

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Food Service - Hotel Restaurant Institutional

Benefits Continue From Increased International Exposure

Approved By:

Nicolas Rubio

Prepared By:

Margaret Ntloedibe

Report Highlights:

The industry is still benefiting from the increased exposure and investment following successful hosting of the 2010 FIFA World Cup and the 2011 United Nations' COP 17 Climate Change Conference. Despite the impact by the recent economic global recession, data released by Statistics South Africa reveals that the total income generated by the food and beverage industry increased by 12.2 percent in August 2012 compared with August 2011.

SECTION 1: MARKET SUMMARY

South Africa, with a population of about 51 million people, has a large and highly competitive hospitality industry. The industry is still benefitting from the increased exposure and investment following the successful hosting of 2010 FIFA World Cup and the 2011 United Nations' COP 17 Climate Change Conference.

Despite the impact by the recent economic global recession, data released by Statistics South Africa reveals good news for the industry. The total income generated by the food and beverage industry increased by 12.2 percent in August 2012 compared with August 2011. Food sales contributed 12.6 percent, bar sales 10.9 percent, and other income 1.3 percent. In terms of sectors, the main contributor to the annual growth rate of 12.2 percent was takeaway and fast-food outlets 22.5 percent, restaurants and coffee shops 8.8 percent, and catering services 2.7 percent.

Total income generated by the accommodation industry increased by 19.3 percent in August 2012 compared with the previous year: income from accommodation increased by 14.1 percent, the number of stay units¹ increased by 1.6 percent, and the number of stay unit nights sold increased by 10.2 percent. The South African industry is also known for its good wines and cuisine, which draws millions of tourists to the country. The South African tourism is a major contributor and one of the fastest growing sectors of South Africa's economy. It accounts for 8.3 percent to the country's Gross Domestic Product (GDP). Tourists traveling to South Africa increased by 11.9 percent in July 2012 compared to July 2011. In 2012, it was estimated that nine million people visited South Africa.

The HRI sector is concentrated and dominated by independent and franchised foodservice players. It includes contract catering who tailor their services and products to high-end consumers. In general, the players do not import food and beverages directly; instead they buy local and imported products from local manufacturers, wholesalers, and distributors. In order to capture consumer traffic, convenience stores, shopping malls, supermarkets, and airports play a vital role within the industry.

The foodservice establishment is comprised of commercial local and multinationals, institutions and service sectors. Classified under commercial are hotels, restaurants, fast food independents, fast food chains, clubs, and national parks/resorts. Within the commercial sector, the franchise industry continues to grow due to consumption shifting from eating at home.

The institutions and service sectors include transport services, health (public and private hospitals), educational institutions, and prisons. It is dominated by a few large contract catering companies like Fedics (owned by Tsebo Outsourcing Group), Kagiso Khulani Supervision Food Services (owned by Compass Group Southern Africa), and Royal Mnandi (owned by MvelaServe Group).

1.1: Food and Beverage Income Estimates

According to Statistics South Africa, the total income generated by the food and beverages industry increased by 12.2 percent in August 2012 compared with August 2011. Positive annual growth rates were recorded by food sales (12.6 percent), bar sales (10.9 percent), and other income (1.3 percent).

¹ Stay unit refers to the unit of accommodation that is available for guests

Table 1: Income Estimates

Estimates per type of income	August 2012 (\$ million)	% change between August 2011 and August 2012	% change between January to August 2011 and January to August 2012
Income from food sales	414	12.6	8.6
Income from bar sales	46	10.9	9.6
Other income	7	1.3	-11.5
Total income 1/	467	12.2	8.3

Source: Statistics South Africa (Stats SA)

