

HOW WE MADE IT IN **AFRICA**

Insight into business in Africa

Chemical company boss explains why he sees growth coming from Africa

BY [Kate Douglas](#) | June 10, 2013 at 11:14

Africa has a number of infrastructure projects taking place across the continent. One South African-based company that has seen business growth potential in this development is Dolphin Bay, which manufactures a range of products for the protection and preservation of sawn timber and poles used in the construction and agricultural sectors. The company, which started in 1996, is expanding into the rest of the continent, and has recently established a CCA timber treatment plant in Zambia. CCA is a wood preservative.



Bertus Coetzee

How we made it in Africa sat down with Bertus Coetzee, managing director of Dolphin Bay, to discuss the opportunities and challenges in the African market.

Describe the market in Africa for wood preservatives.

Africa is a developing continent, and electrification is necessary to start creating industries. Obviously the starting point of putting up the [infrastructure](#) for electricity is timber – the cheapest supports you can get for erecting electrification cables – which needs to be treated. So the electrification of Africa results in the growth of the wood treatment industry.

Tell us about your product distribution to African markets.

We distribute to [Zimbabwe](#), [Mozambique](#), [Swaziland](#), [Zambia](#), [Uganda](#), and [Congo](#). We used to export a bit to [Ghana](#) but a lot of Western companies are trying to export into West Africa at the moment and what I find quite interesting is that where they usually used to add value within that country, they are now importing a finished product – which is not good because value needs to be added.

For our business, specifically, we import quite an amount of raw materials to manufacture our product. So Africa is [mining](#) chrome for instance, [and is] exporting the raw chrome out to China and we are importing it back in as a finished product. That's not good. And then countries in Africa never looked after their plantations, so now they need to start looking for timber resources elsewhere. Without timber you are not going to be able to sustain the growth of transmission poles for instance. And transmission poles for electrification is just the beginning. After that housing will start. For housing you will need large quantities of timber too, as it is still the cheapest resource to build with.

Tell us about this CCA timber treatment plant that you have established in Zambia.

We were approached by a copper mining company... and they had this huge area of natural vegetation that they needed to clear for their mining operations. So what do they do with the timber? Normally they would burn it but now they want to add value to it. I think that's brilliant and it's a new type of thinking. So they are using our plant to treat timber for a fence around their mining operations.

What are some of the challenges you have experienced with the company's expansion into other African markets?

Red tape is our biggest problem. We need to register our products and getting those product registrations is a huge, huge challenge. Now there is only a limited number of people who have got registration so they are charging very high prices. So we have the [opportunity](#) to create a competitive market for our product. We would have liked to see a bit more help from government to incentivise working [in these countries] and getting permits.

You also need to understand where this red tape comes from. People are scared of making mistakes, because there were a lot of mistakes in the past. So there are so many checks and balances. I believe that people need to start trusting the system. What they implement, they need to trust, and start cutting off longer processes. And that will happen in due time.

And what is the solution to this challenge?

It's patience. Unfortunately you can't do [anything] today; you can't do anything in the system to try and speed up the process or anything like that. It's just something you need to accept, and just go with it. Planning needs to be done two years in advance to actually get business going.

What is your 5-10 year expansion plan?

We would like to stay within Africa because we see Africa as having the hugest potential. The American market is saturated and the European market is saturated, so the only continents that really need development are South America and Africa. In South America we have the challenges of language and cultural barriers, whereas in the rest of Africa that is something we can overcome. So I definitely think that our 10 year forecast would be to increase our quantities and our market shares significantly within Africa itself.

What would be your number one piece of advice to international companies looking at Africa?

I would say try to learn the culture. The culture is very important and... patience. Things don't move very quickly within Africa and you need to understand why; that's the biggest part of it. And of course, something a bit softer is integrity. A lot of people think of Africa as a continent where you need to put money underneath the table, or you need to know someone or you need to do something to incentivise them to progress your registrations for instance. People forget that your name is the only thing that carries you forward in life. So it's definitely integrity and patience. And know who you partner with; who you do business with in Africa. That's critical.

I like to think that we do business with people who have got a long term view of their business within Africa. If they are successful, we are successful.