

PROMOVE Comércio

Mozambique

From Business Development to Export Strategy

Webinar

09. September 2021

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United Nations Industrial Development Organization (UNIDO)



From Business Development to Export Strategy<<<



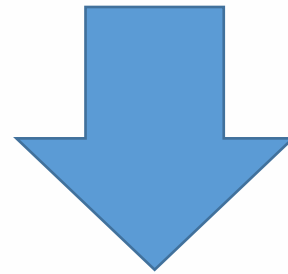
Introduction

- “Building Competitiveness to Export”
- Prior and Post COVID
- VUCA
- Training from “General to Specific”
- Global trends in agri-food subsectors, cosmetic sector, health and organic food subsectors
- Strategic and global trends in general business and the food sector

Megatrends will have impact to agro business exporters



→ Study on ***Megatrends in the Agri-food Sector, 2019***



**Global trends in the agri-food sector
have impact to exporters' strategies and Development of their businesses**

Link: https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL_STU%282019%29629205

Megatrends in Food and Agriculture



MEGATRENDS – affecting the global agri-food sector

Demographic and income trends

Consumption patterns and emerging trends

Technology change

Climate change

Food waste

Competition for natural resources



Global Forces – Impact to Producers



***GLOBAL FORCES* – affecting the future of the food chain**



Trade agreements

Economics of the value chain

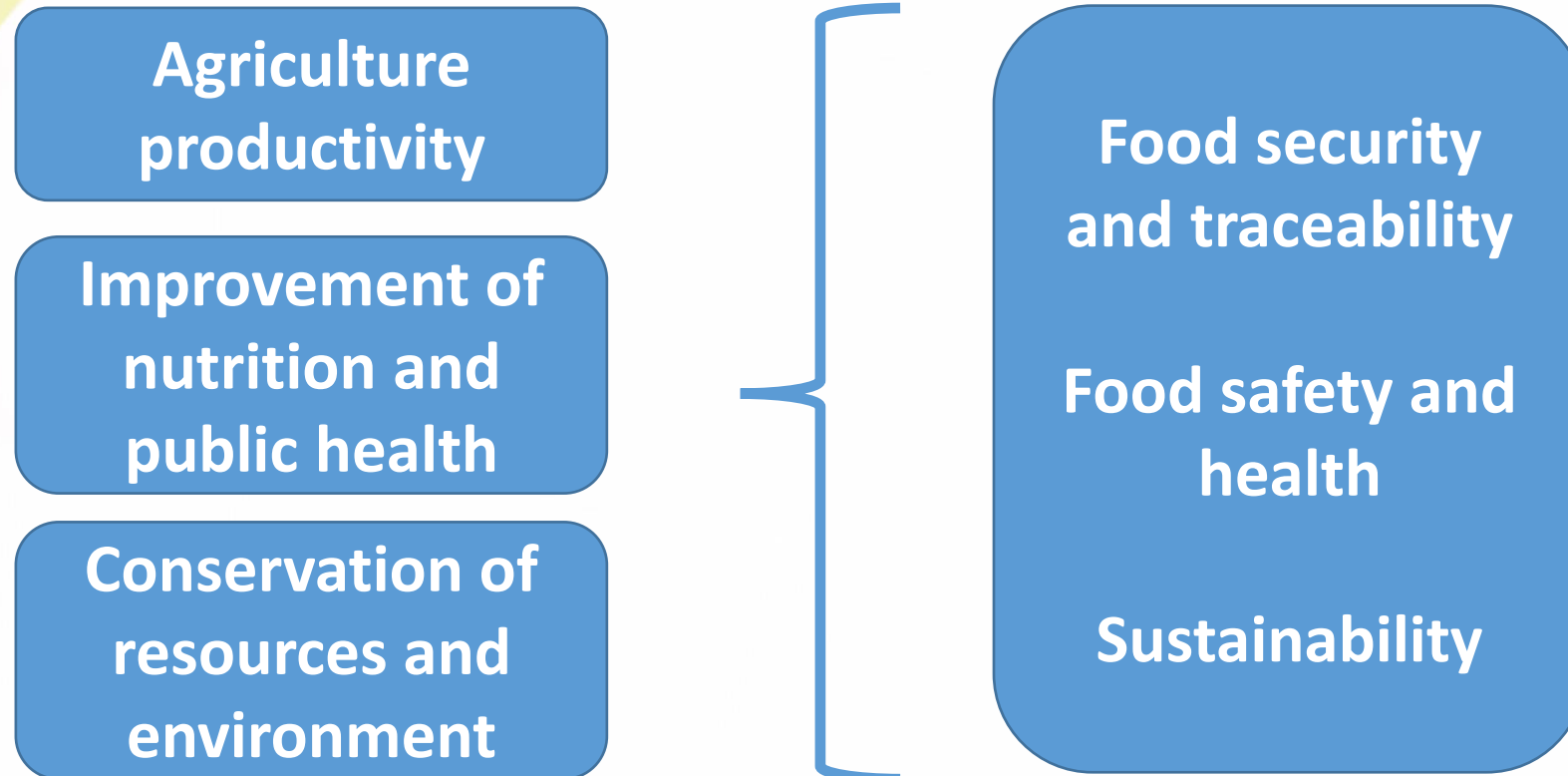
Innovating food production systems and other elements

Transformation of the market place

Global Challenges – Required Action by Producers

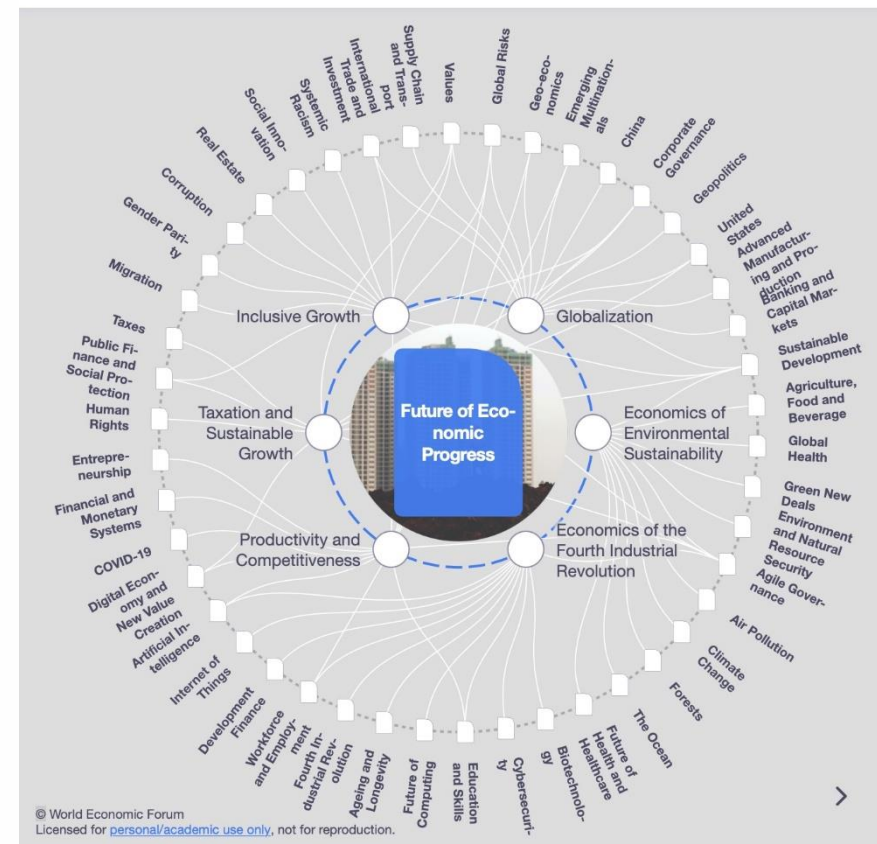


GLOBAL CHALLENGES – for the future of food and agricultural systems



Transformation Maps

Transformation Maps can help you explore and make sense of the connections between different economies, industries and global issues. It is a dynamic way of exploring the transformational forces that relate to a topic, such as Climate Change or Artificial Intelligence, co-curated with leading universities and international organizations.