Table 2: Advantages and Challenges Facing U.S. Products in South Africa

Advantages	Challenges
South Africa is the gateway for regional markets. Visit USDA's website at www.fas.usda.gov/agx/trade_events/trade_events.asp for promotional opportunities and trade shows in the country.	Strong competition from other countries and from local food producers. Despite quality not always consistent, price is still a strong decision making factor in the industry.
South Africans are developing a taste for western foods and are willing to try new products.	Consumers may need to be educated in preparing and eating products.
The growing HRI food industry needs imported food and beverage products.	Already acquired tastes and preferences for traditional locally produced products.
Established HRI industry.	While sophisticated for a developing country, much of the U.S. technologies are far beyond the horizons of the most richly-resourced food companies.
South African HRI, processors and importers seek suppliers who can offer reliable and quality products at competitive prices.	Challenges for U.S. suppliers to respond to trade inquiries in a timely fashion. Also, South Africa is a smaller market and may not be able to deal in the volumes that U.S. companies are used to.
South African consumers view U.S. products as high quality.	Limited knowledge of the variety and quality of U.S. products.
English is one of the 11 official South African languages and virtually everyone is proficient in English.	Processors have long-standing relationships with European suppliers due to historical ties.
Importers and distributors can help develop heavy brand loyalty.	Consumers are price-conscious and some do not exhibit brand loyalty. Products must constantly be promoted.
South African importers seek suppliers who can offer reliable and quality products, consolidators of mix containers at competitive prices.	Higher prices for U.S. food products relative to local market and neighboring countries' products.

SECTION 2: ROAD MAP FOR MARKET ENTRY

2.1 Hotels and Resorts

There are an estimated 30,000 establishments nationally in South Africa, ranging from five star hotels, including hotel chains, game lodges and bed & breakfast (B&B), to more economical options, such as youth hostels. Out of all establishments, the B&B and game lodges represent the fastest growing segment of the tourism industry. In the Hospitality Resort and Hotel area, many are managed by the

Premier Group, owned by Anglo American. Premier and Anglo American also have extensive holdings in the milling, baking, dairy, fish, confectionery, and edible oils industries.

The Department of Environmental Affairs and Tourism (www.environment.gov.za) is responsible for the growth and the development of South Africa tourism. The Department has mandated the Tourism Grading Council of South Africa (www.tourismgrading.co.za) to grade tourism establishments in the country and oversee the quality control. The Council employs a five star grading system, which is displayed on most advertising material and at hotel entrances. It has graded approximately over 8,000 establishments since 2003. Grading and registration fees are made available on the Tourism Grading website. Establishments are assessed according to the type of accommodation they provide:

- Bed & Breakfast (B&Bs)
- Guest houses
- Hotels
- Self-catering
- Backpacker and hostelling
- Caravans and camping
- Country houses
- Meetings, exhibitions and special events
- Restaurants

Prospects:

- Despite the economic recession, the long term outlook for the hotel industry remains healthy.
- Foreign and domestic tourists are key sources of demand for hotel accommodations.
- The latest trend in hotel investment in South Africa has been joint ventures between local operators and overseas investors.
- Smaller and independent owners are benefiting from an injection of capital, infrastructure, and expertise enabling them to compete with large groups.
- The industry continues to benefit from incentives of awards afforded by the National Department of Tourism's National Tourism Sector strategy for responsible tourism under the country's "National Minimum Standard for Responsible Tourism as well as the Responsible Tourism guidelines for the South African hospitality industry". The award encourages industry members of the above sectors to accept voluntary guidelines promoting responsible tourism.
- Tourism Grading Council managing the star grading system of all South Africa's accommodation establishments to ensure quality accommodation offerings.
- Quality accommodation offering in all of South Africa nine provinces.
- The growth of the industry offers export opportunities to U.S. suppliers of food and beverage products for hotels, restaurants, and the institutional food service sector.

2.1.1 Accommodation Statistics

According to Statistics South Africa, the total income for accommodation industry increased by 19.3 percent for the year ending in August 2012 compared to the previous year. Income from accommodation increased by 14.1 percent; the number of stay units available increased by 1.6 percent; and the number of stay unit nights sold increased by 10.2 percent. Growth in the hotel industry is linked to foreign tourism, which is expected to grow considerably in the future.

