



# MECAS STUDY

## Profiling the African Sugar Market and Future Trade Landscape

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# Outline of Paper

- Regional Sugar Balances in sub-Saharan Africa
- Trade Agreements and the AfCTA
- Future Trading Landscape across sub-Saharan Africa



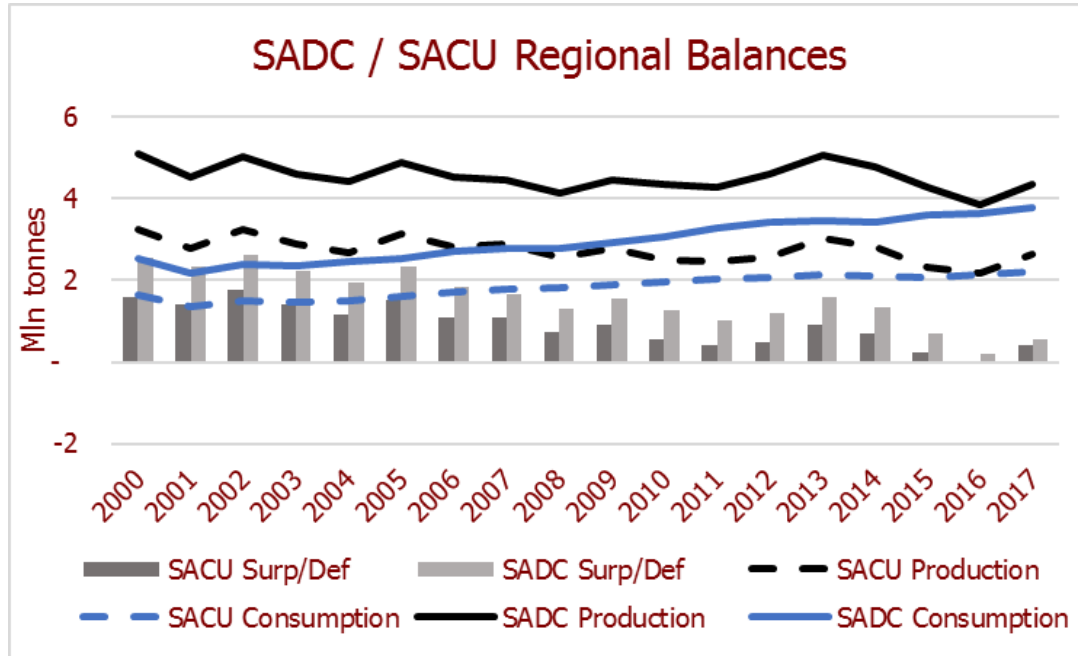


# Regional Overview

- High population growth (Africa = 2.7% CAGR; World = 1.44%)
- Low per capita consumption (Africa = 16Kg; World = 23Kg)
- Future wealth effect on sugar consumption
- Major destination for white sugar traders



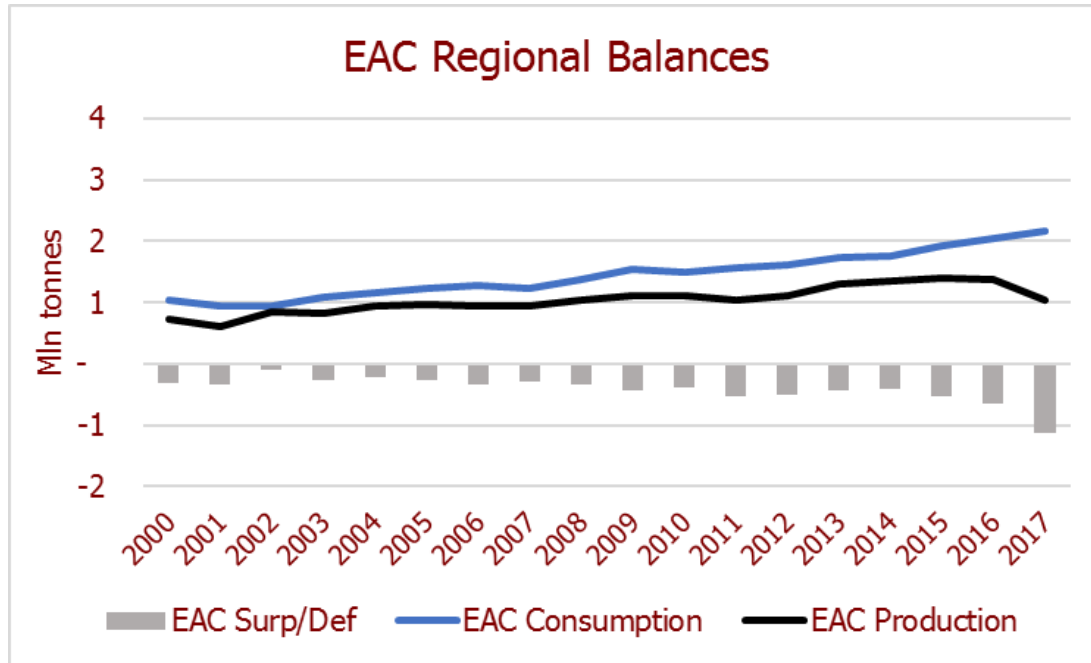
# Trade Balances – SACU / SADC



- High concentration of producers
- Consumption near 4 mln tonnes
- Imports through Angola and Capetown persist
- Regional, EU and cross-regional exports



