

China eyes the Eastern Cape for agriculture products

Eastern Cape's abundant agricultural land has seen China survey the province for farming business opportunities to supplement its scarce land resources. The Shanghai Yebo Africa Trading Hall (ATH) to be launched this year is also likely to expand opportunities for trade and investment between the Eastern Cape and China, says Eastern Cape Development Corporation (ECDC).

ATH is an entity formed by Chinese business in connection with that country's government, with the aim of facilitating trade between Africa and China.

An ECDC-led trip to Shanghai business expo, the biggest exhibition of its kind for businesses and buyers from all over the world, has laid the ground work for future Chinese investment in the Eastern Cape.

A project on the table that can be run immediately is pomelo, a member of the citrus fruit family, which the ATH wants cultivated in the Eastern Cape's Alfred Nzo District Municipality for the US market, says ECDC agriculture sector manager Nodada.

Alfred Nzo Development Agency (ANDA) chief executive Nandipa Bam confirms that there is a three way agreement between ANDA, Alfred Nzo district municipality (ANDM), and ATH to use land in the municipality for pomelo cultivation. Bam says subsistence farmers will reap benefits for the use of their land.

"We are looking at 500 hectares minimum and since each farmer has about 10 hectares about 50 farmers will benefit directly. The project will bring job creation from primary production and spin-offs in packing, transportation and skills development." Bam says.

"We expect spin-offs in terms of infrastructure such as roads and irrigation as well."

ECDC development services executive manager, Noludwe Ncokazi says EC business could benefit from trade with China, if it capitalised on its own competitive advantage to take advantage of opportunities the Chinese massive economy presents.

China is setting the pace for manufacturing of clothing and electronic goods. Its cheap labour and high productivity enable it to achieve almost unrivalled efficiency and undercut prices because costs are kept to a minimum.

That efficiency has catapulted the government controlled economy into the enviable position of the fastest growing economy over the past few years. And the demands of a growing economy with increasing wealth have enjoyed a corresponding organic growth, says Ncokazi.

“While China clothes us, we could feed China. We have vast areas of arable agricultural land and can produce food to feed its growing market. China has a population of over 1, 2 billion and the business community should take advantage of business opportunities that the Chinese market present,” she says.



ATH president Celina Zheng says that the ATH would open its doors for trade in the near future. Zheng adds that she sees the Eastern Cape as the province that offers the most investment opportunities for China, especially in agriculture.

Construction of the 30 000 square metre facility in Shanghai was completed in a space of 14 months in September 2010.

Nodada says the ATH presents a window of opportunity for business in the Eastern Cape to trade with China. African traders can also market their products to the rest of the world through the ATH.

He adds that government entities and the private sector need a coordinated approach in trading with China.

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