

African markets seen as export opportunity for Wisconsin companies

Posted on Thursday, Oct 27, 2022

The head of Milwaukee's Omanhene Cocoa Bean Company says African markets present a huge export opportunity for Wisconsin businesses.

Steve Wallace, the company's president and founder, yesterday discussed demographic and social trends that make Africa such an attractive export destination during a virtual panel hosted by the Metropolitan Milwaukee Association of Commerce World Trade Association.

"Africa is wide-open territory for the U.S. ... it's not easy, but it is growing," he said. "It is very robust, and some of our global rivals — mainly China, is very active on the African continent."

The Omanhene Cocoa Bean Company sources its chocolate from the forests of Ghana in West Africa. Wallace explained this and other regions of Africa have many English speakers, and much of the population embraces U.S. popular culture such as music and film.

"It has got a growing population, it's large, it's significant, it's young," he said. "They're consumerist, they like to buy things. They're technologically switched on. For example, the cell phone penetration rate in Ghana is larger than that of Wisconsin, so most people walk around with two cell phones."

Shannon Bryant, the director of global trade compliance for Harley-Davidson, agreed with Wallace that Africa is a "great market" with plenty of opportunities for U.S. businesses. But she said one challenge with navigating the continent is getting products moved in between countries.

"Those product regulatory requirements, just because you could ship it to Ghana doesn't mean you could ship it to Kenya," she said. "You had to go through and get a whole lot of inspections, and it can be a little bit convoluted."

She said if African nations would "get together and harmonize some of those

standards and procedures to facilitate trade,” then the continent as a whole would see greater economic growth and investment.

Both Bryant and Wallace spoke to the rapid economic growth in burgeoning African markets that is outpacing other parts of the world.

“Let’s face it, emerging markets are the fastest growing markets,” Wallace said. “If you’re looking for 8 percent annual growth, you look in Africa. The rest of the world is stumbling around at 1, 2, 3 percent growth. So you can look at four times the growth potential.”

At the same time, Africa’s relatively young consumer base gives it an economic edge over countries like the United States and Japan with aging populations, Wallace noted.

“The demographics are going to play a big role in which countries grow and prosper in the next 25 years to 100 years ... you can’t have a growing economy with a stagnant population,” he said.

He also described Wisconsin as an investment target for self-made African millionaires and billionaires looking to get a foothold overseas.

His remarks come less than a month after state and federal officials announced Ghana-based Niche Cocoa is developing its first North American manufacturing facility in Franklin. The Omanhene Cocoa Bean Company is partnering with Niche Cocoa on this project, according to a WEDC release.

“It is the largest African foreign direct investment of any kind in at least three years, so it is significant,” Wallace said. “Wisconsin now has a competitive advantage over the other 49 states when it comes to pitching companies in Africa.”

See more on the Niche Cocoa announcement:

<https://wedc.org/blog/niche-cocoa-locates-first-north-american-manufacturing-facility-in-franklin-wisconsin/>

-By Alex Moe