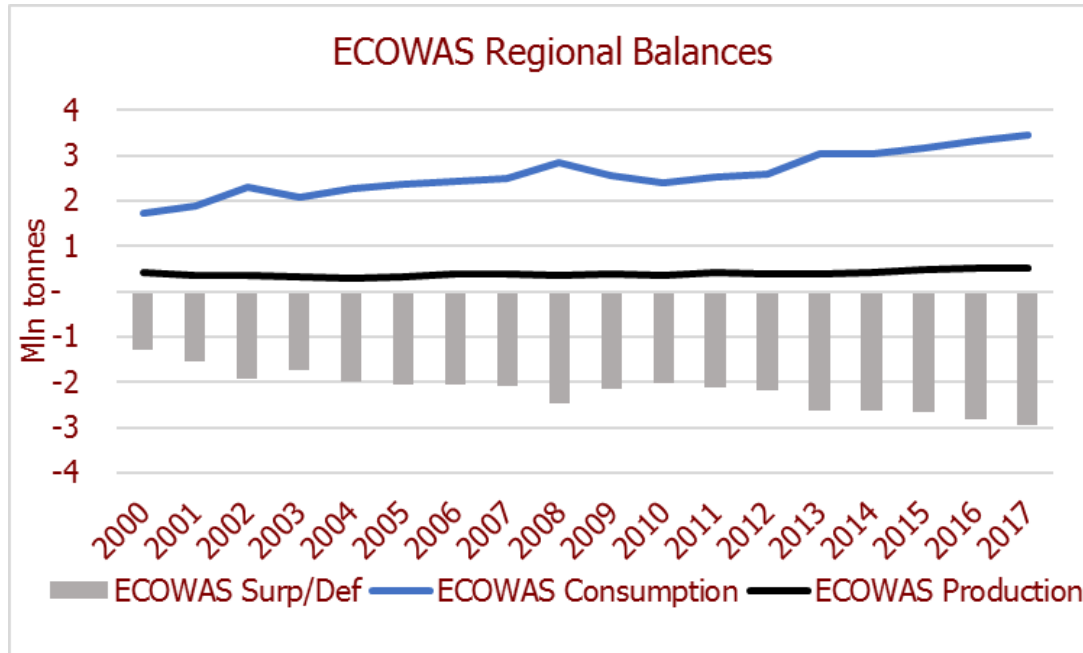
# Trade Balances - EAC



- Strongest consumption growth rate at 5.7%
- Production in a number of member countries – drought affected
- Import flows through Mombasa and Dar es Salaam