<https://intelligence.weforum.org/topics>

Strategic Intelligence - Agriculture, Food and Beverage

Key Issues

Food Technology and Innovation

Demographic Changes and Agriculture

Global Food Systems

Health and Wellness

Sustainable Consumption

Empowered Consumers

Resource Sustainability

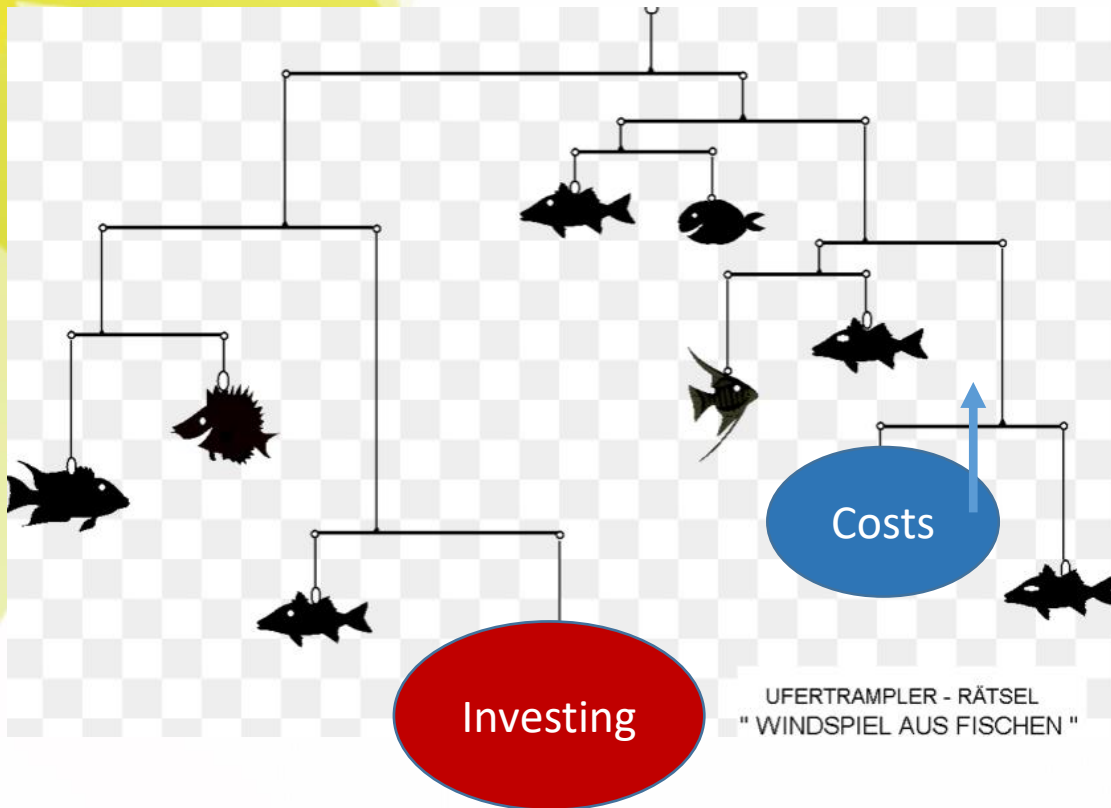
LINK: *Strategic Intelligence Agriculture,
Food and Beverage*

<https://intelligence.weforum.org/topics/a1Gb00000015MIVEA2?tab=publications>

SUMMARY:

- **Global population** is expected to increase from roughly 7.7 billion to nearly 10 billion by 2050
- **Demand for cereals** to be used as food for both humans and animals may grow to roughly 3 billion tonnes by that point from about 2 billion tonnes as of 2009
- **Agricultural systems must better address** climate change, water and land resources that are becoming scarce
- **Food companies must adapt** to shifting consumption patterns, and play a greater role in promoting health and wellness.

The Company as a System - holistic Approach



Vision and Strategy
Products and Production
Marketing and Sales
Organization and HR
Quality and Certification
Finances and Controlling
Budgets and budgetary Control
Costing and Pricing

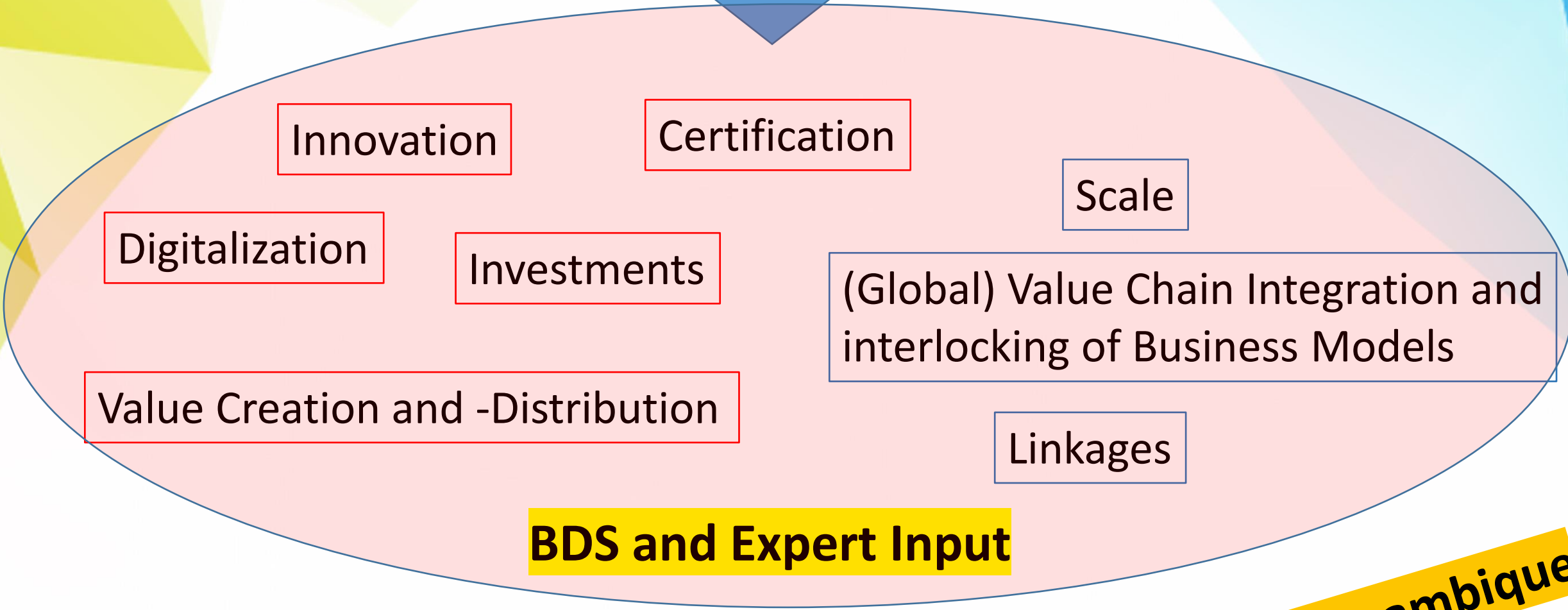
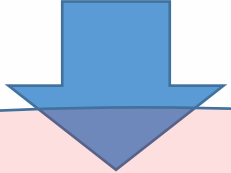
Business- and Marketing Plan