Table 3: Key Estimates for August 2012

Estimates	July 2011	Percentage change between July 2010 and July 2011	Percentage change between January to July 2010 and January to July 2011
Stay units available ('000) 1/	123.6	1.6	1.6
Stay unit nights sold ('000)	1681.3	10.2	9.5
Average income per unit night sold (\$)	92	3.5	3.6
Income from accommodation (\$ million)	154	14.1	13.5
Total income (\$ million) 2/	332	19.3	13.1

Note:

1/ Stay unit refers to the unit of accommodation that is available for guests, for example, a powered site in a caravan park or a room in a hotel.

2/ Figures have been rounded off. Therefore, discrepancies may occur between sums of the component items and the totals.

Table 4: Contribution of Each Type of Accommodation to the Annual Percentage Change

Type of accommodation	August 2011 (\$ million)	Weight 1/	August 2012 (\$ million)	Percentage Change between Aug. 2011 and Aug. 2012	% change Contribution 2/
Hotels 3/	140	65.0	95	14.3	9.3
Caravan parks and camping sites	0.5	0.6	1.2	52.5	0.3
Guest-houses and guest-farms	9	5.7	8.7	10.2	0.6
Other accommodation	38	28.8	33	13.8	4.0
Total industry 4/	187.5	100.0	137.9	14.1	14.1

Source: Statistics South Africa

1/ Weight is the percentage of each type of accommodation to the total accommodation income for current month of the previous year.

2/ The contribution to the percentage change is calculated by multiplying the percentage change of each type of accommodation with the corresponding weight, divided by 100.

3/ These are tax registered private and public enterprises that are mainly engaged in providing short-stay commercial accommodation such as:

- Hotels, motels, and inns;
- Caravan parks and camping sites;
- Guest-houses and guest-farms; and
- Other accommodation

4/ The figures have been rounded off. Therefore discrepancies may occur between the sums of the component items and totals.

2.1.2 Hotel Profiles

Most of the key hotels are owned by large locally listed companies and managed through agreements with international hotel management chains, in particular, Mercure Accord Hotel (French), Sheraton Group (US), Hilton (US), Legacy Hotels and Resorts (US), and Days Inn (US). In addition to major foreign tourism projects, two South African groups also have activities. One group is the Sun International Group, which runs hotels and resorts including the renowned Sun City Resort in Pilanesburg in the North West Province. Another one is the Protea Group, which runs the Protea Hotel chain. The table below provides an overview of some of the major hotel chains.

Table 5: Leading Hotel Chains in South Africa

Hotel Group	Sales (US\$ million)	No. of Hotels	Location	Purchasing Agent Type
Mercure Accord	Not available	28	Major cities and Tourist centers	Local agents
Sheraton Group	Not available	3	Major cities	Local agents
Hilton	Not available	2	Major cities	Local agents
Legacy Hotels & Resorts	Not available	17	Major cities and Tourist centers	Local agents
Sun International Groups	Not available	49	Major cities and Tourist centers	Local agents
Protea Group	Not available	74	Major cities and Tourist centers	Local agents

2.1.3 Entry Strategy

Although the majority of the hotels are part of hotel chains, each one operates autonomously in terms of food purchases. In some cases the head office may recommend regional or national suppliers, but generally, hotels have a free reign regarding what foods are served and whom their suppliers are. Dry groceries are usually sourced from catering wholesalers. Baked goods, fruits and vegetables, meat, and dairy products tend to be sourced from local specialist retailers. Many hotels also have in-house bakeries and contract caterers to run in-house restaurants.

2.1.4 Distribution Channel

In general, hotels do not import food and beverages; instead they place their orders through local manufacturers, wholesalers, specialty retailers and others. This is because most, if not all, hotel kitchens have a policy of holding only sufficient quantities of food and beverages for short-term needs. The following table highlights and summarizes sources of supply in percentage.

