipalities to collect export data and conduct export research, this could be through existing resources or additional resources (such as a local export officer)
- Establish and expand relationships with organisations such as SARS and StatsSA to streamline data collection and enhance the credibility and usefulness of export statistics
- Identify export sector development through this research, and work in conjunction with sector development to ensure these sectors are developed for exports.

Table 4-4 Integrated Research Plan

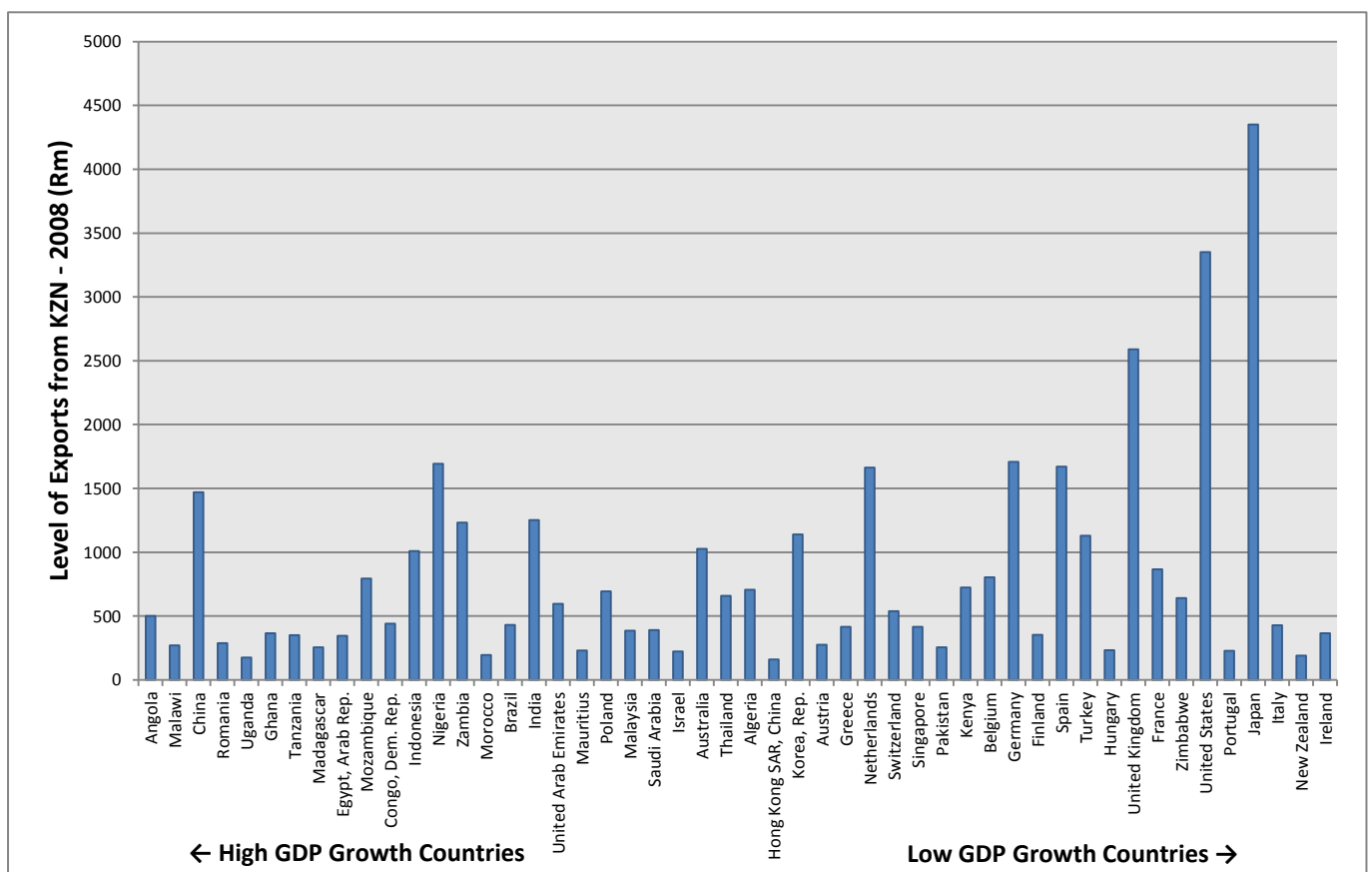
- 1. Collect available data (co-ordinate with SARS, StatsSA, DTI & TISA, Export Councils and Industry Associations)**
- 2. Conduct Local level research into district export performance**
- 3. Conduct research into provincial and national export performance**
- 4. Conduct research into foreign markets, including access, trade routes, customers, standards**
- 5. Collect and organise research into central database**
- 6. Co-ordinate with exporter training programmes to ensure relay of data, methods, classification processes**
- 7. Integrate with exporter internet portal as a source of research as well as a place to present research**

4.3 Programme No. 2: Improving Market Penetration

4.3.1 Determining priority markets through economic intelligence

The graph that follows shows the fifty highest value export destinations for KwaZulu-Natal ranked in order of GDP growth rates in the export destination economy. KwaZulu-Natal exporters must be encouraged to focus on exporting to economies such as Angola, China, Ghana, Nigeria, India and Brazil, which offer both high growth, as well as better opportunities to export secondary and tertiary industry goods and services than is the case with more mature economies. This is not to suggest, however, that this should be done at the expense of the traditional trade partners such as Europe, Japan and the United States, which are vital for provincial exports.

Figure 4-1 GDP growth against level of KZN exports



Source: Quantec, World Bank

Through the integrated research plan set out earlier in the document, priority markets for KwaZulu-Natal exports must be determined. This will involve working with DTI, foreign export officers, LED Officers, export councils and industry associations to ensure the markets selected are the most beneficial for KwaZulu-Natal exports. This will be a continual process, since market conditions change and if new exports are developed they will require new markets to export to. Therefore it is vital that the flow of information is efficient between national bodies such as the DTI, foreign embassies and foreign economic representatives, the Export Promotion and Strategy Planning Team

mentioned later in the document, provincial government, industry associations and export councils, and local export development officers and programmes.

As has been mentioned earlier, the province needs to target South-South trade whilst ensuring that traditional export goods and markets are not undermined. The push for greater regional integration as well as the induction of South Africa into BRICS means that the province can position itself as the **'gateway to African trade'**. Thus high growth markets such as Angola, Malawi, Uganda, Ghana and Tanzania should not only be seen in light of the opportunity this high growth represents for exports within the province, but also what strong links with these economies would mean for trade with the BRIC economies, and other fast growing developing countries. The development of sectors for exports is thus important; as it is vital KZN develops products that are desirable in SADC and other African markets. In a broader scale, focussing on developing sectors for export must take into account the **product specifications** that are required by the target market.