Value Proposition and Client focussed Business Model

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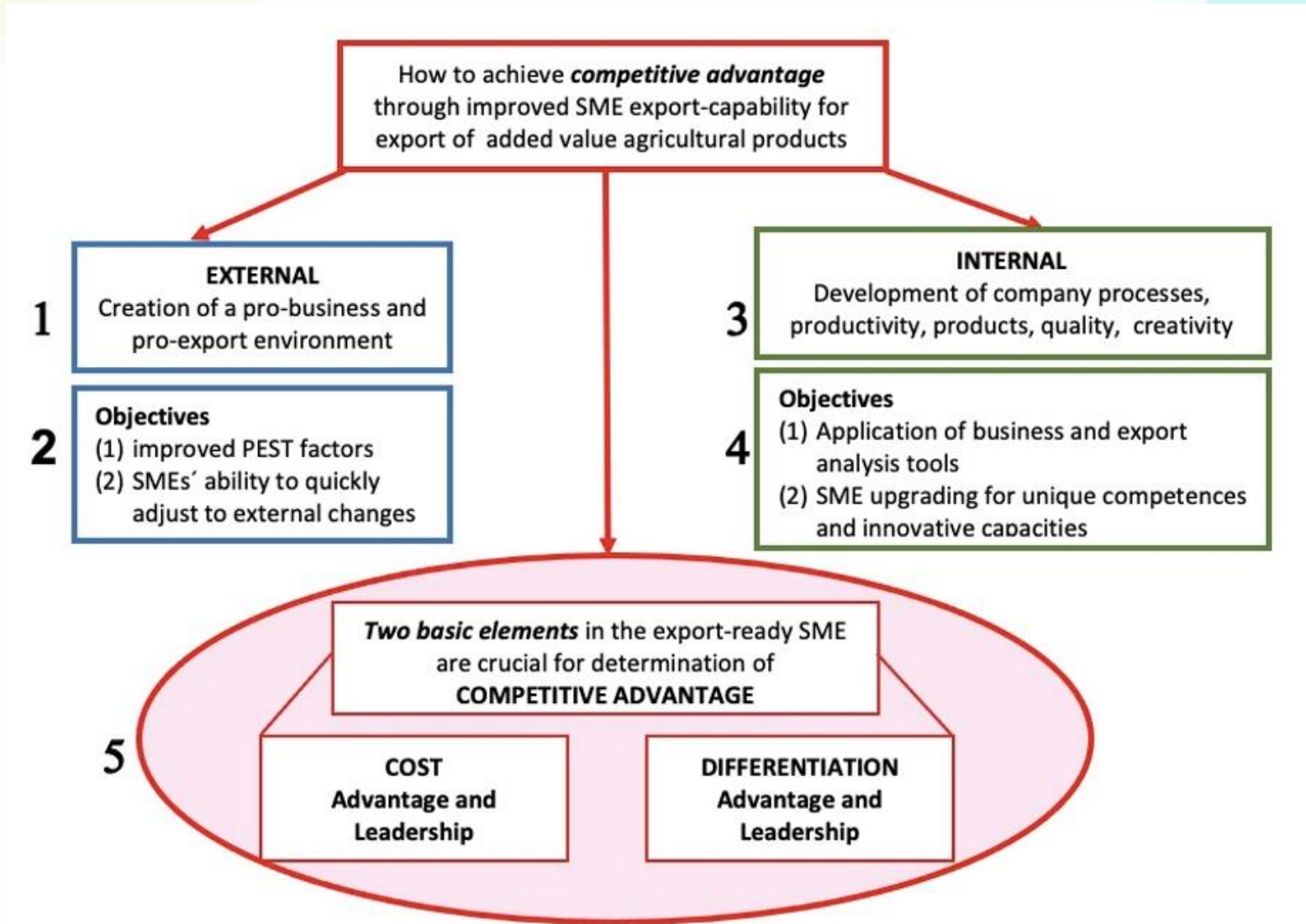
Company focus to Export Readiness

