Western Cape Government

WESGRO
cape town & western cape
tourism, trade & investment

Western Cape EXPORT Strategy 2035

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
IN PARTNERSHIP WITH WESGRO

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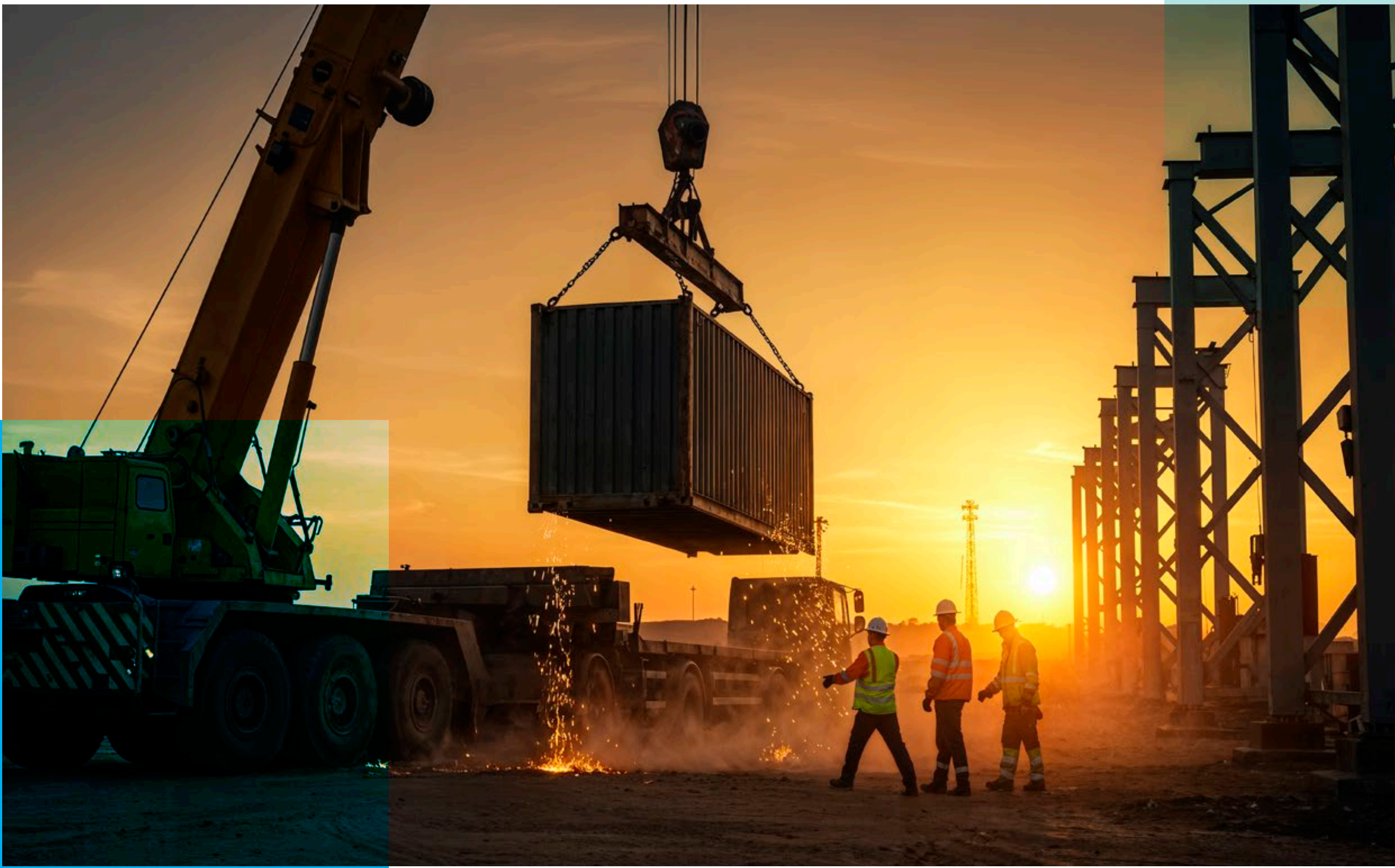
Contents

Abbreviations

ACSA	Airports Company South Africa
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
BPO	Business Process Outsourcing
CCCA	Confronting Climate Change Initiative
CMA	Catchment Management Agency
COMESA	Common Market for Eastern and Southern Africa
CTIA	Cape Town International Airport
DALRRD	Department of Agriculture, Land Reform and Rural Development
DEA&DP	Department of Environmental Affairs and Developmental Planning
DEDAT	Department of Economic Development and Tourism
DoA	Department of Agriculture
DPTPS	Department of Telecommunications and Postal Services
DTIC	Department of Trade, Industry and Competition
DTPW	Department of Transport and Public Works
EAC	East Africa Community
EAP	Export Advancement Programme
EFTA	European Free Trade Association
EoDB	Ease of Doing Business
EPA	Economic Partnership Agreement
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GSP	Generalised System of Preferences
HS	Harmonised System
ICASA	Independent Communications Authority of South Africa
ICT	Information, Communication and Technology
IT	Information Technology
MERCOSUR	The Preferential Trade Agreement Between the Common Market of the South
OFDI	Outward Foreign Direct Investment
RCA	Revealed Comparative Advantage
RIA	Regulatory impact assessments
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANRAL	The South African National Roads Agency
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone

SFI	Sustainable Fruit Initiative
SIZA	Sustainability Initiative South Africa
SMME	Small, Medium and Micro Enterprises
SWOT	Strength, Weakness, Opportunity and Threat
TDCA	Trade, Development and Cooperation Agreement
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America
VIP	Vision-Inspired Priority
WCG	Western Cape Government
WCWSS	Western Cape Water Supply System
WTO	World Trade Organisation



Foreword

Over the past five years, the global trading environment has become more dynamic, requiring greater agility and collaboration to drive strategic growth. The immediate effects of the Covid-19 pandemic have largely subsided, but have left lasting impacts on supply chains, logistics and global demand patterns. This has been followed by a series of geopolitical developments, including the Russia-Ukraine war, renewed tensions in the Middle East, and shifts in trade policy among major economies, which have contributed to a more complex trade environment.

A generally accepted principle of economics is that increased domestic consumption is an effective way to quickly generate growth. However, the population of the province, or the 63 million people of the country, do not have the economic resources required to generate economic growth based on consumer spending. At the same time, South Africa in general (and the Western Cape in particular) is not a low-cost manufacturing destination, and hence, many of the products and services in the province are not produced for local consumption but are export focused. It is for this reason that an export-led economic policy is the only likely plan that will help to create jobs and grow the economy. This strategy is linked to the export priority focus area (PFA) of the Western Cape Growth for Jobs (G4J) economic strategy, which sets a target of tripling exports by 2035. It is the road map for the export PFA on how this will be achieved through critical partnerships with the private sector and ensuring the Western Cape is an enabling environment for trade.

Western Cape's export strategy intends to identify new export opportunities, develop sustainable capabilities in growth sectors, and to expand opportunities in existing trade markets for the Western Cape's exporters. The focus over the next decade will be on increasing the export pipeline to triple exports from the Western Cape and creating an environment which is conducive to export activities as it relates to logistics, infrastructure, and the manufacturing capability of our industries. At the same time, the province will continue to work hard to remove trade barriers and ensure we cut red tape and improve business processes for our exporters.

I wish to extend a sincere word of appreciation to the dedicated team in the Department of Economic Development and Tourism, WESGRO and the officials from other provincial government departments who contributed to the process and our research partners for their valuable inputs.

Dr Ivan Meyer
Minister of Agriculture, Economic Development & Tourism
May 2026

Data Disclaimer

The data presented in this publication is provided in good faith, and every reasonable effort has been made to ensure that it is correct and up to date. The publication made use of the most recent published economic data from the National Treasury, the South Africa Revenue Services, Statistics SA, the World Bank as well as data provided by WESGRO, Quantec and Trade Advisory Services.

PART 1

PART 1 Introduction

1. Introduction

The Export Strategy 2035 of the Western Cape represents an important response to South Africa's current economic challenges, which have been severely exacerbated by numerous global external shocks like the Covid-19 pandemic, the Russia-Ukraine war, and, more recently, escalated hostilities in the Middle East. It seeks to position exports as a principal means to create jobs, achieve faster economic growth and development, and to raise the contribution of the Western Cape to the country's national trade policy agenda and objectives.

Whereas the National Government is responsible for the negotiation of international trade agreements, and for many of the functions and entities that facilitate exports and imports, the Provincial Government has a critical role to play in developing and supporting exporters within the Western Cape, and in ensuring that the province's interests and capabilities are promoted domestically and in foreign markets.

Historically, the Western Cape has adopted an export-oriented approach to development, and this is strongly reflected in the province's current 5-year Plan and the long-standing export promotion efforts of WESGRO. However, exporters in the Western Cape are confronted by multiple constraints, and more must be done to extend existing exports into new markets and to expand the province's export base. A dedicated export strategy is needed to identify and address the main challenges confronting the Western Cape and improve the province's export performance.

This Strategy is based on substantial research and multiple consultations with public and private sector stakeholders throughout the province. The background papers that inform this Strategy are available from the province's **website**. Moreover, the province has invested in a Product Complexity Mapping tool (see Box 2), which provides the evidence required to prioritise the products and markets to be pursued through this Strategy. The implementation of the Strategy will be led by DEDAT and WESGRO, with support from the Western Cape Department of Agriculture and other Provincial Departments, agencies, and key stakeholders.

1.1. Economic context

South Africa's recent economic performance has been shaped by a prolonged period of muted growth driven by persistent structural constraints, economic mismanagement and series of external global shocks. While output losses associated with Covid-19 were significant, the economy's inability to swiftly shift onto a higher growth trajectory signifies deeper obstacles.

Following a sharp contraction of 6.2% in 2020, South Africa recorded growth of 4.9% in 2021 and 2.1% in 2022, driven largely by the reopening of domestic activity and temporary improvements in global conditions. From 2023 onwards, however, growth slowed markedly to just 0.8% in 2023 and 0.5% in 2024, due to electricity shortages and port challenges. Growth in 2025 more than doubled to 1.1%. A series of reforms, the easing of inflation and improved electricity availability have positioned South Africa for sustained economic growth.

The Western Cape economy has exhibited a similar pattern but with comparatively stronger growth; the provincial economy is estimated to have expanded by 1.4% in 2025, driven largely by the Agriculture and Finance sectors, although increased US tariffs resulted in a sharp decline in U.S.-bound exports. In 2025, the province recorded export growth of 4.6% in aggregate terms, largely driven by fruit export growth to the EU and Middle East markets.

Given the backdrop of growing exports to the region, instability in the Middle East remains a concern for future economic growth for the province. Tensions in the region rose sharply in early 2026 following joint US and Israeli actions against Iranian targets in late February, introducing heightened volatility into global commodity markets, particularly affecting global oil, gas and fertiliser prices. While the Middle East remains an important and growing destination for Western Cape exports (particularly of food products), escalating geopolitical tensions may constrain demand or preclude large volumes of traffic to and from the region; towards the end of April, marine traffic through the Strait of Hormuz had declined by 90% compared to February. Though a ceasefire had been announced in early April, tensions in the region remain high, and shipping traffic through the vital Strait of Hormuz has remained subdued. Higher fuel and food prices and other inflationary pressures more broadly are expected to weigh on disposable income in the short term, potentially dampening global demand for merchandise exports.

Nevertheless, given the long-term horizon of the Strategy, its core objectives and interventions remain relevant. These developments highlight the extent to which export oriented growth remains exposed to external shocks, reinforcing the importance of long standing policy objectives aimed at strengthening the province's export capacity and resilience. Moreover, export growth and diversification is a critical pillar of the G4J Strategy – the province's strategy for boosting Western Cape growth and employment.

In September 2020, the South African government published an economic reconstruction and recovery plan, which highlighted the importance of exports to help move the South African economy back into growth. The following specific reforms were suggested for implementation :

- re-orienting trade policies and pursuing greater regional integration to boost exports, employment, and innovation.
- reducing the proportion of imported intermediate and finished goods; and
- developing export competitive sectors that can expand the sales of South African-made products and services on the continent and beyond.

The available international research confirms that exports provide a crucial link between a country (or province) and the rest of the world economy (Hardcourt, 2000). This is not only important to grow output, create new employment opportunities and develop stronger international relations, but the evidence points to further economic benefits. Exporting allows a country to diversify its production across new products and services, and additional markets, raising overall trade and protecting the country from potential shocks (or assisting a country to recover more quickly from a crisis). The revenues from exporting also enable a country to generate the foreign exchange that is needed to fund the import of goods and services that are not produced domestically (Hardcourt, 2000).

The Western Cape does not have the market size required to generate economic growth based on consumer spending alone. Furthermore, the province and the country at large are not a low-cost manufacturing destination and many of the products and services in the province are not produced for local consumption but depend on export markets to achieve sufficient scale and sales. An export-led economic approach is needed to grow the domestic economy and generate much-needed jobs. The benefits of an export-led approach to economic development can be illustrated by the recent experiences of Mauritius and South Korea. See Box 1.

BOX 1: THE IMPORTANCE OF EXPORTING – THE EXPERIENCE OF MAURITIUS AND SOUTH KOREA

Mauritius

Mauritius has experienced strong growth over the last few decades, which has been driven by government interventions to open and diversify the economy and to improve the overall business environment. In the 1980's, Mauritius set up export processing zones (EPZs) to leverage its strategic location to access international markets and grow its export base beyond sugar production. This resulted in a significant increase in manufacturing investment, mainly in the clothing and textiles sectors, with a large number of Asian firms setting up in these EPZs. Their contributions to output and value addition saw the manufacturing sector surpass sugar as the primary sector for growth. In the 1990's, Mauritius refocused on the tourism and financial sectors (Sacerdoti, et al. 2005) and recent statistics indicate that the services sector now accounts for 76.9% of total value added (2019) and contributes around 70% of total employment.

South Korea

South Korea experienced one of the largest economic transformations of the 20th century, growing from an agricultural-based economy to a leading industrial powerhouse over just six decades (Satacreu and Zhu, 2018). A key feature of South Korea's industrialization was the emphasis placed on export-oriented policies – which were specified by product, market and exporting firm (Romana, 2014). Initially, South Korea focused production on manufactured exports of labour intensive technologically simple goods such as toys, clothing, footwear, processed foods, sport goods and toys (Romana, 2014). The resulting economic growth enabled further diversification, with Korea shifting into the export of heavy and chemical industry goods. South Korea is now one of the top ten exporters in the World and in 2020 the country's exports as a percentage of GDP reached 37% (up from 4% in 1960) (World Bank Development Indicators). Improvements in the business environment, and policies which incentivized investment in innovation, have been key to South Korea' s export and industrialization

From a company perspective, increased trade exposes domestic firms to international competition, which encourages them to focus on their core competencies, innovate, adopt modern technologies and pursue international best practices (Hardcourt, 2000; UNCTAD, 2013). For smaller businesses, exporting creates new and larger market opportunities, spurring gains in productivity, profitability, and employment. By requiring compliance with international standards, exporting can also contribute to improvements in domestic labour and environmental conditions.

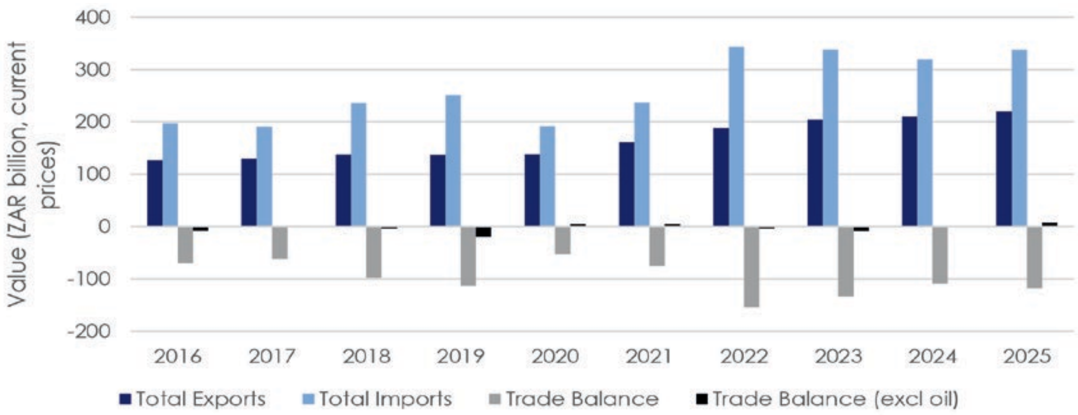
Given the importance of exports as part of South Africa's economic recovery plan, the Western Cape is embarking on an export-led growth approach and will be expanding current activities and implementing new initiatives to enhance the support already provided to the province's current and potential exporters. This approach will also strengthen the Western Cape's ability to withstand future domestic and international shocks, including the ongoing ramifications of Brexit, the longevity of AGOA, and trade and political disputes between the world's larger economies.

1.2. The Western Cape's recent trade performance (2016 – 2025)

The province's exports have increased steadily over the last ten years, growing by 74% in rand (current prices) terms between 2016 and 2025, see Figure 1 below. Moreover, despite the challenging global economic environment post COVID-19, export value increased by 12.8% in 2022 and 8.9% in 2023. Moreover, for 2025, aggregated provincial export value recorded a modest increase of 4.6% despite heightened global tariff risks; though certain niche commodities like jewellery face unique headwinds

Concerning the province's trade balance, the historical rand value of imports has been significantly more than exports, though much of this is explained by the large volumes of petroleum products imported through the Western Cape. Though the trade deficit steadily narrowed between 2022 and 2024, imports in 2025 grew to R337 billion, ending this 3-year trend. Regardless, when excluding petroleum products, the province's trade balance becomes much more neutral, even recording a modest trade surplus of R8 billion in 2025.

