



PAN-AFRICAN WOMEN IN LEADERSHIP FORUM

Marrakech

October 11, 2023

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AFRICAN WOMAN IN GLOBAL TRADE

**Strategies for Expanding Businesses Internationally
& Overcoming Barriers**

TOPICS

- I. **Rationale**
- II. **Strengths**
- III. **Weak Points**
- IV. **Strategy to Follow**
- V. **Main Steps Towards the Internationalization of a Business**

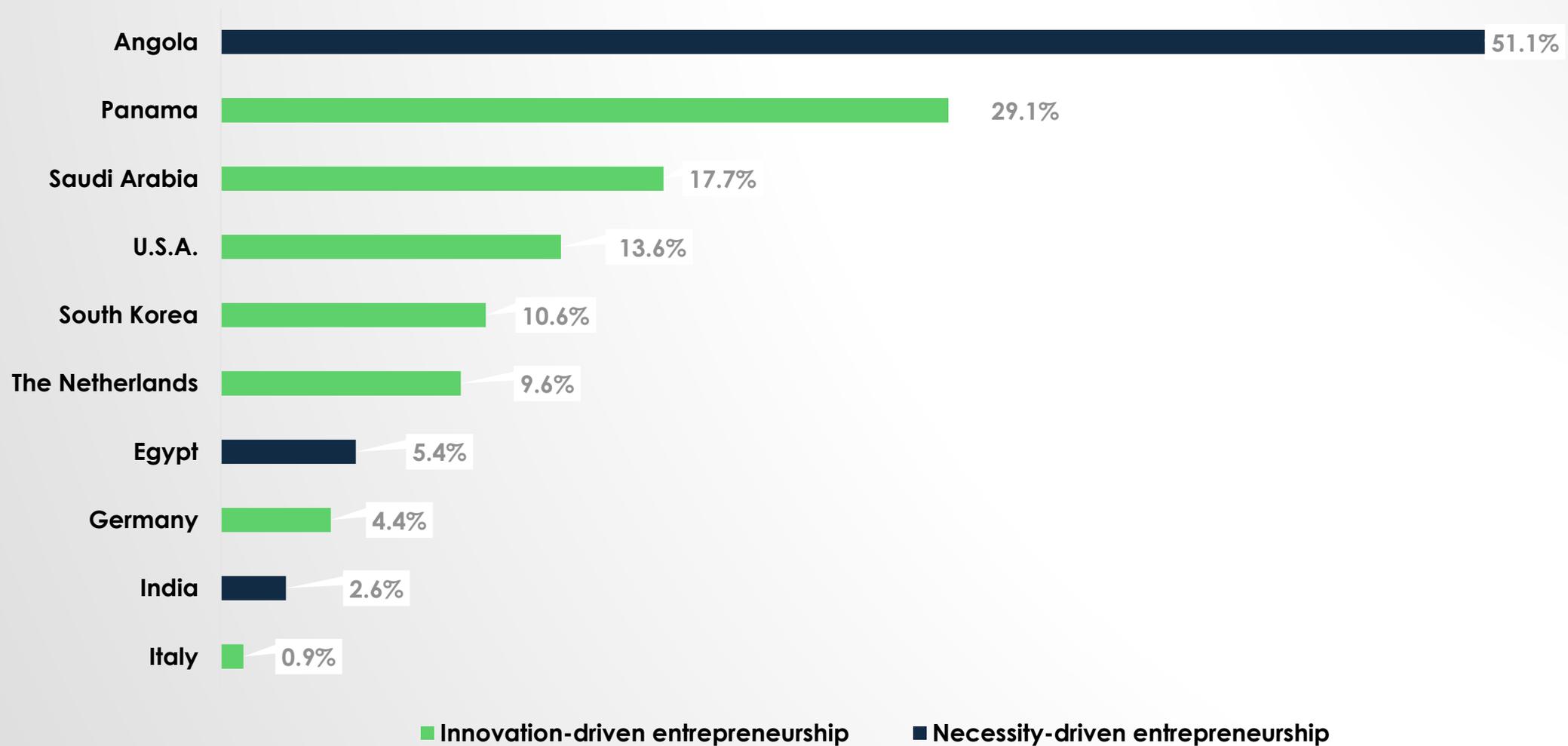
I. RATIONALE

1.1 Commerce is an economic activity in which goods and services are cheaply priced.

1.2 Internationalization of products and services requires satisfying the needs of people who live outside our borders, with different cultures and customs

Where Female Entrepreneurs Are Most & Least Common

Selected countries by share of female adult population engaged in entrepreneurial activity (2020)¹



Study of 43 countries and territories

¹ Founding and establishing their own business in 3.5 years

Source: Global Entrepreneurship Monitor and Statista

I. RATIONALE

1.3 In Africa 58% of the working population in business are women due to:

1.3.1 Limited access to employment due to a lack of gender-equitable legislation

1.3.2 Cultural issues - They see entrepreneurship as a way out of poverty

1.3.3 Reduced schooling, which increases women's entrepreneurship in the informal market.

I. RATIONALE

1.4 There is a need for the governments of most African countries to accelerate the amendment of legislation to equalize access rights for women on equal terms.