Export Readiness → International Competitiveness

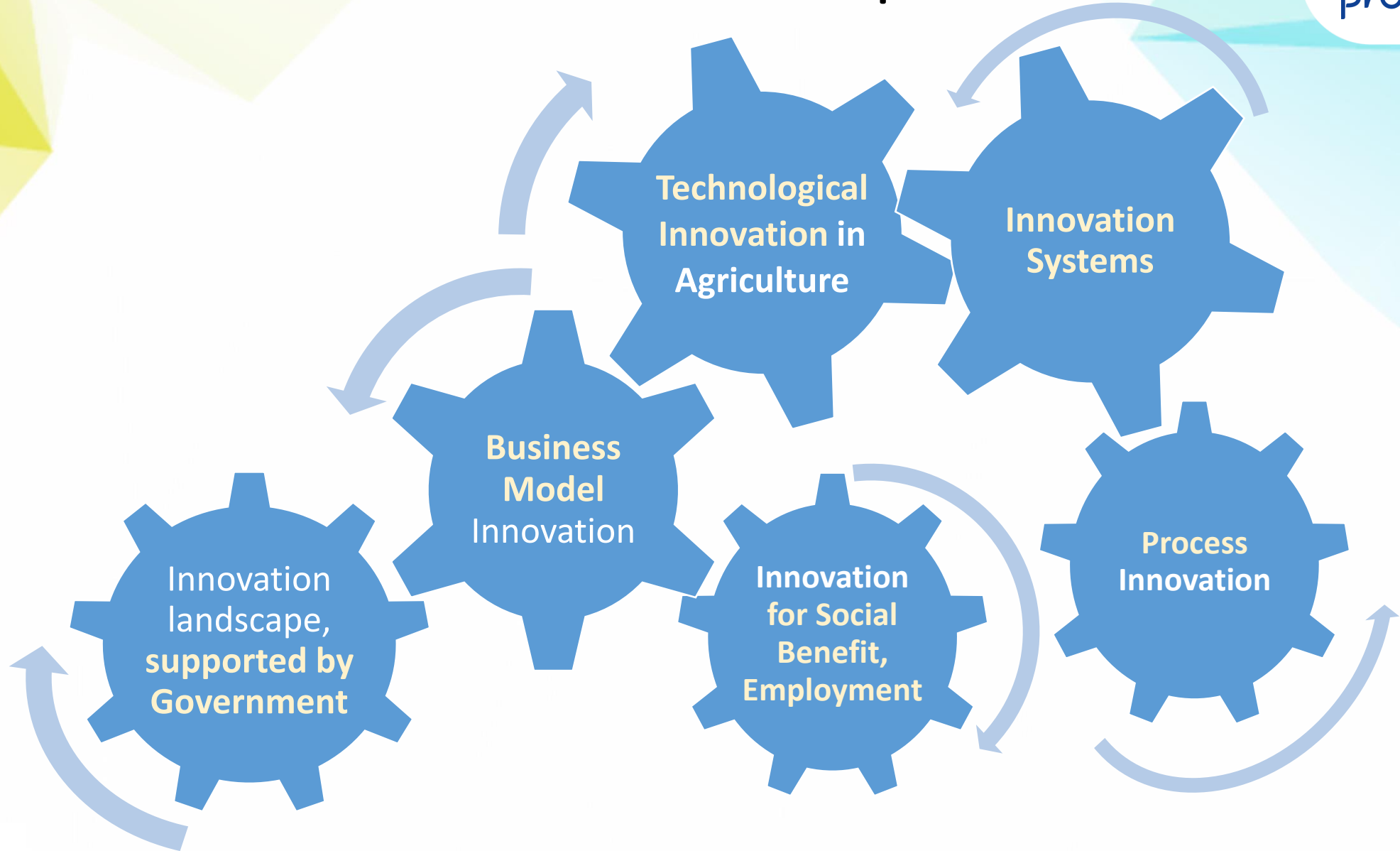


Made in Mozambique

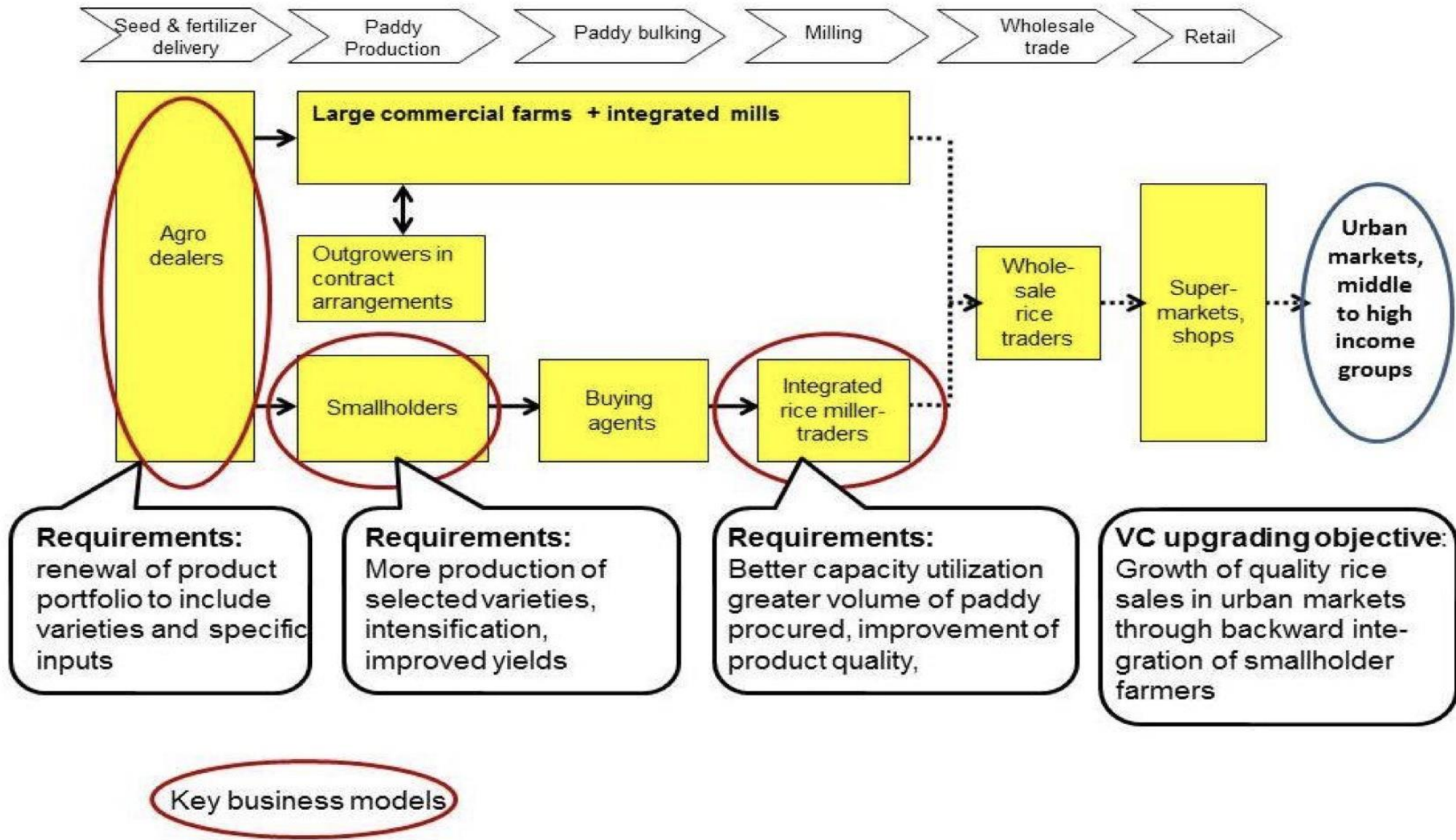
Competitive Advantage → International Competitiveness