FIGURE 1: *Western Cape World Exports and imports, 2016 - 2025*



Source: Quantec, 2026

In 2025, citrus fruit products led the province's export earnings, accounting for 14.1% of the total. Fruit exports have grown strongly over the last five years and currently occupy the province's top three export headings. Refined petroleum oils emerged as the fourth-largest export category in 2025, comprising 8.3% of the total. A large proportion of the country's petroleum exports takes place through the Western Cape. Overall, agriculture-related products (primary agriculture, as well as food, beverages and tobacco) account for around half of the Western Cape's exports, highlighting the ongoing importance of this sector to overall trade, development, and employment in the province. The province does also export metal and machinery products, but in general, exports of advanced manufacturing products are relatively low. The province is also a major exporter of services – especially tourism, BPO and IT-related services.

TABLE 1: *Top 10 Western Cape export products, 2017 & 2025 (HS 4-digit)*

			RAND MILLION			
RANK	HS4 CODE	PRODUCT	EXPORTS 2017	EXPORTS 2025	% OF TOTAL EXPORTS 2025	COMPOUND ANNUAL GROWTH 2017-2025
1	0805	Citrus fruit, fresh or dried	12 345.92	30 895.19	14.1%	12.1%
2	0808	Apples, pears and quinces, fresh	6 956.44	15 481.04	8.2%	10.5%
3	0806	Grapes, fresh or dried	6 711.36	14 674.23	8.5%	10.3%
4	2710	Petroleum oils and oils obtained from bituminous minerals.	13 246.34	13 126.41	8.3%	-0.1%
5	2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09	8 607.73	9 210.61	6.3%	0.8%
6	0810	Other fruit, fresh	1 400.48	4 629.56	3.5%	16.1%
7	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	1 424.75	4 263.94	3.4%	14.7%
8	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh	1 579.01	4 165.72	3.4%	12.9%
9	0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	1 433.28	3 583.76	3.1%	12.1%
10	2610	Chromium ores and concentrates	459.43	3 492.76	3.1%	28.9%

Source: Quantec, 2026

After a brief stint in 2022 and 2023 where Africa emerged as the leading export destination, Europe's status as the province's leading export market returned in 2024 and 2025. Increased trade activity with Africa in 2022 and 2023 primarily stemmed from a notable rise in exports of refined petroleum oils and coal by-products to the continent, marking respective increases of 48.87% and 458.79%. However, in 2023, coal by-product exports experienced a decline of 14.90%, whereas petroleum exports witnessed a significant surge of 41.94%. Overall, provincial exports to Europe reached R74.5 billion in 2025, equivalent to 33% of the province's total exports. Africa placed second at R61.3 billion (28% of total exports), with Asia third at R44.3 billion (20%). The top 10 export destination markets for the Western Cape in 2025 are shown in Table 2. South Africa enjoys preferential trading relations with most of these countries, with the exception being the UAE.

TABLE 2: *Top 10 Western Cape export destinations, 2017 & 2025*

		RAND MILLION			
RANK	COUNTRY	EXPORTS 2017	EXPORTS 2025	% OF TOTAL EXPORTS 2025	COMPOUND ANNUAL GROWTH 2017-2025
1	Netherlands	9 236.97	23 358.36	10.6%	12.3%
2	United Kingdom	9 281.11	16 987.87	7.7%	7.8%
3	United States	8 765.77	15 387.41	7.0%	7.3%
4	Namibia	11 419.04	14 878.47	6.8%	3.4%
5	China	4 131.01	11 329.00	5.2%	13.4%
6	United Arab Emirates	3 304.29	9 228.58	4.2%	13.7%
7	Botswana	6 921.82	6 066.99	2.8%	-1.6%
8	Russian Federation	2 314.72	5 912.65	2.7%	12.4%
9	Germany	4 698.36	5 882.74	2.7%	2.8%
10	Zimbabwe	1 935.40	5 291.43	2.4%	13.4%

Source: Quantec, 2026

1.3. Current challenges and opportunities

The Western Cape's exports have risen consistently over the last few years, and the province has emerged as a leading global exporter of many products, such as citrus, wine and yachts. The province's exports are, however, concentrated within a limited number of product categories and markets. Given the relatively small size of the domestic market, the Western Cape's future economic growth and development rests largely on the province's ability to expand its existing exports into new markets and to diversify its export base. To take advantage of these opportunities, the Western Cape Government has a critical role to play in identifying and resolving existing constraints.

As part of the export strategy development process, a SWOT analysis was undertaken, in partnership with public and private sector stakeholders, to describe the main internal and external factors affecting export development in the Western Cape. Whereas this analysis highlights the strengths of the province's existing export support efforts – and the significant opportunities inherent in specific markets, sectors, and agreements – it also describes the many challenges confronted by exporters in the province.

While the escalation of hostilities in the Middle East during March and April of 2026 currently pose a short-term risk in terms of higher energy, commodity and logistics costs, as well as constraints on key maritime chokepoints of Hormuz and Bab al Mandab, international organisations project a cessation of hostilities and a resumption of typical traffic within 2026. This, together with the long horizon of the strategy, supports the view that the unrealised opportunities within the Middle East remain valid.

TABLE 3: *SWOT Analysis*

STRENGTHS	WEAKNESSES
• Established and high-quality export capabilities (goods and services) • Export presence and networks in most major markets • Competitive marketing, advertising and research services available within the Western Cape • Strong Export Councils for Western Cape export products and services • Responsive provincial and local government • Relatively competitive enabling environment • Advantageous geographic location, with proximate access to export markets by land and sea • Well-developed provincial exporter development, export promotion and mentorship programmes • Access to national government export support programmes	• Port infrastructure (bottlenecks) and logistics (costs) • Road infrastructure and other border obstacles in Africa • Insufficient cold storage at airports and air freight capacity • Geographic distance from many key markets • Concentration of exports in bulk and unprocessed raw materials • Reliance on national government funding of export incentives • Lack of preferential access to some priority markets (e.g. Asia) and underutilisation of existing agreements (e.g. AGOA) • Difficulties in accessing the Chinese market, especially for agricultural products • Lengthy and costly certification requirements and insufficient testing capabilities • Lack of coordination across Government • Inadequate brand recognition in priority markets • Lack of understanding of in-country requirements, especially amongst new and smaller exporters

THREATS	OPPORTUNITIES
• Economic and currency instability • Policy uncertainty • Lack of permanent preferential access in some markets (e.g. GSP, AGOA) • The entry of cheap imports in South Africa's target markets • Increase in non-tariff trade barriers in export markets • Changes in laws, regulations and standards • Weak animal health capacity and controls (nationally) • Complex or inconsistent municipal by-laws • Water and energy insecurity • Reliance on coal-fired energy for production • Decline in budget allocation for export development and promotion	• Demonstrated untapped export potential in most markets • Ability to increase exports of higher value-added goods and services • Growing consumer base in Africa • Improved access to the African continent (AfCFTA) for exporters and investors based on the province • Negotiation of further preferential trade agreements • Private investment in renewable energy • Emerging greentech hub • Deregulation and investment in transport infrastructure • Increase WC representation in national fora related to trade policies and strategies • Increase WC representation in national trade programmes

Some of the main challenges identified through this analysis that will need to be addressed through this Strategy include:

CHALLENGE 1:

Cost and inefficiency of trade infrastructure: Logistics and infrastructure costs are one of the key impediments to realising the region's trade potential. The available evidence suggests that transport delays and costs are particularly high in South Africa, and this is largely as a result of rail and port inefficiencies and ageing infrastructure, as well as the widespread use of road freight. The availability and cost of shipping containers to and from the Western Cape are problematic, and there is limited air cargo transport capacity from Cape Town. Moreover, air freight is an expensive export and import channel, especially into Africa. Storage and warehousing costs are also high, and have been adversely affected by the cost of electricity and load-shedding. Together, these infrastructure constraints lead to an increase in trade costs and significantly affect the province's export competitiveness. Delays in implementing telecommunications reforms have also impacted the ability of exporters to take full advantage of e-commerce and services trade opportunities.

CHALLENGE 2:

Insufficient knowledge, experience and supply when it comes to accessing international markets. The Western Cape is traditionally known for its ability to supply world-class agriculture-related products. In 2021, 29 of the top 50 export products (at the HS 6 level) were agriculture or agri-processed products . To raise exports and to deepen industrialisation, the province will need to diversify into a wider range of products, services and markets. This will require an increase in the province's production capabilities and the development of a new tier of exporters. Some of the common pitfalls encountered by businesses in developing export capabilities and sales include insufficient or inadequate market research and analysis, a lack of understanding of competitive conditions, an absence of product customisation for foreign markets, ineffective or poor marketing campaigns, a lack of adequate financing, and an underestimation of the bureaucracy and red tape involved.

CHALLENGE 3:

Difficulties in navigating tariffs, standards and other regulatory barriers. Engagements with stakeholders point to the significant regulatory obstacles and costs encountered by exporters in accessing foreign markets, and a lack of coordinated support across Provincial and National government departments and agencies in navigating trade-related regulations. For example, exporters from the Western Cape have encountered significant difficulties in obtaining certificates of free sale (CoFS) and local certification and international accreditation for a wide range of agricultural exports, largely as a result of domestic capacity constraints. They also experience challenges in understanding and complying with standards and technical requirements across multiple export destinations, including environmental regulations. Moreover, the anticipated introduction of carbon border adjustment mechanisms in foreign markets will require domestic exporters to reduce their carbon footprint to remain competitive .

CHALLENGE 4:

Securing Western Cape representation in national programmes and policies. The Western Cape's export basket (and thus export priorities) often differ from the national norm. This means that national policies may not always take cognisance of Western Cape priorities. On the other hand, provincial exporters are strongly dependent on the outcomes of national trade negotiations and access to national programmes. Moreover, the Western Cape Government and WESGRO do not have a significant presence in the industry-government dialogue platforms that inform negotiations and national trade interventions. This currently limits the ability of the province to promote the interests of its exporters internationally and to ensure that they are adequately represented in national exporter development and promotion programmes.

CHALLENGE 5:

Resource constraints. Accessing international markets is a complex and costly undertaking. Exporters must source information on market demand, trends and regulatory requirements; and will usually need to provide samples or undertake sales visits to secure leads and contracts. They must also comply with quality, health, technical and packaging standards, which can differ significantly by country. Governments have an important role to play in reducing the cost of these information gaps and ensuring that exporters have the necessary support and certification to trade globally. This will require a significant and ongoing investment in export promotion programmes and trade-related infrastructure, at a time when government budgets are severely constrained.

Despite these challenges, and the fast and ever-changing nature of doing business in the Covid-19 shaped international arena, there are undoubtedly positive consequences for those who can adapt, innovate and take advantage of these new circumstances. These opportunities include:

OPPORTUNITY 1:

Strong linkages to the growing African economy. The African continent presents a myriad of opportunities as local companies seek to grow their global footprint beyond the traditional US and European markets. Notwithstanding the complexities faced when doing business on the African continent, opportunities undoubtedly exist to strengthen South Africa's position as the logistics hub for the continent and a supplier of goods and services to the continent's growing consumer base. South Africa already enjoys preferential access in the SACU and SADC markets and the implementation of the African Continental Free Trade Area (AfCFTA) will likely open up further possibilities to deepen regional supply chains.

OPPORTUNITY 2:

Preferential access to most major markets. South African exporters receive strong preferences in Africa, Europe, the UK and the USA and to a lesser extent in Asia, the Middle East and South America. In 2021, the USA was the largest investor in the Western Cape in value terms, its most important export market and was second only to Germany as a source of overseas tourism. South African exports to the USA continue to benefit from AGOA preferences, throughout this agreement is subject to renewal in 2026. In terms of the number of investment projects concluded, the United Kingdom (UK) was the Western Cape's most important foreign investor, its third largest source of overseas tourism, and its third largest export market. The conclusion of the SACUM-UK Economic Partnership Agreement will ensure that exporters from the Western Cape retain preferential access in the UK and will serve to strengthen this strategic relationship, with improved allocations for some products, such as wine.

OPPORTUNITY 3:

A globally competitive services sector. Services are not only important as key inputs into goods production and exports but have in themselves become an increasingly large contributor to international trade. The Western Cape tourism sector is well developed and is supported by a growing entertainment industry. More recently, the province has become home to emerging Business Process Outsourcing (BPO), ICT and Greentech hubs. Further possibilities to expand the Western Cape's services exports exist in the design, education and health industries.

OPPORTUNITY 4:

An established, competitive and active exporter and investor base. The private sector in the province is well-capacitated to explore new markets, and through the export councils, well-placed to collaborate with the Government to unlock further product and market opportunities. There are also increasing possibilities for the private sector to work with the state in addressing existing infrastructure constraints, most notably in the energy and transport sectors. This has been supported by the Western Cape Government's efforts to reduce red tape and accelerate the ease of doing business in the province.

To unlock all these opportunities and to diversify the province's exports – not only in new markets but also through the development of new exporters and products – will require changes in programmes and support. The Government has a critical role to play in identifying new export opportunities (markets, products, and services), enabling existing and emerging exporters in the province to enhance their knowledge and competitiveness, increasing their capacity and ambition, and raising their contribution to trade, employment and economic development. Ensuring that South African exporters retain preferences in key markets, such as the USA (i.e. AGOA), or are not undermined by new and better trade agreements with third parties, is equally important. This new export strategy sets out how the Provincial Government will work more closely with the National Government and the private sector to achieve these common goals.

1.4. The vision and objectives of the strategy

G4J VISION

A provincial economy that achieves break-out economic growth, resulting in sufficient employment and opportunity and an economy that is sustainable, resilient, diverse, and thriving – generating confidence, hope and prosperity for all.

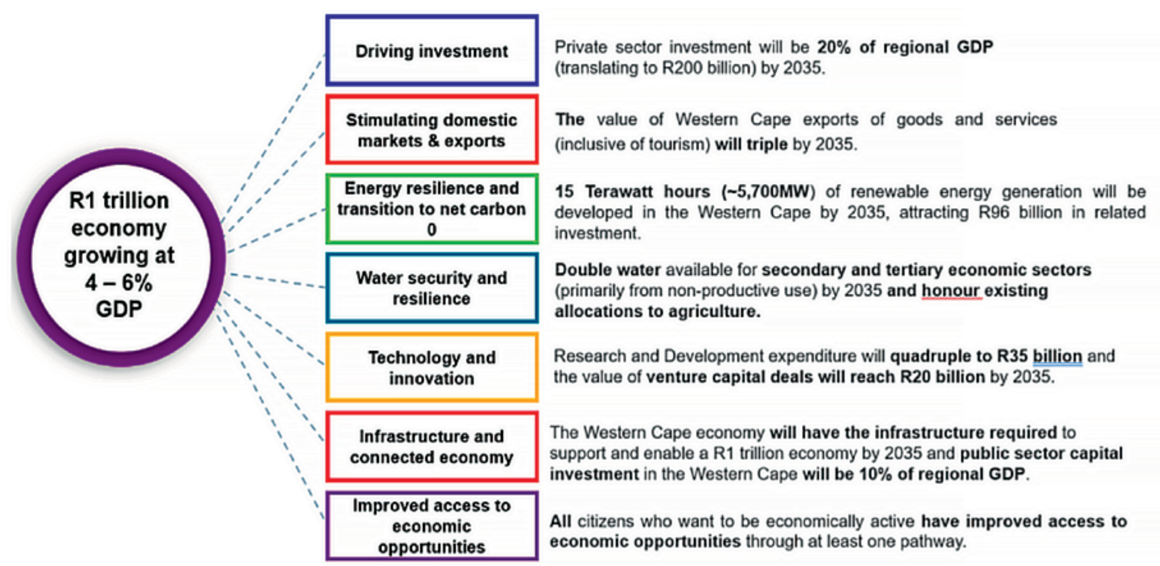
G4J GOAL

By 2035, the Western Cape will be a R1-trillion inclusive economy in real terms and growing at between 4% and 6% per annum. This will be achieved through enabling a competitive business environment in which growth is driven through businesses exploiting opportunities

PART 1

The vision and goal of the G4J strategy will be achieved through concentrating on areas of the economy that are essential for growth. The G4J Strategy has identified seven priority focus areas (PFAs) for its first horizon, of which exports is PFA 2. Exports play a significant role in economic growth, especially when they open new markets and opportunities that allow producers to diversify their customer base and increase sales. Exporting also increases know-how and makes economies of scale possible, which all help to raise productivity. Foreign direct investment (FDI) is an important mechanism for driving export growth, enhancing knowledge and technology transfer opportunities and whilst embedding the Western Cape products and services into global supply chains.

However, the province must not lose sight of the fact that exports include services as well as goods. Tourism is the most obvious service export, but other outward-bound trade opportunities provide compelling growth prospects for the province. These include professional and consulting expertise, business services and the creative and cultural industries, which also provide compelling growth prospects for the province.



THE EXPORT PFA GOAL STATEMENT IS AS FOLLOWS:
The value of Western Cape exports of goods and services (inclusive of tourism) will triple by 2035.

Economic growth is strengthened by a positive and increasing difference between export demand and imports. Export demand enables businesses to have a market reach that is larger than the domestic need (and obtain economies of scale), while imports signify domestic consumption of products that local businesses are not able to supply competitively. Based on the current value of the Western Cape's exports, by 2035 exports will reach R498-billion, adding R99.154-billion to GDP and the employment of 366 596 people.

The ultimate purpose of this Strategy is to position exports as a principal means to achieve G4J and the export of goods. The export of services and tourism will be unpacked in separate sector-specific strategies. G4J seeks to create an enabling environment for the private sector and markets to drive growth and create jobs. G4J specifically recognises the need to export more and to identify new export markets as the most important way to create new jobs .

The Strategy also seeks to raise the contribution of the Western Cape to the country's national trade policy agenda and objectives. This includes greater participation in national programmes and initiatives, as well as ensuring that the interests of the Western Cape are reflected in the country's international engagements and agreements. The Strategy also highlights the growing risks and opportunities for exporters related to the climate crisis, and the impact of environmental regulations and changing consumer demands in key export markets.

Specifically, to increase job creation, domestic investment, infrastructure development, production, resource resilience and innovation within the Western Cape, the Strategy seeks to triple the total rand value of exports from the province by 2035. This will be achieved by **expanding the province's known export capabilities** into existing and new markets through improvements to trade infrastructure and an expanded marketing and outreach effort, and by **creating awareness and capacity amongst emerging exporters** throughout the province.

