



A framework to internationalise South African Small and Medium Enterprises through the Africa Continental Free Trade Agreement

A Dissertation presented to

**The Development Finance Centre (DEFIC)
Graduate School of Business
University of Cape Town**

**In partial fulfilment
of the requirements for the Degree of
Master of Commerce in Development Finance**

by

**Akona Nakani
NKNAKO002**

30 November 2024

Supervisor: Dr Rene Albertus

The copyright of this thesis vests in the author. No quotation from it or information derived from it is to be published without full acknowledgement of the source. The thesis is to be used for private study or non-commercial research purposes only.

Published by the University of Cape Town (UCT) in terms of the non-exclusive license granted to UCT by the author.

DECLARATION

I, **Akona Nakani**, student number **NKNAKO002**, hereby declare that the work on which this thesis is based is my original work (except where acknowledgements indicate otherwise) and that neither the whole work nor any part of it has been, is being, or is to be submitted for another degree in this or any other university. I authorise the University to reproduce for the purpose of research either the whole or any portion of the contents in any manner whatsoever.

SIGNED:

Signed by candidate

AKONA NAKANI

DATE: 30 November 2024

ACKNOWLEDGEMENTS

I would like to express my gratitude to the Almighty God, since this would not be possible without His love and blessings. I extend my gratitude to my supervisor, Dr. Rene Albertus, for her guidance, unwavering support, and patience during this research process. I am also grateful to the officials from the Department Trade, Industry and Competition officials for the support, particularly Likani Lebani and Joseph Senona who supported me through this process.

I want to express my gratitude to my wife, Pumza Nakani, for the sacrifices she made throughout this journey. To my mother, your support is always appreciated. To my late father, I've always aimed to improve myself academically and thank you for the life lessons, “**MCOM is in the bag**”.

Finally, to all my friends and extended family members who believed and provided support during this journey, thank you...

DEDICATION

I dedicate this to my Wife (Pumza Nakani) and two children (Culolethu and Lizalise), who have been very supportive in this journey. My wife was instrumental in this journey, always encouraging me to give my best. T Your love, patience, and unwavering support have been my anchor throughout this journey. To my wife, thank you for your endless encouragement and for standing beside me through every challenge; to Culolethu and Lizalise, you are my greatest motivation to pursue excellence.

ABSTRACT

This research investigates the use of the African Continental Free Trade Agreement to provide a complete framework for promoting the internationalisation of South African Small and Medium Enterprises. The African Continental Free Trade Agreement was established in 2012 and is one of the largest free trade areas in the world in terms of the number of participating countries and it became operational in January 2021. It offers significant prospects for Small and Medium Enterprises by reducing trade barriers, establishing a cohesive market among 54 African countries, and promoting intra-African trade.

The research uses a qualitative research approach and semi-structured interviews to collect data from Small and Medium Enterprises that have benefited from the Department of Trade, Industry and Competition's Export Marketing and Investment Assistance incentive scheme, as well as the Department of Trade, Industry and Competition personnel responsible for export development and international trade. The data collected was qualitative, therefore, the researcher utilised thematic analysis, a method that specifically aims to identify, structure, and analyse themes within textual material.

The study findings provide insight into a wide range of factors that influence internationalisation such as; barriers to market entry, financial constraints, lack of support mechanisms for Small and Medium Enterprises, collaborative networks for export growth, African Continental Free Trade Agreement as an enabler, access to market information, trade data as well as adapting to local conditions. This study is anticipated to be highly informative and impactful, addressing critical needs and offering substantial benefits to various stakeholders such as Small and Medium Enterprises, policymakers, and trade facilitators. Its significance lies in its potential to transform the landscape of Small and Medium Enterprises internationalisation in South Africa.

The results demonstrated a dynamic landscape shaped by regulatory complexities, financial constraints, the potential of the African Continental Free Trade Agreement as a unifying market, and the critical role of support systems and adaptive strategies for successful Small and Medium Enterprise internationalisation. The study offers several recommendations, including prioritising harmonizing of regulatory standards across the continent, access to Small and Medium Enterprise-focused trade finance, improving logistics and trade infrastructure, institutional support and capacity building, and collaboration through trade shows. Future

research should be on Sector Specific Regulations pertaining to South African Small and Medium Enterprises on African regional trade.

Keywords: Internationalisation, Small Medium Enterprises, African Continental Free Trade Agreement, Export Marketing and Investment Assistance, Intra- Africa Trade, Department of Trade, Industry and Competition.

ACRONYMS AND ABBREVIATIONS

AfCFTA	African Continental Free Trade Agreement
AGOA	African Growth Opportunity Act
AU	African Union
B2B	Business to Business
BTT	Board of Tariffs and Trade
CECOSA	Cosmetics Export Council of South Africa
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
dtic	Department of Trade, Industry and Competition
ECIC	Export Credit Insurance Corporation
EMIA	Export Marketing and Investment Assistance
EPA	Economic Partnership Agreement
EU	European Union
EUD	European Union Delegation - South Africa
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDC	Industrial Development Corporation
IMS	International Market Selection
IPR	Intellectual Property Rights
ITAC	International Trade Administration Commission of South Africa
JV	Joint Ventures