The strategy must assist in selecting target markets by publishing country profiles with information regarding trade services available in the country, trade statistics, and **entry requirements** and by providing information on **export-related regulations**. This service should be intensified in the case of SMME exporters where the promotion agency should provide more intensive support through the conduct of more in depth market studies including information about market access, product potential and export product or service promotion. This could be a paid for service or form some part of a funded export assistance programme for SMMEs.

4.3.2 Market Access

Using existing preferential trade agreements, sister city agreements, and other such relationships, as well as the integrated research plan mentioned in section 2, market access issues can be eased. Through the research into priority markets and through stakeholder interaction, issues such as export 'red tape' and barriers to trade can be addressed. Better integration and communication with the foreign economic representatives posted in countries around the world will greatly assist in this. Through the process of export development, on-going research should provide new opportunities and agreements should be pursued to access these markets if they don't already exist.

Market access is however not purely a provincial function, and therefore ultimately providing market access for KwaZulu-Natal exporters will involve the **Export Promotion and Strategy Planning team** to take market access matters to the DTI, for them to assist with the necessary trade agreements, logistical arrangements, etc. Market access issues involve many different **technical barriers to trade** such as rules on product standards and specifications and testing and certification regulations. In addition topics such as custom valuation, transport and logistics and prohibitive tariffs can affect the success of provincial exports. However in most cases, these issues can only be dealt with by effective training for the market concerned, and in most cases it the exporter will have to be trained to adapt to the conditions, since it is unlikely market regulations will be able to be effected.

The province's role within market access issues is therefore to:

- engage with exporters to find out the challenges they face with market access
- research market access issues and engage with foreign economic representatives, and build the findings into the training for exporters
- engage with the DTI concerning conditions of trade agreements, and support and utilise the assistance provided by the DTI for access to foreign markets

Another key opportunity area in the promotion of KwaZulu-Natal exports is engaging with foreign economic representatives (FERs) to ensure they are able to represent the KZN goods and have a good understanding of trade within the province.

Therefore TIKZN needs to expand its existing practice of orientating the FERs with KZN exports, and this should be a formal programme that also ensures TIKZN and the EPSP team establish relationships with the FERs that are conducive to setting up a two-way flow of information. The FERs must be informed of any developments in KZN exports, whilst the processing of trade leads and new opportunities needs to be formalised to ensure KZN exporters have access to this information. This information should then be fully integrated with the exporter internet portal introduced in programme 3.

Market Access Issues

Tariffs

Transport and logistics

Testing and certification regulations

Customs regulations

Product standards and specifications

4.4 Programme No. 3: Exporter Development

4.4.1 Information Strategy

Effective communication should be at the centre of all export assistance and promotion, forming the key link between the stakeholders involved. It is vital for exporters to be able to reach customers and potential customers in such a way that their products are represented well, for customers to be able to find an individual exporter's products easily so that opportunities are not missed. In addition government and government agencies need to be able to engage with exporters so that exporters needing assistance are readily accessed and that exporters have an efficient and effective means of engaging with government to seek assistance and support.

The responsibility for meaningful and effective communication rests equally on the shoulders of all stakeholder groups. It makes sense for the administration of communication to be controlled by government, namely TIKZN and DEDT. Presently there are many different streams of communication open between exporters, customers and government organisations. Results of research might be published on websites, in newspapers and magazines or presented at workshops not accessed by the relevant stakeholders. Opportunity matching and customer / exporter databases are managed mostly by individual industries and the list of export councils on the DTI website is not up to date. In addition **trade leads** sent from embassies to the DTI are not always easily accessible to exporters. In order for communication to be optimised the flow needs to be streamlined such that vital information, be it contact details, the date of a workshop, or access to a research paper, can be readily accessed.

The proposed solution for communication within KwaZulu-Natal exports is that a website be set up and managed by TIKZN, which stores all the above information. This website could essentially be an "Exporter Portal" where stakeholders can access features such as research conducted by TIKZN, **contact details for exporters, event information** and register to be a part of the database with features such as a mailing list. Given the extent to which modern business is on-line and global, there is no other medium which would conduct this function better than a well-functioning website. This can be readily designed and developed and could be maintained fairly easily. Call centres (accessed through a cost effective voice over internet profile (VOIP) software platform, electronic mailing lists and industry and export council internet links would enhance the effectiveness of such an initiative.

In addition if the resourcing of the KwaZulu-Natal export promotion programme can be grown to the extent that the foreign economic representatives can be fully integrated, access to this website would streamline and enhance their efforts.

Exporter Internet Portal

The table below sets out the recommended features that such a portal could contain.

Table 4-5 Exporter Internet Portal

Section	Recommended Features		
Contact Management	Exporter database, with mailing list and contact details	Customer database	Links to relevant organisations
Export Calendar	Event information	Call centre and e-mail function providing on-line assistance for exporters	Training, Forums, Trade Shows and Missions, etc.
Exporter Readiness	Export research publications (to, inter alia, identify target markets for KwaZulu-Natal exports)	Training section, with links to DTI website	Downloadable documents required for exporting
Export Documentation	Trade policy	Downloadable documents required for exporting	
Exporter Finance & Insurance	Finance Assistance Programs Available, how are exports financed	Exporter Finance Forum, links to EMIA, Export Development Fund, Commercial Banks	
Export Promotion	Trade shows and missions training, information, scope for feedback and request	Information and training in foreign export markets, how to market yourself as KwaZulu-Natal Exporter, EMIA, TIKZN, SMME Co-financing	Links to Calendar
Member Section	Conduct Transactions	Provide information, feedback	

A capacity building programme which provides training for exporters, and export assistance staff must be implemented, and address challenges such as lack of data, co-operation between government, exporters, customers and other buyers, out dated technology, and co-ordination of the portal in terms of issues such as maintenance, upgrading, marketing, and collection of data. It is vital that this is used by all exporters if it is to work, thus the EPSP team must work to achieve buy-in from exporters, possibly through a membership programme which provide access to the key data and contacts, or something similar.