Table 6: Hotel Food and Beverage Supplier Breakdown

Sources of supply	% of total
Specialist Retailers	32
Direct from manufacturers	28
Catering wholesalers	20
Fresh Produce Market	12
Cash & Carry	5
General Retailer	3
TOTAL	100

2.2 Restaurants

Restaurants play an integral part in the tourists' experience as food and wine play a major role for visitors. Foreign visitors spend approximately \$30 per day on food and beverage during their trip to South Africa, which represents about 20 percent of the total daily expenditure. Since tourism is such of important source of revenue for the restaurant industry, the Tourism Grading Council is responsible for the grading scheme. To have an effective scheme, the Grading Council continuously hosts countrywide road shows on restaurant grading in order to meet the Council's target of all restaurants graded.

The Restaurant Association of South Africa (RASA) (www.restaurant.org.za), acts in the interest of the South African restaurant industry. RASA members ranges from independent restaurants, fast food outlets, coffee shops, casual dining establishment, hospital canteens, mobile restaurants, Quick Service Restaurants (QSR's), and include memberships for the major franchise groups.

South Africa has a highly developed network of fast-food and chain restaurants and well established franchising model. In addition, the Franchise Association South Africa (FASA) (www.fasa.co.za) shows how people are opting to eat out more often than ever before. This shift is creating opportunities in the restaurant industry. However, fast food restaurants are facing increased competition from supermarkets, retail chains, and convenience stores as they also offer readymade meals.

Trends:

- Less dining out by domestic consumer as consumers searched for value for money take home menu offerings.
- Local brands continue to dominate food service despite increasing presence of international players.
- Demand for healthier and wellness, yet convenient menu offerings.
- Convenience and health continue to be key demand of busy and working South Africans.

2.2.1 Income Estimates by Types of Enterprises

The major contributor to the annual growth in total restaurant industry income as of August 2012 was take-away and fast food outlets as illustrated in table 7.

Table 7: Contribution by Types of Enterprise to Total Income

Type of Enterprise estimates	August 2011 (\$ million)	Weight 1/	August 2012 (\$ million)	% change Between Aug. 2011 to Aug. 2012	Contribution to the Percentage Change 2/
Restaurants and Coffee Shops	203	48.7	220	8.8	4.3
Take-away and fast food outlets	138	33.1	169	22.5	7.4
Catering Services 3/	76	18.3	78	2.7	0.5
Total Industry 4/	416	100.0	467	12.2	12.2

Source: Statistics SA

2.2.2 Restaurant Company Profiles

South Africa has an extensive number of domestic and international restaurant chains. It includes Famous Brand, King Consolidated Holdings; Taste Holdings, Nando's Group Holdings, McDonalds, Mike's Kitchen, Global Wrapps, Dulce Continental Cafes, the Spur Group, Something Fishy, Ocean Basket, Pleasure Foods, Chicken Licken, News Café, Pizza Perfect, Leisure Net, Flame Diners, Max Frango's Chicken take-outs, Shoprite-Checkers, Tricon Global Restaurants Inc (Kentucky Fried Chicken, Pizza Hut, and Yum Restaurants), Subway Sandwiches, and TGIF's.

Table 8: Leading South African Multi-National Fast-Food and Family Restaurant Companies

Restaurant Name and Outlet Type	Ownership	Sales (US\$ million)	No. of outlets	Location	Purchasing Agent Type
The Famous Brand Ltd	International	Not available	1,944	Major cities	Local agent
Tricon Global Restaurants	Local	Not available	450	Major cities	Local agent
Nando's Group Holdings Ltd	Local	Not available	273	Major cities	Local agent
King Consolidated Holdings Ltd	Local	Not available	N/Available	Major cities	Local agent

2.2.3 Entry Strategy

Specialist retailers such as bakeries, butcheries, and green grocers are the main suppliers to restaurants. Dry groceries are often purchased through wholesalers, while perishables and frozen products are purchased directly from the manufacturers or designated distributors.

