

Africa Scotland Business Network opens trade opportunities in South Africa

The launch of the Africa Scotland Business Network in November 2019 highlighted one thing – there's a great deal of positivity about South Africa's business prospects. The Scots certainly think so.

According to Wesgro, the official tourism, trade and investment promotion agency for Cape Town and the Western Cape, in the period 2007 to 2016, South Africa's exports to Scotland increased by an average annual rate of 49%, while imports increased by 1.9% per annum. And between 2003 and 2016, 11 foreign direct investment projects, totalling a capital investment of £24.37 million, were recorded between Scotland and South Africa, creating 497 jobs.

Western Cape Premier Alan Winde is an enthusiastic supporter of the network and will be embarking on a trade mission on 21 January 2020. Wesgro has previously sought to bed down positive trade relations with Scotland, with a 2017 visit to Edinburgh to discuss ongoing collaboration and opportunities between the two nations.

To support this burgeoning trade relationship, business partner duo Claire Alexander, a Scottish entrepreneur living in South Africa, and Nicola Probyn, a local South African, collaborated with the Scottish Government to launch the Africa Scottish Business Network (ASBN), to support, educate and provide opportunities for businesses from both nations.

Alexander and Probyn put together a board with a mix of dynamic Scottish and African businesspeople and then pitched their idea to start an Africa Scottish business network to the Scottish government.

In July 2019, they were given the thumbs-up and all-important funding from Scotland, which they augmented with their own investment and a sponsorship secured from Craig International - a Scottish oil and gas service who recently set up their Africa Head Office in Cape Town.

Alexander believes that there is a great deal of synergy between the economies of Scotland and Africa, They are both strong in technology, renewable energy, agriculture and agri-tech, food and beverages, manufacturing and education.

Steven Craig, director of Africa at Craig International, says that he's hoping to support Scottish companies looking to do more business in Africa, as well as South African companies wanting to invest in Scotland. "We've got expertise in a lot of different industries, so we're confident that we can hopefully increase trade and employment."

Stephanie McDonald, a Scottish global infrastructure lawyer, has come on board as a non-executive director. "There is so much opportunity here. The Scottish government is very focused on trade relations with Europe, China, India and the United States, but has little coverage in Africa."

McDonald adds that, other than a focus on oil and gas in West Africa, there's a huge opportunity gap. "From a risk profile point of view, Africa can be a difficult place to do business. So, understandably, there has been limited attention and focus from Scotland."

Having identified the gap, she says, the founders of ASBN came together in the hopes of fostering closer collaboration between business, networks and government organisations. "As a network, we've started the wheel turning to attract investment into South Africa from Scotland, and vice versa."

Russel Luck, a technology lawyer at swiftVEE explains, "Although our company has a deep international network, it's often difficult to connect with the right people for a specific project. This is where the Africa-Scotland Business Network created huge value for us. We managed to connect with the right stakeholders to drive an international project. This would not have been possible on our own despite having our own business network."

Since the network's launch in Cape Town during Africa Oil and Gas Week, it has grown organically to a membership of 86 and counting.

In collaboration with the Scottish government, ASBN is currently assisting a Scottish-owned training business to expand its operations in Cape Town, to train and upskill a local labour force for the oil and gas industry. Currently, Africa is spending huge amounts on foreign expertise to service such industries.

Through direct engagement, ASBN is already facilitating a possible deal for a start-up food tech company; a Johannesburg based VEagent and the Pineapple Growers Association to export fruit to Scotland. In addition to business ventures,

ASBN is liaising with a global Scottish charity, looking to increase its footprint in South Africa.

“This was all within two weeks of launching, which is extremely exciting and promising. Our aim is to have 200 businesses on board in our marketplace by the end of 2020,” says Alexander.

As Scotland is a global leader in renewable energy, with targets to be carbon neutral by 2050, and is already a net producer of clean energy, many nations are turning to Scotland for expertise. This is one of the industries that Alexander believes is ripe for collaboration.

“The network also has a mission to ensure skills transfer and is investigating opportunities for Scottish universities to provide bursaries for disadvantaged students from South Africa. At the same time, it is collaborating with the Scotland Africa Business Association in Edinburgh to help us match African businesses to commercial opportunities in Scotland,” she adds.

The union of Scotland and South Africa appears to have great potential, as early interest and deals are already indicating. It is likely that the organisation will go from strength to strength, creating international trade, as well as knowledge and skills sharing opportunities for both nations.