LDC	Least Developed Countries
NEF	National Empowerment Fund
NSB	National Small Business
NTB	Non-Tariff Barriers
RBV	Resource Based View
RoO	Rules of Origin
SACU	Southern African Customs Union
SADC	Southern African Development Community
SA-EU	South Africa European Development Co-operation and Agreement
SDGs	Sustainable Development Goals
SEFA	Small Enterprise Finance Agency
SMEs	Small and Medium-sized Enterprises
SMMEs	Small Micro Medium Enterprises
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
TDCA	Trade Development Co-operation Agreement
Ubuntu	“I am because we are”
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
DEDICATION	iii
ABSTRACT	iv
ACRONYMS AND ABBREVIATIONS	vi
LIST OF TABLES	xii
LIST OF FIGURES	xii
LIST OF APPENDICES	xii
CHAPTER 1: INTRODUCTION AND BACKGROUND	1
1.1 Introduction.....	1
1.2 Background of the study.....	2
1.3 Problem statement.....	4
1.4 The purpose.....	5
1.5 Research questions.....	6
1.5.1 Primary research question.....	6
1.5.2 Secondary research questions.....	6
1.6 Research objectives and/or hypotheses.....	6
1.7 Significance of research.....	7
1.8 Organisation of the study.....	8
CHAPTER 2: LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Internationalisation.....	10
2.2.1 Different modes of internationalisation.....	11
2.2.2 Benefits and opportunities of internationalisation of SMEs.....	12
2.2.3 Challenges of internationalisation of SMEs.....	12
2.3 South Africa SMEs and internationalisation.....	13
2.3.1 Small and Medium Enterprises (SMEs).....	13
2.3.2 Internationalisation of South African SMEs.....	14

2.3.3	Challenges of Internationalisation by South African SMEs	15
2.3.4	South African SMEs export competitiveness.....	16
2.3.5	South African SMEs and International Trade Agreements.....	16
2.4	Awareness of AfCFTA.....	18
2.4.1	Benefits of the AfCFTA agreement	19
2.5	Theoretical frameworks on internationalisation of SMEs.....	20
2.5.1	The Uppsala Model	20
2.5.2	Network Model	22
2.5.3	Resource-Based View (RBV)	22
2.5.4	Dynamic capabilities	24
2.5.4.1	Flexibility in market selection:	Error! Bookmark not defined.
2.5.5	Born Global Model.....	24
2.6	Stakeholders in trade facilitation for SMEs.....	25
2.6.1	Department of Trade Industry and Competition	25
2.6.2	Export Credit Insurance Corporation of South Africa	25
2.6.3	Small Enterprise Finance Agency	26
2.6.4	International Trade Administration Commission of South Africa.....	26
2.7	Funding for SMEs	27
2.8	Development Finance Institutions	27
2.9	South African government support.....	28
2.10	AfCFTA role in access to African regional markets (intra-Africa trade) for South African SMEs.....	27
2.11	Conclusion	29
CHAPTER 3: METHODOLOGY		31
3.1	Introduction	31
3.2	Research approach	31
3.3	Research philosophy.....	32
3.4	Research design	32
3.5	Research strategy	33
3.6	Population and sampling	34

3.7	Data collection.....	35
3.8	Data analysis.....	36
3.9	Reliability and validity of the research.....	37
3.9.1	Credibility.....	38
3.9.2	Transferability.....	38
3.9.3	Dependability.....	39
3.9.4	Confirmability.....	39
3.10	Ethical considerations.....	39
3.11	Scope and justification of the study.....	Error! Bookmark not defined.
CHAPTER 4: FINDINGS AND DISCUSSION		40
4.1	Introduction	40
4.2	Data analysis.....	41
4.2.1	Barriers to market entry and intra-Africa trade.....	42
4.2.1.1	Logistics and infrastructure issues.....	42
4.2.2	Financial constraints and support mechanisms for SMEs.....	43
4.2.3	AfCFTA as an enabler for market expansion.....	44
4.2.4	Building collaborative networks for export growth.....	45
4.2.5	Enhancing institutional support for SME export readiness.....	46
4.2.6	Adaptation to local market conditions	47
4.2.6.1	Cultural and language barriers	47
4.2.7	Market information and trade data access.....	48
4.3	Chapter summary.....	48
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS		50
5.1	Introduction	50
5.2	Summary and conclusions.....	51
5.3	Policy recommendations.....	53
5.3.1	Harmonise regulatory standards across for member countries	53
5.3.2	Enhance access to SME-focused trade finance	53
5.3.3	Improve logistics and trade Infrastructure	53

5.3.4	Increase institutional support and capacity building	54
5.3.5	Establish accessible trade information platforms	54
5.3.6	Promote collaboration through trade shows and network events.....	55
5.4	Avenues for future research.....	56
REFERENCES		57
APPENDICES		68

LIST OF TABLES

Table 1: List of interview participants for the research study	40
--	----

LIST OF FIGURES

Figure 1: The Internationalisation theory according to the Uppsala Model.....	21
Figure 2: The Resource-Based View Theory Internationalisation Model.....	24
Figure 3: United Nations SDG goals	41
Figure 4: Conceptual Framework for internationalising SA SMEs Error! Bookmark not defined.	
Figure 5: Agreement establishing the AfCFTA	52

LIST OF APPENDICES

APPENDIX A: ETHICAL CLEARANCE	68
APPENDIX B: EDITOR’S LETTER.....	70
APPENDIX C: INTERVIEW GUIDE	71
APPENDIX D: CONSENT FORM: Cabotage SA (Pty) Ltd.....	72
APPENDIX E: CONSENT FORM: Freshmark Systems (Pty) Ltd.....	74
APPENDIX F: CONSENT FORM: Cosmetics Export Council of South Africa	76
APPENDIX G: CONSENT FORM: Viscol Eco Solutions.....	78
APPENDIX H: CONSENT FORM: Phila Tshingana.....	80
APPENDIX I: CONSENT FORM: Vivasol (Pty) Ltd	82
APPENDIX J: CONSENT FORM: Department of Trade Industry and Competition	84
APPENDIX K: CONSENT FORM: Electronic Recycling (Pty) Ltd	86
APPENDIX L: HUMAN PARTICIPANTS’ FIELDWORK CHECKLIST	88

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

This research seeks to establish a framework to Internationalise South African Small and Medium-sized Enterprises (SMEs) through the Africa Continental Free Trade Agreement (AfCFTA). This is motivated by the fact that little is known about South African enterprises' Internationalisation and their International Market Selection (IMS) processes (Ashely et al., 2022). April & Reddy (2015) also identified a gap in the research on the Internationalisation of SMEs in developing countries. They found that while there is a lot of literature on the factors that contribute to SME Internationalisation in emerging economies, there is a lack of research on the actual process of how SMEs internationalise. As such, SMEs often fail in international business operations, which, in turn, results in financial loss (Ghauri & Kumar, 1989).