Innovation → International Competitiveness

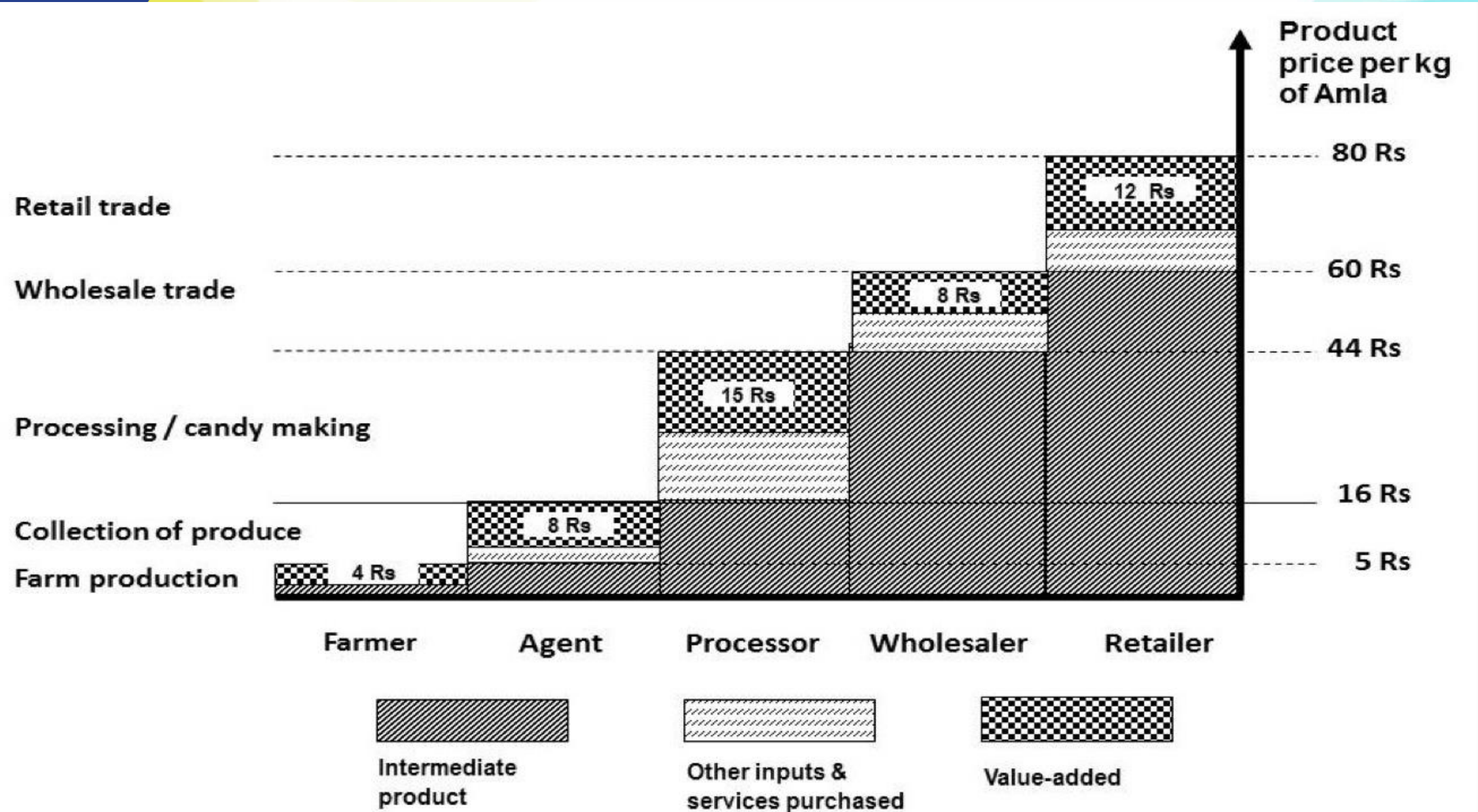


(Global) VC Integration and Business Model → International Competitiveness



Example:
Rice production
and milling

Value Addition → International Competitiveness



Source: ValueLinks 2.0, GIZ

Compliance and Certification → pre-requisite for Export

- Food safety standards became quasi-obligatory standards in industrialized countries' markets. Hardly any serious trader will import food products without.
- Food safety standards are based on HACCP principles (Hazard Analysis of Critical Control Points). By EU law, an importer is legally obliged to ensure importing safe food products that fulfil HACCP requirements.
- Different markets prefer different standards. Main standards are:
 - GlobalG.A.P. or ASIAGAP for fresh produce
 - FSSC 22000, ISO 22000, IFS, BRC, SQF for other products.
- The website of the Global Food Safety Initiative, www.mygfsi.com, is a good source for further information.



EU Regulations → International Competitiveness

Major compliance requirements at different levels across the food value chain

General Food Safety Requirements:

- Regulation (EC) 178/2002 → General principles and requirements of food law
- Regulation (EC) 853/2004 → Hygiene of foodstuffs
- Regulation (EC) 2073/2005 → Microbiological criteria of foodstuffs
- Regulation (EC) 1169/2011 → Provision of food Information to consumers
- Regulation (EC) 315/93 → Community procedures for contaminants in food
- Regulation (EC) 1881/2006 → setting maximum levels for contaminants in foodstuff
- Regulation (EC) 396/2005 → maximum residue levels of pesticides in food, feed of plant and animal origin
- Regulation (EC) 1107/2009 → placing of plant protection products on the Market
- Regulation (EC) 1107/2009 → List of approved active substances

EU Regulations → International Competitiveness

Major compliance requirements at different levels across the food value chain

Voluntary organic Production:

- Regulation (EC) 834/2007 → organic production and labelling of organic products
- Regulation (EC) 1235/2008 →

Special Provisions:

- Regulation (EC) 2016/52 → maximum permitted levels of radioactive contamination of foodstuffs

Pharmaceutical essential Oils:

- Regulation (EC) 338/97 → protection of species of wild fauna and flora by regulating trade therein