- Export opportunities in this sector may not be readily apparent since these outlets generally prefer to source their inputs locally. However, as the number of outlets increase and competition rises, it becomes more difficult to meet needs on the local market and maintain quality and price competitiveness.
- The South African fast food market continues to witness strong growth due to changes in lifestyle and growth in disposable income.
- Although independent restaurants are plentiful, the growth in the number of franchised fast food chain restaurants has been phenomenal over the past number of years. The situation has brought interest in American-style cuisine and consumption patterns.
- Tex-Mex or South Western cuisine has yet to significantly penetrate the South African market. The cuisine has potential to be popular due to the South African consumer's preference for hot and spicy sauces.
- Pub-style restaurants are also booming.
- Representing the interest of the South African hospitality industry visit www.fedhasa.co.za for more information
- More information about the franchise sector visit www.whichfranchise.co.za and www.fasa.co.za. Franchising is more prevalent in some consumer foodservice channels, which dominates South African consumer foodservice. 100 percent home delivery food are mostly franchised, whereby over 50 percent outlets are chained outlets.
- Famous Brands is the largest of the foodservice franchise.

2.2.4 Distribution Channel

Table 9: Suppliers to the Restaurant Industry

Sources of Supply	% of Total
Specialist retailers	42
Catering wholesalers	23
Manufacturers/distributors	20
Cash & Carry	8
General retailers	5
Fresh produce markets	2
TOTAL	100

2.3 Institutional Food Service

Currently, the South African institutional sector is valued at \$71 million and 80 percent of the market is run through State tenders and parastatals. This sector constitutes a very large market for food and beverages and includes various institutions and services providers. It is estimated that only 28 percent of the public sector and 55 percent of the private sector catering has been out-sourced to contract caterers. As with the rest of the South African food industry, this sector is fairly concentrated and is dominated by a relatively few large catering companies. The South African food services contract caterers include Fedics, Royal Sechaba, KKS, Royal Mnandi, Feedem Pitseng, and Bosana.

2.3.1 Major Contract Caterer's Profile

Table 10: Leading South African Contract-Catering Companies

Name and business type	Ownership	Location	Purchasing Agent Type
Fedics (Pty) Ltd	Tsebo Outsourcing Group	nationwide	Local agents
Royal Sechaba	Royal Serve	nationwide	Local agents
Kagiso Khulani Supervision Food Services (KKS)	Compass Group Southern Africa	nationwide	Local agents
RoyalMnandi	MvelaServe	Nationwide	Local agents
Feedem Pitseng	Independent owners	nationwide	Local agents
Bosasa	Independent owners	nationwide	Local agents

