

# Trade Mission: South Africa & Morocco

## South Africa Overview

In 2020 South Africa was the United States' 42<sup>nd</sup> largest export market and the second-largest in Africa. South Africa is the most advanced, diversified, and productive economy in Africa. With a population of 59 million people, South Africa enjoys relative macroeconomic stability and a largely pro-business environment. With the widespread use of the English language and relatively transparent legal processes, South Africa is a logical and attractive option for U.S. companies, as well as a gateway for entering the Sub-Saharan Africa marketplace.

Top opportunities for Virginia exporters to South Africa include:

- Education
- Aviation
- Electricity Power Systems and Renewable Energy
- Information Technology
- Mining Equipment

## Opportunities in South Africa

### Life Sciences, Healthcare, and Medical Devices

Africa's population is expected to rise from 1.3 to 2.4 billion by 2050. Africa bears 25% of the global disease burden but is served by merely 2% of the world's healthcare workforce. As the population booms, there will be an increasing need for high-quality, accessible healthcare. Fewer than 50% of the population currently have access to modern health facilities. The pharma market is worth approximately USD 30 billion, while medical devices are worth approximately USD 4 billion. Opportunities for Virginia companies include digitalization of medical management, diagnosis and patient service, medical equipment and devices, education, specialty architecture, and a comprehensive range of other industry support requirements.

### Information Technology

Africa's IT sector will be matching 70% of organizations worldwide which will increase their use of digital technologies for transforming business processes. E-Learning reached USD 2.2 billion in sales in 2020. Digital investment has been growing in interest and it is



Johannesburg, South Africa

estimated that by 2025, over USD 10 billion will be invested in African startups — growth of about 50–70% per year. The market for general IT services to support company growth in South Africa alone is presently USD 20 billion. Business Process Outsourcing is a large direction in South Africa, and companies with support in that sector are welcome. Virginia firms will benefit from entry into this primarily adoptive and adaptive market.

## Agricultural and Food Processing Technology

Agriculture is Africa's largest economic sector, representing 15% of the continent's GDP, or more than USD 115 billion annually. It is highly concentrated, with the top ten countries generating 75% of outputs. While more than one-quarter of the world's arable land lies in this continent, it generates only 10% of global agricultural output. The rise in the middle class requires support for a diversification of dietary requirements. Agricultural technologies of all kinds, specialized equipment, crop and husbandry science, and a wide range of other industry support can be leveraged for export sales. Food processing technologies are also in demand as the middle class grows.

## Mining Equipment

Mining companies continued to enjoy the gains in commodity prices in 2020 and 2021, assisted by weaker emerging market currencies. The improved profitability resulted in increased gains and distributions to shareholders, a near doubling of taxes to governments, and strong balance sheets. These gains were achieved despite higher operating costs and decreased production due to COVID-19. The mining sector has outperformed the global mining index. Africa has approximately 18% of global new exploration. Virginia technology and equipment companies in the sector can benefit from a resilient market in Africa in 2021.

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**It was our very first time prospecting in South Africa. The event gave us focus and helped us build initial brand awareness. We had a very good meeting with a systems integrator. After the event we have found a local reseller and are now working with them.**

Trade Mission to South Africa and Morocco

# Morocco Overview

Morocco is a country of approximately 39 million people located on the northwest coast of Africa. Goods exported to Morocco from the United States in 2020 totaled USD 2.3 billion. The U.S.-Morocco Free Trade Agreement (FTA), signed in 2006, eliminated tariffs on 95% of currently traded consumer and industrial goods. Duties on most qualifying products were phased out by 2016. The FTA stipulates enhanced protection for U.S. intellectual property, including trademarks and digital copyrights, expanded protection for patents and product approval information, as well as tough penalties for piracy and counterfeiting.

The top opportunities for Virginia exporters in Morocco include:

- Telecommunications
- Aerospace
- Agricultural Sector
- Safety and Security
- Energy

## Opportunities in Morocco

### Automotive

Renault and PSA Groups are manufacturing in Morocco. More brands will be added to this list in the coming years. The automotive industry was the first exporting sector in Morocco, and Morocco was the first car-producing country in Africa. There are eight car models currently manufactured in Morocco, two of which are electric cars. There are more than 250 companies in the automotive industry in Morocco, operating mainly in Tangier, Kenitra, and Casablanca. They employ more than 220,000 people and have a 60% integration rate.

### Aeronautical

Airbus, Embraer, and Boeing manufacture parts in the Morocco aeronautical manufacturing ecosystem, which is now a key player on the global scale. Morocco has the main aeronautics industrial park in Africa, with more than 140 international companies operating, manufacturing, and assembling in the space. These companies employ over 10,000 people and have reached 38% local integration.

### Pharmaceutical

Morocco is the top country in the Middle East and Northern Africa region in the pharmaceutical industry. Morocco manufactures over 450 million units of pharmaceuticals annually, mainly for exports. It employs more than 50,000 people. Morocco is positioning itself as a top manufacturer of COVID vaccines.

### Renewable Energy

Morocco plans to fulfill half of its energy needs using renewable energy resources by 2030. A bill has been approved by the Moroccan government to raise its target share of renewable energy to 52% by 2030. Currently, 45% of Moroccan electricity consumption comes from renewable energy. Morocco has built the world's largest solar power plant with a total capacity of 580MW of electricity. Morocco's hydropower capacity increased from 80MW in 2010 to 2000MW in 2020 using small- and medium-sized wind energy farms. GDF Suez and Nareva have completed the construction of 300MW Tarfaya wind farm in Morocco, which will be the largest wind project in Africa.