Moreover, to ensure that the gains from exporting are sustainable and inclusive, it is important that the province reduces its dependence on commodity-based exports and expands its export base to include new products, services and exporters. Currently, it is estimated that there are between 7 000 and 8 000 active exporters in the Western Cape – the Strategy aims to increase this number by 13% - creating an additional 1000 exporters by 2035 through targeted support to new and emerging exporters.

Finally, the Product Complexity Mapping commissioned by the province identified 116 products that are not currently exported by the Western Cape, for which there may be domestic capacity and international demand. Exploiting these opportunities will require investment in new export production capabilities over an extended period. In the implementation of this Strategy, the province will aim to unlock 10 of these new product opportunities.

VISION
The value of Western Cape exports of goods and services (inclusive of tourism) will triple by 2035.

SPECIFIC OBJECTIVES
- Increase exports of goods from the Western Cape from R136 billion in 2020 to R408 billion in 2035
- Increase the number of active exporters located in the Western Cape by 1000 by 2035
- Identify and unlock 10 new export product opportunities by 2035

STRATEGIC OUTCOMES
- Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in these markets
- Enhanced competitiveness, sustainability and capabilities of exporters
- Improved market access and lower barriers to trade
- Establishment of the Western Cape as the regional hub for services trade
- Better reflection of the Western Cape's interests in national trade policies, programmes and negotiations
- More efficient, cost-effective and sustainable infrastructure

1.5. Theory of change

A theory of change was developed through a consultative process involving public and private sector stakeholders. Figure 2 describes the main elements of this Strategy, and how they will combine to generate new exporters, exports, and employment.

This 'theory of change' outlines the linkages between the activities and outputs outlined in the Strategy and its intended outcomes and overall impact; and the core assumptions underlying its success. These activities can be broadly categorised as follows:
- Export promotion and market development services
- Legislative and regulatory interventions
- Provision of funding for export development
- Infrastructure development, improvements, and maintenance
- Inter-governmental coordination
- Research, information, and communications

The implementation of these activities by DEDAT and WESGRO, with support from the Western Cape Department of Agriculture and other Provincial Departments, agencies, and key stakeholders, is expected to contribute, directly, to multiple outputs, and ultimately, to the achievement of the following strategic outcomes:
1. Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in priority markets

2. Enhanced competitiveness, sustainability, and capabilities of exporters
3. Improved market access and lower barriers to trade
4. Establishment of the Western Cape as the regional hub for services trade
5. Better reflection of the Western Cape's interests in national trade policies, programmes, and negotiations
6. More efficient, cost-effective, and sustainable infrastructure

These strategic outcomes constitute the core components of the new export strategy.

To deliver on these activities and achieve these outcomes, the Provincial Government will need to contribute specific and additional resources. This will include:

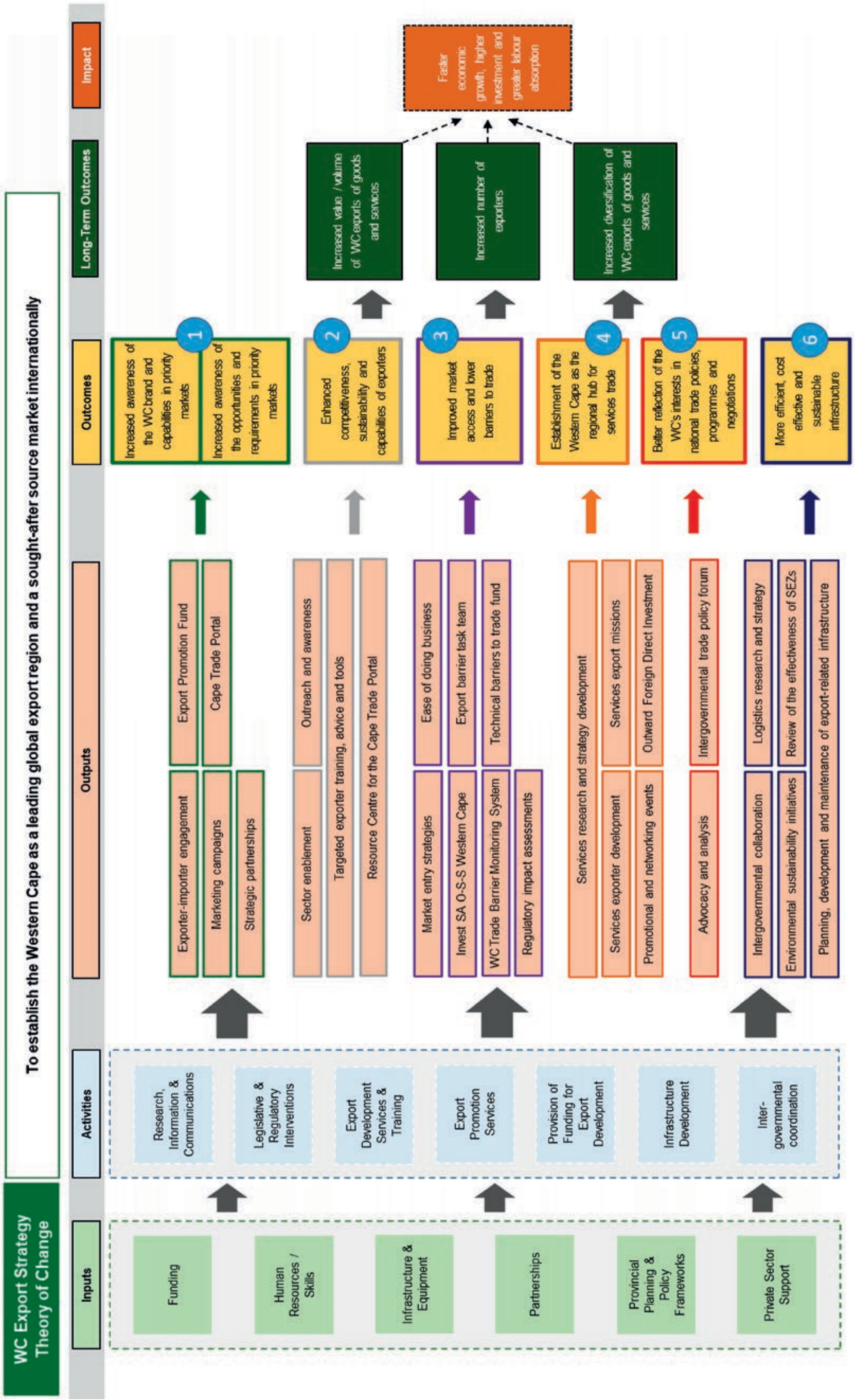
- Appropriate funding for export development and promotion activities and/or leveraging funding from potential external funders
- Stronger planning, coordination, implementation and maintenance of the national, provincial and local economic infrastructure needed for exporting
- Greater attention to identifying and unlocking export barriers domestically and improving market access within priority markets
- Improved knowledge and skills development for DEDAT and WESGRO staff, municipal economic development practitioners and exporters (existing and potential)
- New investment in research and information systems
- Increased engagement with Government and private sector partners on trade opportunities and constraints
- Enabling access to renewable and lower carbon energy

Finally, it is important to highlight the following risks or assumptions, that will need to hold for the Strategy to deliver on its intended outcomes and impact:

- The global and South African economic environment continues to improve and is not subject to a major economic or political crisis
- Weather and climate conditions are in line with expected mid-term scenarios
- Sufficient funding is made available to address existing infrastructure backlogs (or reforms are enacted to enable increased private sector participation in infrastructure provision)
- The private sector is willing to invest time and resources in developing new or improved productive capacity and in exploring new markets
- National Government export promotion and support programmes are available and effective
- The National Government and its representatives abroad are responsive to deeper engagement with the province on trade policy and promotion matters
- Partner countries are responsive to South Africa's efforts to address tariff and non-tariff barriers in foreign markets

In the implementation of this Strategy, a dedicated monitoring and evaluation framework will be put in place to measure the province's performance against specific output and outcome indicators – linked to this theory of change – and to review and if necessary, revise all risks and assumptions.

FIGURE 2: Theory of Change



1.6. Targeting interventions at specific opportunities and markets

The province's exports have doubled over the last ten years and the theory of change suggests that if the Government is able to deliver on all of its strategic outcomes, then the province will again be able to double the rand value of its exports by 2035. Exports are currently concentrated in a relatively small number of largely agricultural products. To achieve this export growth target, in difficult economic conditions, the province will need to increase the number of products and services that it exports into existing and new markets and grow the number of active exporters in the Western Cape. This will require careful planning and sequencing. Moreover, given financial and capacity constraints within Government and amongst existing and potential exporters in the province, it will be important to prioritise across products, services, and markets.

To inform this vision and the focus of the province's future exporter development and export promotion efforts, an **independent study** was commissioned in 2021 to identify economic diversification opportunities or frontier products for the Western Cape province, and the province has invested in a Product Complexity Mapping tool (Box 2). The Product Complexity Mapping research and model developed for the Western Cape identify immediate opportunities to explore new markets for 'existing' products produced and exported from the Western Cape province, while also highlighting longer-term opportunities for new products that are currently not exported.

Some headline results from the Product Complexity Mapping are provided in Table 4. The table shows the leading sub-sector opportunities (HS 2) – in terms of the total untapped export potential – as well as the main market opportunities for each sub-sector. These opportunities are broken down further into short-term priorities, which would benefit most from export promotion activities; medium-term priorities, that will require export development support and a longer time frame to yield results; and long-term opportunities, that will likely require new investment and sector-wide engagements.

In the short-term, many of the opportunities are in the food sector, and extend to the manufacturing and processing of the province's known agricultural capacity. In the medium-term, there are opportunities to develop new capacities across a wider range of manufacturing activities, including electronics, clothing, and pharmaceuticals. And in the long-term, the province could further boost its overall export performance by investing more in the chemicals, metals, and textiles sectors. The leading markets for these export opportunities are diverse and include China, the USA, Europe, as well as several less developed markets such as Vietnam and Mexico.

BOX 2: IDENTIFYING PRIORITY PRODUCTS AND MARKETS – THE PRODUCT COMPLEXITY MAPPING METHODOLOGY

The Product Complexity Mapping method used to identify future export opportunities involves evaluating all worldwide country and product combinations, and screens these using various intelligent 'filters' to eliminate export opportunities that are not potentially viable from the Western Cape.

The first round of analysis identifies those export products for which the Western Cape has both a revealed comparative advantage (RCA) of greater than 1 and contributes more than 10% to national exports (and at a national level, the RCA is greater than 0). This group of products can be considered as relatively 'mature', and the main opportunity is to intensify existing trade in these products in existing target markets (as well as to expand into new markets).

To identify products where the Western Cape has some export capability – but the province's exports of these products are still relatively 'immature' - the top 5 'adjacent possible' products are investigated for each of the 'mature' export products. This is done using product space analysis. Only those products with an RCA>0 are selected in this round of analysis. This ensures that all of these 'new' potential products already have some traction in the export basket of the Western Cape Province.

Lastly, some 'completely new' possible products are investigated. These are products for which the Product Complexity Mapping analysis shows demand potential and relatively accessible markets for the Western Cape; however, the Western Cape Province currently shows RCAs of 0 and RTAs < 0. Exploiting these opportunities will require investment in new export production capabilities.

Based on this analysis, the Product Complexity Mapping identifies three categories of opportunities, each of which will require a different response and approach as part of this Strategy:

i. shorter-term, lower-hanging export promotion opportunities;
ii. medium-term export development and possible investment opportunities that will require more effort and a longer time frame to yield results; and
iii. new investment opportunities aimed at exports that may require major new product or sector

TABLE 4: Product Complexity Mapping – product and market opportunities

PRIORITY SHORT-TERM EXPORT OPPORTUNITIES			UNTAPPED VALUE	LEADING MARKET OPPORTUNITIES		
RANK	HS CODE	SUB-SECTOR	R MN	1	2	3
1	10	Manufacture of food products	81 050	China	USA	Germany
2	32	Other manufacturing	78 005	Switzerland	UAE	Hong Kong
3	01	Crop and animal production, hunting and related service activities	68 034	USA	China	Germany
4	24	Manufacture of basic metals	59 631	Vietnam	Italy	Germany
5	11	Manufacture of beverages	52 188	USA	UK	Germany
6	20	Manufacture of chemicals and chemical products	31 629	China	Hong Kong	USA
7	12	Manufacture of tobacco products	29 030	Japan	Italy	Spain
8	29	Manufacture of motor vehicles, trailers and semi-trailers	23 610	USA	Germany	France
9	38	Waste collection, treatment and disposal activities; materials recovery	22 884	China	Turkey	Germany
10	30	Manufacture of other transport equipment	21 907	USA	Germany	Malta
Subtotal			467 969			
Total			**534 767**			

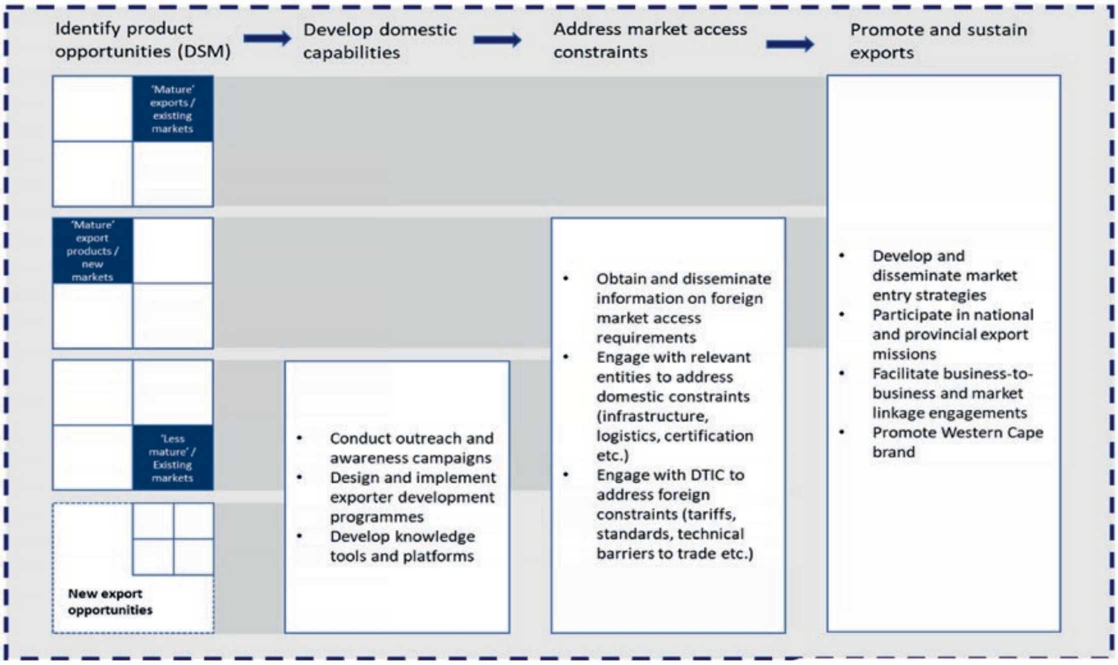
PRIORITY MEDIUM-TERM EXPORT OPPORTUNITIES			UNTAPPED VALUE	LEADING MARKET OPPORTUNITIES		
RANK	HS CODE	SUB-SECTOR	R MN	1	2	3
1	26	Manufacture of computer, electronic and optical products	63 243	China	Vietnam	Mexico
2	14	Manufacture of wearing apparel	55 643	USA	Germany	Spain
3	21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	52 137	USA	Germany	China
4	10	Manufacture of food products	51 741	China	USA	UK
5	20	Manufacture of chemicals and chemical products	31 139	USA	Japan	Germany
6	25	Manufacture of fabricated metal products	27 919	Hong Kong	China	USA
7	28	Manufacture of machinery and equipment n.e.c.	24 786	USA	France	Germany
8	27	Manufacture of electrical equipment	20 765	Mexico	USA	Germany
9	31	Manufacture of furniture	18 927	France	Germany	UK
10	01	Crop and animal production, hunting and related service activities	15 545	USA	China	Germany
Subtotal			361 844			
Total			**427 239**			

PRIORITY LONG-TERM EXPORT OPPORTUNITIES			UNTAPPED VALUE	LEADING MARKET OPPORTUNITIES		
RANK	HS CODE	SUB-SECTOR	R MN	1	2	3
1	20	Manufacture of chemicals and chemical products	3 690	Netherlands	China	Germany
2	24	Manufacture of basic metals	2 965	Turkey	Germany	USA
3	07	Mining of metal ores	2 130	South Korea	Netherlands	Italy
4	13	Manufacture of textiles	1 466	China	Vietnam	Guatemala
5	21	Manufacture of basic pharmaceutical products and preparations	1 088	Benelux	India	Spain
6	10	Manufacture of food products	666	Spain	Poland	China
7	03	Fishing and aquaculture	636	Spain	Bangladesh	France
8	01	Crop and animal production, hunting and related service activities	459	Netherlands	Spain	Slovakia
9	28	Manufacture of machinery and equipment n.e.c.	440	Vietnam	Uzbekistan	USA
10	29	Manufacture of motor vehicles, trailers and semi-trailers	419	Morocco	Poland	Indonesia
Subtotal			13 959			
Total			**14 690**			

Source: TRADE-DSM

Figure 3 on the next page shows how the various components of the Western Cape Export Strategy 2035 are expected to draw from the Product Complexity Mapping and work together to achieve its specified objectives. For the "less mature" product groups in the bottom two quadrants – the focus will need to be largely on developing domestic capabilities to export into new and existing markets over the longer term. More mature exports – those in the top two quadrants - will benefit immediately from the insights and awareness that come from the province's export promotion activities, domestically and abroad. For most exporters – identifying and resolving market access constraints is critical – and significant effort will be involved in engaging with exporters and national government to address these barriers.

