

SUCCESS STORY

Namibian cosmetics manufacturer breaks into South African market with USAID support

Namibian organic marula oils are breaking into new markets after certification, sustaining both the environment and jobs.



Staff from Taneta Investments, a women-owned business, proudly processing their signature marula oils in Windhoek

“Due to the credibility of USAID and Catalyze, many potential buyers agreed to meet us, and we were able to present our product range to them. This was critical to our entry into the South Africa market. This is something we would like to acknowledge and not take for granted. Catalyze prepared us well for these meetings. Their guidance has helped us build confidence when presenting our brand, and we owe our expansion internationally to their tireless efforts.” – Namupa Nengola, Taneta Investments

The growing organic cosmetics market offers new export South opportunities for Southern African countries. Although the organic market in a key regional market like South Africa, trails behind larger ones such as the United States, obtaining organic certification for export companies is nonetheless required, to export both ingredients and finished products into South Africa. This makes organic certification an important market entry barrier that exporters from the region must overcome. However, it is also an incentive as firms can ultimately charge a premium for organically certified products. Despite the incentive, many exporters, including those in the burgeoning Namibian natural cosmetics industry, lack both the financial and technical capacity to undertake the process required to begin and obtain certification. With support from the USAID Southern Africa Trade and Investment Hub (USAID TradeHub), firms are increasingly able to overcome this market entry barrier.

The USAID TradeHub’s initial engagement with the Namibian firm, Taneta Investments, began in 2020, when the firm was looking to develop a personal care range including skin and hair products based on marula oil, and to grow the brand internationally – an ambitious target for the growing family-owned business. The two-stage audit, which is typically required to obtain organic certification, can be challenging for small and medium enterprises (SMEs), such as Taneta. As such, the USAID TradeHub linked Taneta to a South Africa-based certifying firm, CERES CERT, and provided cost-share support by covering 60 percent of the costs involved, while Taneta covered the remaining 40 percent. With the certification successfully obtained in December 2020, Taneta was now ready to enter the South Africa market. The USAID TradeHub linked Taneta to seasoned South Africa-based trade promotion agency, Catalyze, which provided technical assistance on how to market the marula oil for different purposes (e.g. beard oil, skincare). Meanwhile NONZĒRO Africa, a South Africa-based marketing agency, was contracted by the USAID TradeHub to develop Taneta’s marketing material and to improve the firm’s brand. These efforts culminated in Taneta closing a deal with a South African natural and organic retail and online skincare company, Hey Gorgeous, in late 2021 for the supply of marula oil products. This initial order provides a solid base for more business between the two parties. Through Catalyze and similar buyer linkage introductions, Taneta expects to sign deals with other South African wholesale buyers of cosmetic products before the end of 2022.

The success of Taneta on the South Africa market is a success for the sustainability of the ancient ways of processing marula and other fruits and nuts, which Taneta and other cosmetics producers in Namibia are keen to protect, along with the livelihoods of the rural women who constitute their supply chains.