The proposed information strategy comprises the following actions:

- Establish a division within TIKZN which is assigned the responsibility of managing the communication platform for KwaZulu-Natal exports
- Provide a service for gathering data and other information from exporters, export councils, embassies, TIKZN and DTI and other relevant organisations
- Develop a website with the following functions:
 - Exporter database, with mailing list and contact details
 - Customer database
 - Event information
 - Export research
 - Training section, with links to DTI website and
 - Downloadable documents required for exporting
 - Call centre and e-mail function providing on-line assistance for exporters
- Manage the website, focussing on keeping all content current
- On-going promotion of the service to maintain buy-in from exporters and customers

4.4.2 Exporter Interaction

It is important that the KwaZulu-Natal export strategy is area specific and speaks to the strengths of each of the districts of the province as identified by the on-going research as outlined above. Thus the export strengths of eThekweni Municipality are not the same as those of Ugu District and therefore both should have export goals and development plans appropriate to the local reality. Local DEDT / TIKZN export officers and local exporters within the region must workshop to arrive at a plan for their region, in conjunction with leadership from TIKZN and DEDT at the centre. The results of such a process, as well as trade data and the socio-economic profile of each district, will inform the export plan for a specific district.

Exporter development must focus on emerging exporters such as first time exporters, Small exporters, and BBEEE exporter development. Spatial Export Development programmes, must be established which focus on exporters on a district level, and through co-ordination which the integrated research plan, ensure the development of the exporters that are in the key sectors identified.

Table 4-6 System of Exporter Interaction

Provincial Export Forum	For high level issues aggregated from other interactions affecting exporters across the province
District Export Forums	For local and spatial export development
Special Export Forums	SMMEs, B-BBEE, sector specific forums
Provincial Export Clusters	Link between export councils and provincial government

Through this system of interactions, it can be ensured that all exporters and potential exporters within the province can be accessed. The goal of these interactions is to develop local export development through local district export strategies, which include a **local export development plan** informed by the integrated research plan and containing an exporter training programme as set out in the next section. The feedback from these interactions will assist the Export Promotion and Strategy Planning Team enhance its efforts, and provide comment on the various programmes proposed by the strategy, such as how the exporter finance assistance is performing, or what research is required by exporters. In practice setting up this number of forums will be a **logistical challenge**; however it is vital that this interaction takes place. Therefore ways to **streamline** these interactions must be developed. Possible ways of doing this would be to hold an **overall district workshop** which covers exports, investment, tourism and other areas of district economic development. Possibly instead of having a workshop for each district, they could be joined so that there are four workshops which address three districts. BBBEE and SMME issues might not need their own workshops, but these could be an extra part of each of the four workshops. This is merely an example and this needs to be worked out in practice, but in this example it would result in four district workshops and one provincial workshop per period. As the strategy develops, these could be expanded if need be.

Vital within the ‘**special export forums**’ is to set up the SMME export development forum, which includes organisations such as Tradepoint, to discuss the needs and development of SMMEs. The result of this interaction must be fed into the district export forums and thus the district export plans to ensure spatial export development. The establishment of provincial export clusters is another key strategic element of export interaction. The purpose of a provincial export cluster is to form an industry or sector specific provincial body which interacts both with national export councils, and provincial export development efforts such as the export planning and strategy promotion team and the exporter portal. It can be a source of data and research, used for enhance communication, and generally represents the industry within the province in terms of exports.

The results of these interactions will also spill over into national export and trade strategies, where provincial interests and need to be lobbied for and provincial strengths and opportunities emphasised when such strategies are being formulated. Therefore individual export industry goals for each of the different regions of the province, based on their strengths and weaknesses, must be developed. This would require input from local DEDT officers and exporters within the region, as well as looking into the trade data and profile of the region. Focussed development programmes

including the outcomes of this interaction must be included in district export plans which are detailed in section 5.

4.4.3 Exporter Training

Training for export should aim at providing exporters with the skills and information specific to the countries and markets they are exporting to or plan to export to. Training for export takes place at workshops currently, usually arranged as one-off events. In order to develop exporting all over the province, local export officers within the districts should be tasked with identifying what training is appropriate and needed for the exports that occur within their districts and set up and organise the training to take place.

The provincial government, through TIKZN, undertakes to skill exporters within the province. This includes setting up workshops and programmes to facilitate training and liaising with researchers to find out what skills are relevant and required for exporting into existing and potential markets for KwaZulu-Natal exports. It is the responsibility of exporters to approach government with requests for specific training where the need exists.

Export training currently takes place primarily in workshops and through conference agendas. What is key is that such opportunities are well publicised and that all exporters who could benefit from the skills training on offer have access to the workshop. There will be scope for integration with the proposed export portal. For example the exporter database could be used to select exporters that best fit the profile for specific training.

Training should also be made **available on-line** to extend the spread of benefits to the maximum number of learners. Integration with a website and exporter database could be highly effective in ensuring that as many exporters as possible have access to training, learning and new skills.

On-line resources should include:

- basic training courses;
- standards required by particular industries and markets;
- opportunities for exporting in prioritised industrial sectors and markets and exporter requirements in these industrial sectors and markets; and
- what aid is available to exporters and help on getting through the 'red tape' to acquire this help

In addition to training actual exporters and their staff for exporter readiness, there is a need to train local DEDT officers, district export officers and export officers to be assigned to foreign countries.

Table 4-7 Suggested Content for Exporter Training Programmes

Strategic Support	Through local export plan, provincial export strategy, special forums
Export Training and Education	TIKZN, LED Offices, workshops, programmes, exporter portal
	Training programme organised and published on portal, marketed
Technical Assistance	Export councils, certification boards, research institutes
	Product standards, quality, improvement and innovation
	Export process
	Market access (tariffs, customs, technical barriers to trade)
	Training on foreign languages needed in the relevant export market
Advice and Mentoring	Company visits by LED/ Local Export Promotion Officer
International Market Development	Trade fairs and missions
	Market Research
	Export Councils
	Foreign Export Officers
Export Finance	Export Finance Forum
	KZN Export Development Fund
Performance Evaluation	Set targets in terms of Small Exporters, BBEEE Exporters, etc.

In terms of exporter development, the following actions are suggested:

- Establish the system of exporter interaction
- Assemble resources needed for skilling for exports and gather required information
- Develop a training programme and training calendar which meets the needs of exporters
- Develop a programme for training TIKZN and DEDT officials which provides relevant skills for promotion, research and training.
- Integrate training resources and schedule with integrated research plan and information strategies

4.5 Programme No. 4: Export Promotion

4.5.1 Export Systems

Export promotion Initiatives

Trade shows and trade missions make up an important part of provincial export promotion. Both outgoing and incoming trade missions that are organised for key exporting industries serve to assist in exporters identifying sales opportunities and if integrated with an exporter and customer database it would help to ensure that the right clients are meeting each other. There is also scope for exporters whose products have high export potential to be sent to international trade shows. Capacity for this already exists within the DTI (including TISA), as well as TIKZN which offers the Marketing and Development Programmes whereby potential export products are presented to new overseas markets. Therefore the goal should be to strengthen and support these programmes and raise awareness of them amongst local exporters. Thus integrated research plan, the exporter internet portal, and exporter development programmes must all be considered in the planning of such promotion efforts.