Women entrepreneurs in North Africa are fewer in number than in Sub-Saharan Africa, although they have more opportunities due to :

1.4.1 They were born in countries with an ancient tradition of trade

1.4.2 They have a tradition of transmitting knowledge of arts and crafts from mothers to daughters and to women in the community

1.4.3 They have access to a greater number of educational institutions, although some suffer from limitations imposed by religion

In Sub-Saharan Africa, most micro and small businesses operate in the parallel market. The growth rate of most businesses, the rate of return and the share of profits in tax revenues are low.

I. RATIONALE

One can internationalize:

1.5 Individual business services or products (from a growth perspective)

1.5.1 Services and products for small and medium-sized businesses

1.5.2 Services and products from large companies.

II. STRENGTHS

2.1 Innovation

2.1.1 Improve the quality of existing products in high demand (e.g. packaging, or content, or both)

2.1.2 Add value to products in demand in the market, through innovation (innovative details)

2.1.3 Transform existing patents through research and scientific work

2.1.3.1 It is only a crime to copy patented products

II. STRENGTHS

2.2 Exemption from customs duties

Additional costs are:

2.2.1 The cost of internal customs duties for purchasing equipment and imported raw materials

2.2.2 export customs duties, charged abroad to clear goods through customs.

II. STRENGTHS

2.3 Measures adopted to encourage free trade:

2.3.1 African Continental Free Trade Area Agreement – AfCFTA, which includes:

2.3.1.1 Trade facilitation measures reduce bureaucracy

2.3.1.2 Simplify customs procedures

2.3.1.3 Increases corporate income, "per capita" and HDI (Human Development Index), which is different from GDP

2.3.1.4 AGOA - Africa Opportunity Growth, Washington, D.C., US, exempts more than 400 products of African production from customs taxes (ex. the main beneficiaries are the oil company)

II. STRENGTHS

2.4. Source of funding

2.4.1 ACP/EU Convention (Africa, Caribbean and Pacific Convention and European Union, with the following financing instruments:

2.4.1.1 CDE - Center for Business Development, Brussels, Belgium, (refundable financing), for:

2.4.1.2 Preparation of projects; technical assistance

2.4.1.3 Mobilization of 25% of financing for projects

2.4.1.4 EIB - European Investment Bank, Brussels, Belgium, (subsidized financing), for business between European and African entrepreneurs.

2.4.2 Millennium Challenge Corporation, Washington, D. C., with non-refundable funds to:

2.4.2.1 Projects in countries with less than USD 2.00, which comply with standards of transparency, good governance, and accountability, (including Africa)

II. STRENGTHS

2.4.3 USAID, Washington, D.C., US, within the scope of its foreign aid policy (refundable), which includes support for agriculture.

2.4.4 Prosper Africa, Washington, D.C., helps connect American and African entrepreneurs who want to partner on trade or investment in Africa

2.4.5 OPIC - Overseas Private Investment Corporation, Washington, D.C., US, provides bank guarantees and insurance for equipment and products to be exported to Africa, (one of the partners must be American)

2.4.6 USTDA - United States Trade and Development Agency, Washington, D.C., supports projects by businesspeople who intend to form partnerships abroad (including Africa), through export or investment, without funds.