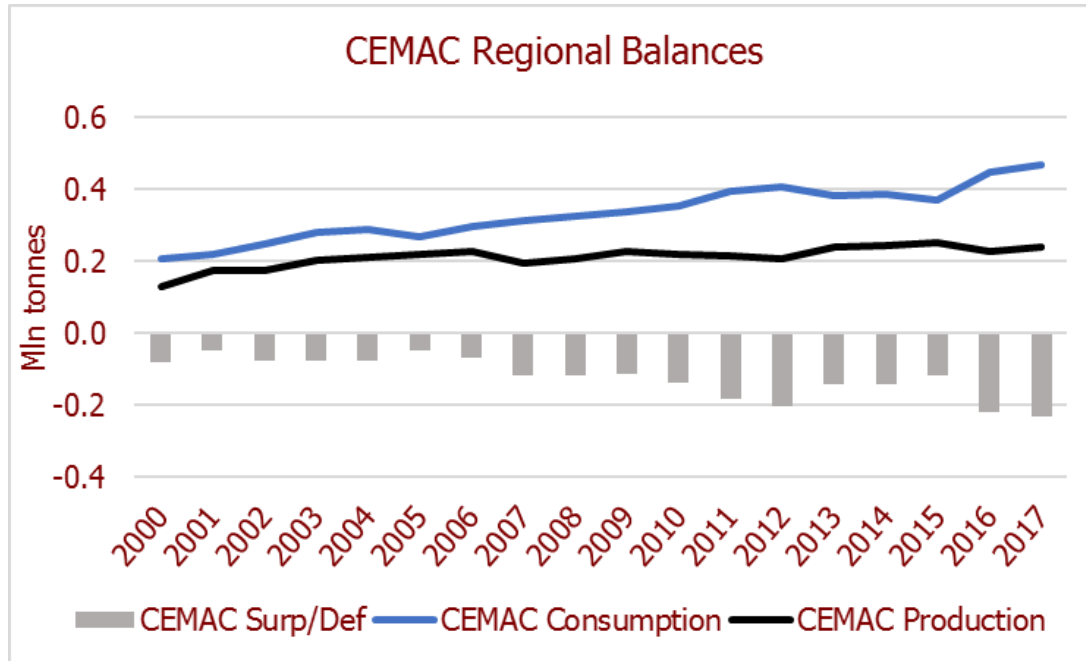
# Trade Balances - ECOWAS



- Biggest population
- Focus for traders given domestic production share is small
- Has refinery destination in Nigeria
- Port for landing imported whites can change



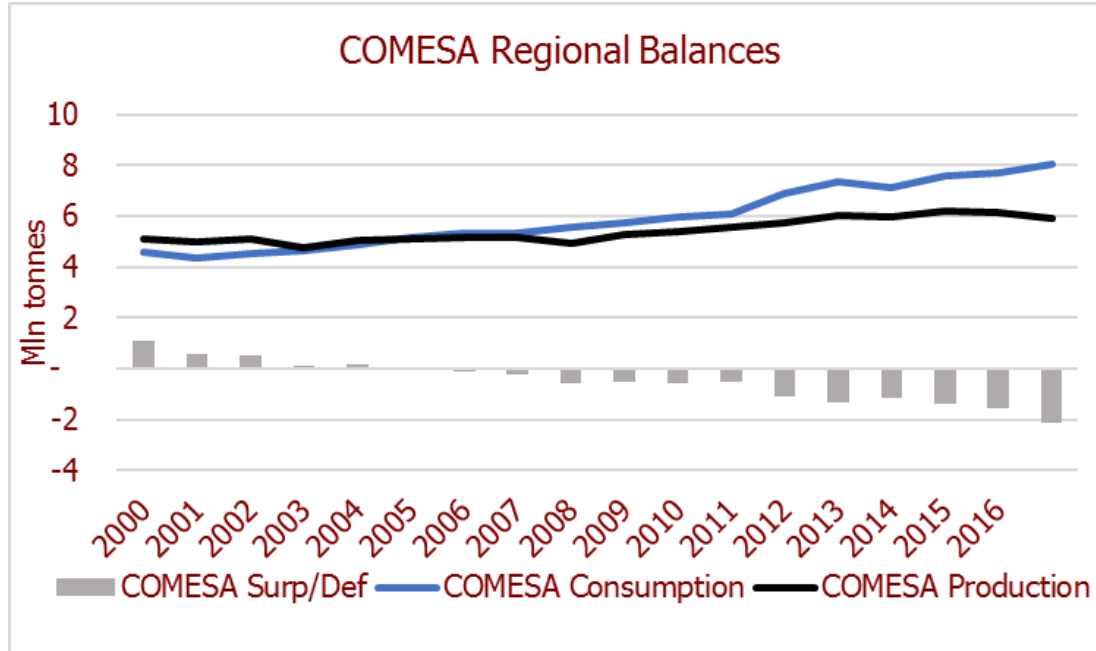
# Trade Balances - CEMAC



- Smallest region in terms of population and regional deficit
- Both consumption and production show erratic paths.
- Imports through Duala, Cameroon but much depends on local situation in internal regions



# Trade Balances - COMESA



- Biggest consuming group, 75% of demand covered regionally
- Egypt / Sudan / Ethiopia is an important region within the group
- Inclusion of DRC gives a multi-trade-direction dimension
- Might give a blueprint for AfCTA.







# Regional Trade Arrangements

- All countries in sub-Saharan Africa are party to a RTA
- Regional dynamics on sugar best defined in SACU / SADC region
- Security of supply of paramount importance to land-locked countries
- AfCTA provides a good window for strengthening cross-regional ties





# Opportunities for Exporters

- Focus on Southern African origins
- EU market in flux, but consumer preference persists
- Securing local market is increasingly important
- Logistic challenges should be better quantified
- Cross-Africa marketing as an objective





# Opportunities for Importers

- **Different strategies** - Government tenders, Managed licencing, Government – Industry cooperation, Duty rate managed or Not managed
- **Timing of imports** – dovetail with domestic harvest, just-in-time, specific industry focus, multi-year strategy
- **Traders look for consistency of policy in order to guarantee competitive position**





# Marketing ideas

- Routes to destination
- Closing and Opening doors
- Product and marketing differentiation
- Tighter working relationships within RTAs
- Domestic ethanol programmes – fuel and cooking
- Active EU marketing



# Thank You