Support in closing export deals and assistance with following up the on first sale where it is required would greatly strengthen KwaZulu-Natal export performance and the sustainability thereof. This includes support to meet standards set by foreign customers, including labelling and product standards. In addition TIKZN could review all aspects of the export deal for optimality, such as logistical arrangements and shipping rates and educate exporters on setting up long term-relationships. Helping successful first-time exporters consolidate their position in a market will ensure that each opportunity will have the best chance of developing into a sustainable market. Help of this nature will include assistance in expanding sales, resolving logistical bottlenecks and removing any non-tariff barriers that exist. Since assistance in closing export deals is quite resource intensive, this should be a reactive service and is a service that should, in principle, be charged for.

The practical approach to providing a comprehensive export promotion platform is necessarily a multifaceted one. A promotion plan must be established where export development goals are translated into an implementable plan. Setting up and running trade shows and trade missions requires personnel with the adequate public relations and networking skills. There would need to be integration with both research and training functions. Opportunity matching and the organisation of trade shows and missions, including choosing the right products or service to promote the right markets, would require extensive research and foreign economic representatives, who are deployed in foreign markets to promote South African exports, would need to be adequately acquainted with KZN exports. Establishing the 'KwaZulu-Natal Brand' in exports should be fully integrated with the design of the website.

TIKZN must incorporate the development of **target matching capability** and exporter support post the first export sale into its already successful marketing and development programmes. TIKZN will then be in a position to provide a very extensive level of export support and promotion services to KwaZulu-Natal exporters. Due to the proposed extensive level of support, some of these services should be charged for, necessitating that the exporter or potential exporter be proactive in acquiring

the services they source from TIKZN. In terms of export promotion and support the primary responsibility lies with the exporter or potential exporter to engage with TIKZN in areas where they need assistance and for TIKZN to be able to respond adequately when they are engaged.

In terms of promoting the **KwaZulu-Natal brand**, TIKZN must work to create an identity that distinguishes the province from other South African exports. This could be directed both at exporters and customers. There could be a programme to appeal to South African exporters to take advantage of the benefits of exporting from KwaZulu-Natal, such as being close to the sea ports or the Dube Trade Port and base their operations in the province. This programme will also focus on establishing a brand that highlights some of KwaZulu-Natal’s unique export products such as Ntingwe Tea, Zulu Blonde Beer and Wines of Origin KwaZulu-Natal.

Table 4-8 Export Promotion

Trade Shows and Missions	Strengthen and support existing programmes through coordination with integrated research plan, training for standards of foreign markets
	Utilise exporter internet portal to plan, market and support
	Coordinate with local exporter development programmes
Support in closing export deals/following up the on first sale	Review all aspects of the export deal for optimality
	Assistance in expanding sales, resolving logistical bottlenecks and removing any non-tariff barriers that exist
Foreign Economic Representatives	Ensuring continuous flow of quality market intelligence
	Processing more high potential trade leads
	Managing provincial export pavilions to best practice standard

In terms of export promotion, the following actions are required:

- Establish a plan that incorporates all the aspects of “exporter promotion initiatives” as set out in the research function sub-strategy and addresses opportunity matching, the organisation of trade shows and missions, the effective orientation of foreign economic representatives and integrates with exporters such that support is available post the first sale, should the exporter require it
- Establish the connection between research, training and the building of the “KwaZulu-Natal exports” brand, such that these functions support one another
- Acquire the correct personnel that have the relevant skills in promotion and networking.

- Work with the DTI (including TISA) to establish a way in which promoting KwaZulu-Natal exports will be effective whilst aligning with the national export strategy
- Work with the DTI, (including TISA) and South African embassies [Department of Foreign Affairs] to support foreign economic representatives to fulfil their roles effectively.

4.5.2 Export Finance

KZN Export Finance Facilitation

It has been identified that KwaZulu-Natal exporters require assistance when it comes to financing export deals. These deals are usually of long term nature and although the exporter might have assurance that the customer will pay on receipt of goods, the vagaries of cross-border payments and the foreign exchange markets mean that support is needed to assist exporters with cash flow and with technical aspects of closing and funding export deals. There is currently no “export-bank” or programme within the commercial banks that is specifically geared towards exports. Thus a key platform of the proposed export strategy is to develop a programme, working with the commercial banks, to give exporters specific assistance in financing export deals.

In addition a programme should be provided to provide funding **product and service innovation** in order to ensure KwaZulu-Natal exports meet the **highest international quality standards** thus helping to build the KwaZulu-Natal export brand.

TIKZN and DEDT need to set up a relationship with the commercial banks to formalise a programme of export financing. This will involve engaging with the banks and setting up a forum to determine exactly what the requirements of the exporters are and assessing from that the form assistance with financing should take.

Assistance in financing export deals is most likely to occur in some form of public or private relationship between DEDT, TIKZN and the banks. For example, exporters might apply to TIKZN for assistance in financing an export deal and TIKZN could take this request to the banks. Another system might involve TIKZN sanctioning a deal through its knowledge of the exporter, market and customer and the exporter could take this to the bank as an added assurance.

Thus the role of provincial government within finance for exports is to:

1. Understand client finance requirements
2. Engage finance institutions on topics involving these requirements
3. Support product development in line with the integrated research plan
4. Market the facility

KZN Export Assistance Coordination

There are various institutions including Tradepoint, iThala, the Growth fund and the Industrial Development Corporation, which provide assistance to provincial exporters for the development of exports. Within the integrated research plan there should be research which would expose those exporters that have the greatest need of assistance, in terms of their products placement in the sector and market priority setting. This research should therefore be used to enhance and streamline the support given by these institutions to provincial exporters.