FIGURE 3: *The exporter support system*



PART 2
Strategic Outcomes

2. Strategic Outcomes

The theory of change outlines six strategic outcomes to be achieved through the successful implementation of this export strategy:

1. Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in priority markets
2. Enhanced competitiveness, sustainability, and capabilities of exporters
3. Improved market access and lower barriers to trade
4. Establishment of the Western Cape as the regional hub for services trade
5. Better reflection of the Western Cape's interests in national trade policies, programmes, and negotiations
6. More efficient, cost-effective, and sustainable infrastructure

The following sections describe the key opportunities and challenges related to each of these six outcomes and outline the main interventions that are proposed in each area. A complete list of all the proposed actions and the accompanying operational arrangements are detailed in Section 3.

OUTCOME 1:

Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in these markets

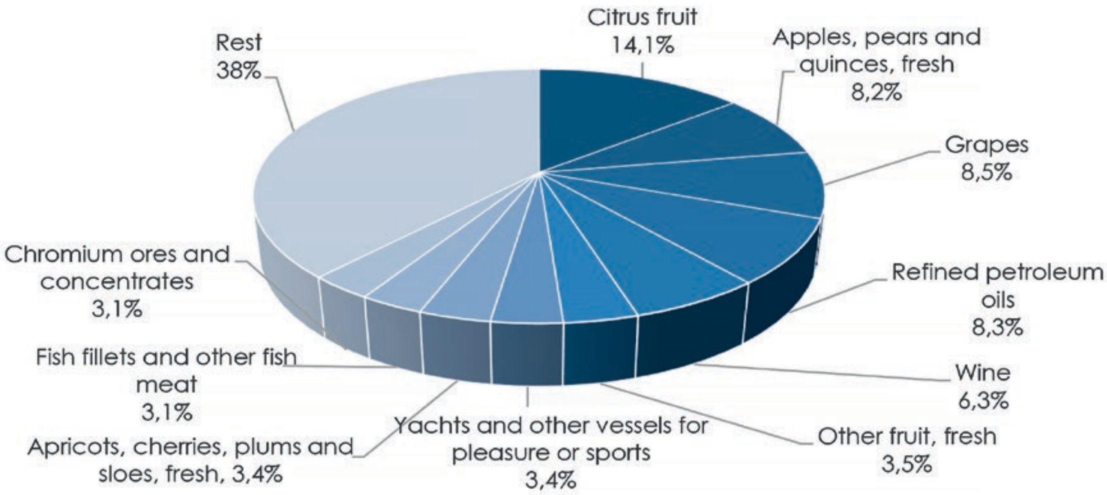
The focus of Outcome 1 is primarily on increasing exports of those shorter-term, lower hanging export promotion opportunities identified in the Product Complexity Mapping, through the delivery of the following outputs:

- Output 1.1: Exporter-importer engagement
- Output 1.2: Export Promotion Fund
- Output 1.3: Marketing campaigns
- Output 1.4: Cape Trade Portal
- Output 1.5: Strategic partnerships

Outcome 1: Challenges and opportunities

The Western Cape's exports are highly concentrated within a small group of largely primary products. The top 10 export products (at the HS 4-digit level) are shown in Figure 4. These top 10 product represent almost half of the province's total exports in value terms.

FIGURE 4: *Top 10 Western Cape export sectors (2025)*



Source: Quantec, 2026

Most exports (from a reported value perspective) are associated with primary agricultural products, which represent 31% of total exports on a 5-year time-weighted basis. The next largest sub-sector is petroleum refineries/synthesisers, followed by distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials; and the manufacture of wine. These 3 sub-sectors represent around 50% of the Western Cape province's exports. Clearly, more needs to be done to diversify the province's export base.

The Product Complexity Mapping analysis identifies significant opportunities to grow the export base of the Western Cape. In the short term, the food processing, agricultural, basic iron and steel, wine, and other (specifically the manufacturing of jewellery and related goods) industries present the greatest overnight opportunities. This 'untapped' potential (in nominal annual value terms) amounts to more than R500 billion – and includes 446 HS 6-digit products across 163 markets (i.e. 14 762 possible combinations of opportunities).

Exporters in the Western Cape cite several constraints which hinder them from taking advantage of these opportunities and expanding into new markets. For food and agriculture exporters, the time and cost taken to certify and register new products remains problematic; whereas most other exporters find it difficult to obtain specific market insight on in-country requirements relating to labelling, packaging, transport, and trademarks. Moreover, there needs to be greater focus on driving consumer demand in priority markets, by promoting the Western Cape as a quality source of specific products and services. Looking forward, the possible introduction of carbon border adjustments will create new risks at both the commodity and country level. All of this will require increased collaboration between government, the export councils, and the private sector.

Outcome 1: Proposed interventions

The Western Cape's export growth targets are unlikely to be achieved by increasing the volume of goods exported by the province's existing export base, to its current clientele. Instead – this strategy will need to be based on expanding the province's export basket, ensuring that such exports are sustainable, and diversifying sales into new and ideally fast-growing markets. To do so, requires some vision of what the Western Cape's 'future' product space should look like; and where the demand for these products is most likely to come from.

The Product Complexity Mapping analysis highlights that the largest and most immediate opportunities to grow exports are amongst those products that are already exported by the Western Cape. Specifically, the analysis identifies more than 400 'mature' products, at the HS-6-digit level, where exporters from the Western Cape should immediately look to expand their presence in existing markets, or to enter new markets. These short-term opportunities extend across 163 markets. Table 5 lists the top 20 products identified through the Product Complexity Mapping analysis and the main country markets to be targeted.

TABLE 5: *Short-term opportunities by product and country*

LEADING MARKET OPPORTUNITIES					
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
1	HS711319	Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	Switzerland = R18 593	UAE = R15 570	Hong Kong = R14 261
2	HS220421	Wine: still, in containers holding 2 litres or less	USA = R8 012	UK = R4 404	China = R3 999
3	HS240220	Cigarettes: containing tobacco	Italy = R4 066	Japan = R3 307	Spain = R2 536
4	HS840999	Engines: parts for internal combustion piston engines (excluding spark-ignition)	USA = R3 586	Germany = R2 668	France = R1 667
5	HS330499	Cosmetic and toilet preparations: n.e.c. in heading no. 3304, for the care of the skin (excluding medicaments, including sunscreen or sun tan preparations)	China = R6 460	Hong Kong = R3 615	USA = R2 391
6	HS720839	Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of less than 3mm	Vietnam = R3 446	S.Korea = R2 097	Turkey = R1 938
7	HS721049	Iron or non-alloy steel: flat-rolled, width 600mm or more, (not corrugated), plated or coated with zinc (not electrolytically)	Germany = R2 428	USA = R1 525	Belgium/Lux = R1 290
8	HS080610	Fruit, edible: grapes, fresh	USA = R3 004	China = R1 538	Germany = R951

LEADING MARKET OPPORTUNITIES					
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
9	HS970110	Paintings, drawings and pastels: executed entirely by hand, other than drawings of heading no. 4906	USA = R2 809	Hong Kong = R1 704	UK = R1 197
10	HS720449	Ferrous waste and scrap: n.e.c. in heading no. 7204	Turkey = R2 122	S.Korea = R996	Vietnam = R679
11	HS230120	Flours, meals and pellets: of fish or of crustaceans, molluscs or other aquatic invertebrates	China = R3 634	Norway = R614	Japan = R436
12	HS890392	Motorboats: (other than outboard motorboats), for pleasure or sports, other than inflatable	USA = R2 150	Malta = R1 855	France = R787
13	HS080810	Fruit, edible: apples, fresh	Germany = R902	UK = R564	Russia = R538
14	HS890690	Vessels: other, including lifeboats other than rowing boats, other than warships	Norway = R1 019	Cyrpus = R635	Namibia = R530
15	HS030389	Fish: frozen, n.e.c. in heading 0303, excluding fillets, livers, roes, and other fish meat of heading 0304	China = R1 318	S.Korea = R976	Japan = R684
16	HS740400	Copper: waste and scrap	China = R1 999	Germany = R726	Belgium/Lux = R441
17	HS720838	Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of 3mm or more but less than 4.75mm	Italy = R997	Vietnam = R932	Turkey = R653
18	HS081040	Fruit, edible: cranberries, bilberries and other fruits of the genus vaccinium, fresh	USA = R2 640	Netherlands = R721	UK = R609
19	HS030749	Molluscs: cuttle fish and squid, whether in shell or not, frozen, dried, salted, in brine, or smoked, cooked or not before or during the smoking process	Spain = R1 153	China = R715	Italy = R634
20	HS890110	Cruise ships, excursion boats and similar vessels, principally designed for the transport of persons, ferry boats of all kinds	Germany = R1 780	France = R601	Norway = R539

In value terms, this analysis suggests that most opportunities are in Europe and Asia, followed by the USA. It also reveals a number of emerging markets – such as Vietnam and Turkey – those present sizeable opportunities across multiple products. Africa on the other hand offers the largest number of opportunities – by product and country - reflecting the relatively smaller and more diverse size of the continental market.

Table 6 lists the countries identified through the Product Complexity Mapping analysis, by region, and the main products to be targeted in each country. In Africa, these opportunities are mostly in the iron and steel sector, whereas in other regions, jewellery, fruit products, wine, cosmetics and engines feature consistently.

TABLE 6: *Short-term product opportunities by region and country*

LEADING PRODUCT OPPORTUNITIES (HS8)				
RANK	COUNTRY	1	2	3
AFRICA				
1	Tunisia	HS720720:Iron or non-alloy steel: semi-finished products of iron or non-alloy steel, containing by weight 0.25% or more of carbon	HS240220:Cigarettes: containing tobacco	HS720719:Iron or non-alloy steel: semi-finished products of iron or non-alloy steel, containing by weight less than 0.25% of carbon, other than rectangular or square cross-section
2	Namibia	HS890690:Vessels: other, including lifeboats other than rowing boats, other than warships	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)	HS871631:Tanker trailers and tanker semi-trailers
3	Kenya	HS720839:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of less than 3mm	HS720827:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, pickled, of a thickness of less than 3mm	HS720719:Iron or non-alloy steel: semi-finished products of iron or non-alloy steel, containing by weight less than 0.25% of carbon, other than rectangular or square cross-section
4	Morocco	HS720711:Iron or non-alloy steel: semi-finished products of iron or non-alloy steel: containing by weight less than 0.25% of carbon, of rectangular (including square) cross-section, width less than twice thickness	HS280700:Sulphuric acid: oleum	HS030749:Molluscs: cuttle fish and squid, whether in shell or not, frozen, dried, salted, in brine, or smoked, cooked or not before or during the smoking process

LEADING PRODUCT OPPORTUNITIES (HS8)				
RANK	COUNTRY	1	2	3
5	Algeria	HS720711:Iron or non-alloy steel: semi-finished products of iron or non-alloy steel: containing by weight less than 0.25% of carbon, of rectangular (including square) cross-section, width less than twice thickness	HS721420:Iron or non-alloy steel: bars and rods, hot-rolled, hot-drawn or hot-extruded, containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
MIDDLE EAST				
1	UAE	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS720839:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of less than 3mm	HS970110:Paintings, drawings and pastels: executed entirely by hand, other than drawings of heading no. 4906
2	Saudi Arabia	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS890690:Vessels: other, including lifeboats other than rowing boats, other than warships	HS080810:Fruit, edible: apples, fresh
3	Cyprus	HS890690:Vessels: other, including lifeboats other than rowing boats, other than warships	HS721420:Iron or non-alloy steel: bars and rods, hot-rolled, hot-drawn or hot-extruded, containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	HS080810:Fruit, edible: apples, fresh
4	Bahrain	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS330499:Cosmetic and toilet preparations: n.e.c. in heading no. 3304, for the care of the skin (excluding medicaments, including sunscreen or sun tan preparations)	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
EUROPE				
1	Germany	HS220421:Wine: still, in containers holding 2 litres or less	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)	HS721049:Iron or non-alloy steel: flat-rolled, width 600mm or more, (not corrugated), plated or coated with zinc (not electrolytically)
2	UK	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS220421:Wine: still, in containers holding 2 litres or less	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)

LEADING PRODUCT OPPORTUNITIES (HS8)				
RANK	COUNTRY	1	2	3
3	France	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS240220:Cigarettes: containing tobacco	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
4	Switzerland	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS220421:Wine: still, in containers holding 2 litres or less	HS970110:Paintings, drawings and pastels: executed entirely by hand, other than drawings of heading no. 4906
5	Italy	HS240220:Cigarettes: containing tobacco	HS720839:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of less than 3mm	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
ASIA				
1	China	HS330499:Cosmetic and toilet preparations: n.e.c. in heading no. 3304, for the care of the skin (excluding medicaments, including sunscreen or sun tan preparations)	HS220421:Wine: still, in containers holding 2 litres or less	HS230120:Flours, meals and pellets: of fish or of crustaceans, molluscs or other aquatic invertebrates
2	Hong Kong	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS330499:Cosmetic and toilet preparations: n.e.c. in heading no. 3304, for the care of the skin (excluding medicaments, including sunscreen or sun tan preparations)	HS220421:Wine: still, in containers holding 2 litres or less
3	Japan	HS240220:Cigarettes: containing tobacco	HS220421:Wine: still, in containers holding 2 litres or less	HS240399:Tobacco: other than homogenised or reconstituted or smoking
4	Vietnam	HS720839:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of less than 3mm	HS720838:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of 3mm or more but less than 4.75mm	HS520100:Cotton: not carded or combed
5	Singapore	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS330499:Cosmetic and toilet preparations: n.e.c. in heading no. 3304, for the care of the skin (excluding medicaments, including sunscreen or sun tan preparations)	HS240220:Cigarettes: containing tobacco

LEADING PRODUCT OPPORTUNITIES (HS8)				
RANK	COUNTRY	1	2	3
AMERICAS				
1	USA	HS220421:Wine: still, in containers holding 2 litres or less	HS711319:Jewellery: of precious metal (excluding silver) whether or not plated or clad with precious metal, and parts thereof	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
2	Canada	HS220421:Wine: still, in containers holding 2 litres or less	HS080610:Fruit, edible: grapes, fresh	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)
3	Mexico	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)	HS721049:Iron or non-alloy steel: flat-rolled, width 600mm or more, (not corrugated), plated or coated with zinc (not electrolytically)	HS720838:Iron or non-alloy steel: in coils, without patterns in relief, flat-rolled, of a width 600mm or more, hot-rolled, of a thickness of 3mm or more but less than 4.75mm
4	Brazil	HS310559:Fertilizers, mineral or chemical: containing the two fertilizing elements nitrogen and phosphorus, other than nitrates and phosphates	HS220421:Wine: still, in containers holding 2 litres or less	HS080830:Fruit, edible: pears, fresh
5	Chile	HS150420:Fats and oils and their fractions: of fish, (excluding liver-oils)	HS280700:Sulphuric acid: oleum	HS840999:Engines: parts for internal combustion piston engines (excluding spark-ignition)

WESGRO's export promotion efforts will, in the first instance, focus on the products and countries identified through the Product Complexity Mapping analysis. These results will then be further assessed, in consultation with industry and other experts, to determine the actual value and interest in each opportunity. This will ensure that the province's export support infrastructure prioritises those opportunities where the available evidence suggests that the gains are likely to be largest. This will not, however, preclude the participation of new and existing exporters that fall outside of these priority products and markets, though they will be required to provide their own evidence to demonstrate sufficient international demand. These opportunities will also be reviewed against the objectives and priorities set out in the National Export Strategy.

The specific export promotion initiatives to be implemented through this strategy are summarised below.

OUTPUT 1.1: EXPORTER-IMPORTER ENGAGEMENT

The province will continue to dedicate substantial attention to unlocking new markets - and expanding its presence in existing markets - through trade exhibitions, outward selling missions, inward buyer missions and study tours (in-person, hybrid or virtual). These activities will focus on active exporters – and will look to explore possibilities for diversifying trade into the large or fast-growing potential markets identified through the product complexity analysis.

OUTPUT 1.2: EXPORT PROMOTION FUND

The province will explore the feasibility of establishing an Export Promotion Fund to support exporters in undertaking market activities within priority countries, including travel, exhibitions etc.

OUTPUT 1.3: MARKETING CAMPAIGNS

WESGRO will work closely with export councils and producers to extend its “Made in the Cape“marketing campaign for selected products, services and countries – and to actively and directly promote the Western Cape as a quality source of these products to consumers in these countries. This will include an online paid-for marketing campaign, initially focused on the UK, followed by the USA, and then extended to other priority markets. WESGRO Export managers will pro-actively promote Western Cape products and services, the Made in the Cape marketing campaigns and the Cape Trade Portal during all market engagements.

OUTPUT 1.4: CAPE TRADE PORTAL

WESGRO launched the Cape Trade Portal (https://capetradeportal.com/) in February 2022 - a web-based platform that serves as a marketplace and a Western Cape export resource centre to connect Western Cape exporters and international buyers 24/7 and to support Western Cape exporters with export training, tools and intelligence. The marketplace will be supported by the Made in the Cape marketing campaign to help drive international buyers to the portal. The resource centre aims to include export training and mentoring, export missions, market and sector research as well as information on export controls such as tariffs, taxes and product, safety and labelling requirements.

OUTPUT 1.5: STRATEGIC PARTNERSHIPS

WESGRO will continue to build new (and expand existing) strategic relationship locally and internationally – to support exporters in connecting with international markets. This includes for example, collaborating with export councils, working with the private sector to establish a SA-China Chamber of Commerce; collaborating with the SA BRICS Business Council to address export opportunities and challenges for Western Cape exporters into the BRIC countries; and exploring a potential partnership with Dubai Airport Free Trade Zone.

OUTCOME 2:

Enhanced competitiveness, sustainability, and capabilities of exporters

The focus of Outcome 2 is primarily on developing and investing in the capacity needed to unlock the medium-term and longer-term opportunities identified in the Product Complexity Mapping, through the delivery of the following outputs:

- Output 2.1: Sector enablement
- Output 2.2: Targeted exporter training, advice, and tools
- Output 2.3: Outreach and awareness
- Output 2.4: Resource Centre for the Cape Trade Portal

Outcome 2: Challenges and opportunities

Exporters play an important role in the world economy and contribute substantially to income, output, and employment. Opening new markets enables enterprises to increase their sales and hence enable growth through an increased customer base. On the other hand, the difficulties associated with exporting requires an immense commitment on the part of owner-managers of the enterprise. Many enterprises have limited financial and managerial resources as well as administrative and control systems, which are important for venturing into international markets.