The SME sector contributes to economic growth, job creation, and innovation, which is well documented globally (Beck et al., 2005). For instance, in South Africa, SMEs are pivotal, contributing approximately 40% to the country's GDP and accounting for over 60% of employment (Abor & Quartey, 2010). However, the Internationalisation of these enterprises remains limited due to various structural and operational challenges such as limited access to finance, insufficient infrastructure, and regulatory hurdles (Fatoki & Asah, 2011).

Internationalisation is a gradual procedure in which a company transitions from operating solely in its native market to expanding its business operations in foreign markets (Rundh, 2003). There are various methods of Internationalisation, and exporting is the most prevalent among SMEs (Bowen, 2012). Therefore, this study will primarily concentrate on the inclination of SMEs to engage in exporting. The study will explore how the AfCFTA will benefit South African SMEs to internationalise their operations and expand their market reach.

The AfCFTA agreement was signed in Rwanda in March 2018 and became operational in January 2021 (African Union, 2018). It aims to establish a single market for goods and services across 54 African countries and offers a unique opportunity to address these barriers by eliminating tariffs on 90% of goods, reducing non-tariff barriers, and creating a continental market with a population of over 1.2 billion people and a combined GDP of over \$2.5 trillion (African Union, 2018). It also has the potential to significantly boost intra-African trade, which currently accounts for only 15% of Africa's total trade (UNECA, 2019).

Internationalisation through the AfCFTA is more than just an option; it is a strategic imperative for South African SMEs. By participating in international markets, SMEs can broaden their customer base, mitigate risk, and reduce their dependence on the frequently volatile domestic market (Chetty & Campbell-Hunt, 2003). Furthermore, exposure to international competition can drive innovation, operational efficiency, and the adoption of new technologies and business practices (Zahra et al., 2000). Although there are advantages to Internationalisation, there are also numerous obstacles to overcome, such as dealing with various legislative frameworks, handling cultural differences, and surmounting logistical hurdles (Lu & Beamish, 2001).

The research will follow a qualitative approach to provide a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA. The framework will address critical areas such as market entry strategies, capacity building, access to finance and regulatory compliance. By providing a structured approach, the framework will assist SMEs in leveraging the opportunities presented by the AfCFTA and overcoming the inherent challenges of Internationalisation. In conclusion, the process of integrating SMEs into the AfCFTA presents a substantial prospect for expanding economic expansion and progress across the continent.

1.2 Background of the study

The AfCFTA was established in 2012 and is one of the largest free trade areas in the world in terms of the number of participating countries. There are 54 countries involved and one country, Eritrea, has not signed. It is structured with a comprehensive array of negotiated agreements and procedures designed to create a liberalised single market for African goods and services (Fafunwa et al., 2022). The primary objectives of the AfCFTA are to enhance intra-African trade, foster industrialisation, and promote sustainable economic growth across the continent (African Union, 2018). Additionally, it aims to mitigate the longstanding economic disparities across Africa caused by high trade barriers (Abdullahi, 2020). These high trade barriers have historically impeded SMEs from meaningful participation in the export market. By reducing tariffs and addressing non-tariff barriers, the AfCFTA is expected to create a more conducive environment for SMEs to operate and compete regionally (UNECA, 2019). This agreement has the potential to transform Africa's business landscape, providing South African SMEs with new markets and growth opportunities.

SMEs play a crucial role in Africa's economy by significantly contributing to the Gross Domestic Product (GDP) and job creation. However, their participation in the AfCFTA has

been limited due to several factors, including lack of awareness and information, regulatory and administrative barriers, poor infrastructure, limited access to finance, and market access issues. Offei et al. (2020) argue that the majority of SMEs possess minimal knowledge of the AfCFTA, particularly in Ghana, which is largely attributed to insufficient consultation by the government. Consequently, SMEs face considerable challenges in leveraging the benefits of the AfCFTA, thereby hindering their efforts towards Internationalisation and limiting their potential contributions to national economic growth and job creation (World Bank, 2020).

Despite the anticipated benefits of the AfCFTA, Fafunwa et al. (2022) contend that large corporations are more likely to be the initial beneficiaries, given their resources and capabilities to capitalise on new market opportunities. Offei et al. (2020) further support this view, suggesting that the AfCFTA could create both winners and losers, with SMEs potentially at a disadvantage. Currently, there are no clear strategies outlining how SMEs will benefit from this initiative. Instead, the AfCFTA's primary goal is to “create one African market” and encourage both SMEs and large corporations to engage in mutually beneficial trade agreements (Fafunwa & Odufuwa, 2022). Therefore, it is imperative to develop targeted strategies and policy frameworks that address the specific challenges faced by SMEs, enabling them to fully participate in and benefit from the opportunities presented by the AfCFTA.

The Internationalisation of African SMEs has been underwhelming (Costantinos, 2023). Their lack of involvement in the export market is often attributed to a lack of access to finance, limited market access, high tariff costs, infrastructure deficiencies, political conflicts, and border regulations, all of which increase the cost of cross-border trade (Costantinos, 2023; Thusi et al., 2022). The AfCFTA aims to address these issues through a comprehensive framework of negotiated agreements and procedures to establish a liberalised single market for African goods and services (Fafunwa et al., 2022). Furthermore, it seeks to alleviate the long-standing economic and political disparities across Africa caused by high trade barriers (Abdullahi, 2020).