2.3.2 Entry Strategy

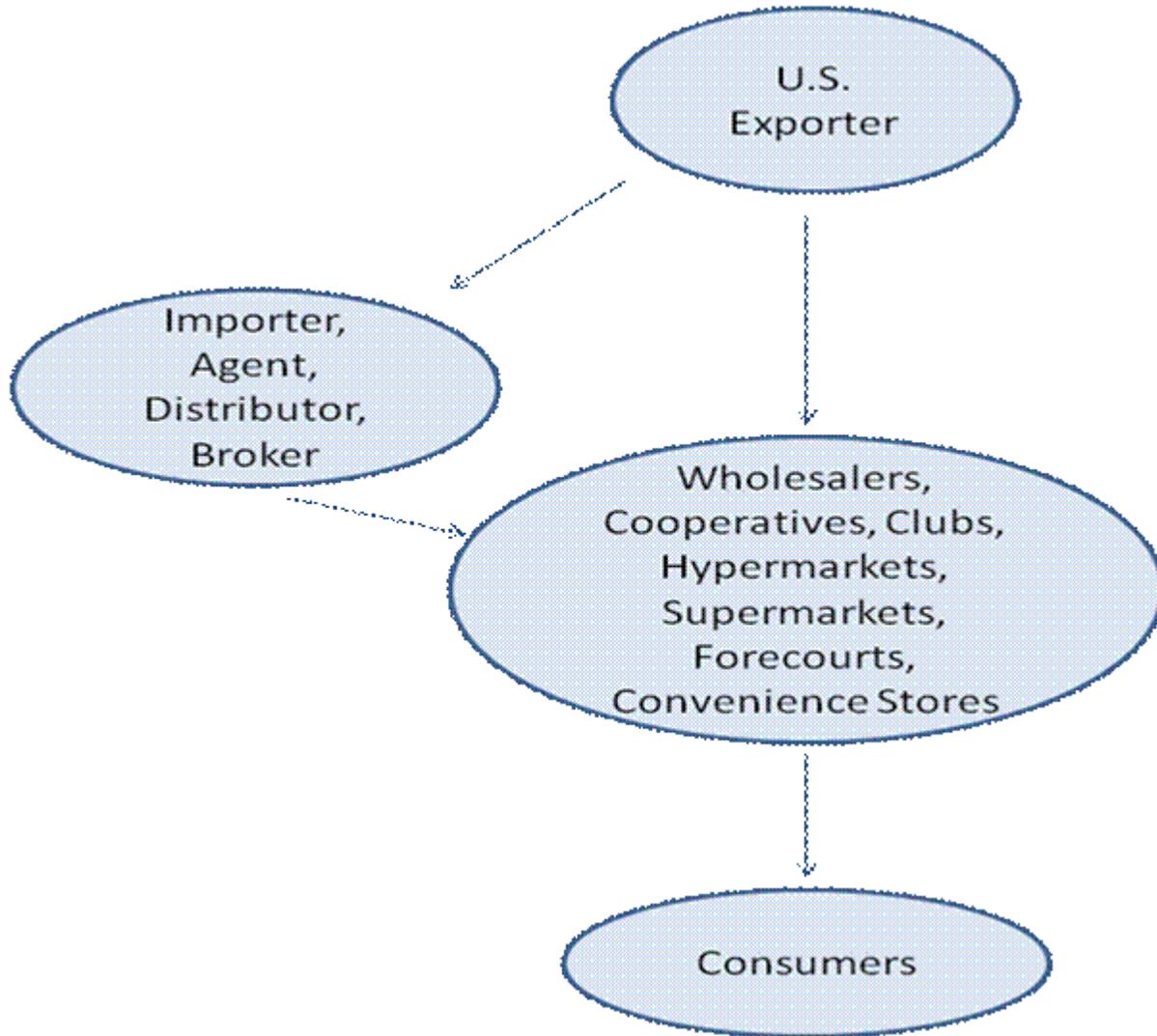
In general, contract caterers do not import food and beverages but instead purchase food products directly from the local manufacturers, catering wholesalers, and distributors on a contract basis. Companies operating their own canteens usually buy food, when needed, from catering wholesalers and localized specialist retailers, as this is more convenient when buying small quantities.

2.3.3 Distribution Channel

Table 11: Contract-Caterer Supplier Breakdown

Source of Supply	% of Total
Specialist retailers	46
Manufacturers/distributors	33
Catering wholesalers	10
Fresh Produce Markets	5
General retailers	4
Cash & Carry	2
Total	100

