

# The imperative for SA's large imports players to nurture smaller sector participants

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South Africa's imports sector is a mosaic of vast opportunities and keen competition. While large importers and long-established participants have been pivotal in shaping the country's imports industry, its sustainability doesn't only rest in their hands; it requires a concerted effort to help small and medium-sized enterprises (SMEs) also establish themselves as key contributors.



Source: scanrail via [123RF](#)

This imperative to support SMEs in the imports sector goes way beyond a moral obligation; it's a strategic necessity. If the Covid-19 pandemic and resulting logistics crisis taught us anything, it's that a chain really is only as strong as its weakest link. In the context of imports, smaller businesses and startups are often these 'weaker links,' grappling with the challenges of limited resources, operational inexperience, and a lack of industry connections.

This is where larger importers have an opportunity to see beyond the unrealistic fear of increased competition and step up to offer what could be called 'strategic mentorship'. Far more than advice, strategic mentorship involves a form of partnership with smaller businesses, providing them with real, practical insights into industry practices, offering business guidance, and helping them navigate the regulatory landscape.

## Access to resources

One of the most immediate and effective ways that larger companies can provide assistance is by sharing resources and equipment with SMEs at low or subsidised rates. For a small business, the investment required in acquiring warehousing or specialised equipment and machinery is most often the challenge that has them stumbling right out of the starting blocks.

Having access to such resources, even on a shared basis, can be a game-changer, enabling them to establish themselves, take on larger contracts, and build up a credible portfolio in a shorter period of time. This sharing doesn't just help the smaller entities, but also allows larger companies to maximise utilisation of their assets and potentially earn a nominal income on them in the process.

Another form of support, that has the potential to massively impact an SME making its way in imports, is to make a concerted effort to include these smaller firms in existing supply chains, or even offer to bring them in as partners on significant contracts. This type of collaboration offers SMEs a live platform on which to learn, deliver, and build a much-needed track record. Managed correctly, this type of relationship can also help to diversify the risk for larger companies, while offering them an opportunity to benefit from fresh perspectives and agile solutions that smaller firms are often better at providing.

## **Offering assistance**

Finally, larger importers can assist SMEs by giving them free or subsidised access to any training programmes they offer. These types of programmes can act as miniature incubators, delivering a solid foundation for the future growth of imports thanks to competent small businesses equipped for success.

Of course, it's not just large imports incumbents that have a vital role to play in nurturing South Africa's imports sector; it's a responsibility that all participants in the sector need to live up to – including banks.

For SMEs aspiring to make a mark in the imports sector, partnering with a financial services provider that has expertise in this domain is non-negotiable, particularly if, like FNB, such a provider not only offers tailored finance solutions, but can also offer invaluable assistance with regulations, permitting, and many other administrative aspects of running and growing an imports business.

For many industries, the concept of businesses supporting and helping other businesses can seem very counterintuitive. But in a dynamic sector like imports, operating in a rapidly globalising world, a symbiotic environment is essential.

The future of South Africa's imports sector depends on this collaborative spirit, and by supporting emerging companies in the sector, larger participants will help pave the way for a more robust, resilient, and dynamic industry for the benefit of all, and the SA economy as a whole.

## **ABOUT THE AUTHOR**

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