While many small firms export, they tend to be more reactive and let opportunities come to them. Many companies, especially small enterprises, tend to underestimate the potential of the export market, and are overwhelmed by the intricacies, laws, and regulations that apply in foreign markets. Some of the specific challenges noted by SMME's include:

- Inadequate quantity of and/or untrained personnel for internationalisation
- Shortages of working capital to finance exports
- Limited information to locate/analyse markets
- Identifying foreign business opportunities
- Lack of managerial time to deal with internationalisation
- Inability to contact potential overseas customers
- Developing new products and services for foreign markets
- Unfamiliar foreign business practices
- Unfamiliar exporting procedures/paperwork
- Meeting export product quality/standards/ specifications.

The Product Complexity Mapping analysis highlights the significant medium and long-term benefits, that may emerge from unlocking the province's untapped export potential. In the medium-term, the Western Cape could grow exports by R427 billion (1 527 HS 6-digit products to 164 markets and 47 214 possible combinations of opportunities) by raising the number of exporters (or exports) where the Western Cape has some export capability – but the province's exports of these products are still relatively 'immature'. In the longer term, investment into new export capabilities may add another R14.7 billion (116 HS 6-digit products to 103 markets with 997 possible combinations of opportunities) on an annual basis.

Table 7 and Table 8 show the 20 largest medium- and long-term opportunities, by market, as identified through the Product Complexity Mapping analysis.

TABLE 7: *Medium-term product opportunities by country*

LEADING MARKET OPPORTUNITIES					
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
1	HS300490	Medicaments: consisting of mixed or unmixed products n.e.c. in heading no. 3004, for therapeutic or prophylactic uses, packaged for retail sale	United States of America = R8 555	Germany = R3 196	Belgium-Luxembourg = R2 715
2	HS854239	Electronic integrated circuits: n.e.c. in heading no. 8542	Hong Kong = R7 577	China = R5 507	Vietnam = R1 308
3	HS293500	Sulphonamides	United States of America = R8 595	Germany = R2 703	France = R1 788
4	HS293499	Nucleic acids and their salts, other heterocyclic compounds, n.e.c. in heading number 2934	United States of America = R6 421	Japan = R1 829	Germany = R1 759
5	HS854231	Electronic integrated circuits: processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits	China = R4 237	Vietnam = R1 308	Mexico = R1 172
6	HS851762	Communication apparatus (excluding telephone sets or base stations): machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	Netherlands = R 1608	Germany = R935	United Kingdom = R938
7	HS611030	Jerseys, pullovers, cardigans, waistcoats and similar articles: of man-made fibres, knitted or crocheted	United States of America = R3 689	Spain = R824	Canada = R479
8	HS392690	Plastics: other articles n.e.c. in chapter 39	United States of America = R3 336	Poland = R543	Vietnam = R543
9	HS847330	Machinery: parts and accessories of the machines of heading no. 8471 (other than covers, carrying cases and the like)	Mexico = R1 771	China = R1 497	Singapore = R728

LEADING MARKET OPPORTUNITIES					
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
10	HS851770	Telephone sets and other apparatus for the transmission or reception of voice, images or other data, via a wired or wireless network: parts	China = R1 764	Vietnam = R1 325	India = R889
11	HS030617	Crustaceans: frozen, shrimps and prawns, excluding cold-water varieties, in shell or not, smoked, cooked or not before or during smoking: in shell, cooked by steaming or by boiling in water	China = R4 223	Taiwan = R358	Russian Federation = R327
12	HS300210	Blood, human or animal, antisera, other blood fractions and immunological products: whether or not modified or obtained by means of biotechnological processes	United States of America = R2 832	Japan| = R858	China = R802
13	HS940190	Seat: parts	Czech Republic = R1 045	United Kingdom = R669	France = R610
14	HS870899	Vehicle parts and accessories: n.e.c. in heading no. 8708	Mexico = R689	Canada = R616	France = R502
15	HS160414	Fish preparations: tunas, skipjack and Atlantic bonito (sarda spp.), prepared or preserved, whole or in pieces (but not minced)	United States of America = R1 445	Spain = R867	Netherlands = R396
16	HS620342	Trousers, bib and brace overalls, breeches and shorts: men's or boys', of cotton (not knitted or crocheted)	Germany = R1 642	Netherlands = R558	Poland = R423
17	HS190590	Food preparations: bakers' wares n.e.c. in heading no. 1605, whether or not containing cocoa: communion wafers, empty cachets suitable for pharmaceutical use, sealing wafers, rice papers and similar products	United States of America = R1 820	United Kingdom = R940	Romania = R94
18	HS070960	Vegetables: fruits of the genus capsicum or of the genus pimenta, fresh or chilled	United States of America = R1 936	United Kingdom = R474	Canada = R334
19	HS940390	Furniture: parts	Germany = R789	France = R533	Japan = R315
20	HS080929	Fruit, edible: cherries, other than sour cherries (Prunus cerasus), fresh	China = R2 917	Vietnam = R43	Poland = R8

TABLE 8: *Long-term product opportunities by country*

LONG-TERM EXPORT OPPORTUNITIES			LEADING MARKET OPPORTUNITIES		
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
1	HS291020	Epoxides, epoxyalcohols, epoxyphenols and epoxyethers: with a three-membered ring and their halogenated, sulphonated, nitrated or nitrosated derivatives, methyloxirane (propylene oxide)	Netherlands = R114	China = R1 022	Germany = R543
2	HS261310	Molybdenum ores and concentrates: roasted	South Korea = R799	Netherlands = R750	Italy = R269
3	HS790112	Zinc: unwrought, (not alloyed), containing by weight less than 99.99% of zinc	Turkey = R1 077	Germany = R490	Italy = R229
4	HS293723	Steroidal hormones, their derivatives and structural analogues: oestrogens and progestogens	Belgium-Luxembourg = R320	India = R121	Germany = R84
5	HS291030	Epoxides, epoxyalcohols, epoxyphenols and epoxyethers: with a three-membered ring and their halogenated, sulphonated, nitrated or nitrosated derivatives, 1-chloro-2,3-epoxypropane (epichlorohydrin)	South Korea = R269	India = R212	Netherlands = R181
6	HS750712	Nickel: tubes and pipes, of nickel alloys	United States of America = R264	United Kingdom = R103	United Arab Emirates = R69
7	HS840733	Engines: reciprocating piston engines, of a kind used for the propulsion of vehicles of chapter 87, of a cylinder capacity exceeding 250cc but not exceeding 1000cc	Morocco = R307	Poland = R109	Indonesia = R1
8	HS030285	Fish: fresh or chilled, seabream (Sparidae), excluding fillets, livers, roes, and other fish meat of heading 0304	Spain = R238	United States of America = R37	Romania = R19
9	HS293750	Prostaglandins, thromboxanes and leukotrienes, their derivatives and structural analogues	France = R57	United States of America = R55	China = R37
10	HS844712	Knitting machines: circular, with cylinder diameter exceeding 165mm	Vietnam = R167	Taiwan = R36	Uzbekistan = R35
11	HS860210	Rail locomotives: diesel-electric powered	Angola = R148	Cambodia = R33	Poland = R29
12	HS520623	Cotton yarn: (not sewing thread), single, of combed fibres, less than 85% by weight of cotton, less than 232.56 but not less than 192.31 decitex (exceeding 43 but not exceeding 52 metric number), not for retail sale	China = R133	Guatemala = R28	Vietnam = R25

LONG-TERM EXPORT OPPORTUNITIES			LEADING MARKET OPPORTUNITIES		
RANK	HS CODE	PRODUCT	1 (ZAR MN)	2 (ZAR MN)	3 (ZAR MN)
13	HS520624	Cotton yarn: (not sewing thread), single, of combed fibres, less than 85% by weight of cotton, less than 192.31 but not less than 125 decitex (exceeding 52 but not exceeding 80 metric number), not for retail sale	China = R158	Guatemala = R49	Philippines = R8
14	HS030473	Fish fillets: frozen, coalfish (Pollachius virens)	Poland = R82	Spain = R45	Sweden = R34
15	HS010392	Swine: live, other than pure-bred breeding animals, weighing 50kg or more	Spain = R122	Slovakia = R83	Bosnia and Herzegovina = R2
16	HS010391	Swine: live, other than pure-bred breeding animals, weighing less than 50kg	Netherlands = R149	Austria = R28	Bulgaria = R5
17	HS710510	Stones: precious and semi-precious, dust and powder, of diamonds	Qatar = R80	Switzerland = R30	United Kingdom = R27
18	HS030791	Molluscs: n.e.c. in heading 0307, whether in shell or not, live, fresh or chilled, includes flours, meals, and pellets of molluscs, fit for human consumption	China = R85	France = R26	United States of America = R18
19	HS845510	Metal-rolling mills: tube mills	United States of America = R47	Thailand = R31	Poland = R22
20	HS810294	Molybdenum: unwrought, including bars and rods obtained simply by sintering	France = R71	Netherlands = R21	United Kingdom = R18

Outcome 2: Proposed interventions

The Product Complexity Mapping analysis identified a significant number of opportunities (1 527 products) that already appear in the export basket of the Western Cape province, but which require further export development and investment to become 'comparatively' significant exports. In addition, a further 116 products are identified based on the Product Space's 'adjacent' possible principle. These products are completely new to the province's export basket and although they are less likely to add to the Western Cape province's overall value of exports, they could contribute to the future diversity and complexity of the Western Cape province's economic structure.

In the medium term, manufacturing of pharmaceutical-related products and basic chemicals presents 'immature' opportunities that can be developed further, while in the longer term, further 'new' products associated with basic chemicals manufacturing, basic precious and nonferrous metals and textiles production pose the most potential. For each of these product opportunities – further and sector-specific research will be needed to assess the feasibility of exporting from the Western Cape and to identify a narrower group of priority products for active export development.

Based on this research, additional support programmes will be developed by DEDAT from both the sector development programme as well as the enterprise development programme to give effect to the development of new exporters through specific training and capacity building. Key partner organisations, such as SEDA, which already provides support to SMME's who want to export, will be included to develop a comprehensive SMME export development programme for the province.

In addition, to overcome the challenges associated with exporting and increase the number of exporters in the Western Cape, several new initiatives are proposed to raise awareness of potential opportunities; ensure that SMMEs have access to accurate and useful market information; develop linkages with like-minded companies and potential buyers; reach-out to local municipalities; and build capacity amongst export-ready enterprises. Specific attention will be directed at supporting women entrepreneurs and in addressing the high cost of complying with international standards.

WESGRO currently provides training to exporters in such areas as improving competitiveness, quality management, packaging, legal aspects of international trade, human resource development, product diversification and marketing, and using trade information effectively. This type of practical capacity building will continue through the implementation of this strategy to ensure that enterprises with export potential, in specifically targeted sectors, are equipped with the required knowledge and skills to compete internationally. Moreover, WESGRO will collaborate with export councils and industry bodies to incorporate sector specific training into existing programmes; and will work with the Districts Unit to extend the reach and appeal of the existing service offering.

The specific activities to be rolled out to new or emerging exporters through the implementation of this Strategy are outlined below.

OUTPUT 2.1: SECTOR ENABLEMENT

Based on the Product Complexity Mapping analysis and further research and engagements with business, 10 'new' export products will be selected for priority support over the next five years. For each of these products, a long-term product and exporter development plan will be prepared which will outline the specific initiatives that will be pursued by DEDAT and WESGRO to identify potential exporters, provide them with specialist training and advice, address potential market access barriers, and link them to markets. A limited number of new exporters will be selected for participation in these initiatives.

OUTPUT 2.2 TARGETED EXPORT TRAINING, ADVICE, AND TOOLS

WESGRO's Export Advancement Programme (EAP) supports companies by addressing all aspects of the export process through theory and practical methodologies. Modules cover orientation to export, preparing to export and developing an export marketing plan, financial risk management, export costing and logistics. The programme incorporates two export mentorship programmes, including PUM's Business Development Mentorship, a Dutch mentorship programme for Western Cape companies needing business guidance on process improvement to boost exports. Skills transfer is tailored to the exporter's requirements, which are enhanced by the PUM mentor's extensive global experience.

It is proposed to include an additional and specific training programme to bring awareness to exporters of the various aspects of their business that may impacted by shifting regulations and/or consumer behaviour in key markets related to environmental impacts and the reduction of carbon emissions. This training will focus on increasing their understanding of environmental trends and preferences in export markets, including carbon border adjustments, and facilitating compliance with and the development of necessary standards in South Africa, where necessary. Similarly, new, and targeted training on the coverage and use of preferential trade agreements will be considered.

OUTPUT 2.3: OUTREACH AND AWARENESS

WESGRO will conduct Export Workshops and Networking Sessions to educate business (non-exporters) on the benefits of exporting, what business can do to understand if they are export ready (export readiness checklist, etc), and to provide insights on export market/sector opportunities and challenges (including trade agreements). This will include sessions on the specific regulatory requirements within priority markets i.e. packaging, certification, etc. These awareness activities will be conducted in collaboration with Districts' Units in order to extend outreach activities across the province.

DEDAT will provide information regarding export opportunities for the medium and long term through the relevant sector desks and industry associations, and to relevant national departments, to create awareness and align support mechanisms relating to the sector development needs of specific industries.

OUTPUT 2.4: RESOURCE CENTRE FOR THE CAPE TRADE PORTAL

The resource centre housed in the Cape Trade Portal will equip Western Cape exporters with export training, tools and intelligence. Tools in the resource centre will include detail on export training and mentoring, export missions, market and sector research as well as information on export controls such as tariffs, taxes and product, safety and labelling requirements.

OUTCOME 3:
Improved market access and lower barriers to trade

The focus of Outcome 3 is on addressing the market access barriers, domestically and in foreign countries, that constrain exports of the priority products identified through the Product Complexity Mapping. This will be achieved through the delivery of the following outputs:

- Output 3.1: Market entry strategies
- Output 3.2: Invest SA One-Stop-Shop Western Cape
- Output 3.3: Ease of doing business
- Output 3.4: Export barrier task team
- Output 3.5: Technical Barrier to Trade Fund
- Output 3.6: Western Cape Trade Barrier Monitoring System
- Output 3.7: Regulatory impact assessments

Outcome 3: Challenges and opportunities

Trading across borders requires added layers of certification and compliance with different levels of standards. These standards are needed to assure importers and consumers that products meet acceptable safety requirements. In most instances, exporters depend on national and regional government departments and agencies to ensure that the necessary standards, safety and certification mechanisms are in place to meet the general and specific market standards imposed by South Africa's trade partners. For example, the acceptance of food products in most major markets requires a competent certification and monitoring authority, accepted testing standards and proactive negotiations.

There is also an increasing demand for producers and exporters themselves to meet international quality standards and production methods. This includes private standards required by individual customers (predominantly local and international retailers) and “home grown” sustainability initiatives such as the Sustainability Initiative South Africa (SIZA), the Sustainable Fruit Initiative (SFI) and the Confronting Climate Change Initiative (CCC) that fall under the custodianship of Fruit South Africa and/or its affiliated Growers Associations. Whereas the benefits of compliance for qualifying exporters can be significant, the achievement and maintenance of some of these standards is difficult and costly.

These hurdles are particularly challenging for emerging exporters, who are unable to meet complex and overlapping compliance standards, including: ethical trade standards, environmental standards, carbon foot printing, voluntary “good agricultural practice” standards, quality management systems, and voluntary ‘good agricultural practice’ standards. There are also many administrative processes that need to be completed to trade across borders, including the issuance of rules of origin certificates, in order to receive preferences through existing trade agreements.

Nationally, the Department of Trade, Industry and Competition (DTIC) has primary responsibility for developing new export markets and broadening the country’s export base, including through the negotiation of trade agreements and market access arrangements. Likewise, the National Department of Agriculture, Land Reform and Rural Development (DALRRD) plays a critical role in ensuring market access for agriculture goods, through the provision of domestic certification services and the implementation of health safety controls. The ability of the Western Cape Government to support exports therefore depends to a large degree on its ability to engage with National Government entities to ensure that they have the necessary systems and capabilities in place to support international trade. In addition, the province can do more to support small exporters directly, in bridging the gap in standards; and working with export councils to address sector specific challenges.

Outcome 3: Proposed interventions

To improve market access in foreign markets requires two sets of parallel actions.

Firstly, exporters need to understand and comply with the specific demands of different markets. Here, government can assist through the provision of market insight on in-country requirements relating to standards, health and safety requirements, labelling, packaging, transport, and trademarks. This support will largely be provided through WESGRO’s existing export promotion and exporter development programme, as well as through the resource centre of The Cape Trade Portal.

Moreover, DEDAT will aid relevant industries by identifying critical trade barriers and co-ordinating efforts across Government to respond either from a policy perspective, with the assistance of the Ease of Doing Business team; or through direct support, to address specific export requirements, such as standards. The Department’s interventions will focus on the commodities identified as part of the Product Complexity Model research, and its response will be informed by the requirements, barriers and insights identified during the first phase of the export strategy implementation.

Secondly, significant assistance is required from national institutions, most notably the Department of Agriculture, Land Reform and Rural Development and the National Regulator for Compulsory Specifications (NRCS), in obtaining the formal certification and accreditation needed to export certain goods. To address the significant challenges faced by exporters in navigating these systems and receiving the requisite support and services from national authorities, several additional activities will be implemented as part of this Strategy.

OUTPUT 3.1: MARKET ENTRY STRATEGIES

The ability of exporters to receive recognized accreditation for standards, especially in the agriculture sector, is currently of particular concern in accessing export markets. DEDAT will engage with the DTIC and DALRDD to understand how agreements related to market access are negotiated and implemented; and will liaise with industry associations and export councils to identify opportunities for harmonising standards and procedures that can be flagged with the national government for future engagements and negotiations with key trading partners.

