

How to communicate and do business with government: DTIC focus

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Are you ready to take the plunge into the export market?



The export market holds huge potential for South African companies. Navigating the complex world of international markets can seem daunting to many, but there are numerous government programmes to offer support to local businesses.

South Africa's export market is worth around R109bn, with most exports heading to China. The United States, Germany, Japan and the United Kingdom are also primary markets receiving South African exports.

Despite a decrease in exports between December and January, exports had increased around 8.7% year-on-year in January – a clear indication that many companies are benefiting from local markets, despite the challenges of the current economic climate.

But before you're able to take the plunge into international markets, you'll need to work with the government to ensure your product is ready and your paperwork is compliant.

Finding your market

You may think your product is ready for international markets, but there are some checks to make sure both your business and product are ready for export.

To qualify for export, you will need to have a product or range of products, along with the expertise to trade in that product. Your product should preferably be doing well in the domestic market before you consider expanding to international markets.

As a company, you'll have to take into account several considerations when deciding if your product is ready for

international markets. You'll have to assess the need for your product in international markets, whether or not it can be adapted to suit an international market, if the price point is competitive and what competing products are on the international market.

Once you've established that your business and product are ready for export, you'll need to secure an international buyer.

The Department of Trade, Industry and Commerce (DTIC) has several funding options available to assist a business in export marketing research.

Assistance is provided to organisers of inward buying trade missions to enable prospective buyers to make contact with South African exporters to conclude export orders. In addition, the department assists individual exporters to exhibit products at recognised exhibitions abroad.

Sealing the deal

After you've secured an international buyer, you'll need to ensure all your paperwork is in place.

Depending on your product, you may need to register as an exporter. Some export goods require the company to obtain a permit ensuring that you comply with export control measures. The permit will help your business comply with international agreements or control the flow of strategic goods. To find out if you need to register as an exporter, contact the import and export control office at the International Trade Administration Commission (ITAC) with details of the particular goods you want to export.

The next step is setting up the deal. This is where you'll require an export order, which consists of an international purchase order – the confirmation from the buyer that there is a deal and that you should prepare and ship the goods accordingly – as well as a pro forma invoice. The pro forma invoice is the document that initiates the international transaction.

When the deal has been set up, you can look towards shipping the goods. Your deal may require pre-shipping actions, such as inspections or product analysis, which will need to be completed before you book the freight and load your product. At this stage, you'll be required to complete an F178 declaration. This document is a commitment by you to the Reserve Bank that funds will be brought into the country in exchange for goods.

From here, you can package goods and make freight arrangements, and your service provider will assist with customs clearance and transport. You will need a customs bill of entry and a transport document from your service provider to complete your export documentation.

Need help exporting?

The Department of Trade and Industry has established an Export Help Desk to provide South African firms of any size with export information and advice. Contact the Help Desk on working days at 0861 843 384 or email exporthelpdesk@thedtic.gov.za

What products can South African companies export?

The South African Revenue Services (Sars) has made a list, the consolidated list of prohibited and restricted exports and imports, of restricted and prohibited products that may not be exported.

Prohibited products may not enter or exit the country, and include products such as counterfeit goods, narcotics and weapons. Permits for restricted goods can be obtained from the International Trade Administration Commission.

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