# Details

The objective for this trip is to arrange and conduct quality meetings between you, our VEDP client, and potential sales partners (agents, representatives, or distributors) and/or customers in South Africa and Morocco. Our ultimate goal is for these meetings to help you generate new sales for your company to customers in South Africa and Morocco and to provide you with market intelligence only attainable by an in-country visit.

## Trade Show Dates

November 7–11, 2022

## Registration Deadline

September 9, 2022

## Schedule:

We will visit Johannesburg, South Africa, and Casablanca, Morocco. However, there may be meetings in adjacent cities and countries depending on your particular needs. Our consultants will ensure that your meetings are scheduled with the best contacts, regardless of their location. We will keep you apprised as your itinerary develops and suggest travel and logistics options for your itinerary.

The schedule is planned as follows, and is subject to change:

Date	Day	Activity
September 9, 2022	Friday	Last day for registration
November 5, 2022	Saturday	Latest day to depart the U.S.
November 6, 2022	Sunday	Rest / Sightseeing
November 7, 2022	Monday	Trade Mission begins; individual meetings
November 8, 2022	Tuesday	Individual meetings
November 9, 2022	Wednesday	Individual meetings
November 10, 2022	Thursday	Individual meetings
November 11, 2022	Friday	Individual meetings; Trade Mission concludes
November 12, 2022	Saturday	Return to the U.S.





## Frequently Asked Questions:

### How many Virginia companies will participate?

The registration process is ongoing. Based on past trade missions, we expect 6–8 Virginia companies to participate.

### What is the cost for my company to participate?

You must pay the trade mission participation fee of \$2,500 to VEDP at the time of registration. The participation fee includes the following:

- Identifying, contacting, and pre-qualifying local distributors, reps, and/or partners, and organization of your meetings with interested prospects
- Briefing on “Doing Business in Southern Africa”
- Your VEDP Trade Mission Leader and in-country consultant on hand during the week to ensure everything runs to plan
- Interpreter

Additional *estimated* costs you will incur include (but are not limited to)

Expense	Estimated amount (\$)
Roundtrip airfare from Dulles to Africa, economy class	2,500
Hotels (7 nights)	1,500
Meals	900
Airport transfers, taxis, public transportation, and other miscellaneous items	500

### How are the meetings organized?

VEDP has engaged the services of Zurcom International, to identify, screen, and arrange meetings with potential partners for each of our trade mission delegates. Zurcom International was selected through a competitive bidding process and has demonstrated extraordinary expertise, enthusiasm, and commitment to the work of introducing Virginia companies to their markets. If you would like to learn more about Zurcom International, please review their website: <https://www.zurcom.net>.

In most cases, you will be traveling independently to the locations of the local companies with which you are meeting. Because most appointments will be held at the companies' locations, travel and other logistics may prevent each delegate from having a minimum of 3–4 meetings each day of the trade mission.

### How will I get to my meetings?

For travel between meetings, our consultants will recommend the most effective method of transportation and provide detailed instructions.

### Will I need an interpreter?

It is not likely. In Africa, English is commonly used for conducting business. If needed in Morocco, interpreters will be provided by VEDP and are included in your registration fee.

## How are airline and hotel reservations handled?

**Airline tickets:** You book (and pay for) your own airline ticket via local travel agent or online air travel website. If you do not have a travel agent, the Trade Mission Leader can recommend one for you.

**Hotels:** VEDP will select a hotel and, if possible, arrange for a block of hotel rooms. For efficiency and security all participants must stay in the same designated hotel in each city. Participants will be responsible for making their own hotel reservations using a group code provided by the Trade Mission Leader (if a block rate is available). You will pay all hotel room charges directly to the hotel.

## How can I verify that South Africa and Morocco are good markets for my company before we register for the trade mission?

Contact your local International Trade Manager or the Trade Mission Leader (see bottom of last page) **immediately!** We only want you to make the trip if we think there is good market potential in South Africa and Morocco for your company. We can perform exploratory market research within a short period of time to verify market potential for you. The more time you give us, the better job we can do!

## What are the entry requirements for South Africa and Morocco? Will I need a passport or visa?

**US Citizen:** A Business Visa is not required to enter South Africa or Morocco. Your U.S. passport must be valid for a minimum of six months from the date you plan to depart Africa. In addition, your passport must also have adequate unused visa pages (two pages) to allow for entry and exit stamps upon arrival and departure.

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We met our three objectives to determine market interest, identify three potential partner opportunities, and gain an understanding of how to conduct business in South Africa, including the technical and regulatory requirements related to our business.

Trade Mission to South Africa  
and Morocco

## Registration:

### How do I register to participate?

You can register and pay the trade mission fee online by visiting:  
<https://south-africa-morocco-trade-mission-2022.eventbrite.com>.

### Contact the Trade Mission Leader for more information:

#### Ellen Meinhart

International Trade Manager

Phone: 703.506.9742

Email: [emeinhart@vedp.org](mailto:emeinhart@vedp.org)

#### Hannah Robertson-Forrest

Grants Manager

Phone: 804.241.6519

Email: [hrobertson-forrest@vedp.org](mailto:hrobertson-forrest@vedp.org)

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Attending this Trade Mission validated that we still have huge runway with our product line. Additionally, it created the foundation for longer term relationships as we build out our tech platform.

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# Consultant Bio

South Africa & Morocco

## Richard Zurba

Richard Zurba is the Director of Zurcom International, a South Africa-based consultancy that helps its clients grow export sales and investment prospects in the sub-Saharan African and Indian Ocean islands markets. With over two decades of experience in this regional market and a strong background in export sales, Richard is an ideal partner for Virginia businesses looking to enter and prosper in the greater Southern African region.