OUTPUT 3.2: INVEST SA ONE-STOP-SHOP WESTERN CAPE

A virtual export one-stop-shop (https://www.wesgro.co.za/invest/export-one-stop-shop) has been established in 2021, in collaboration with Invest SA's One-Stop-Shop, to provide exporters in the province with online access to national and provincial government departments in order to expedite the resolution of regulatory and certification issues faced by local exporters as they seek to export from the Western Cape.

OUTPUT 3.3: EASE OF DOING BUSINESS

The Ease of Doing Business Unit (EoDB) within DEDAT will provide support relating to red tape issues experienced by exporters. This will be done in collaboration with the One-Stop-Shop. The EoDB Unit will also be tasked to provide support to policy amendments required to improve the export eco-system. Specific reforms to be addressed will be identified in the first phase of the implementation of the strategy.

OUTPUT 3.4: EXPORT BARRIER TASK TEAM

The one-stop-shop will be supported by a dedicated task team that will include representatives from WESGRO's Export Desks, DEDAT Sector teams and the DEDAT Ease of Doing business team, to identify export barriers relevant to the Western Cape and work with the national government to prioritize and resolve these constraints. This will include a dedicated focus on the possible risks posed by carbon border adjustments in foreign markets, and the domestic reforms that will be needed to reduce the carbon footprint of exporters from the Western Cape.

OUTPUT 3.5: TECHNICAL BARRIER TO TRADE FUND

The province will explore the possibility of establishing a dedicated fund to which associations can apply for funding in order to assist with the costs of resolving specific technical barriers to trade (e.g. standards, technical regulations, sanitary and phytosanitary measures (SPS) measures and conformity assessment procedures). This fund will be used to secure the technical advice and expertise needed to comply with international market requirements.

OUTPUT 3.6: WESTERN CAPE TRADE BARRIER MONITORING SYSTEM

The province will explore the feasibility of developing a provincial trade barrier monitoring system. This system would be hosted on Cape Trade Portal and would feed into the existing DTIC national export barrier monitoring mechanism. Information submitted through this system would also be channelled to the export barrier task team and relevant provincial departments, where relevant, for an explanation or resolution. An interactive dashboard would provide feedback on progress made in identifying and resolving barriers. The trade barrier monitoring system will be co-ordinated by DEDAT.

OUTPUT 3.7: REGULATORY IMPACT ASSESSMENTS

Regulatory impact assessments (RIA), led by DEDAT and relevant sector departments such as DoA, and supported by the provincial steering committee for RIAs, will be conducted to determine the impact of existing regulations and processes on the agricultural sector in the Western Cape. This will be supported by benchmarking research to identify countries and regions considered examples of "best practice" in agricultural exports and to draw lessons and possible recommendations for the Western Cape in addressing regulations in this sector.

OUTCOME 4:

Establishment of the Western Cape as the regional hub for services trade

The focus of Outcome 4 is on supporting and promoting exports of services from the Western Cape through the delivery of the following outputs:

- Output 4.1: Services research and strategy development
- Output 4.2: Services exporter development
- Output 4.3: Services export missions
- Output 4.4: Promotional and networking events
- Output 4.5: Outward Foreign Direct Investment (OFDI)

Outcome 4: Challenges and opportunities

The services sector is playing an increasingly important role in global value chains and economic development. Not only has trade in services grown and diversified in response to technological developments and e-trade; but a country's ability to access high quality and advanced services impacts on the competitiveness and exports of all other sectors. The WTO's General Agreement on Trade in Services (GATS) provides the legal ground rules for international trade in services, allowing WTO members the flexibility to open their markets to foreign competition at their own pace; and South Africa is engaged in numerous other services negotiations at the continental level.

The services sector in the Western Cape is particularly dynamic, and the province has seen strong growth in the BPO, ICT, retail, and design sectors. This adds to the province's already strong film and media, tourism, and financial services capabilities; and the important role it plays as a logistics centre for the rest of the country. Currently, there is no coordinated government drive or policy support to maximize the potential of South African services to reach global markets. This creates a unique opportunity for the Western Cape to develop, pilot and then implement a dedicated services export programme, as a substantive component of this Strategy. In doing so, the Strategy will serve to highlight the increasing importance of the services sector in South Africa's national trade profile; and will reinforce the position of the Western Cape as a services hub in Southern Africa.

A large share of the country's services exports take place through the establishment of South African operations in foreign countries. This is most notable in Africa, where South African banks, retailers, ICT companies, food franchises and construction firms (amongst other service providers) have a particularly strong presence in many countries. Increasing services trade will therefore depend significantly on the future outward investment plans of South African companies. The development and implementation of WESGRO's Outward Foreign Direct Investment (OFDI) Strategy for Africa will therefore play an important role in facilitating services' exports from the Western Cape.

Outcome 4: Proposed interventions

The services sector is extremely broad. As a first step, the Strategy will focus on those industries where the province can make the most significant difference without requiring excessive additional resources, and where its support will have the most impact. There are already dedicated strategies and programmes in place in the tourism, BPO and film sectors and the retail and financial services industries are well-established in South Africa and internationally. For this strategy, the initial focus will therefore be on identifying a further two or three services sectors for targeted export support. Over the next five years, the focus will be on engaging with these industries to determine how WESGRO's existing programmes can be adapted to incorporate services firms. Some specific interventions to be piloted within these industries are outlined below.

OUTPUT 4.1: SERVICES RESEARCH AND STRATEGY DEVELOPMENT
Prior to the initiation of new activities to support the development of the regional services industry, further research will be required to identify specific opportunities or pilot sectors to be prioritised, to outline the actual export constraints confronted by companies in these sectors, and to develop targeted and funded implementation plans.

OUTPUT 4.2: SERVICES EXPORTER DEVELOPMENT
Local services providers need support in developing the capacity to provide their services to foreign clients. However, to date, WESGRO's exporter development programmes have focused exclusively on goods exporters. These programmes will be reviewed and adapted to incorporate new exporters from two or three pilot services sectors. This will include training and information on legal aspects, compliance, and meeting international standards. Services specific information will also be provided through the Cape Trade Portal.

OUTPUT 4.3: SERVICES EXPORT MISSIONS
Services export missions will be expanded across all WESGRO export regions. This will include outward missions for services firms that are already exporting or wishing to export, to meet with potential customers, potential partners and sister associations; or incoming missions from target export markets, which provides an opportunity to acquaint potential foreign customers with the capabilities of service suppliers.

OUTPUT 4.4: PROMOTIONAL AND NETWORKING EVENTS
To expand the Western Cape services export ecosystem, WESGRO will facilitate sector-specific workshops and networking events; to educate, connect and to promote services exports across all domestic and international stakeholders.

OUTPUT 4.5: OUTWARD FOREIGN DIRECT INVESTMENT (OFDI)
Given the strong links between outward investment and services exports, all the above outputs will be closely coordinated with WESGRO's OFDI Strategy for Africa. Specifically, in undertaking services research, missions and promotional activities, opportunities for supporting investment by firms located in the Western Cape, elsewhere in Africa, will be explored and actively promoted.

OUTCOME 5:

Better reflection of the Western Cape's interests in national trade policies, programmes and negotiations

The focus of Outcome 5 is on ensuring that the export interests of the Western Cape are adequately represented in national trade policies and negotiations through the delivery of the following outputs::

- Output 5.1: Advocacy and analysis
- Output 5.2: Intergovernmental trade policy forum

Outcome 5: Challenges and opportunities

South Africa has signed several regional and bilateral Free and Preferential Trade agreements, aimed at removing barriers and assisting exporters to gain access to international markets. At the most basic level, such trade arrangements include a reduction in tariff rates on goods and an agreement on Rules of Origin. Increasingly, however, the focus of these agreements is much broader, and includes other areas that present challenges to international trade, for example services, investment, the environment, labour practices and competition.

The table below describes the trade agreements that South Africa has concluded, and negotiations that are ongoing. For the agreements that are in place, the focus of the Strategy will be to ensure that exporters in the Western Cape are aware of the preferences provided, and that they are able to access them when exporting to these countries. Where problems are experienced, these need to be documented and the relevant officials informed. Similarly, when existing agreements are formally reviewed, the experiences of exporters from the Western Cape must be effectively communicated to the National Government.

Currently, South Africa is engaged in a limited number of trade negotiations – most notably at the continental level, where discussions around the rules of origin and final tariff preferences related to both the African Continental Free Trade Area (AfCFTA) and the SADC-EAC-COMESA Tripartite FTA are ongoing. Whereas it is probably too late to influence the immediate outcomes of these processes, it would still be useful to assess whether these agreements meet the expectations of exporters from the Western Cape. This information could feed into future rounds of negotiations. Moreover, negotiations on trade in services and possible 'new trade issues' (competition, investment, IPR and e-commerce) are at an early stage and might deserve immediate attention.

The expected introduction of carbon border adjustments by some of South Africa's trading partners will also require ongoing surveillance and appropriate mitigating actions. A position paper has been prepared regarding the impact and proposed mitigation of carbon reduction initiatives on export competitiveness in the Western Cape , which needs to be considered for future commodities and markets that will be prioritised in the strategy.

Finally, it is important to recognise that multilateral discussions are ongoing at the WTO through various committees on specific topics, such as domestic regulatory disciplines and e-commerce. In general, South Africa does not support an expansion of the international trade agenda, and the country may effectively exclude itself from future plurilateral agreements in some areas. The extent to which these national policy positions are consistent with the views and interests of the Western Cape deserves further exploration.

__TABLE 9:__ Top 10 Western Cape export destinations, 2017 & 2025

	TYPE OF AGREEMENT	COUNTRIES INVOLVED	MAIN OBJECTIVE/ TERMS	PRODUCTS INVOLVED
CUSTOMS UNION				
Southern African Customs Union (SACU) (established in 1910)	Customs Union	Botswana, Eswatini, Lesotho, Namibia and South Africa	Duty free movement of goods; a common external tariff applied on goods entering any of the countries from outside the SACU	All products
FREE TRADE AGREEMENTS (FTAS)				
Southern African Development Community (SADC): Protocol on Trade in Goods (established in 2008)	Free Trade Agreement: Protocol on Trade in Goods	Among 13 of the 16 SADC Member States. Angola is in the process to accede to the free trade agreement; the DRC and Comoros have not yet acceded.	An FTA, with 85% duty-free trade achieved in 2008. The 15% of trade, constituting the "sensitive list", was largely liberalised from 2009 to 2012.	Most products
Southern African Development Community (SADC): Protocol on Trade in Services (established in 2012)	Services trade liberalisation: Protocol on trade in services	Among 15 of the 16 SADC Member States. (Comoros being the exception)	Liberalise trade in services. Seven of the 15 signatory countries have ratified; awaiting a further 3 countries to ratify the Protocol, for it to enter into force.	Six service sectors initially (communication, construction, energy, finance, transport, tourism); other sectors might follow in a second round of negotiations.
Trade, Development and Cooperation Agreement (TDCA) (established in 2010)	Free Trade Agreement	South Africa and the European Union (EU)	The EU offered to liberalise 95% of its duties on South African-originating products by 2010. In turn, by 2012, South Africa offered to liberalise 86% of its duties on EU originating products.	The TDCA was reviewed, with the aim of broadening the scope of product coverage. This took place under the auspices of the Economic Partnership Agreement (EPA) negotiations between SADC and the EU. Resulting from these negotiations, the TDCA trade chapter was replaced by the SADC-EU Economic Partnership Agreement.

	TYPE OF AGREEMENT	COUNTRIES INVOLVED	MAIN OBJECTIVE/ TERMS	PRODUCTS INVOLVED
EFTA-SACU Free Trade Agreement (FTA) (established in 2006)	Free Trade Agreement	SACU and the European Free Trade Association (EFTA) – Iceland, Liechtenstein, Norway and Switzerland.	Tariff reductions on selected goods. It was signed in 2006 and come into force in 2008.	Industrial goods (including fish and other marine products) and processed agricultural products. Basic agricultural products are covered by bilateral agreements with individual EFTA States.
Economic Partnership Agreement between the SADC EPA States, and the European Union (established in 2016)	Economic Partnership Agreement	South Africa, Botswana, Eswatini, Namibia, Lesotho and Mozambique (referred to as the SADC EPA Group), and the European Union (EU).	The EPA covers trade in goods. This covers tariffs, rules of origin, customs and border management amongst other areas . It also covers development provisions such as providing support for SADC EPA members' infrastructure development.	The agreement covers most products. It replaces the Trade Chapter of the TDCA.
Economic Partnership Agreement between the SACU Member States and Mozambique, and the UK (established in 2021)	Economic Partnership Agreement	South Africa, Botswana, Eswatini, Namibia, Lesotho and Mozambique.	The agreement largely replicates the SADC-EU EPA to ensure that trade with the UK was not disrupted post-Brexit. Further negotiations on a number of technical issues are expected to deepen existing trade links.	The agreement covers most products though certain tariff rate quotas are applied on some exports from South Africa.
PREFERENTIAL TRADE AGREEMENTS (PTAS)				
SACU-Southern Common Market (Mercosur) PTA (established in 2016)	Preferential Trade Agreement	SACU and MERCOSUR (Argentina, Brazil, Paraguay and Uruguay).	Tariff reductions on selected goods. It entered into force on 21 October 2016.	About 1 000 product lines on each side of the border.

	TYPE OF AGREEMENT	COUNTRIES INVOLVED	MAIN OBJECTIVE/ TERMS	PRODUCTS INVOLVED
NON-RECIPROCAL TRADE ARRANGEMENTS				
Generalised System of Preferences (GSP) (established in 1974)	Unilateral preferences granted under the enabling clause of the WTO; these preferences are not contractually binding upon the benefactors.	Offered to South Africa as developing country by the EU, Norway, Switzerland, Russia, Turkey, the US, Canada, and Japan.	GSP promotes economic development by eliminating duties on thousands of products when imported from one of 119 designated beneficiary countries and territories .	Selected industrial and agricultural products
Africa Growth and Opportunity Act (AGOA) (established in 2000)	Unilateral assistance measure; similar to the GSP programmes but wider in scope	Granted by the US to 39 sub-Saharan African countries.	Preferential access to the US market through lower tariffs or no tariffs on selected products	Duty free access to the US market under the combined AGOA/GSP programme stands at approximately 7 000 product tariff lines.
CURRENT TRADE NEGOTIATIONS				
SACU-India PTA	Preferential Trade Agreement	SACU and India	Tariff reductions on selected goods	SACU and India are in the process of exchanging tariff requests.
SADC-EAC-COMESA Tripartite FTA	Free Trade Agreement	26 countries: Angola, Botswana, Burundi, Comoros, Djibouti, DRC, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Libya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, South Sudan, Sudan, eSwatini, Tanzania, Uganda, Zambia, and Zimbabwe.	The Tripartite Framework derives its basis from the Lagos Plan of Action and the Abuja Treaty establishing the African Economic Community (AEC), which requires rationalisation of the continent's regional economic communities. The Tripartite initiative comprises three pillars that will be pursued concurrently, to ensure an equitable spread of the benefits of regional integration: market integration, infrastructure development and industrial development.	The FTA will, as a first phase, cover only trade in goods; services and other trade-related areas will be covered in a second phase. The framework agreement and several annexes have been concluded; ratification in member countries are underway. South Africa has ratified.

	TYPE OF AGREEMENT	COUNTRIES INVOLVED	MAIN OBJECTIVE/ TERMS	PRODUCTS INVOLVED
The African Continental Free Trade Area (AfCFTA) (established in 2018)	Free Trade Agreement	The AfCFTA integrates a market of 55	The key objectives of the AfCFTA is to among others, create a single market for Goods, Services, and enhance economic integration in the African Continent in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063;	

Definitions:

Non-reciprocal Trade Arrangement: a unilateral arrangement whereby preferential tariffs are offered by one party, to a second party (generally a group of developing and/or least developed countries), but without the second party offering any tariff preferences in return.

Preferential Trade Agreement: an agreement between two or more parties that removes or reduces tariffs and other barriers on specified goods and services traded amongst the signatories but does not necessarily include all trade between the parties.

Free Trade Agreement: an agreement between two or more parties to remove tariffs and other barriers on almost all goods traded between the signatories. These agreements usually also extend to include trade in services.

Economic Partnership Agreement: a type of free trade and development agreement that has been negotiated between the EU and the UK and different groups of developing and least developed countries.

Customs Union: an arrangement whereby no tariffs are charged on goods traded between members of the customs union and the members share a common external tariff on imports from outside of the customs union.

Outcome 5: Proposed interventions

South Africa is involved in a wide number of trade agreements internationally and within the region. These agreements serve to improve access to markets for South African exporters, while also providing preferential access for imports. For those agreements that have been concluded, it is important that exporters from the Western Cape are aware of and able to access these preferences. For those agreements that are still under negotiation – or where no agreement is under consideration - it is important that the views and interests of the Western Cape are effectively communicated to South Africa's negotiators or trade representatives. This will require several different interventions.

OUTPUT 5.1: ADVOCACY AND ANALYSIS

An export advocacy support programme will be developed by DEDAT and WESGRO to respond to national and international trade policy and strategy developments. The stakeholders that need to be influenced through this programme will need to be identified and provided with accurate data and research relating to policy, strategy and EoDB concerns or opportunities. Moreover, DEDAT will track and assess the benefits (and any unanticipated costs) of the concluded EU-EPA, UK-EPA, SADC, SACU-MERCOSUR agreements, and AGOA, for new and existing exporters in the Western Cape; and will monitor the implementation of these agreements. Any challenges experienced by exporters in the Western Cape in complying with specific provisions, or any possible amendments to these agreements that would benefit exporters in the Western Cape, will be communicated to the DTIC.

OUTPUT 5.2: INTERGOVERNMENTAL TRADE POLICY FORUM

Several fora have been established to streamline communication between provincial entities and the DTIC on export barriers and trade promotion activities. Currently, the DTIC engages mostly with export councils and provincial trade promotion agencies such as WESGRO. Whereas these engagements are important and should continue – they do not specifically address the country's positions in trade negotiations, and there is limited policy interaction between the DTIC and provincial government. DEDAT will approach the DTIC to include provincial government in existing structures, or to establish a new and separate mechanism that enables the province to input directly and more frequently on South Africa's international and regional trade agenda. For this mechanism to be effective, the Western Cape Government will need to invest in further research and engagements with business, to identify the province's specific interest on key trade policy matters.