In the South African context, over 90% of businesses are SMEs, yet only 3% engage in Internationalisation (Calof, 1995). With the acceleration of globalisation over the past two decades, there is a growing need and pressure for SMEs to expand their activities internationally, and South African SMEs are no exception (Abor & Quartey, 2010). However, in an interconnected global economy, SMEs are more vulnerable to economic shocks compared to larger companies (World Bank, 2018). This highlights the critical need for a robust

framework to support the Internationalisation of local SMEs, enabling them to effectively navigate and withstand these shocks.

The Internationalisation of South African SMEs is essential for them to fully benefit from the AfCFTA, which introduces comprehensive and unprecedented commercial and regulatory agreements between African countries (Fafunwa et al., 2022). By diversifying their market presence through Internationalisation, SMEs can mitigate risks and enhance their resilience (Bowen, 2012). The AfCFTA has the potential to transform and redefine the role of SMEs in the economy, offering them new opportunities for growth and development. This dissertation will explore the specific challenges faced by South African SMEs in the process of Internationalisation and propose actionable strategies to facilitate their integration into the AfCFTA framework. By addressing these challenges and leveraging the opportunities presented by the AfCFTA, the study aims to contribute to the broader goal of sustainable economic growth and development for South African SMEs.

1.3 Problem statement

South African SMEs does not have a definitive framework for Internationalisation, hence, it is important to understand how SMEs could benefit from the AfCFTA. Prior research has not yielded robust frameworks for SME Internationalisation (Paul, 2020), and there is no consensus on the strategies required for the successful Internationalisation of South African SMEs. Existing frameworks are typically designed for multinational firms and do not adequately address the SME country context and its influence on Internationalisation (White & Van Dongen, 2017).

South African SMEs face numerous challenges in internationalising their businesses, including insufficient production capacity, lack of finance, inadequate trade capacity and readiness, improper market entry strategies, and lack of networking and collaboration (Abor & Quartey, 2010; April & Reddy, 2015; Calof, 2005; Gumede & Rasmussen, 2002; Jibrilla, 2018; Mlambo et al., 2021). These issues are exacerbated by inadequate infrastructure, complex regulatory and administrative barriers, and a lack of awareness and understanding of the AfCFTA (Offei et al., 2020). These challenges increase the cost and complexity of cross-border trade and make SMEs more vulnerable to economic shocks (World Bank, 2020b).

The AfCFTA aims to reduce trade barriers and create a single market for African goods and services, offering a unique opportunity for SMEs to diversify their markets, mitigate risks, and enhance their competitiveness (Fafunwa et al., 2022). However, without a strategic framework

to support their Internationalisation, South African SMEs remain at a disadvantage, unable to fully participate in and benefit from this landmark trade agreement.

Key concepts in this area include trade liberalisation, economic integration, SME competitiveness, and market diversification. The underlying assumption is that a well-structured framework can significantly enhance the Internationalisation prospects of South African SMEs. The independent variables in this study are access to finance, infrastructure quality, regulatory and administrative efficiency, and awareness of the AfCFTA. The dependent variable is the level of Internationalisation of South African SMEs.

Given these challenges, this study aims to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA, addressing the most significant barriers and proposing actionable solutions to support their integration into the AfCFTA.

1.4 The purpose

The purpose of this study is to develop a comprehensive framework to Internationalise through the AfCFTA. This study aims to identify and address the significant barriers that impede the Internationalisation of South African SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA. By conducting a thorough analysis of these challenges and proposing actionable solutions, the study seeks to enhance the capacity of South African SMEs to participate in and benefit from the AfCFTA. Ultimately, the research aspires to contribute to sustainable economic growth and development by enabling South African SMEs to thrive in a more integrated and competitive African market. This will be achieved through a combination of qualitative and quantitative research methods, including surveys, interviews, and case studies, to gather comprehensive insights and data on the current state and potential of SME Internationalisation under the AfCFTA framework. This approach will enable the collection of comprehensive and nuanced insights into the specific challenges and opportunities faced by South African SMEs in the context of the AfCFTA. By understanding these barriers and identifying effective strategies to overcome them, the study aims to provide actionable solutions and policy recommendations that will enable local SMEs to thrive in a more integrated and competitive African market, ultimately contributing to sustainable economic development across the continent.

1.5 Research questions

1.5.1 Primary research question

Given the aforementioned research problem, the main questions in this study are:

- 1) What are the reasons for the low export intensity of SA SMEs to the African markets?
- 2) How can opportunities presented by the AfCFTA be unlocked towards increasing the export intensity of SA SMEs into the African market?

1.5.2 Secondary research questions

The following sub-questions will be explored to further elaborate on the above questions:

- a) What is the adequacy of current SMEs market entry strategies into African markets?
- b) To what extent do SME capabilities (export capabilities, market knowledge, and access to trade-related information) contribute to their export capacity and enhance their readiness?
- c) What measures can be explored to enhance SME networking and collaboration to increase their export participation in the region?
- d) Why are most SA SMEs not exporting to the African markets?
- e) What are the current challenges with the funding structures to address funding requirements for SMEs to access to export markets especially international markets African in particular?
- f) Who are the key stakeholders in trade facilitation for SMEs in exporting to the African market?
- g) What is/has been the role of DFIs in assisting SMEs access export markets?

1.6 Research objectives and/or hypotheses

The main objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA. This objective will be accomplished by pursuing the following exact objectives:

- 1) To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- 2) To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.

