



AFRICAN UTILITY WEEK

DELIVERING BEYOND TOMORROW



BUSINESS LEADERS CURRENT VIEWS

“It is only by extending the value chain that South African companies will be able to compete with cheaper imports from China and India.”



Exclusive interview with Eileen Leopold, Chief Executive Officer, South African Electrotechnical Export Council (SAEEC)

1) What are you most excited about currently in terms of the SAEEC?

In spite of the economic downturn, the Council has seen phenomenal growth in terms of membership, which grew by 20 companies in 2011. We now have 92 members and most of the key players on board. This creates a powerful industry voice regarding exports and export policy. It also provides a platform for engaging more South African companies into large infrastructure projects.

Our reach as a gateway to finding South African suppliers has also increased and we have seen a marked increase in the number of inquiries from the large international project houses for suppliers and partners into major projects.

The Department of Trade and Industry has appointed two new Chief Directors from January this year to drive Export Promotion and Export Development and we expect to see a far closer cooperation between the DTI and business to accelerate international growth.

2) What is on SAEEC's calendar for 2012?

Our objective is to facilitate access into key export markets and the SAEEC will undertake several trade missions in 2012. Based on feedback from our members, inward buying missions are extremely successful and this year we will focus on bringing on the Electricity Utilities from Ghana as a follow-up to our visit last April.

We will once again visit the African Development Bank in Tunisia as it is critical to understand the project cycle and the flow of money. Together with the DTI we are looking at missions into Mozambique, DRC, Zambia and Angola. In addition we have taken pavilions at several exhibitions in Africa where we offer our members prime location at excellent discounts. We are pleased that WAPIC will be a National Pavilion this year where the DTI will build a South African pavilion plus provide funding for qualifying companies.

As always our focus is on export training and assistance and we offer a wide range of workshops and services. Please visit our website www.saeec.org.za.

3) What opportunities do you see in Africa?

The Council operates globally but Sub-Saharan African accounts for approximately 48% of South Africa's electrotechnical exports and whilst the going will remain challenging, there are still significant opportunities.

There is a renewed focus on infrastructure and development corridors, underpinned by the Multilateral Financial Development institutions. Two prime examples are:

- The PIDA Program for Infrastructure Development in Africa (PIDA www.pidafrica.org) which is an initiative for the development of infrastructure in Africa being led by the African Union Commission (AUC), the NEPAD Secretariat and the African Development Bank (ADB).
- The African development corridors, namely the North- South Corridor and Tripartite Alliance (www.northsouthcorridor.org) aimed at creating a framework to enable the Regional Economic Communities of COMESA, EAC and SADC, their Member States and the International Community to implement an economic corridor-based approach to reducing costs of cross-border trade in Sub-Saharan Africa.

Whilst this does not always address the very real difficulties that companies face in exporting to

Africa, including the aggressive growth of China, India and more recently Brazil, it does show that there is a great deal of emphasis on improving inter-African trade.

4) What makes the SAEEC members competitive?

Our members have world-class engineering facilities, are highly flexible in their manufacturing processes and will consider small production runs. They offer cost effective solutions that meet international standards.

The two key aspects that set us apart are:

1. South African firms know the conditions and requirements of Africa and have designed products to ensure that the solutions we propose are suitable cost effective and most of all sustainable.
2. South African firms provide a full range of complementary services to provide a turnkey solution from design, consultation, operations, after sales support, maintenance, training and capacity building.

5) Let's discuss the main challenges of doing business in the African Energy markets.

The African energy market faces all the challenges we face at home – rising costs, lack of capacity, limited resources and the need to increase renewable energy infrastructure.

Within this framework South African firms face additional challenges including the fact many supplier decisions are made at the political level. We constantly bemoan the fact that South African firms do not receive the same benefits that suppliers from the emerging markets enjoy and it certainly is not a level playing field. Whilst we are a leading player in supplying goods and services to Africa, we have been losing market share over the past 10 years with the very aggressive funding and marketing activities of China as well as India, Brazil and Europe.

However, one of the contributing factors, reinforced by feedback from senior executives from the African Utilities, is that we assume that these countries know what we can offer. Whilst it may be a generalisation, many companies assume that the utilities fully understand our technology and manufacturing excellence and our compliance to international standards. We do not always include our competitive advantages in our marketing and tender submissions. We do not complete tenders fully.

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The key message is *“don't assume we are known”*.

6) What surprises you about this industry?

It has to be innovation. Our unique competitive advantage is that we apply technology to develop innovative solutions for both emerging markets and new market requirements.

7) Why do members keep returning to African Utility Week?

As the Council our role is one of facilitators and we listen to our members! At their request we have taken a pavilion at AUW for the past 7 years, so our members must be getting positive returns in terms of business, contacts and knowledge of industry trends.

8) What will be the main message of the SAEEC to the African Utility Week visitor?

The South African Electrotechnical Export Council is a not-for-gain organisation, established as a Public-Private Partnership between South African business and the Department of Trade and Industry.

Our members are South African registered companies that are manufacturers and providers of products and services in the Electrotechnical sector namely:
Electronics, Electrical Engineering, Telecommunications and Information Technology.

We are uniquely positioned to assist South African firms to grow their exports by

- Identifying and facilitating export opportunities
- Providing operational and logistical support
- Obtaining government funding for export marketing and enterprise expansion
- Influencing trade policy and support schemes.

The SAEEC acts as a gateway for firms and organisations wishing to identify finding South African suppliers and partners.

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