**Many of the EU compliance requirements
are already included as part of Mozambican legislation**

Fair Trade Standards → International Competitiveness

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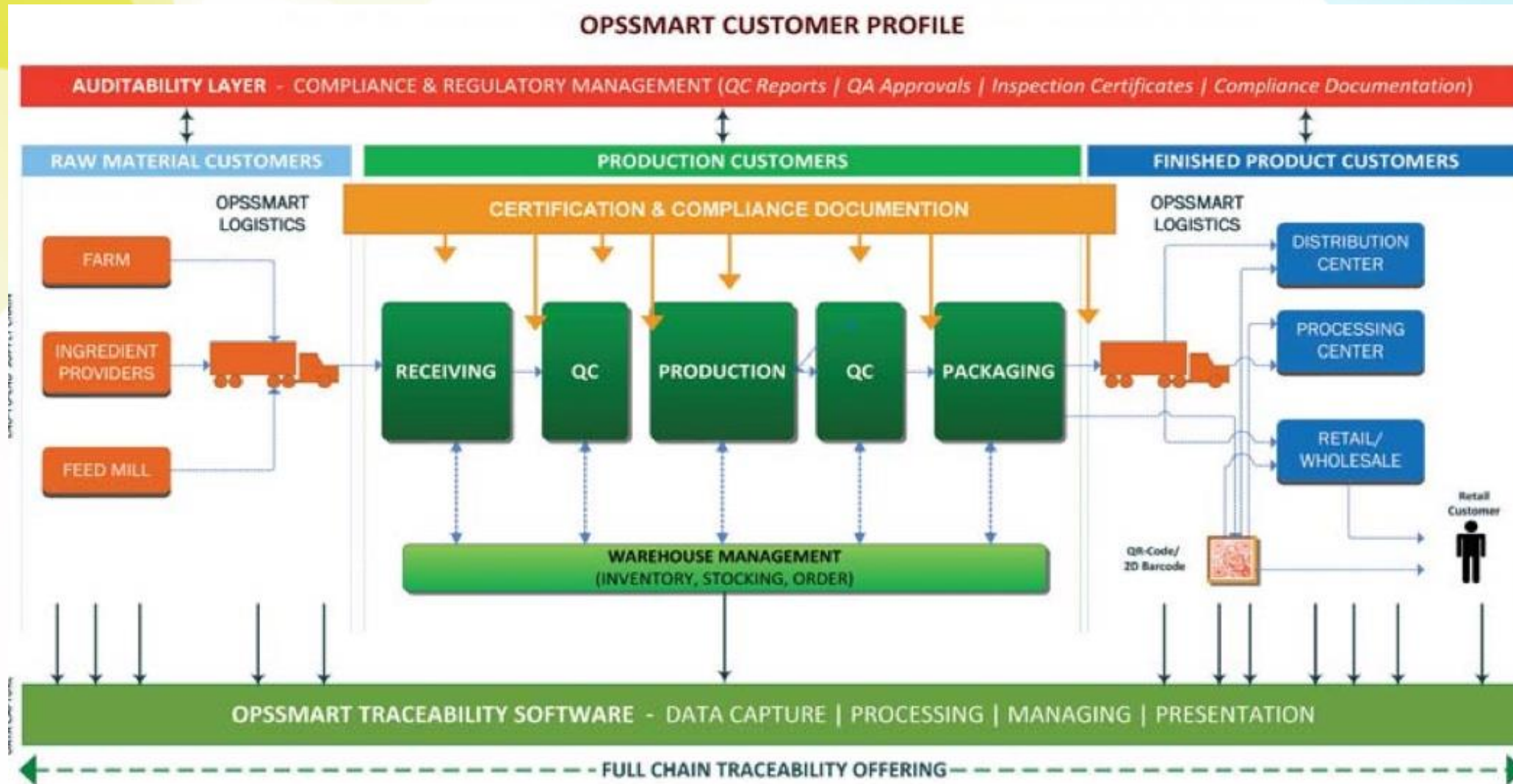
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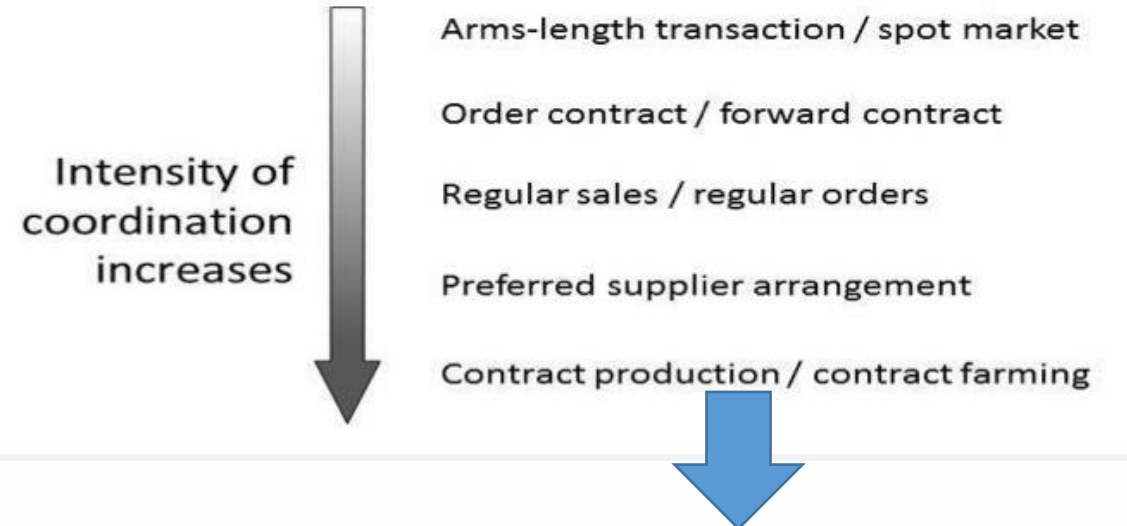
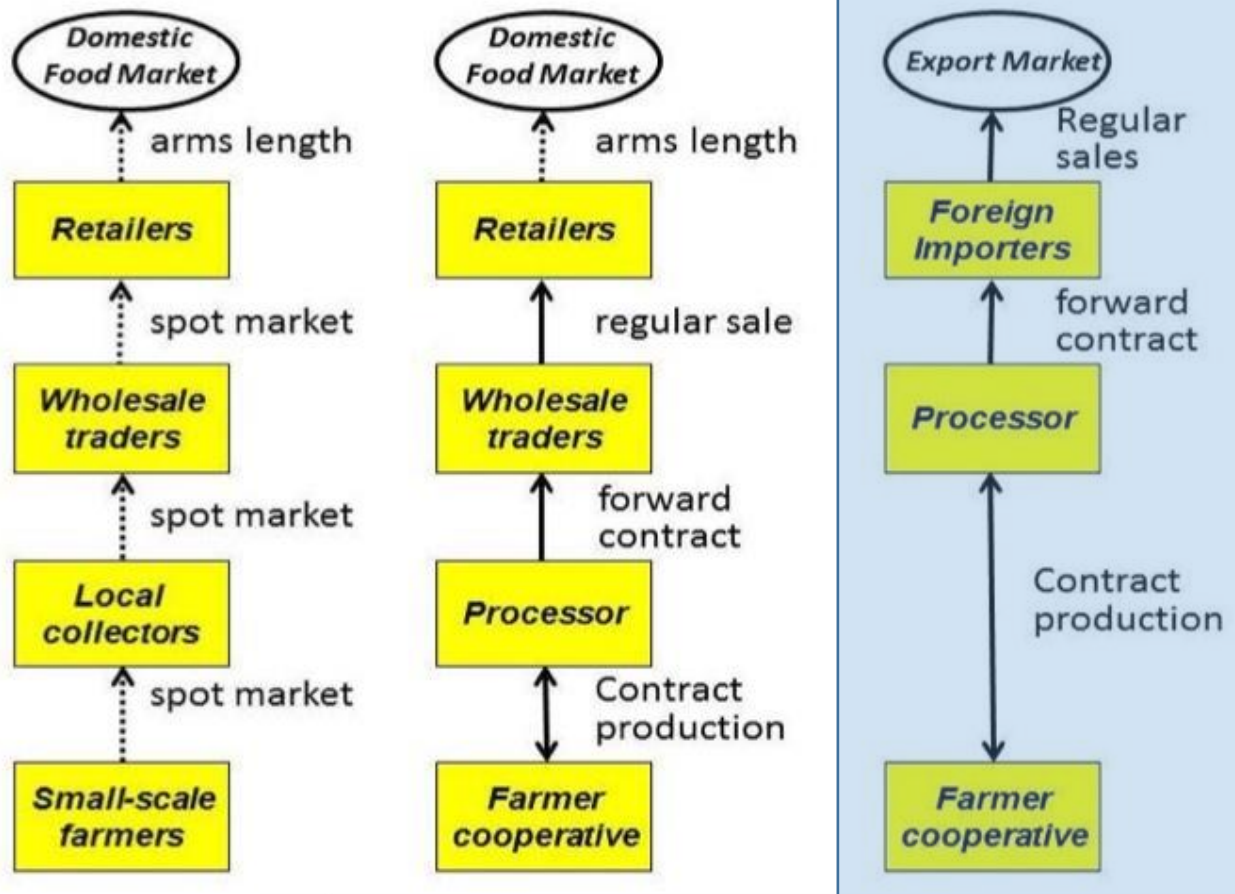
Digitalization → International Competitiveness

Digitalization Process in the Companies → connecting global Value Chain Operators for Traceability