- 3) To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- 4) To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- 5) To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- 6) To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- 7) To investigate the extent of small businesses' access to export programmes from government.
- 8) To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

1.7 Significance of research

This study is anticipated to be highly informative and impactful, addressing critical needs and offering substantial benefits to various stakeholders such as SMEs, policymakers, and trade facilitators. The significance of this research lies in its potential to transform the landscape of SME Internationalisation in South Africa. By equipping SMEs with practical strategies and tools, the study will enable them to expand their operations into new African markets, enhance their competitiveness, and contribute more significantly to economic growth and job creation (Beck et al., 2005). Policymakers and trade facilitators will benefit from this research by gaining evidence-based insights and recommendations for creating a conducive environment for SME Internationalisation (UNECA, 2019). The study's findings will inform policy development, helping to streamline regulatory processes, improve trade infrastructure, and design targeted support programs that address the specific needs of SMEs (Offei et al., 2020). Academically, this study will contribute to the body of knowledge by filling a gap in the literature on SME Internationalisation in the context of the AfCFTA. Existing literature primarily focuses on SME Internationalisation in developed economies, with limited research on developing regions like Africa (Leonidou et al., 2007). This study offers a nuanced understanding of the unique challenges and opportunities faced by South African SMEs, providing a robust theoretical and empirical basis for future studies. By developing a comprehensive framework for SME Internationalisation, the study not only addresses practical business needs but also advances

academic discourse on trade liberalisation, economic integration, and SME competitiveness in developing economies (Fafunwa et al., 2022). This dual contribution ensures that the study is both practically relevant and academically significant, paving the way for enhanced SME participation in the AfCFTA and contributing to broader economic development goals across the continent.

The study contributes to a dynamic industrial and globally competitive South African economy, which is supported by trade and enterprise development through the establishment of an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation following the African Union Agenda 2063. Huge reliance is placed mainly on the AfCFTA to provide opportunities for continental trade, particularly for SMEs. The results of a study conducted by Fafunwa and Odufuwa (2022) and Moyo (2020) suggest that SMEs are likely to be the biggest losers in the AfCFTA. This is mostly due to a lack of clarity over how African SMEs will benefit from the prospects given by the AfCFTA. Consequently, it is essential to formulate a framework for the internationalisation of South African SMEs to eradicate obstacles that hinder their capacity to internationalise. Furthermore, the study will contribute by offering essential measures to address non-tariff policies affecting low African intra-trade, particularly from the viewpoint of indigenous entrepreneurs. The study will further enhance the existing knowledge by providing a comprehensive analysis of the obstacles that hinder the ability of South African SMEs to internationalise. This study will assist decision-makers in formulating international trade strategies accompanied by actionable plans for SMEs.

1.8 Organisation of the study

This dissertation comprises five chapters and is structured as follows:

Chapter 1: This chapter introduces the study and provides a background in the context of the study's research objectives.

Chapter 2: Chapter 2 review relevant empirical literature and discusses key concepts pertinent to the internationalisation of South African SMEs through AfCFTA. The conceptual framework of the study is discussed to understand existing challenges, resources, and opportunities, which will inform the design process for a framework to internationalise SMEs to expand their footprint in the African market.

Chapter 3: The researcher presents the research methodology and design employed to explore the research questions of the study.

Chapter 4: The findings, based on the data collected in Chapter 3 are presented, analysed and discussed.

Chapter 5: This chapter concludes the study and makes recommendations.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter explores the existing body of knowledge surrounding the internationalisation of South African SMEs, with a specific focus on their engagement with the AfCFTA. The review integrates theoretical frameworks and practical considerations, providing insights into the various factors that shape SMEs' internationalisation processes, both within South Africa and across the African continent. It begins by discussing the broader concept of internationalisation, outlining the different strategies and stages that SMEs typically follow when expanding into foreign markets. The chapter then narrows its focus to the unique challenges and opportunities faced by South African SMEs, including their level of awareness and understanding of AfCFTA as a platform for growth.

In addressing the role of various stakeholders, the review highlights the importance of trade facilitation bodies, government agencies, and DFIs in supporting SMEs. The need for adequate funding and the strategies to access financial resources are also explored, considering both public and private sector efforts. Central to this discussion is the role of South Africa's government in promoting exports and creating an enabling environment for SMEs. Finally, the chapter concludes by examining how AfCFTA facilitates access to regional markets, offering SMEs the potential to expand their reach within Africa and tap into intra-Africa trade opportunities. This review aims to provide a holistic understanding of the complex dynamics influencing the internationalisation of SMEs in South Africa, within the context of regional trade agreements and broader economic policies.

2.2 Internationalisation

Internationalisation can be traced back to the 14th century, indicating a long-term trend of rising cross-border economic operations. Despite widespread agreement on the increasing global integration of these activities, there is still no universally accepted definition of internationalisation (Abor, 2004). The term is understood differently depending on the phenomenon under investigation, resulting in a variety of conceptualisations in academic literature (Shen et al., 2017). Over time, researchers have approached the definition of internationalisation from many angles. For example, (Wind et al., 1973) defined internationalisation as a process in which specific attitudes or orientations become associated with the development of international operations at various phases. Similarly, Penrose (1959) described internationalisation as a company's core strengths and prospects in a foreign setting.

Calof (1995) shared this notion, defining internationalisation as the process of tailoring a company's activities to its foreign environment. Fernandes et al. (2023) underlined that internationalisation entails increasing a company's involvement in global activities. Johansson & Vahlne (1977) and Welch & Luostarinen (1988) defined internationalisation as the process by which businesses enhance their commitments to international markets. Similarly, Calof (1995) defined internationalisation as the process of tailoring a company's operations to foreign environments. In contrast, Johansson & Vahlne (1977), along with Welch & Luostarinen (1988), defined internationalisation as the process by which corporations gradually extend their commitments to international markets.

In recent years, there has been a greater emphasis on defining internationalisation as a steady and incremental process. This viewpoint holds that a company begins by operating solely in its domestic market and gradually expands its business activities into foreign markets, thereby extending its operations across national borders (Acosta et al., 2018; Fernandes et al., 2023; Paul et al., 2017; Madara & Tsyokor, 2022; van Staden, 2022). This developing definition reflects the dynamic and varied character of internationalisation, which includes not only physical growth into new markets but also strategic adaptation to changing economic, cultural, and regulatory contexts. As Paul et al. (2017) point out, academics and researchers have used a variety of perspectives and characteristics to characterise the internationalisation process, emphasising its complexities and the numerous elements that influence it. This ongoing discussion highlights the importance of internationalisation as a vital strategy for businesses looking to gain a competitive advantage in an increasingly interconnected global market.