Thus in terms of export finance the following actions are required:

- **Establish a forum** where DEDT and TIKZN, the commercial banks and exporters can meet to discuss the assistance required. This could be a yearly forum wherein the efficiency of the programme can be assessed.
- From this forum establish an **export finance assistance programme** that provides all levels of exporters with fair access to finance, understanding that export deals present a unique situation within trade finance

4.6 Programme No. 5: Export Strategy Performance Measurement, Management & Review

4.6.1 Export Promotion and Strategy Planning Team

A special export planning team needs to be developed through the DEDT and TIKZN. The task of the export planning team would be to **report to the MEC, oversee and organise initiatives** within the strategy, **prepare monitoring and evaluation reports** on the export promotion and assistance effort, **elevate the “big issues”** to correct level, and **review policy alignment** in light of any new policy that might affect provincial exports. The organisation of this team is central to many of the initiatives within this strategy working, and so it is vital that it is given the scope to influence both district and provincial export related initiatives, as well as be able to coordinate dialogue between itself and national export councils, government departments, industry associations, finance institutions and most importantly the DTI. It will therefore have to have members from both the DEDT and TIKZN. Possible **duties of the DEDT members** of the team could be to coordinate the local LED Officers in terms of their responsibilities, organise the dialogue within provincial government and the national bodies, and possibly oversee the organisation and deployment of the trade officers or whatever role is agreed with the DTI to fulfil the tasks of the trade officers. Possible **duties of the TIKZN members** of the team could be to develop the exporter portal, to coordinate the integrated research plan and the collection and organisation of export data, and to coordinate training, and the workshops proposed in the system of stakeholder interaction. This description cannot include a full definition of the responsibilities of the team, as this will need to be developed between the DEDT and TIKZN, but ultimately the DEDT should fulfil the role of empowerment of the team and how it fits into the provincial system, whilst TIKZN should be responsible for the more “hands-on” responsibilities of the team.

In terms of reporting the performance of the export strategy, the team should report to the MEC on the development and success of the initiatives within the strategy. This could be in the form of an annual monitoring and evaluation report as suggested in section 5. There must also be an involvement of exporters and other stakeholders in this review process. This could ideally happen through the different exporter forums where specific results could be presented (i.e. results of SMME exporter development at the SMME forum) and capacity for an on-line review and feedback on the exporter internet portal, which could be fed into the monitoring and evaluation reports.

Table 4-9 Responsibilities of the EPSP Team

1. Report to the MEC
2. Oversee, organise and coordinate initiatives
3. Prepare monitoring and evaluation reports
4. Elevate the “big issues” to correct level, including national level
5. Review policy alignment
6. DEDT members - fulfil the role of empowerment of the team and how it fits into the provincial system
7. TIKZN members - more “hands-on” responsibilities of the team

5 Implementation Plan

5.1 Introduction

In order to achieve the goals of the export strategy as set out in section 1, seven key strategic outcomes have been identified. The five programmes of the export strategy will be implemented through the following eight action plans:

1. Establish an export promotion and strategy planning team
2. Institute a programme of stakeholder interaction
3. Construct an exporter internet portal
4. Ensure skills and resource provision
5. Fund and organise an export research plan
6. Ensure access to export financing
7. Roll out local export plans to all KwaZulu-Natal districts
8. Assisting exporters in market access

Sector development will be enabled through the targeted research of action plan five, and through plans five and seven both the sectors within the district and the exporters within the sector will be developed. Assisting exporters in the **cross-cutting issues** which hinder provincial exports will be carried out by the EPSP team, and through targeted research. Action plan five is the implementation of the **integrated research plan**. **Improving market penetration** will be carried out by both skilling for exports, as well as research, and through the market access plan detailed below. Action plan three details the development of the **exporter portal** which will enable the information strategy, and **exporter interaction and training** will be realised through the second action plan in conjunction with training (plan four) and seven (local export plans). **Export promotion** will be assisted by research and training (plans four and five) as well as the plan for market access (plan eight). Action plan six details the implementation of **exporter finance assistance** and action plan one sets out the process for establishing the **EPSP team**, which will be responsible for export performance measurement, management and review.

Table 5-1 Link between Programmes, Outcomes and Action Plans

Programme	Sub-Programme	Action Plan
Enhancing the Export Climate and competitiveness	Sector Development	Action Plans 4, 5, 7
	Cross-cutting issues	Action Plans 1, 5
	Integrated Research Plan	Action Plan 5
Improving Market Penetration	Determining Priority Markets	Action Plans 4, 5, 8
	Market Access	Action Plans 4, 5, 8
Exporter Development	Information Strategy	Action Plan 3
	Exporter Interaction	Action Plans 2, 4, 7
	Exporter Training	Action Plans 2, 4, 7
Export Promotion	Export Systems	Action Plans 4, 5
	Export Finance	Action Plan 6
Export Strategy Performance Measurement, Management, & Review	Export Promotion and Strategy Planning Team	Action Plan 1

5.1.1 Strategic Action Plan 1: Establish an export promotion and strategy planning team

The setting up of an export promotion and strategy planning (EPSP) team is vital to the successful pursuit of this export strategy, as it will be this body that plans, monitors and reports on the implementation of the export strategy. The EPSP team will need to be set up in such a way that it is empowered to carry out the plans it sets in place and is representative of all key exporters within the province.

The EPSP team will need to involve TIKZN, DEDT and district municipal officials, as well as key private stakeholders identified by the team. The EPSP team will be tasked with planning the export promotion programme for the year, assigning responsibility for specific tasks such as setting up the exporter portal and overseeing export promotion activities, training and skilling for exports and research. It will also assist in setting up special interactions, such as industry specific provincial export clusters that act as the go between connecting exporters, the provincial government and national export councils.

The actions, responsibilities and timeframes for key outcome no. 1 (establish an export promotion and strategy planning team) are summarised in the table on the following page.

Table 5-2 Strategic Action Plan 1: Actions, Responsibilities and Timeframes

No.	Specific Actions	Description	Responsible Parties	Timeframe
1	Set up the team	Decide on team members and make logistical decisions including frequency of meetings, location of meetings, structure and hierarchy	TIKZN, DEDT	Short-term
2	Develop framework for meetings	Develop a main framework that sets out the key issues exposed by the export strategy	TIKZN, DEDT	Short-term
3	Meet with MEC	TIKZN, DEDT and the MEC for economic development must meet to ensure the above team and framework, is suitable	TIKZN	Short-term
4	Organise bi-annual meeting	Ensure the person/s responsible for arranging the meeting have all the correct details. Organise and invite team members to the meeting	TIKZN, DEDT, specific team members	Bi-annually
5	Annual strategy	Draw up a document that contains all the deliberations of the meeting and create an action strategy which details the way in which all of the outcomes set out by the plan will be achieved	TIKZN, DEDT, specific team members	Annually
6	Compile reports	It is vital that the team members are present at the items laid out in the plan, or receive feedback on them. For example, team members should be present at stakeholder interactions, training sessions, promotion initiatives and receive feedback on research and training and compile reports on these items. These reports should be fed into a main yearly report, which is presented at the following years meeting and gives feedback and presents results of the various initiatives.	TIKZN, DEDT, specific team members	Bi-annually
7	Meet with DTI and TISA	This meeting should include all issues which effect KwaZulu-Natal exports and exporters, but lie outside of the scope of provincial government. Here the interests of KwaZulu-Natal exports and exporters should be presented and reports of these meeting should be presented to stakeholders at the stakeholder interaction detailed below.	TIKZN, DEDT, specific team members	Bi-annually

