

European market could offer diversification for SA's SMEs

According to the *2017 Ventureburn Startup Survey*, only 5% of South African startups focus their attention on the European market despite South Africa's Trade, Development and Co-operation Agreement (TDCA) with the EU.



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Sergio Codonyer, founder of Door to Europe Business, a social business that helps African entrepreneurs sell their products in Europe, believes that this is a mistake and that the European market could be their key to success.

According to the company, when South African entrepreneurs don't consider markets further afield, they close themselves off from potential customers and the capacity to grow their business in multiple economies.

"The European market has a lot to offer South African entrepreneurs; over 500 million potential customers and the ability to sell their products in any of the EU's 28 member states as well as access to the single market and stable European economy," says Codonyer.

Over the past year, Door to Europe Business has partnered with three African businesses and helped introduce their products into the European market. Each business has its own unique focus; Fairafric produces bean to bar chocolate on site in Ghana, Little Pine Tree teaches unemployed women in Johannesburg how to knit amigurumi toys and The Katy Valentine Collection is a collection of modern African jewellery.

When selling their products in Europe, Codonyer says Door to Europe carefully considers which European markets will best respond to their partner's product. "For example, Fairafric's chocolate is already well established in Germany, so we have brought their chocolate to Barcelona and will expand into other European markets from there.

"Europeans have a great appreciation for high-quality African products and there is currently a niche in the European market for African businesses. By filling this gap in the market and establishing themselves outside of Africa, entrepreneurs can diversify their business and give their business the best chance possible of seeing well beyond its first five years."



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