2.4 Market Entry Flow Chart for U.S. Exporters



SECTION 3: COMPETITION

Table 12: South Africa Consumer Food and Edible Fishery Product Imports

South Africa Imports	January-August (US\$)			% Share			% Change 2012/2011
	2010	2011	2012	2010	2011	2012	
Consumer-Oriented Products Total (BICO, Minus HS 9801)	945,809,122	1,228,790,124	1,378,780,845	100	100	100	12.21
Chicken Cuts And Edible Offal (Inc Livers), Frozen	96,352,979	150,926,751	175,275,086	10.19	12.28	12.71	16.13
Food Preparations Nesoi	82,186,204	105,013,265	106,938,739	8.69	8.55	7.76	1.83
Meat of Swine, Nesoi, Frozen	36,150,445	51,540,149	57,955,943	3.82	4.19	4.20	12.45
Meat & Offal Of Chickens, Not Cut in Pieces, Frozen	40,318,531	59,564,634	53,663,199	4.26	4.85	3.89	-9.91
Apple Juice, Nesoi, Nt Fortified W Vitamins, Unferm	19,449,429	15,684,553	42,846,381	2.06	1.28	3.11	173.18
Waters, Incl Mineral & Aerated, Sweetnd Or Flavord	20,806,768	23,753,304	40,856,247	2.20	1.93	2.96	72.00
Dog And Cat Food, Put Up For Retail Sale	25,454,223	33,128,901	33,699,926	2.69	2.70	2.44	1.72
Enzymes And Prepared Enzymes, Nesoi	26,286,070	27,138,803	31,123,658	2.78	2.21	2.26	14.68
Cocoa Preparations, Not In Bulk Form, Nesoi	14,861,701	21,096,078	29,598,298	1.57	1.72	2.15	40.30
Cheese, Nesoi, including Cheddar And Colby	14,357,456	12,224,032	29,586,538	1.52	0.99	2.15	142.04
Turkey Cuts And Edible Offal (Include Liver) Frozen	16,222,454	23,665,426	24,707,096	1.72	1.93	1.79	4.40
Dextrins And Other Modified Starches	24,580,111	25,083,412	24,173,874	2.60	2.04	1.75	-3.63
Coffee Extracts, Essences Etc. & Prep Therefrom	17,792,589	22,162,969	24,155,389	1.88	1.80	1.75	-8.99
Bread, Pastry, Cakes, ETC Nesoi & Puddings	14,294,553	19,513,504	23,761,808	1.51	1.59	1.72	21.77
Sugar Confection (Inc Wh Choc), No Cocoa, Nesoi	19,722,190	22,391,590	22,828,304	2.09	1.82	1.66	-1.92
Grape Juice, Nesoi, Nt Fortified With Vitamins/Min	7,114,196	17,910,635	22,392,509	0.75	1.46	1.62	22.02
Food Preparations For Infants, Retail Sale Nesoi	12,216,920	8,879,283	22,055,339	1.29	0.72	1.60	148.39
Beer Made From Malt	10,480,268	17,931,037	21,393,813	1.11	1.46	1.55	19.31
Mlk & Crm, Cntd, Swt, Powdr, Gran/Solids, Nov 1.5% Fat	8,200,4007	12,872,336	20,064,762	0.87	1.05	1.46	55.88
Fish & Seafood Products (Total)	158,246,982	160,904,687	231,343,272	100	100	100	43.78
Sardines/Sardinella/Brisling Prep/Pres, Not Mincd	51,629,285	32,131,076	81,257,252	32.63	19.97	35.12	158.89
Tunas/Skipjack/Bonito Prep/Pres Not Mincd	25,015,738	25,996,092	36,415,724	15.81	16.16	15.74	40.08
Shrimps And Prawns, Frozen	0	0	25,973,015	0.00	0.00	11.23	
Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	10,887,949	13,085,701	15,379,999	6.88	8.13	6.65	17.53

Fish, Frozen, Nesoi	0	0	11,229,025	0.00	0.00	4.85	
Mussels, Prepared Or Preserved	0	0	6,204,033	0.00	0.00	2.68	
Cold-Water Shrimps And Prawns, Frozen	0	0	5,568,126	0.00	0.00	2.41	
Total Agricultural, Fish & Forestry Total (Based on BICO)	3,273,800,158	4,293,557,940	4,535,117,731	100	100	100	5.63