The framework agenda for the EPSP team should include, *inter alia*, the following items:

- Special initiatives (such as the development of the exporter portal)
- Establish the annual calendar, including:
 - Stakeholder interactions
 - Export promotion activities such as trade missions and shows
 - Special training times and research workshops and presentations
- Economic and export performance
- Planning of target markets based on above research
- Reports from stakeholder interactions
- Reports from other meeting such as exporter finance forum, meetings with national government about transport and logistics infrastructure, etc.
- Appointment of teams for training, research, promotion planning
- Establishment of regional export clusters
- Setting up the annual meeting to engage with national bodies over topics which affect KZN exporters but fall outside the scope of the provincial export strategy

5.1.2 Strategic Action Plan 2: Institute a programme of stakeholder interaction

Effective and efficient organisation of stakeholder interaction is vital to the successful achievement of the goals of the export strategy. There are a number of levels at which this interaction should take place, as indicated below:

- **District Municipality Exporter Workshops:** These should be held within each district municipality and include representatives from the export promotion and strategy planning team, the local LED officer in charge of export promotion and all interested stakeholders within the district, including exporters and provincial exporters, as well as industry representatives. The focus of this workshop must be on local exporter experience, how export assistance is received within the district, what extra assistance may be required within the district and what training and promotional events are going to be held, as well as whether there are any events (such as training, research presentation, trade shows) that exporters from that district should attend or would like to have hosted in that district.
- **Provincial Exporter Workshop:** This would be a higher level interaction organised by the export promotion and strategy planning team to discuss the state of KwaZulu-Natal exports

with exporters, potential exporters, chambers of commerce, industry representatives and provincial government officials. The focus of this workshop should be to discuss items such as trade missions and attendance at trade shows, proposed training workshops and research presentations. There should also be discussion and work shopping around provincial export topics such as logistical and transport issues, effects of trade treaties and export opportunities, the success or failures, or suggestions for initiatives such as the exporter internet portal. Any items which can be directly or indirectly influenced by the export promotion and strategy planning team, in conjunction with DEDT and TIKZN should also be tabled at this forum and that any items outside of the scope of provincial government will be lobbied at a national level. The results of this lobbying should be reported back to stakeholders at following workshops.

- **Special workshops**, such as workshops focussed on new exporters, or focussed on SMMEs or BBBEE topics within exporting, or even industry specific workshops should be included in the planning and yearly programme of stakeholder interaction. These will be less frequent than the previous two interactions listed above.
- **Regional industry export clusters** which act as platforms for interaction between national export councils, exporters within a specific industry and provincial government, also need to be established. These will operate differently to the other stakeholder interactions, because although initiated by the export promotion and strategy planning team, they will be administered by a joint partnership between the provincial government and industry representatives. The role will be to fill the gaps exposed by focus on national export councils alone (to the exclusion of KwaZulu-Natal interests) and be responsible for initiating research and training and for working closely with provincial government to make the most use of political agreements to ensure long-term relationships with key export clients in overseas markets. In addition research and training initiated at a cluster level will be far more specific and enhanced, as the cluster will have a much closer relationship with its members who will appreciate the joint purpose in such research and training.

The first two interactions should happen on a biannual basis, whereas the special workshops should be planned by the export promotion and strategy planning team and should possibly happen on an annual basis, or the frequency could even be discussed and decided at the workshops as deemed appropriate.

Interaction with exporters should generally be to discuss any special issues or economic or non-economic situations that are affecting exporters within that region together with, more generally, the state of communication, training, promotion, research and export finance. Also to be appropriately addressed in this interaction will be what might be done to change or improve these areas of export promotion and assistance.

The actions, responsibilities and timeframes for key outcome no. 2 (institute a programme of stakeholder interaction) are summarised in the table on the following page.

Table 5-3 Strategic Action Plan 2: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Time-frame
1	Publish and circulate stakeholder interaction calendar	This should come from the second meeting of the EPSP team which should be held in the second half of the prior year. Workshop dates should be arranged such that key stakeholders can attend and such that there is sufficient notice for all stakeholders.	EPSP team, LED officers, export clusters	Annually
2	Hold district municipality exporter workshops, report	These workshops should be organised by the District LED Officer in charge of exports and attended by the LED team, the exporters in the district and members from the EPSP team. After the workshop, a report must be compiled which contains the deliberations of the workshop, including detailing matters which will be dealt with at a district level and those which need to be dealt with and a provincial or even national level. This report must be presented at the following EPSP meeting.	EPSP team, LED officers	Bi-annually
3	Hold special workshops, report	These should be organised by the EPSP team in conjunction with relevant organisations. For example, if it is a SMME exporter workshop, organisation such as Tradepoint should be involved in the planning of the workshop. After the workshop, a report must be compiled which contains the deliberations of the workshop, including detailing matters which will be dealt with by and those which need to be dealt with and a provincial or even national level. This report must be presented at the following EPSP meeting.	EPSP team, other relevant organisations	Bi-annually
4	Hold provincial exporter workshop, report	Once the reports of the previous workshops have been received by the EPSP team, the agenda for the provincial exporter workshop should be compiled out of the findings of the reports and invites sent to stakeholders within the province. It would be beneficial if representatives from DTI and TISA were present at this workshop. This workshop should provide the key issues that are affecting exporters within the province and thus should inform export strategy and policy decisions. The report formulates out of this workshop should be presented to the MEC for economic development.	EPSP team	Bi-annually
5	Organise export cluster meetings, report	Once export clusters have been formed, members from the EPSP team should meet with the cluster regularly to discuss exporting within that industry and the state and impact of the province's export assistance.	EPSP team, export clusters	Bi-annually

5.1.3 Strategic Action Plan 3: Construct an exporter internet portal

The development of the exporter internet portal is vital to the efficient organisation of export assistance within the province. As discussed earlier in the document, the portal should ideally have the following functions (not an exhaustive list):

- Exporter database, with mailing list and contact details
- Customer database
- Event information
- Export research
- Training section, with links to the DTI website and
- Downloadable documents available to assist with exporting
- A call centre and e-mail function providing on-line assistance for exporters
- Compatibility with investment initiatives
- Feedback

In order for such a portal to be set up, DEDT and TIKZN will have to work closely with IT professionals in its planning and implementation. It is important that the portal is centred on a website that has the back-end functionality to support mailing lists, databases and the like. However this should be backed up by a physical office with support staff to assist exporters in the use of the portal, or where they do not have access to the internet. Certain areas of the portal could require a fee, or some sort of member log in, where what it gives access to is protected information too expensive or onerous to make freely available on the portal.