Linkages → International Competitiveness

Vertical Linkages → Business Contracts

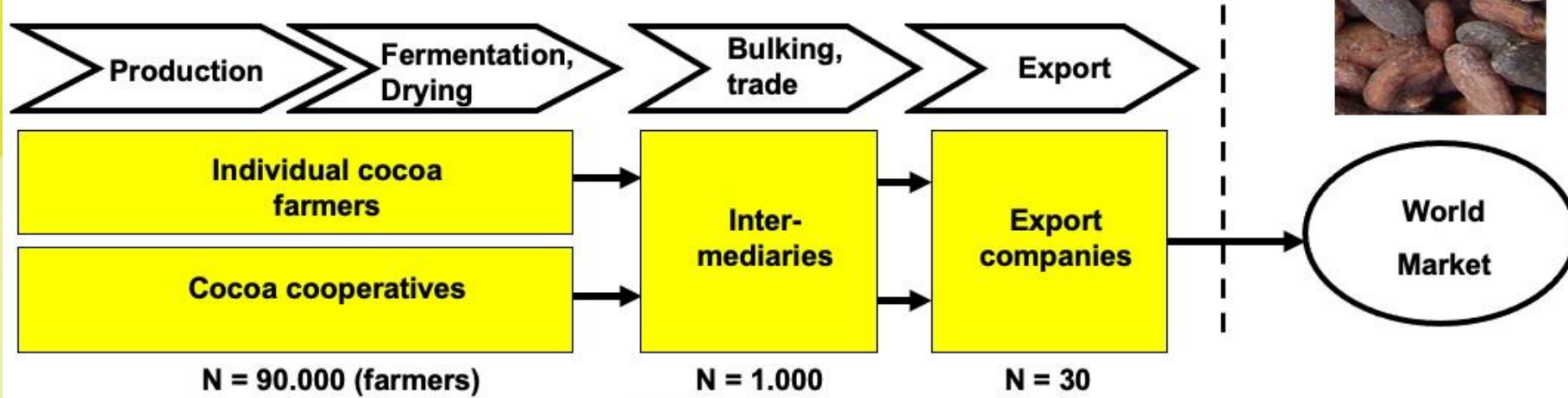


Export business contracts increase complexity

- Mutual Information exchange
- Logistical arrangements
- Embedded services
- Coordinated quality control
- Business model adjustments
- *Incoterms* requirements

Value Chain upgrading – Sourcing - interlocking Business Models - Linkages → International Competitiveness

Horizontal Linkages → Transaction between enterprises



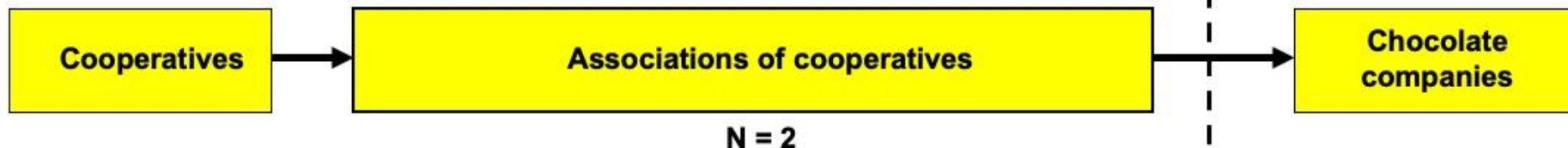
Fine aromatic cacao, Ecuador

Introduction of a standard for aromatic cocoa

Certification of organic and fair trade cooperatives

Organisational support for Cooperatives and associations

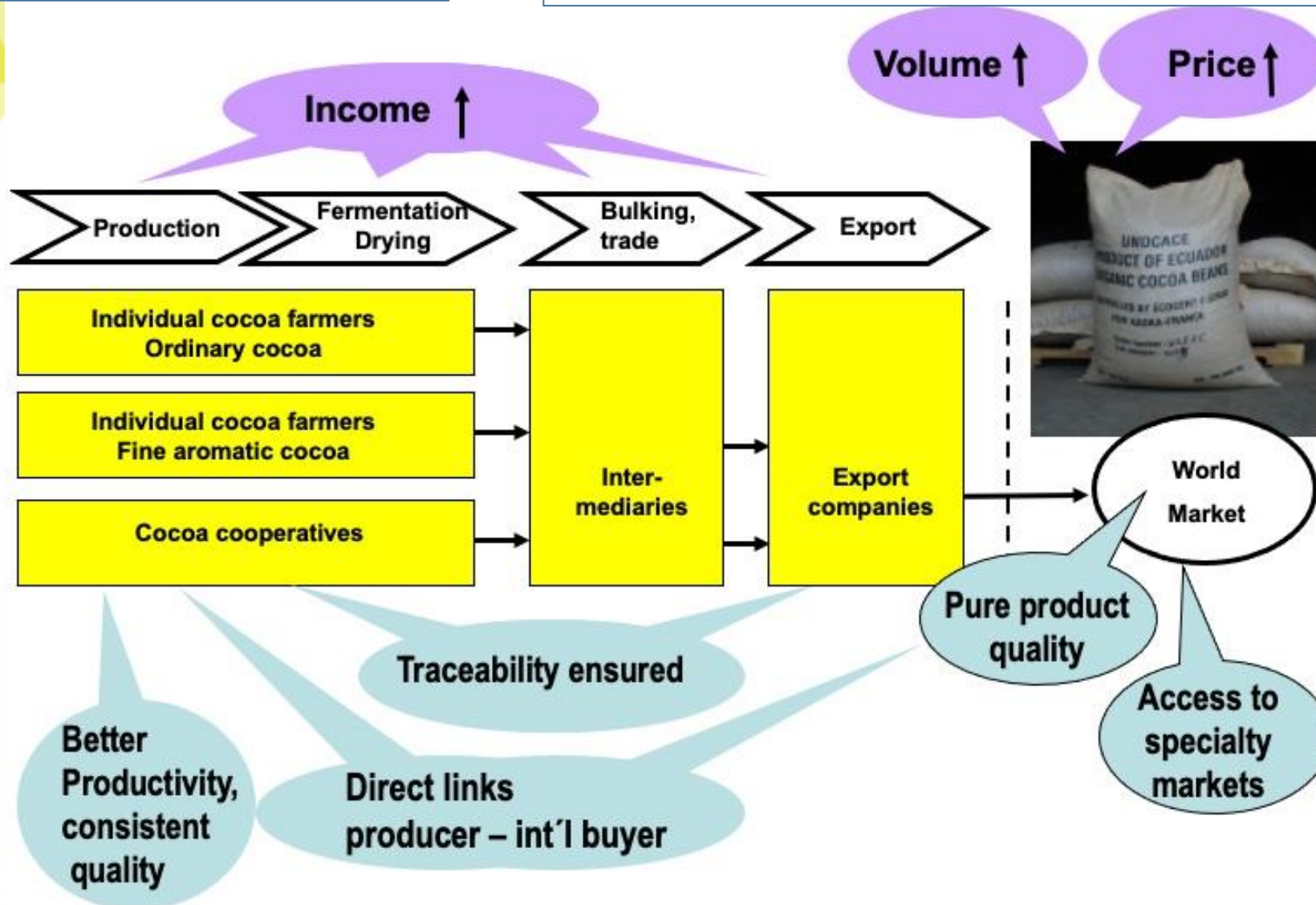
New business partners



Value Chain upgrading – Sourcing - interlocking Business Models - Linkages → International Competitiveness