Source: Global Trade Atlas

TABLE C: TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

Consumer Oriented Agricultural Imports	January-August (US\$)		
	2010	2011	2012
World	945,809,122	1,228,790,124	1,378,780,845
Netherlands	61,653,493	92,276,237	131,169,499
Brazil	134,038,462	152,065,928	123,266,430
United States	63,697,862	75,758,359	104,296,773
Germany	50,512,376	75,876,671	98,281,181
China	57,288,851	64,706,776	78,491,119
France	58,676,884	72,744,465	75,313,911
Italy	40,506,754	62,013,761	71,060,119
United Kingdom	22,210,899	46,625,625	59,120,249
Ireland	30,870,624	41,683,082	58,450,492
Argentina	27,068,552	39,468,095	54,124,860
New Zealand	30,304,153	38,387,325	47,683,718
Australia	38,640,717	46,015,466	46,776,086
Thailand	18,985,316	27,549,737	39,917,066
Belgium	27,580,398	38,516,938	39,251,777
Spain	16,254,445	23,579,682	38,775,342

Source: Global Trade Atlas

Fish & Seafood Products	January-August (US\$)		
	2010	2011	2012
World	158,246,982	160,904,687	231,343,272
Thailand	72,819,656	61,443,534	111,092,018
India	12,071,945	23,010,622	24,166,512
China	18,511,960	16,905,543	21,195,363
New Zealand	10,109,481	8,788,031	10,544,448
Norway	6,676,389	8,847,708	9,732,040
Argentina	4,169,884	4,219,413	6,382,553
Spain	3,671,764	3,288,161	5,476,892
Peru	2,232,657	1,800,403	4,939,731
Chile	2,562	1,325,531	3,372,937
United States	2,454,300	4,524,311	3,265,306
Mozambique	2,241,113	3,376,121	3,169,616
Uruguay	554,469	1,832,457	2,499,512
Philippines	491,378	327,580	2,441,977
Falkland Islands	1,361,045	1,372,229	2,229,423
United Kingdom	798,822	2,031,706	2,187,733

3.1: Market Access and Trade Agreements:

South Africa is a member of the World Trade Organization and holds multilateral and bilateral trade agreements with several other nations. Please visit the following link for more details.

http://www.thedti.gov.za/trade_investment/ited_trade_agreement.jsp

SECTION 4: BEST PRODUCT PROSPECTS

A. Products in the market which have good sales potential

- Shelled nuts (almonds and walnuts)
- Salmon
- Sweeteners (lactose, glucose and syrup)
- Protein concentrates
- Food preparations
- Baking inputs (baking powder)
- Sauces, condiments and seasonings
- Starches
- Sausage casing
- Food ingredients

B. Products not present in significant quantities but which have good sales potential

- Sausage casing
- Organics
- Out of season stone fruits, grapes, pomegranate, etc
- Breakfast cereal (corn/grit meal)
- Sauces
- Products not currently available or known about in South Africa
- Fruit and vegetables preparations
- Fats and oils
- Flavorings (malt)
- Bread, pastry, cakes and biscuits (ingredients)
- Ethyl alcohol, spirits and liqueurs

C. Products not present because they face significant barriers

- Prohibition of U.S. cherries and pears.
- Anti-dumping duties imposed on U.S. frozen chicken leg quarters since 2000.
- Prohibition of U.S. beef to South Africa since 2003.

SECTION 5: POST CONTACT AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need further assistance, please contact AgPretoria at the following address:

Foreign Agricultural Service
U.S. Embassy Pretoria, South Africa
Washington, D.C., 20521-9300
Tel: +27 12 431 4057
Fax: +27 12 342 2264
Email: agpretoria@fas.usda.gov

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service's website at: <http://www.fas.usda.gov>

**POST ACKNOWLEDGES THE FOLLOWING SOURCES OF INFORMATION:
INDUSTRIES WEBSITES, TRADE PRESS, DEPARTMENT OF ENVIRONMENTAL
AFFAIRS AND TOURISM, WORLD TRADE ATLAS, AND STATISTICS SOUTH AFRICA:**

<http://www.statssa.gov.za/Publications/P6410/P6410August2012.pdf>

<http://www.statssa.gov.za/Publications/P6420/P6420August2012.pdf>