II. STRENGTHS

2.5 Use of the internet:

2.5.1 Videoconferences

2.5.2 Banking operations

2.5.3 Digital marketing ; etc.

2.6 Artificial intelligence:

2.6.1 Remote supervision

2.6.2 Video surveillance

2.6.3 GPS execution tracking (e.g. transportation, etc.)

2.7 Use of robotics;

2.8 Promotion of business incubators (startups)

III. WEAK POINTS

3.1 Scarcity of financing sources and high interest rates

3.2 Lack of knowledge of alternative sources of financing

3.3 Customs Barriers (African countries that have not yet ratified the Africa Continental Free Trade Area Agreement)

3.4 Difficulties in transporting products due to:

3.4.1 Lack of basic infrastructure (roads, railways and limited area communication)

3.4.2 lack of logistics networks

3.5 Lack of culture of using marketing services

3.6 Poor functioning of local Chambers of Commerce and Industry

3.7 Lack of support for national business promotion, especially for female entrepreneurs

IV. STRATEGY TO FOLLOW

4.1 Choose the products with the greatest demand

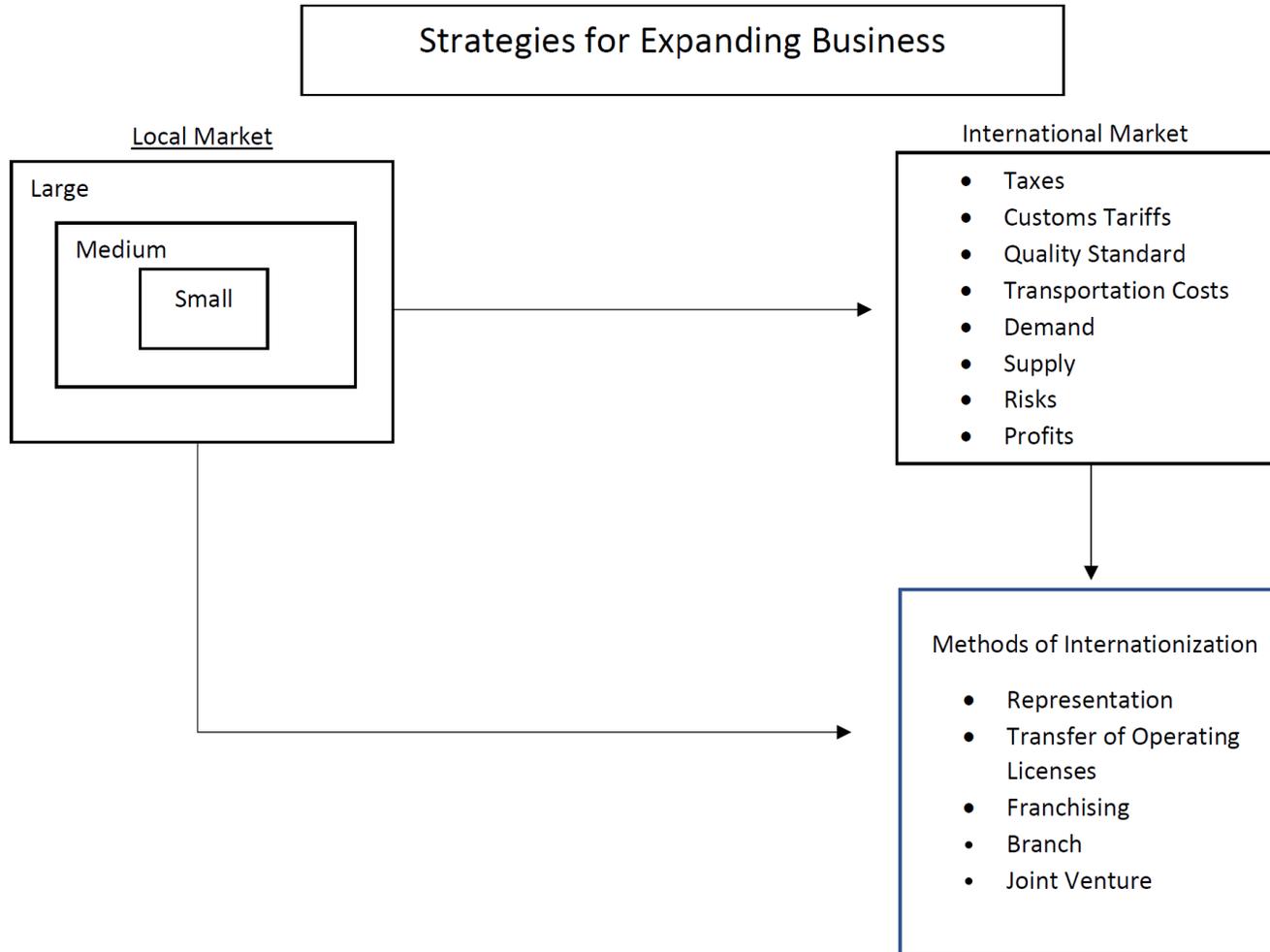
4.2 Choose more populated areas

4.3 Study local consumption habits

4.4 Carefully select one's business headquarters (internal or external location)

4.5 Choose markets with tax incentives and less bureaucracy, so that business can be more competitive (e.g. services and products with consumption characteristics of the country)

IV. STRATEGY TO FOLLOW



IV. STRATEGY TO FOLLOW

4.6 Select neighboring countries, (reducing transport and logistics costs)

4.7 Analyze the business's ability to expand, both domestically and abroad, whether providing services or exporting products

4.8 Prepare a technical, economic and financial feasibility study

4.8 Mobilize financing

4.9 Business internationalization(through representation, branch or partnership)

V. MAIN STEPS TOWARDS THE INTERNATIONALIZATION OF THE BUSINESS

5.1 Analyze the country's foreign investment legislation; on taxes payable; contact the competent institutions, or hire a specialized lawyer.

5.2 Hire a certified accountant in the respective country

5.3 Request the opinion of the competent institutions, which decide on the conformity of the quality of imported products.