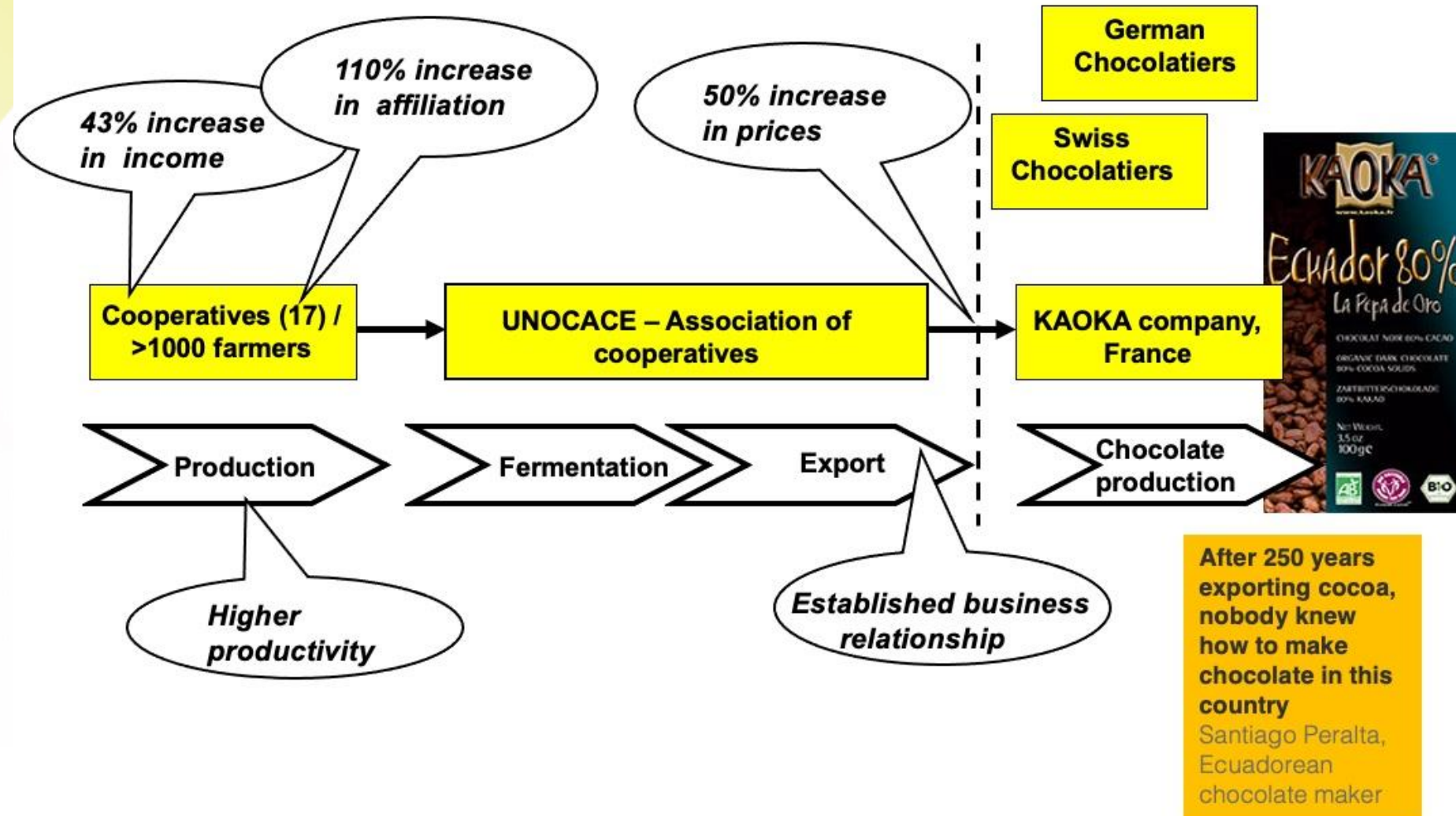
Horizontal Linkages → Cooperations

+ Vertical Linkages → Business Contracts and Market Access

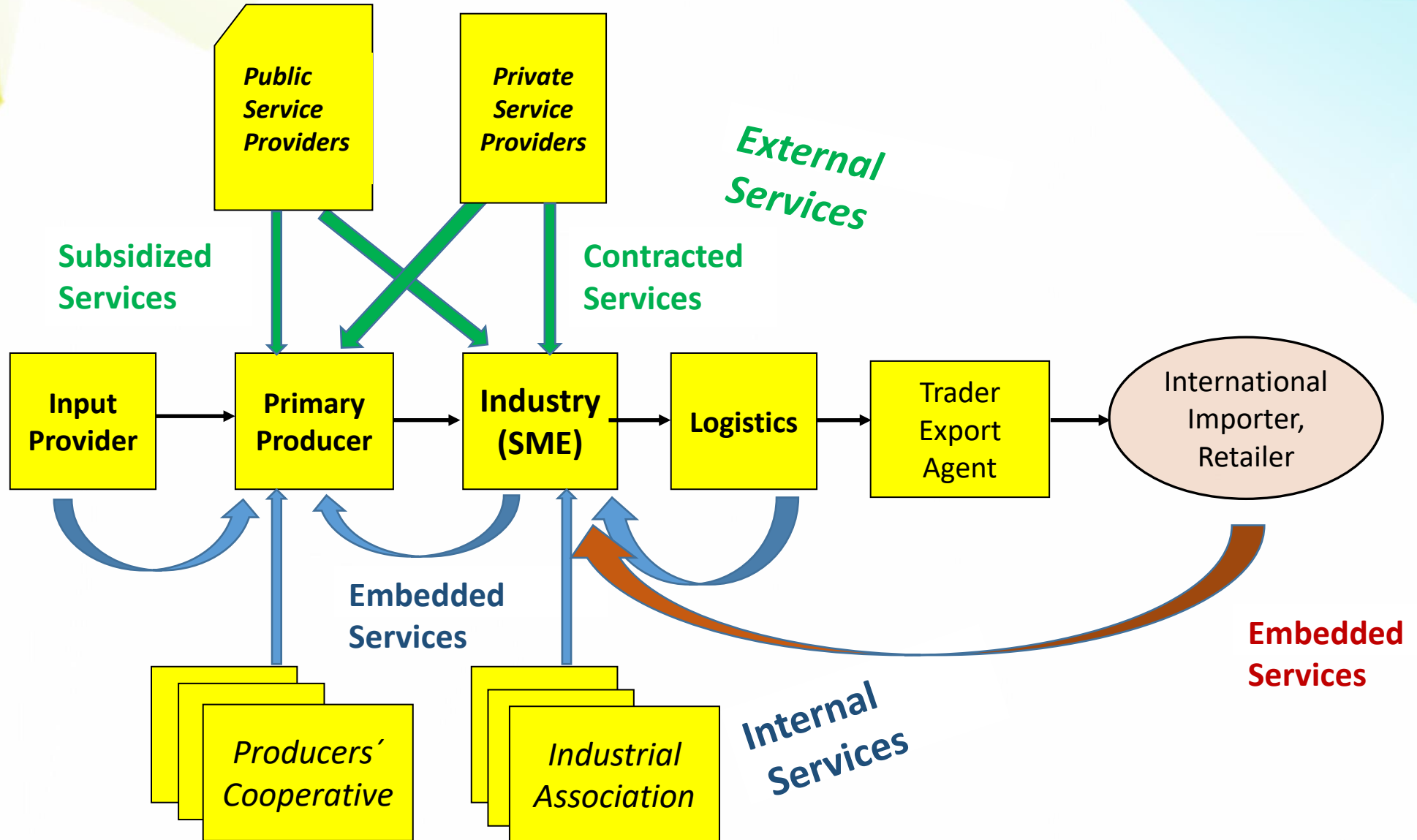


Value Chain upgrading – Sourcing - interlocking Business Models - Linkages → International Competitiveness

Measurable Results after 4 Years



BDS and Expert Advice → International Competitiveness



Export Strategy – Costing and Pricing

The costing system should be designed for the requirement of the specific business and company

- Unnecessary elaboration should be avoided: the simplest practical system is the best
- A costing system must be adaptable to changing conditions
- It is wise to introduce a new costing system gradually
- Co-operation between departments is essential
- Compliance by all employees is required
- Determination of fixed, variable and mixed costs



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