OUTCOME 6:

More efficient, cost-effective and sustainable infrastructure

The focus of Outcome 6 is on ensuring that competitive and sustainable infrastructure is in place to support exports from the Western Cape. This will be achieved through the delivery of the following outputs:

- Output 6.1: Intergovernmental collaboration
- Output 6.2: Logistics research and strategy
- Output 6.3: Planning, development, and maintenance of export-related infrastructure
- Output 6.4: Environmental sustainability initiatives
- Output 6.4: Review of the effectiveness of SEZs

Outcome 6: Challenges and opportunities

Infrastructure and related services play a crucial role in the flow of international trade. In South Africa, transport contributes roughly 60% to overall logistics costs, with road transport accounting for 83% of total freight transport costs. Technological advances over the past decade have altered the competitive landscape, in telecommunications in particular, while the rapid rise in e-commerce has increased the importance of internet and courier services in international trade. Accordingly, ensuring that infrastructural services are both efficient and effective is key to the achievement of the export targets outlined in this Strategy.

The closing of borders due to lockdowns to curb the spread of the coronavirus in 2020 led to significant disruptions in global value chains, limiting the amount of goods traded in and out of South Africa. As the world re-opens and the South African economy recovers, further disruptions have been experienced as a result of capacity constraints at South Africa's Sea and airports, ongoing inefficiencies in the rail system, inadequate road infrastructure (especially in Africa), and changes in road transport regulations.

The Western Cape shares these challenges. Storage and warehousing costs are affected by the cost of electricity and load-shedding, while access to water is a key impediment to growth in agriculture and other water-intensive sectors. Ports in the province are inefficient while airports are limited, and the cost of airfreight is expensive. Whereas some of these constraints fall within the mandate of the provincial government, most are the responsibility of national departments and entities, and will require significant and long-term investments to resolve.

South Africa's existing trade and logistics infrastructure system is summarised in the table below. This includes transport infrastructure (road, rail, air and sea), water and electricity, and information, communication and technology (ICT) infrastructure. The table also provides an indication of the extent to which this infrastructure currently impacts trade costs and competitiveness in South Africa; and highlights those areas that will therefore require priority attention in the implementation of this Strategy.

TABLE 10: *Infrastructure for trade*

INSTITUTION	MANDATE	IMPACT ON OVERALL LOGISTICS COSTS
TRANSPORT		
Transnet - Port Terminals	Port Terminals handle the container sector, mineral bulk, agricultural bulk & Roro sectors. Port Terminals operate in South Africa's seven logistics ports, Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, and Port of Ngqura	Exporters in the Western Cape have raised significant concerns about the cost and efficiency of the Port of Cape Town. Resolving these challenges will form a core component of this Strategy.
Transnet - National Ports Authority	The National Ports Authority provides port infrastructure and marine services at the eight commercial seaports in South Africa. The National Ports Authority operates in South Africa's seven logistics ports, Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, and Port of Ngqura	
Transnet - Freight Rail	Freight Rail's primary mandate is to provide rail transport of commodities for the export, regional and domestic markets.	South Africa is currently experiencing significant freight rail capacity shortages which has made it more expensive to export regionally. The extent to which these problems impact on exporters in the Western Cape will need to be closely monitored.
Department of Transport	The National Department is responsible for South Africa's overarching transport strategy, including the regulatory framework for Transnet and ACSA.	Logistics costs in South Africa are high and this harms the overall competitiveness of the province's exports. To some extent this is a result of the existing policy framework in which private investment and competition is severely constrained.
ACSA - Cape Town International Airport (CTIA)	CTIA is the main international gateway to Cape Town metropolitan area in South Africa, being the second-busiest airport in the country.	Despite the increase in direct routes between Cape Town and the rest of the world, there are still shortages in air freight, and this limits exports of specific goods from the Western Cape.
The South African National Roads Agency (SANRAL)	SANRAL is responsible for the development, management and maintenance of the country's national road network and some provincial routes.	Inadequate rail capacity has contributed to higher road freight volumes, which has in turn imposed additional strain on the national road network. Whereas most national roads remain in good condition, the increased cost of expanding and maintaining this network may lead to future bottlenecks.

INSTITUTION	MANDATE	IMPACT ON OVERALL LOGISTICS COSTS
ENERGY		
ESKOM / Department of Mineral Resources and Energy	ESKOM is currently responsible for almost all electricity generation, distribution and transmission for South African households and businesses. The Department of Mineral Resources and Energy is responsible for energy policy, including provisions for the development and use of renewables by the private sector.	South Africa has endured years of power cuts and has delayed the ability of private producers to generate their own (renewable) electricity. These cuts have resulted in an R75 million per stage, per day cost for businesses in the province. There has been some recent opening up in regulations, but processes and the enabling infrastructure still need to be put in place
Western Cape Water Supply System (WCWSS)	The WCWSS (managed by the Breede-Gouritz Catchment Management Agency (CMA)) is an interlinked & complex water supply system consisting of six main dams, pipelines, tunnels and distribution networks, and several minor dams. Some of the dams are owned and operated by the national Department of Water and Sanitation and some by the City of Cape Town.	Climate change has impacted the province heavily with parts of the Western Cape continuing to experience extreme water shortages and the whole of the Western Cape being at risk of future water shortages. The long-term impact on agricultural production and exports in the province requires research and monitoring.
ICT		
Independent Communications Authority of South Africa (ICASA)	Develops regulations for the communications, broadcasting and postal services sectors. It also issues licenses to telecommunications and broadcasting service providers, monitors licensee compliance with rules and regulations, plans and manages the radio frequency spectrum, and protects consumers against unfair business practices and poor-quality services.	Data costs in South Africa are currently among the highest on the continent. This inevitably increases the logistical costs of exporters in the ICT, BPO, digital and other such exporting sectors. Ongoing engagement with ICASA and the National Government will be needed.
Department of Telecommunications and Postal Services (DPTPS)	DPTPS is mandated to create a vibrant ICT sector that ensures that all South Africans have access to robust, reliable, affordable and secure ICT services to advance the country's socio-economic development goals.	South Africa's postal service is currently extremely unreliable which has resulted in higher logistics costs of exporting goods through private courier services. Possible policy and legislative changes in this area will need to be closely monitored.

Outcome 6: Proposed interventions

The Western Cape has invested in significant infrastructure to support local manufacturing capacity – this includes special economic zones, industrial parks, and agri-processing facilities. However, for these investments to translate into increased exports, it is important that they are linked-up to well-functioning logistics and supply chains, that serve to decrease transport and storage costs and improve access to markets. This will require a number of parallel interventions in the implementation of this Strategy.

OUTPUT 6.1: INTERGOVERNMENTAL COLLABORATION

To ensure that the existing national logistics system works better for exporters in the Western Cape, further collaboration with the National Department of Transport and Transnet will be necessary. Specifically, the WCG-Transnet Strategic Engagement will be utilised to drive port-related initiatives to unlock challenges that impede the province's export potential. The work of the Red Tape Unit will continue to provide the evidence that is needed to highlight the nature and costs of these challenges. DEDAT will provide support through the Port Co-ordinating Forum to deal with container terminal issues and port efficiencies, as well as to support the ship repair industry. The progress made through the Port of Cape Town stakeholder forum is critical and has already made significant progress to improve operations, communication and relationships with port users.

A similar approach is needed to improve the implementation of other economic infrastructure priorities with local authorities, such as the City of Cape Town, which plays a critical role in the development of the port precinct, the Cape Town International Airport as well as the inland ports, namely Kraaicon and Belcon. Through the sector and Cape Catalyst teams, DEDAT will work with all parties to identify priority infrastructure needs and constraints and ensure that appropriate plans and coordinating structures are in place.

OUTPUT 6.2: LOGISTICS RESEARCH AND STRATEGY

Research and analysis is required to better understand how priority sectors make use of the existing logistics chain, and to identify the main gaps and challenges. The insights from this research will inform Provincial infrastructure policies and strategies, and dedicated platforms will be established to address existing constraints. This will include collaboration with the Department of Transport and Public Works (DTPW) and specific municipalities in the implementation of the Western Cape Freight Strategy. A research framework will be developed in partnership with DTPW and other stakeholders to avoid duplication and align requirements. Prior research undertaken by DTPW will form a key input into the next phase of analysis, which will need to link the freight demand modelling to the outcomes of the product complexity model.

OUTPUT 6.3: PLANNING, DEVELOPMENT, AND MAINTENANCE OF EXPORT-RELATED INFRASTRUCTURE

To directly contribute to an improvement of the provincial logistics system, the functionality and maintenance of existing logistics hubs and services will be assessed against the priority needs of exporters. This will include a review of progress made on cargo facilities at the CTIA, the development of the inland port, and the feasibility of establishing a new logistics hub located near all the major modes of transport (road, rail, ports, and airports). This prioritisation exercise will be undertaken through a well-represented forum, to be coordinated by DEDAT's Cape Catalyst Team, and will be aligned with the infrastructure Master Plans of both national, provincial, and local government.

OUTPUT 6.4: ENVIRONMENTAL SUSTAINABILITY INITIATIVES

Resilience and the sustainable use of resources must be a cornerstone of this Strategy. Reducing the impact of load shedding on the economy by building an energy secure province and diversifying the energy mix through the uptake of sustainable and low-carbon energy sources, remains a provincial priority. DEDAT will continue to work with municipalities and business to consider the economic impacts and opportunities in their water management planning and operation, and to reduce their carbon footprints. This will include collaboration with the Department of Agriculture (DoA) and the Department of Environmental Affairs and Developmental Planning (DEA&DP) to ensure that the province's infrastructure is responsive to emerging environmental risks, including carbon border adjustments.

OUTPUT 6.5: EFFECTIVE USE OF SEZS

The Western Cape is home to two of South Africa's Special Economic Zones: the Atlantis and Saldana SEZs. These SEZs are expected to play an increasingly important role in drawing export-oriented investment into the province. For exporters, the benefits associated with SEZs include the ability to manufacture within a customs-controlled area and to thereby avoid the need to pay customs duties on inputs. DEDAT will review the facilities and incentives offered through the SEZs to determine how they can be used, most effectively, to support exports of the products prioritised in this Strategy.

PART 3
Operationalising the strategy

3. Operationalising the strategy

Table 11 presents all of the outputs included in this Strategy and sets out the specific actions to be undertaken by the province. It also allocates responsibilities and provides an indicative timeframe for the implementation of these actions. This operational plan will need to be reviewed and updated on an annual basis. Moreover, a comprehensive monitoring and evaluation framework will be developed to track performance and independently assess the impact of this Strategy.

TABLE 11: *Operational plan*

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
OUTCOME 1: Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in priority markets				
Output 1.1: Exporter-importer engagement	The province will continue to dedicate substantial attention to unlocking new markets - and expanding its presence in existing markets - through trade exhibitions, outward selling missions, inward buyer missions and study tours (in-person, hybrid or virtual). These activities will focus on active exporters – and will look to explore possibilities for diversifying trade into the large or fast-growing potential markets identified through the product complexity analysis.	Analyse & update the Product Complexity Map, top Western Cape exports & products/ services showing largest export growth – select key export promotion priorities Prepare annual export and OFDI mission list, based on key export promotion priorities Execute, with partners, on export and OFDI missions	WESGRO, in collaboration with stakeholders including DTIC, Western Cape Department of Agriculture, other regional export promotion agencies, export councils, industry associations, and joint action groups	Annual
Output 1.2: Export Promotion Fund	The province will explore the feasibility of establishing an Export Promotion Fund to support exporters in undertaking market activities within priority countries, including travel, exhibitions etc.	Develop funding mechanisms and apply for funds to the Provincial Treasury as phase 1. Identify potential funding sources, including from the DTIC, the IDC and other domestic and international development partners	DEDAT	RIA 2022 -2024 Design and establish fund 2023 -2026

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
		Identify priority markets for paid-for online marketing campaigns the next 5 years. Design and launch paid-for online marketing campaigns. WESGRO will pro-actively promote Western Cape products and services, the Made in the Cape marketing campaigns and the Cape Trade Portal during all export market engagements		
Output 1.3: Marketing campaigns	WESGRO will work closely with export councils and producers to extend its "Made in the Cape "marketing campaign for selected products, services and countries – and to actively and directly promote the Western Cape as a quality source of these products to consumers in these countries. This will include an online paid-for marketing campaign, initially focused on the UK, followed by the USA, and then extended to other priority markets. WESGRO Export managers will pro-actively promote Western Cape products and services, the Made in the Cape marketing campaigns and the Cape Trade Portal during all market engagements.	Identify priority markets for paid-for online marketing campaigns the next 5 years. Design and launch paid-for online marketing campaigns. WESGRO will pro-actively promote Western Cape products and services, the Made in the Cape marketing campaigns and the Cape Trade Portal during all export market engagements	WESGRO	2022-2035

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
Output 1.4: Cape Trade Portal	WESGRO launched the Cape Trade Portal in February 2022 - a web-based platform that serves as a marketplace and a Western Cape export resource centre to connect Western Cape exporters and international buyers 24/7 and to support Western Cape exporters with export training, tools and intelligence. The marketplace will be supported by the Made in the Cape marketing campaign to help drive international buyers to the portal. The resource centre aims to include export training and mentoring, export missions, market and sector research as well as information on export controls such as tariffs, taxes and product, safety and labelling requirements.	Launch the Portal, including awareness and exporter and importer onboarding. Maintain and continuously update the Portal	WESGRO	Annual
Output 1.5: Strategic partnerships	WESGRO will continue to build new (and expand existing) strategic relationship locally and internationally – to support exporters in connecting with international markets. This includes for example, collaborating with export councils, working with the private sector to establish a SA-China Chamber of Commerce; collaborating with the SA BRICS Business Council to address export opportunities and challenges for Western Cape exporters into the BRIC countries; and exploring a potential partnership with Dubai Airport Free Trade Zone.	Review priority products, services and countries, build domestic and international networks to support and expand exports across all identified priorities	WESGRO	Annual

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
OUTCOME 2: Enhanced competitiveness, sustainability and capabilities of exporters				
Output 2.1: Sector enablement	Based on the Product Complexity Mapping analysis and further research and engagements with business, 10 'new' export products will be selected for priority support over the next five years. For each of these products, a long-term product and exporter development plan will be prepared which will outline the specific initiatives that will be pursued by DEDAT and WESGRO to identify potential exporters, provide them with specialist training and advice, address potential market access barriers, and link them to markets. A limited number of new exporters will be selected for participation in these initiatives.	Identify next wave of commodities and exporters for medium and long-term support. Conduct initial analysis on medium- and long-term opportunities to determine relevant support mechanisms. Design export programme within DEDAT which includes transversal support mechanisms such as EoDB, Skills Development, Green Economy and SMME Development. Undertake research to identify the specific skills and support needed to equip potential exporters in these sectors Conduct specialised training programmes and develop targeted policy interventions	DEDAT in collaboration with DoA and WESGRO	Annual
Output 2.2: Targeted exporter training, advice and tools	WESGRO's Export Advancement Programme (EAP) supports companies by addressing all aspects of the export process through theory and practical methodologies. Modules cover orientation to export, preparing to export and developing an export marketing plan, financial risk management, export costing and logistics. The programme incorporates two export mentorship programmes, including PUM's Business Development Mentorship, a Dutch mentorship programme for Western Cape companies needing business guidance on process improvement to boost exports. Skills transfer is tailored to the exporter's requirements,	Identify opportunities to partner with existing academic institutions/ associations, funders, sector bodies and industry associations. Develop and design curricula and materials, including online material. Online material to be hosted on Cape Trade Portal Implement training interventions (courses, webinars)	WESGRO	Annual

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
	which are enhanced by the PUM mentor's extensive global experience. It is proposed to include an additional and specific training programme to bring awareness to exporters of the various aspects of their business that may impacted by shifting regulations and/or consumer behavior in key markets related to environmental impacts and the reduction of carbon emissions. This training will focus on increasing their understanding of environmental trends and preferences in export markets, including carbon border adjustments, and facilitating compliance with and the development of necessary standards in South Africa, where necessary. Similarly, new, and targeted training on the coverage and use of preferential trade agreements will be considered.			
Output 2.3: Outreach and awareness	The resource centre housed in the Cape Trade Portal will equip Western Cape exporters with export training, tools and intelligence. Tools in the resource centre will include detail on export training and mentoring, export missions, market and sector research as well as information on export controls such as tariffs, taxes and product, safety and labelling requirements.	Maintain and update the Resource Centre Collaborate with stakeholders to include sector specific export training and guidance.	WESGRO, in collaboration with DEDAT and Export Councils	Annual

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
OUTCOME 3: Improved market access and lower barriers to trade				
Output 3.1: Market entry strategies	The ability of exporters to receive recognized accreditation for standards, especially in the agriculture sector, is currently of particular concern in accessing export markets. DEDAT will engage with the DTIC and DALRDD to understand how agreements related to market access are negotiated and implemented; and will liaise with industry associations and export councils to identify opportunities for harmonizing standards and procedures that can be flagged with the national government for future engagements and negotiations with key trading partners.	Identify priority market access constraints in targeted sectors. Develop market entry strategies to address these priority constraints	DEDAT, in collaboration with DALRDD and DTIC	Annual
Output 3.2: Invest SA One-Stop-Shop Western Cape	A virtual export one-stop-shop has been established, in collaboration with Invest SA's One-Stop-Shop, to provide exporters in the province with online access to national and provincial government departments in order to expedite the resolution of regulatory and certification issues faced by local exporters as they seek to export from the Western Cape.	Establish a framework for cooperation Establish a thorough case management system, which also feeds into policy feedback to drive systemic improvements in export regulatory processes Ensure sufficient awareness among the exporting industry about OSS service offering Build out existing OSS structure to include more agencies involved in export processes and achieve buy-in into the system Build monitoring and feedback system for other stakeholders i.e. WESGRO, DEDAT, DTIC, WC DoA	Western Cape Invest SA One-Stop-Shop, in collaboration with WESGRO, DEDAT, COCT, DOA, DTIC and other provincial and national regulatory and certification bodies	2022 - 2024

