

OPPORTUNITIES FOR SRI LANKAN COCONUT WATER IN SOUTH AFRICA



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1. SUMMARY

Health conscious South Africans prefer coconut water which in its purest form contains only 2.2g of natural sugar per 100 ml. Further coconut water in a Tetrapak has a shelf life of 12 months without refrigeration. For most South Africans Diet drinks are out of the question as these contain many harmful ingredients and chemicals, just so they can claim to be “sugar-free” on the label. Hence in 2015 South Africans preference to natural beverages is proven by the imported figures in 2015 which is \$4 million

2. MARKET DESCRIPTION

At present Vita Coco Zone, Coco V, Natures Choice, Cocomax are the only suppliers of coconut water and these have partnerships with retail stores in South Africa- Cocozones with Pick n Pay and Spar stores, Vita Coco with Woolworths, Natures Choice with Fruit and Veg City, Cocomax with Dischem retails stores. The price range of a 330 ml coconut water bottle ranges between 15 to 20 Rand.

All food and beverage products are required to comply with regulations relating to quality, packing, and marking published by the Department of Agriculture, Forestry, and Fisheries and regulations relating to labeling and advertising for foods by the South African Department of Health. (<http://www.health.gov.za>)

3. POSITION OF SRI LANKAN GOODS

With coconut water in abundance Sri Lanka however, does not currently export coconut water to South Africa due to the price competitiveness resulting from 21% import duty and freight, and other transport related costs whereas Sri Lanka’s competitors in SADC, EFTA, EU regions enjoy zero import duty through preferential trading arrangements.

4. ACTIVITIES OF COMPETITION

All suppliers of coconut water have been able to secure markets through partnerships with Hypermarkets, Supermarkets, Convenience stores, Specialist retailers in South Africa by making their products available at competitive prices. An aggressive brand promotion campaign exists in retails stores.

5. CONCLUSIONS AND RECOMMENDATIONS

There is a promising market for coconut water in South Africa. Hence Sri Lankan exporters should strive to present their products at competitive rates partnering themselves with strong buyers/suppliers/distributors for main retail stores in South Africa.

The assistance of the High Commission in Pretoria should be sought to arrange buyer to buyer meetings for those interested in exporting coconut water from Sri Lanka.

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