

Goodyear's many good years in Mozambique

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Tyre manufacturer Goodyear on Tuesday (6 August) said Mozambique was the key African country for its growth strategy on the continent.



Mozambique is a popular investment destination for South African companies because of relatively low barriers to entry. The country is developing infrastructure for mining, farming, ports and other industries.

Goodyear, an American tyre company, said that its African footprint was the most comprehensive of all tyre manufacturers on the continent. Goodyear has operations from Swaziland to Kenya on the east coast and Namibia to the Congo on the west.

Mozambique fell into the footprint. "Short-term, our aim is to improve efficiencies and to find the most beneficial route to market for our product. The longer-term vision is to expand Goodyear's operations in order to capitalise on double-digit gross domestic product growth in that country," said newly appointed Goodyear country manager for Mozambique Victor Soares.

Goodyear employs 78 permanent staff in Mozambique and has operated there for more than 25 years.

Branches, market share

Its distribution channel and services partner Trentyre first opened in 2000 and then, in 2005, it opened a branch in Beira, in central Mozambique that quickly rose to providing 50% of the company's turnover. It is now looking to open a branch in Tete.

"Tete is the mining centre of Mozambique within the next few years and it is important to secure a slice of this market in the off-the-road mining business," Soares said.

"Goodyear's current scope includes a mixed market share of between 15% and 18% in Mozambique. We have two branches in Maputo and Beira and another supporting the aluminium smelter, Mozal and its service providers in the duty-free zone near Matola. Trentyre has small distributors in other provinces as well as nine on-site operations at Coca-Cola, Unitrans, WBHO and Mozal," Soares said.

He says that South African companies must to do their homework before moving into Mozambique.

Maputo Corridor Logistics Initiative's chief executive Barbara Mommen said last year at an event hosted by advisory firm Frontier Advisory, that there had been no let-up in trade between SA and Mozambique, not even during the 2008/09 recession.

"South African companies that go into Mozambique often do not develop their staff," she said. "My experience has been that South Africans have been terribly arrogant when working in other African countries. They are sometimes viewed with suspicion and they need to take the time to understand the business culture in those countries," Mommen said.

Source: Business Day via I-Net Bridge

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