2.2.1 Different modes of internationalisation

Internationalisation is an essential growth strategy for organisations aiming to develop beyond their domestic markets. It can be accomplished using different approaches, each of which has its own difficulties and possibilities (Johanson & Vahlne, 2009). The most common modes of internationalisation are listed below:

- a) Exporting: Is the simplest and most common form of internationalisation for SMEs, involving selling domestically produced goods or services to foreign markets.
- b) Foreign Direct Investment (FDI): Involves SMEs establishing or acquiring foreign assets, such as manufacturing plants or distribution networks.
- c) Strategic Alliances and Joint Ventures: Collaborating with foreign companies to gain access to new markets or share resources.

- d) **Licensing and Franchising:** Allowing a foreign company to produce or sell products in exchange for royalties or fees.

These modes are not mutually exclusive and frequently intersect, enabling companies to implement a blend of strategies customised to their particular requirements and market circumstances (Cavusgil & Knight, 2015). The selection of the mode is contingent upon variables such as the company's assets, market expertise, willingness to take risks, and long-term goals. Comprehending the various methods of internationalisation is crucial for businesses, especially SMEs, as they navigate the intricacies of entering and competing in global markets, particularly in dynamic environments such as those facilitated by the AfCFTA (Afreximbank, 2024).

2.2.2 Benefits and opportunities of internationalisation of SMEs

Internationalisation offers several benefits, including the ability to enter new markets, mitigate risk by diversifying across different countries, access a larger customer base, and establish a global network of suppliers to enhance products and services for domestic customers (Shree & Urban, 2012). Over the years, trading across international borders has flourished as a result of the many benefits it offers the parties involved (Pyringer & Tettey, 2015). Internationalisation is a progressive process of growing involvement on international operations and internationalisation. Companies engaging in the global market frequently learn new methods and technologies while also receiving international exposure, making them more competitive and helping them to achieve higher levels of productivity and growth rates than companies operating solely in the domestic market (Afreximbank, 2024). Although numerous internationalisation strategies are available to SMEs, export is the most popular (Bowen, 2012). This is supported by (Afreximbank, 2024), which states that export trade is the most common foreign market access mode, particularly for SMEs seeking to internationalise. Henceforth, export trade is necessary for SMEs considering the benefits associated with internationalisation. SMEs involved in export trade are able to increase their productivity, thus spurring economic growth. SMEs often face resource constraints, yet as (McDougall et al., 1994) highlight, the growing significance of internationalisation means that businesses must innovate in how they generate value despite these limitations if they wish to achieve profitability.

2.2.3 Challenges of internationalisation of SMEs

SMEs face competition from large local and foreign companies (Paul, 2024). In a globalised world, SMEs are more prone to shocks than larger companies (World Bank, 2018). Therefore,

internationalisation may represent challenges for small businesses to increase the risk across several markets (Bowen, 2019). Companies, particularly SMEs, face multiple challenges while internationalising. One of the primary obstacles that SMEs face when internationalising is the absence of an effective strategy for accessing foreign markets (Paul, 2024). The selection of a foreign market is strategic and one of the most important and complex decisions in the internationalisation process (Vögel, 2019). The strategy includes alliances with local partners who have market knowledge. Additional challenges include internal marketing issues such as ineffective marketing strategies and limited understanding of overseas markets, as well as the selection of entry modes and low brand value (Paul, 2024). Bowen (2019) also lists export policy, regulations, endowments, and incentives as some of the government problems that impact internationalisation.

Other challenges include the environmental characteristics of the target countries, and this can affect the internationalisation of a company. These characteristics include political, economic, social, technical, and legal issues (Bowen, 2019). Therefore, it is imperative for SMEs to comprehend and establish connections with others in order to acquire insights into competition in foreign environments. Institutional differences can be for example differences in culture, economics, politics and underlying principles on how business is done in different countries (Berglund & Malmsjö, 2009). These differences can affect the relationship negatively because they can cause uncertainties and a distance between the two parties. The failure of SMEs in international business operations frequently leads to financial losses (Paul, 2020). Lastly, Boter & Lundström (2005) acknowledge that administrative, fiscal and legal regulations can have an effect on a company's internationalisation decision, particularly for smaller companies.

2.3 South Africa SMEs and internationalisation.

2.3.1 Small and Medium Enterprises (SMEs)

There is no universal agreement on what qualifies as an SME, primarily because different scholars have usually provided different definitions of this business category. In South Africa, according to the National Small Business (NSB) Act 102 of 1996, a small business is defined as a separate entity that can operate in any sector or sub-sector of the economy and can be classed as a micro-enterprise, a very small firm, a small enterprise, or a medium enterprise (Bvuma et al. 2020) and categorised according to the industries or settings in which they operate. SMEs are classified based on both qualitative and quantitative variables, with qualitative factors including the nature of ownership and economic activity and quantitative

factors include the number of employees and the size of the business (Makoni, 2023). The word “SME” can be widely defined as a company that keeps certain revenue or staff counts below a certain threshold.

The definition varies depending on the region, the country, and the industry. For instance, in Ghana businesses that have fewer than 10 employees are classified as small-scale organisations and those that have more than 10 employees as medium- and large-sized enterprises (Abor, 2004). In the United States, it may be difficult to identify a SME because their qualifications are industry-specific. In the European Union, a SME is defined as any organisation with fewer than 250 people (Paul, 2020). On the other hand, UNIDO (2022) also categorises SMEs in terms of the number of employees in developing countries as small (5–19 employees), medium (20–29 employees), and large (100 or more employees). Therefore, no universally accepted definition of what a SME is, as is evident by the many definitions. For the purpose of this study, this research will adopt the South African SME definition as it applicable in the local context.