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
Output 3.3: Ease of doing business	The Ease of Doing Business Unit (EoDB) within DEDAT will provide support relating to red tape issues experienced by exporters. This will be done in collaboration with the One-Stop-Shop. The EoDB Unit will also be tasked to provide support to policy amendments required to improve the export eco-system. Specific reforms to be addressed will be identified in the first phase of the implementation of the strategy.	Identify sector priorities (from Product Complexity Map analysis) Undertake sector analysis/consultations to identify sector specific regulatory barriers that constrain Provincial exports Advocate to change regulation and collaborate with specific entities/sectors to encourage reform Upload briefs /FAQ on Cape Trade Portal for key WC export products and services	DEDAT, in collaboration with WESGRO, DEADP and other Provincial and Municipal Departments	Annual
Output 3.4: Export barrier task team	The one-stop-shop will be supported by a dedicated task team that will include representatives from WESGRO's Export Desks, DEDAT Sector teams and the DEDAT Ease of Doing business team, to identify export barriers relevant to the Western Cape and work with the national government to prioritize and resolve these constraints. This will include a dedicated focus on the possible risks posed by carbon border adjustments in foreign markets, and the domestic reforms that will be needed to reduce the carbon footprint of exporters from the Western Cape.	Develop mandate and processes for task team Convene task team Identify priority product- and service-specific challenges Address and report-back on challenges	DEDAT, in collaboration with WESGRO & DOA	Annual

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
Output 3.5: Technical Barrier to Trade Fund	The province will explore the possibility of establishing a dedicated fund to which associations can apply for funding to assist with the costs of resolving specific technical barriers to trade (e.g. standards, technical regulations, sanitary and phytosanitary measures (SPS) measures and the conformity assessment procedures). This fund will be used to secure the technical advice and expertise needed to comply with international market requirements.	Design and undertake RIA to inform the priority focus and potential benefits of the proposed fund. Identify potential funding sources, including from the DTIC, the IDC and other domestic and international development partners	DEDAT	RIA 2022 -2026 Design and establish fund 2023 -2026
Output 3.6: Western Cape Trade Barrier Monitoring System	The province will explore the feasibility of developing a provincial trade barrier monitoring system. This system would be hosted on Cape Trade Portal and would feed into the existing DTIC national export barrier monitoring mechanism. Information submitted through this system would also be channelled to the export barrier task team and relevant provincial departments, where relevant, for an explanation or resolution. An interactive dashboard would provide feedback on progress made in identifying and resolving barriers. The trade barrier monitoring system will be co-ordinated by DEDAT.	Undertake feasibility assessment, including design and systems options analysis Implement in Cape Trade Portal	WESGRO, in collaboration with DEDAT	2022 - 2025

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
Output 3.7: Regulatory impact assessments	Regulatory impact assessments (RIA), led by DEDAT and relevant sector departments such as DoA, and supported by the provincial steering committee for RIAs, will be conducted to determine the impact of existing regulations and processes on the agricultural sector in the Western Cape. This will be supported by benchmarking research to identify countries and regions considered examples of "best practice" in agricultural exports and to draw lessons and possible recommendations for the Western Cape in addressing regulations in this sector.	Identify processes/ regulations that constrain exporters Design and undertake RIAs to determine the impact of these processes/regulations	RIA task team, DEDAT DoA	Do big picture every two years Bespoke best practice by sector – desk research can be done relatively soon
OUTCOME 4: The establishment of the Western Cape as the regional hub for services trade				
Services research and strategy develop-ment	Prior to the initiation of new activities to support the development of the regional services industry, further research will be required to identify specific opportunities or pilot sectors to be prioritised, to outline the actual export constraints confronted by companies in these sectors, and to develop targeted and funded implementation plans.	Research and review services strategy, ecosystem, and the needs of different service providers Identify services sub-sectors to be supported by WESGRO and DEDAT Develop implementation and resourcing plan, including the possibility of a dedicated services export manager and budget	WESGRO	2022 - 2025
Output 4.2: Services exporter develop-ment	Local services providers need support in developing the capacity to provide their services to foreign clients. However, to date, WESGRO's exporter development programmes have focused exclusively on goods exporters. These programmes will be reviewed and adapted to incorporate new exporters from two or three pilot services	Identify consultant(s) and stakeholders and design training support Implement training support	WESGRO	2022 - 2023

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
	sectors. This will include training and information on legal aspects, compliance, and meeting international standards. Services specific information will also be provided through the Cape Trade Portal.			
Output 4.3:Services export missions	Services export missions will be expanded across all WESGRO export regions. This will include outward missions for services firms that are already exporting or wishing to export, to meet with potential customers, potential partners and sister associations; or incoming missions from target export markets, which provides an opportunity to acquaint potential foreign customers with the capabilities of service suppliers.	Prepare annual export and OFDI mission and exhibition plans, based on country and sector research	WESGRO	Annual
Output 4.4: Promotional and networking events	To expand the Western Cape services export ecosystem, WESGRO will facilitate sector-specific workshops and networking events; to educate, connect and to promote services exports across all domestic and international stakeholders.	Facilitate sector-specific workshops or networking events	WESGRO	Annual
Output 4.5: Outward Foreign Direct Investment (OFDI)	Given the strong links between outward investment and services exports, all of the above outputs will be closely coordinated with WESGRO's OFDI Strategy for Africa. Specifically, in undertaking services research, missions and promotional activities, opportunities for supporting investment by firms located in the Western Cape, and elsewhere in Africa, will be explored and actively promoted.	Refine & implement Wesgro's OFDI Africa strategy	WESGRO	2022 - 2024

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
OUTCOME 5: Better reflection of the Western Cape's interests in national trade policies and negotiations				
Output 5.1: Advocacy and analysis	An export advocacy support programme will be developed by DEDAT and WESGRO to respond to national and international trade policy and strategy developments. The stakeholders that need to be influenced through this programme will need to be identified and provided with accurate data and research relating to policy, strategy and EoDB concerns or opportunities. Moreover, DEDAT will track and assess the benefits (and any unanticipated costs) of the concluded EU-EPA, UK-EPA, SADC, SACU-MERCOSUR agreements, and AGOA, for new and existing exporters in the Western Cape; and will monitor the implementation of these agreements. Any challenges experienced by exporters in the Western Cape in complying with specific provisions, or any possible amendments to these agreements that would benefit exporters in the Western Cape, will be communicated to the DTIC.	Assess utilization levels of trade preferences under each agreement/ arrangement Establish programs to raise awareness of trade preferences in specific markets Advocate for the resolution of barriers to the utilisation of preferences Research / commission research to inform the WC's trade policy agenda	DEDAT: Research and monitoring and intergovernmental communication WESGRO: Intelligence and Cape Trade Portal	Annual
Output 5.2: Inter-govern-mental Trade Policy Forum	A number of fora have been established to streamline communication between provincial entities and the DTIC on export barriers and trade promotion activities. Currently, the DTIC engages mostly with export councils and provincial trade promotion agencies such as WESGRO. Whereas these engagements are important and should continue – they do not specifically address the	Undertake research on the key trade policy needs/interests of WC exporters Map and assess the effectiveness of existing (domestic) trade policy fora Identify key stakeholders and establish best practices for structured interaction in trade policy fora Engage frequently and closely with trade officials at embassies	DEDAT – intergovernmental interaction and position development based upon exporter intelligence and complexity mapping. WESGRO – exporter and export market intelligence	2022- 2035

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
	country's positions in trade negotiations, and there is limited policy interaction between the DTIC and the provincial government. DEDAT will approach the DTIC to include the provincial government in existing structures, or to establish a new and separate mechanism that enables the province to input directly and more frequently on South Africa's international and regional trade agenda. For this mechanism to be effective, the Western Cape Government will need to invest in further research and engagements with business, to identify the province's specific interest on key trade policy matters.			
OUTCOME 6: More efficient, cost-effective and sustainable infrastructure				
Output 6.1: Inter-govern-mental collaboration	To ensure that the existing national logistics system works better for exporters in the Western Cape, further collaboration with the National Department of Transport and Transnet will be necessary. Specifically, the WCG-Transnet Strategic Engagement will be utilised to drive port-related initiatives to unlock challenges that impede the province's export potential. The work of the Red Tape Unit will continue to provide the evidence that is needed to highlight the nature and costs of these challenges. DEDAT will provide support through all parties to identify priority infrastructure needs and constraints and ensure that appropriate plans and coordinating structures are in place.	Undertake research to identify specific logistics challenges confronting medium- and long-term sector opportunities; and the potential capabilities of existing infrastructure Facilitate collaboration with key stakeholders within the sector and across the logistics system	DEDAT	2022 - continuous

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
	the Port Co-ordinating Forum to deal with container terminal issues and port efficiencies, as well as to support the ship repair industry. The progress made through the Port of Cape Town stakeholder forum is critical and has already made significant progress to improve operations, communication, and relationships with port users. A similar approach is needed to improve the implementation of other economic infrastructure priorities with local authorities, such as the City of Cape Town, which plays a critical role in the development of the port precinct, the Cape Town International Airport as well as the inland ports, namely Kraaicon and Belcon. Through the sector and Cape Catalyst teams, DEDAT will work with			
Output 6.2: Logistics research and strategy	Research and analysis is required to better understand Research and analysis is required to better understand how priority sectors make use of the existing logistics chain, and to identify the main gaps and challenges. The insights from this research will inform Provincial infrastructure policies and strategies, and dedicated platforms will be established to address existing constraints. This will include collaboration with the Department of Transport and Public Works (DTPW) and specific municipalities in the implementation of the Western Cape Freight Strategy. A	Undertake research/ consultations Develop coalition / committees of exporters Engage with the DTPW	DEDAT	2022 - continuous

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
	research framework will be developed in partnership with DTPW and other stakeholders to avoid duplication and align requirements. Prior research undertaken by DTPW will form a key input into the next phase of analysis, which will need to link the freight demand modelling to the outcomes of the product complexity model.			
Output 6.3: Planning, development and maintenance of export-related infra-structure	To directly contribute to an improvement of the provincial logistics system, the functionality and maintenance of existing logistics hubs and services will be assessed against the priority needs of exporters. This will include a review of progress made on cargo facilities at the CTIA, the development of the inland port, and the feasibility of establishing a new logistics hub located near all the major modes of transport (road, rail, ports, and airports). This prioritisation exercise will be undertaken through a well-represented forum, to be coordinated by DEDAT's Cape Catalyst Team, and will be aligned with the infrastructure Master Plans of both national, provincial, and local governments.	Undertake economic infrastructure needs and priority assessment Establish stakeholder forum	DEDAT	2022 - continuous

OUTPUTS	DESCRIPTION	ACTIONS	LEAD RESPONSIBILITY	TIMEFRAME
Output 6.4: Environ-mental sustainability initiatives	Resilience and the sustainable use of resources must be a cornerstone of this Strategy. Reducing the impact of load shedding on the economy by building an energy secure province and diversifying the energy mix through the uptake of sustainable and low-carbon energy sources, remains a provincial priority. DEDAT will continue to work with municipalities and business to consider the economic impacts and opportunities in their water management planning and operation, and to reduce their carbon footprints. This will include collaboration with the Department of Agriculture (DoA) and the Department of Environmental Affairs and Developmental Planning (DEA&DP) to ensure that the province's infrastructure is responsive to emerging environmental risks, including carbon border adjustments.	Continue to drive the WC Municipal Energy Resilience Initiative Continue to support and drive the growth of the green economy sector (i.e., to support the provision of energy and water technologies, goods, and services) Continue to support improved water resilience of water-intensive export sectors	DEDAT	2022 - continuous
Output 6.5: Review of the effective-ness of SEZs	The Western Cape is home to two of South Africa's Special Economic Zones: the Atlantis and Saldana SEZs. These SEZs are expected to play an increasingly important role in drawing export-oriented investment into the province. For exporters, the benefits associated with SEZs include the ability to manufacture within a customs-controlled area and thereby avoid the need to pay customs duties on inputs. DEDAT will review the facilities and incentives offered through the SEZs to determine how they can be used, most effectively, to support exports of the products prioritised in this Strategy.	Undertake a review of the performance of the Atlantis and Saldana SEZs, focusing specifically on the needs of exporters within these zones	DEDAT	2025

PART 4
Conclusion

4. Conclusion

The Government of the Western Cape recognises the importance of trade to the economic recovery of South Africa and seeks to **establish the Western Cape as a leading global export region and a sought-after source market internationally**. An export-led approach to economic development will generate desperately needed growth and employment and will strengthen the Western Cape's ability to withstand future domestic and international shocks.

This Strategy identifies some of the main challenges confronting exporters in the Western Cape. These include:

- The cost and inefficiency of trade infrastructure
- Insufficient knowledge, experience, and supply when it comes to accessing international markets
- Difficulties in navigating tariffs, standards, and other regulatory barriers
- Western Cape representation in national programmes and policies
- Access to technical and financial resources

To address these challenges, the Strategy outlines 26 initiatives that will be undertaken by the provincial government over the next 8 years. Together, these actions will contribute to:

- Increased awareness of the Western Cape brand and capabilities in priority markets, and increased awareness of the opportunities and requirements in these markets
- Enhanced competitiveness, sustainability, and capabilities of exporters
- Improved market access and lower barriers to trade
- Establishment of the Western Cape as the regional hub for services trade
- Better reflection of the Western Cape's interests in national trade policies, programmes, and negotiations
- More efficient, cost-effective, and sustainable infrastructure

Ultimately, the success of this Strategy will be measured by the impact that it has on the export landscape in the Western Cape. Here, the Government of the Western Cape has set out clear targets to be achieved by 2035:

- Increase exports of goods from the Western Cape from R136 billion in 2020 to R408 billion by 2035.
- Increase the number of active exporters located in the Western Cape by 1000
- Identify and unlock 10 new export product opportunities by 2035.

Finally, whereas DEDAT and WESGRO will play a lead role in the delivery of this Strategy, the achievement of the above targets will depend on a high level of collaboration between all departments within the provincial government and a much wider group of partners. This includes the private sector – as the ultimate beneficiary of the Strategy and the primary conduit for increasing exports of goods and services from the province – and the national government, as the custodian of South Africa's national trade policy and programmes.

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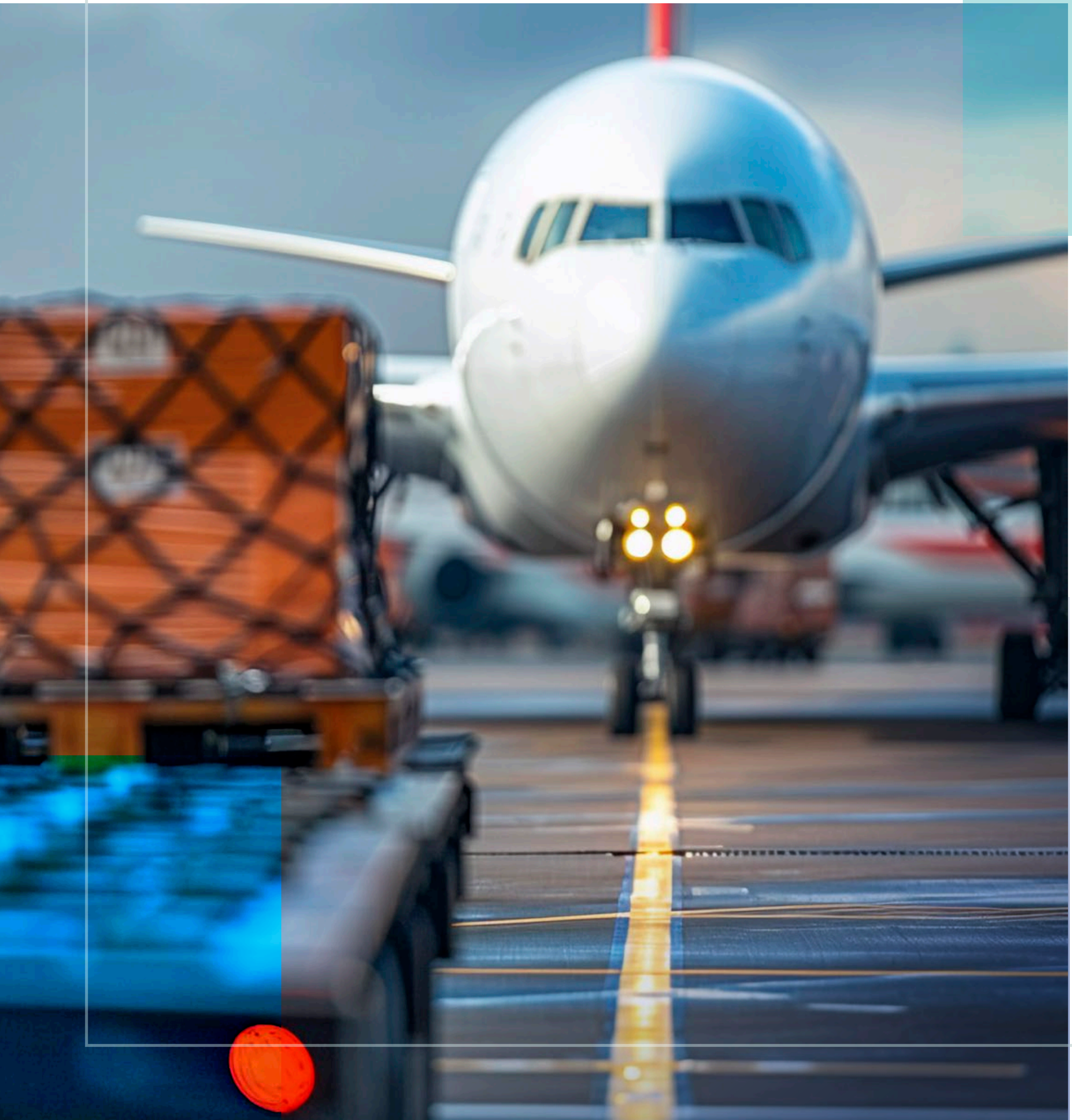

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IN PARTNERSHIP WITH WESGRO

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