The actions, responsibilities and timeframes for key outcome no. 3 (construct an exporter internet portal) are summarised in the table on the following page.

Table 5-4 Strategic Action Plan 3: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Time-frame
1	Plan exporter portal	There should be a clear and detailed design plan agreed upon before the IT professionals are brought in to design the portal. There should also be a project planned around the design and implementation of the portal, with timeframes and project phases decided upon.	EPSP team	Short-term
2	Design and testing	This plan should then be shared with the IT professionals and regular meetings set up to ensure the design is correct and the functionality is working according to the standards set out in the plan.	EPSP team, IT professionals	Short-term
3	Data gathering	Running in parallel to the design and testing of the portal, a data strategy needs to be created. There is a large amount of data which needs to be included in the portal, as detailed above. Therefore systems need to be put in place for incorporating data such as economic research, updating exporter details, registering new exporters and uploading event information. There will initially be a major drive to collect data for setting up the portal; this will create the standards for collecting and organising data which should then happen on a continual basis. Once the portal is active, this should be a much easier task as data collection should happen mainly through the portal.	EPSP team	Short-term, then on-going
4	Implementation	The implementation of the portal will involve initially holding training for all EPSP, DEDT, TIKZN and LED members that will need to use the portal. Thereafter training for exporters would ideally occur at the workshops as detailed in the previous section. The IT professionals should assist the EPSP team in developing a training programme and manual.	EPSP team, IT professionals LED officers	Short-term
5	Monitoring and feedback	Feedback on the portal from the various workshops should be included in the reports by the EPSP team as detailed in point 6 in section 5.1. In addition, there should be a section on the portal where users can provide feedback on content and functionality. This might be expanded to include feedback on all export promotion efforts, to provide constant monitoring for these.	All users	On-going
6	Upgrading	Within the design plan there should be an agreed period after which the portal is upgraded to include any new technology that might exist. This should happen continually, as is the nature of any IT development.	EPSP team, IT professionals	On-going

5.1.4 Strategic Action Plan 4: Ensure skills and resource provision

In terms of skills and resource provision for exporters, it is vital that the right exporters are provided with the right training and it should be viewed as an opportunity matching exercise. By using the exporter database that is developed within the exporter portal, exporters that are in need of skilling for exports should be able to access training specific to their export market. In order to ensure that there is compliance with the development of the exporter portal, there could even be a decision to only allow exporters to attend training and receive support from government if they sign up to the internet portal. In conjunction with research, training should be prioritised for certain groups:

- First time exporters
- Exporters exporting to a new market
- Exporters exporting to a key market for the province
- Exporters who fit into the goals for economic development for the province and country, as set out by various strategies.

There will always be more demand for training than can be provided and thus the EPSP must prioritise the training provision for the year at their planning meeting. Wherever possible the private sector, especially experienced exporters, should be included in providing the training. Training material should also be made available on-line, following training workshops. This could include, for example, information on how to navigate through the “red tape” of a particular export market, or what procedures, for example, fresh fruit exporters need to navigate to export, say to the European Union. Suggested topics for training have been included in programme 3.

In addition to skilling exporters, members of the EPSP team, LED/export officers, export promotion officers and other DEDT and TIKZN members will need to be trained in providing all of the services that are laid out in this plan. Thus the second task of the EPSP team will be to create a training programme for provincial export promotion personnel. This will need to include training on:

- How to research exports locally and abroad
- How to provide training for exports
- How to host exporter workshops, trade shows and missions
- The role and responsibilities for export officers who will be stationed abroad
- How to provide on-going support for exporters, such as assistance past the first sale to cement their place in an export market and how to access finance and other export assistance and training in the use of the export internet portal.

The actions, responsibilities and timeframes for key outcome no. 4 (ensure skills and resource provision) are summarised in the table overleaf:

Table 5-5 Strategic Action Plan 4: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Time-frame
1	Create training programme	This should be done at the EPSP meeting planning for the following year. Working with research, the plan should include a training workshop for provincial export personnel, what training will be made available for exporters throughout the year. This should be put into the export calendar.	EPSP team	Annually
2	Organise training workshops	In accordance with point 1, the training workshop for provincial export personnel should be organised by the EPSP team and the exporter training workshops should be organised by the EPSP team, DEDT and TIKZN officials, LED officers and any private agents.	EPSP team, LED officers, export officers, export clusters, TIKZN	Annually
3	Make training material available on-line	Working within the portal, training material, tutorials and the option to send questions to EPSP members should be made available online. Exporters who require or receive training should be able to request or provide feedback on the portal.	EPSP team, LED officers, export clusters, TIKZN, IT professionals	On-going
4	Monitoring and feedback	A report detailing all the training that has taken place in the year should be presented to DEDT annually.	EPSP team	Annually

5.1.5 Strategic Action Plan 5: Fund and organise an export research plan

Continual research into exporting is vital to ensure that the provincial strategy and support of exporters is as efficient as it can be. Research needs to happen locally on national, provincial and district levels and there needs to be research into foreign markets. Therefore it is important that a research plan is organised such that it is conducted at the correct level and also is driven by what is important to exporters. Thus feedback on which markets, products, statistics and conditions to research should be received both from the various workshops and through the exporter portal. This research should also be presented to the appropriate forum. For example, research into car exports should be presented at an export workshop in eThekweni Municipality, whilst research into export statistics for the province would be more appropriate for the provincial exporter workshop and the meeting with the MEC for economic development.

A research plan could have the following components (not necessarily an exhaustive list):

- District level research into products exported or with the potential to be exported, as well as export economic performance within the district, conducted by LED/export officers

- Research into provincial export statistics, performance as compared to other provinces, conducted by TIKZN
- Industry research organised by export clusters
- Research into standards and protocol for exporting in the province, conducted by TIKZN
- Research into foreign markets, conducted by export officers stationed overseas, or delegations organised by TIKZN

Research is already conducted and collected by many different organisations and so a large part of organising this area of export promotion is to accumulate and organise research that already exists and then see where there are gaps in research. Research into exports is also something that could be charged for depending on the requirements on the research and could require a fee to be accessed through the portal.

The actions, responsibilities and timeframes for key outcome no. 5 (fund and organise an export research plan) are summarised in the table below.