2.3.2 Internationalisation of South African SMEs

Over the past few years, there has been a substantial increase in the internationalisation of South African SMEs. This shift toward growing beyond domestic borders has been spurred by a variety of forces, both internal and external in nature (Berglund & Hanna, 2009; Gumede, 2004; Hussain & Khan, 2023). As a result, South African SMEs have been expanding their export activities, which is a trend that is expected to continue. Some of the primary drivers driving South African SMEs to seek overseas markets are the dynamic global market, technological improvements, changes in trade policies, and the quest of new growth prospects (Gumede & Rasmussen, 2002; Love & Roper, 2015). South African companies have achieved unparalleled levels of internationalisation compared to any other African state. This is despite the fact that their economic climate is shaped by the legacies of apartheid, which led to economic isolation and the formation of highly concentrated companies in a variety of industries (White & Van Dongen, 2017). South African retailers expand in order to seek resources or capabilities rather than to exploit existing ones (Goldstein & Baena, 2012; Luo & Tung, 2007). Dakora & Bytheway (2014) agree with this perspective, asserting that South African retailers have been expanding in order to tap into the increasing incomes and expanding consumer base in newly opened-up global and African markets, as opposed to the already saturated and fiercely competitive domestic market.

Fernandes et al. (2023) state it is essential to appreciate the forces influencing the export intensity of South African SMEs in order to develop targeted strategies that can further increase their level in international competitiveness. This journey of internationalisation, however, is not without its challenges and complexities, as SMEs must carefully strategise and adapt to the particular needs of the global marketplace. Henceforth, Deng & Yang (2014) insist that while firm characteristics and country of origin are clearly important to internationalisation strategy, an understanding of host country contextual variables and their impact on internationalisation patterns is also critical. This is precisely because African markets are complicated ecosystems that create a slew of hurdles for South African merchants driving retail expansion (White & Van Dongen, 2017). South African retailers have led the internationalisation of this sector across the continent by adapting to, and thriving within, these challenging environments (White & Van Dongen, 2017).

2.3.3 Challenges of Internationalisation by South African SMEs

South African SMEs face numerous challenges when it comes to internationalisation, including aligning with global challenges while incorporating particular regional elements. The key challenges include a lack of operating capital, limited access to market information, difficulty identifying international business opportunities, and insufficient managerial time, skills, and knowledge (OECD, 2009). Other challenges that South African SMEs face include poor financial infrastructure, deteriorating physical infrastructure, and regional trade barriers (White & Van Dongen, 2017), which increase the time required to transport consumer goods within and beyond the area and consequently raise costs. These obstacles are common among smaller, newly internationalising businesses, and they are frequently compounded by sector-specific constraints, particularly in areas that require extensive information flow and customisation, such as software and high technology.

Afreximbank (2024) has identified the issue of restricted access to finance as a significant impediment to SMEs participation in export markets. It frequently results in SMEs having difficulty in obtaining the requisite financing for their export operations. Low levels of financial capital prohibit South African SMEs from internationalising, and exorbitant costs are required for foreign market analysis, purchasing legal consulting services, adaptation of products to the foreign market, travel expenses and the financial risk involved in internationalising (Ruzzier et al., 2006; Shree & Urban, 2012). This is further exacerbated by the challenge of establishing contacts with potential overseas customers and the limited access to reliable information about

foreign markets. The literature has shown that it is challenging to locate market information on African markets (Dakora & Bytheway, 2014), and the information that is available is frequently unreliable (Jerven, 2011). Furthermore, the absence of managerial expertise in internationalisation is a significant impediment, as numerous small and medium-sized enterprises (SMEs) lack the requisite skills and knowledge to effectively navigate international markets (AMSCO, 2006).

2.3.4 South African SMEs export competitiveness

In terms competitive positing of South African SMEs for the export market, South African exporters are, however, not yet well equipped and not very active to conduct effective Competitive Intelligence, especially in the areas of planning, process and structure, data collection, data analysis, and especially skills development. This could be associated with findings of (Calof, 1995), which suggested that are fewer committed exporters among South African SMEs. This poses huge disadvantages because the export process is entrenched with many challenges and barriers. April et al. (2015) concluded that export market requires high level of trade capacity and readiness by SMEs to succeed. When it comes to export participation.

2.3.5 South African SMEs and International Trade Agreements

To ensure meaningful participation in the international trade or internationalisation of business enterprise, South African government entered into several trade agreements such as African Opportunity Growth Act (AGOA), SAEU Development Cooperation and Agreement (SA-EU) and recently the AfCFTA (Gumede, 2004; Thusi et al., 2022).

AGOA - President Clinton established the AGOA in 2001, providing special treatment for around 6400 tariff lines. The United States of America offers to 48 African sub-Saharan countries, and AGOA has been renewed numerous times since 2000. The major AGOA laws include:

- Trade and Development Act of 2000 (AGOA I)
- Trade Act of 2002 (AGOA II)
- AGOA Acceleration Act of 2004 (AGOA III)
- Africa Investment Incentive Act of 2006 (AGOA IV)
- Act of Amend AGOA of 2012 (AGOA V)
- AGOA Extension and Enhancement Act of 2015 (AGOA VI)

- AGOA and Millennium Challenge Act of 2018 (AGOA VII)

South Africa is a substantial beneficiary of AGOA, as it has expanded its exports in high-value growth sectors of the South African economy, including automobiles, chemicals, and agricultural products (such as citrus, macadamia nuts, and wine). In 2014, AGOA (including GSP - Generalised System of Preferences¹) accounted for 38% of the total South African exports to the United States (Ismail, 2024). In 2014, South Africa's AGOA exports, which included a GSP of US\$1.4 billion, totalled US\$3.1 billion. Exporters in South Africa, including small and medium-sized enterprises, benefited from the AGOA. The total tariff revenue that South African exporters were relieved of paying because of AGOA was \$46,884,859.70 (Ismail, 2024).