Table 5-6 Strategic Action Plan 5: Actions, Responsibilities and Timeframes

No	Specific Action	Description	Responsible Parties	Time-frame
1	Design a research plan	This plan should assess what research already exists and see how it can be accessed and what relationships need to be established to do so (such as an agreement with SARS to access customs data). It must then be decided what further research is required and who must be responsible for conducting this research.	EPSP team	Annual
2	Assign Research	This research must then be assigned to the correct party, who will be responsible for conducting the research and the writing a report, presenting the data and submitting it to be included on the exporter portal.	EPSP team, LED officers, export officers, export clusters, TIKZN	Annual
3	Present research	Research should be presented in such a way that all interested stakeholders have the opportunity to access it. Thus if it is to be presented at a workshop, this must be advertised on the portal, with email invitations and notice in newspapers. It should be put onto the exporter portal.	EPSP team, FER's, local export officers, export clusters, TIKZN	On-going
4	Monitoring and feedback	A report detailing all the research that has taken place in the year should be presented to DEDT annually.	EPSP team	Annual

5.1.6 Strategic Action Plan 6: Ensure access to export financing

Assistance in the financing of export deals will greatly benefit KwaZulu-Natal exporters. This can be provided through a forum where members of the EPSP team from TIKZN and DEDT, exporter representatives (from export clusters or from export councils) and officials from the commercial banks, as well as officials from government finance organisations such as the growth fund, iThala Bank and SMME co-financers meet to discuss what measures can be implemented to assist exporters with finance for exports.

This forum could meet annually to discuss the success or failure of programmes, or any developments that have occurred since the last forum.

The actions, responsibilities and timeframes for key outcome no. 6 (ensure access to export financing) are summarised in the table below.

Table 5-7 Strategic Action Plan 6: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Timeframe
1	Arrange exporter finance forum	The EPSP team must coordinate with the above institutions and arrange a forum at which the topic of exporter finance assistance can be discussed	EPSP team	Annually
2	Establish finance assistance programme	Out of the above discussions, the EPSP team must, with the finance institutions, create an export finance assistance program. This programme should seek to assist exporters who need the most help and exporters who export to key export markets as revealed by the research conducted as detailed above.	EPSP team	Annually
3	Market the programme	This programme must be presented at the various workshops and the particulars such as qualifying criteria must be clearly explained. There should also be a section on the portal dedicated to this.	EPSP team	Annually
4	Monitoring and feedback	A report detailing all the assistance received, including items such as help with attending trade shows, trade missions and actual finance for export deals, should be compiled by the EPSP team working with the financial institutions. This will show the extent to which the need for assistance is being met.	EPSP team	Annually

5.1.7 Strategic Action Plan 7: Roll-out local export plans to all KwaZulu-Natal districts

Part of the agenda of the district exporter workshops should be to discuss the formation of local export plans. The local LED/export officers should work in conjunction with the EPSP team and local exporters, taking advantage of research conducted to develop a plan for their district that is specific and focussed. Due to the nature of the plan, it can target specific exporters or export markets and be much more detailed about what research, training and export development assistance needs to be conducted than a provincial plan could. These plans will assist the EPSP team to streamline its planning at a provincial level and focus on higher level issues, such as integration with national export goals, interactions such as the finance forum, broader economic and export performance research, research into foreign markets and export requirements and dealing with organisational issues of provincial export assistance.

The actions, responsibilities and timeframes for key outcome no. 7 (roll-out local export plans to all KwaZulu-Natal districts) are summarised in the table below.

Table 5-8 Strategic Action Plan 7: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Timeframe
1	Meet stakeholders	One of the bi-annual districts workshops should contain a section where the over-arching plan for export promotion and assistance is discussed. Feedback from this should be fed into the plan	LED officers, export officers	Annually
2	Incorporate research into plan	The LED officers must use the research conducted in the district, as well as broader research into provincial exports in creating the district export plan	LED officers, export officers	Annually
3	Create local export plan	The plan should then be compiled and presented to stakeholders at the next workshop, as well as being presented to the EPSP team for feedback.	LED officers, export officers	Annually
4	Update or Redo the plan	The plan must be reviewed every year to see what changes need to be made, or whether the plan is out of date and needs to be redone	LED officers, export officers	Annually
5	Report on plan	A report detailing all the research that has taken place in the year should be presented to DEDT annually	LED officers, export officers	Annually

5.1.8 Strategic Action Plan 8: Assisting exporters in achieving market access

As discussed earlier in the document, the province's role within export market access issues is to:

- engage with exporters to find out the challenges they face with market access
- research market access issues and engage with foreign economic representatives, and build the findings into the training for exporters
- engage with the DTI concerning conditions of trade agreements, and support and utilise the assistance provided by the DTI for access to foreign markets

These responsibilities require a number of actions. There would need to be constant engagement with the DTI as research and exporter interaction brings issues to light. In addition there needs to be a close relationship between the province and the foreign economic representatives stationed by the DTI in markets around the world, to ensure that there is an efficient two-way flow of information. Any developments from these interactions would then need to be incorporated into the programmes of exporter interaction and training.

The actions, responsibilities and timeframes for key outcome no. 8 (roll out local export plans to all KwaZulu-Natal districts) are summarised in the table overleaf.

Table 5-9 Strategic Action Plan 8: Actions, Responsibilities and Timeframes

No.	Specific Action	Description	Responsible Parties	Timeframe
1	Process issues from stakeholder interaction and research	Any market access related issues (technical barriers to trade, trade agreement conditions, customs-based issues, tariff-based issues, etc.) that arise from stakeholder interaction and the integrated research plan must be flagged by the EPSP team, and compiled into a report and agenda for the following meeting with the DTI	LED officers, export officers, EPSP Team	On-going
2	Meet with the DTI	A formal market access meeting with the DTI needs to be set into the calendar for provincial exports. The EPSP team will present market access issue that have arisen through the course of the year, and engage with the DTI on solutions to these issues. A report detailing the findings and proposed solutions must be drawn up, and could be presented at the following provincial export workshop	EPSP Team	Annually
3	Set up programme for FERs	There is already a substantial amount of interaction between provincial bodies such as TIKZN and Tradepoint, and the foreign economic representatives (FERs). A formal orientation programme needs to be established to ensure this interaction continues and is enhanced to ensure KZN exports are able to thrive in global markets. This programme will need to involve an orientation programme for FERs, which exposes the FERs to KZN export strengths and opportunities. Furthermore, the EPSP team must set up close communication with the FERs. This will be vital to ensure the data that the FERs, provide, such as trade leads, new opportunities and market access information, is fed through to KZN exporters through the portal, and system of interaction. Furthermore, it will ensure the FERs are pro-actively representing KZN exports, and are completely in sync with export developments within the province, and are thus able to respond to export opportunities that best match KZN exports. this will result in enhanced export development within the province	EPSP Team, TIKZN, FERs	Short Term
4	Feed results through to exporters	The results of the above interactions must be fed through to KZN exporters through the exporter training programmes, system of exporter interaction, and the exporter portal	EPSP Team	On-going

End of Report