South Africa – European Union Development Cooperation and Agreement

The South Africa-European Union Strategic Partnership, one of ten in the world and the continent's only country-level EU strategic partnership, provides a broad strategic framework for programming, building on commitments to multilateralism, peace, and security (EUD, 2021). The EU and South Africa collaborate in a variety of areas, including economic, trade, and investment relations, energy, research and innovation, and good governance. This is supplemented by the objectives of the Trade Development and Cooperation Agreement (TDCA) and the EU-SADC Economic Partnership Agreement (EPA), which replaces the TDCA's trade pillar and establishes the legal basis for EU-South Africa (SA) relations by addressing political dialogue, development, trade, and sectoral cooperation (EUD, 2021).

AfCFTA

Unfortunately, intra-African trade, especially among SMEs within the continent, has had little to no success despite these efforts and the development of integration arrangements. (Costantinos, 2023; Hagos, 2023; Thusi et al., 2022; Vlok, 2021), also supports this; Africa's intra-trade is stagnating and low and can be attributed to various factors for instance the market is still fragmented, impediments to the movement of commodities between countries, inadequate infrastructure and insufficient economic diversification and non-tariff barriers.

¹ U.S. trade preference programs such as the Generalised System of Preferences (GSP) provide opportunities for many of the world's poorest countries to use trade to grow their economies and climb out of poverty.

The principle of Africa First must be adopted by African countries in order to advance their objective of regional integration, rather than in an insular and isolationist manner (Ismail, 2024). Similar to Nkrumah's leadership, who, as early as 1958, convened an All African People's Conference to further the vision of regional integration in Africa (Mazrui, 2005). Africa must establish its integration on the principle of UBUNTU, rather than Most Favoured Nation or Reciprocity (Stiglitz, 2016). This point of view is consistent with the assertion of former South African President Nelson Mandela that South Africa's relationships within the continent should be based on equity, mutual benefit, and peaceful cooperation (Mandela, 1993). In this context, the AfCFTA emerges as a critical policy tool that embodies these objectives by encouraging economic collaboration and solidarity throughout the continent, so achieving the larger goal of regional integration. The scope of the AfCFTA negotiations include:

Phase I:

Trade in Goods (Rules of Origin, Customs Cooperation, Trade Facilitation, Transit, Non-Tariff Barriers; TBT: SPS; Trade Remedies).

Services (Protocol on Trade in Services).

Dispute Settlement Mechanism.

The Protocol on Trade in Goods and the Protocol on Trade in Services each have several annexes covering substantive disciplines. Negotiations on a number of issues (e.g. tariff concessions, rules of origin for goods and schedules of specific commitments for services) are still ongoing.

Phase II

Investment, Intellectual property rights, and Competition policy.

These Protocols are mentioned in Article 7 of the Agreement establishing the AfCFTA.

2.4 Awareness of AfCFTA

The AfCFTA was established during the 18th Ordinary Session of the Assembly of Heads of State and Government of the AU in January 2012. The session emphasised the need of enhancing intra-African trade and decided to create a free trade region. African leaders convened an Extraordinary Summit on the AfCFTA on March 2018 in Kigali, Rwanda. During this summit, the agreement that established the AfCFTA was pre-signed. The AfCFTA's

operational phase commenced with the 12th Extraordinary Session of the Assembly of the AU convened in Niamey, Niger, on July 7, 2019 (African Union [AU], 2024). The AfCFTA is also expected to enhance competitiveness at the industry and enterprise level through exploitation of opportunities for scale production, continental market access and better reallocation of resources (Briggs, 2021).

Knowledge and involvement with the AfCFTA face continuous challenges, notably in terms of how well different stakeholders, including SMEs, grasp the opportunities it offers (Tralac, 2024). Moreover, a study conducted by the UNDP emphasises that a significant number of SMEs lack knowledge about the particular protocols and procedures of the AfCFTA. This lack of awareness impedes their capacity to actively engage in and get advantages from the free trade area. The lack of knowledge around this issue can be ascribed to the intricate structure of the agreement and the insufficient efforts made to reach out to smaller enterprises (UNDP, 2020). Furthermore, the United Nations Economic Commission for Africa (UNECA) also indicated that youth-led SMEs are particularly unaware of the AfCFTA. This is a result of insufficient outreach and education initiatives. This exclusion not only restricts their ability to participate in the continental market but also undermines the AfCFTA's overarching objectives of fostering inclusive economic development (UNECA, 2023). Hence, Langton (2023) suggests that increased awareness and engagement from these specific groups can stimulate wider economic advantages throughout Africa.

2.4.1 Benefits of the AfCFTA agreement

The AfCFTA provides a variety of benefits. However, most of these can only be realised in the long run (Hollington, 2021). The implementation of the African AfCFTA provides numerous opportunities for SMEs to enter regional export markets and use that to develop into global markets (Afreximbank, 2024). According to Langton (2023), the AfCFTA has the potential to lift around 40 million people out of poverty by promoting intra-regional trade. The AfCFTA has the ability to promote industrialisation, improve infrastructure, deepen regional integration and cooperation, expand intra-African trade, and drive SMEs' growth (African Union, 2019). This agreement is also expected to allow SMEs to use regional markets as a conduit for entering larger global markets. SMEs can boost their productivity and profitability by expanding into wider markets via international trade and export.

The AfCFTA has the potential to boost cross-border investment by eliminating tariff and non-tariff obstacles and replacing existing bilateral and regional trade agreements with a single,

unified market (Langton, 2023). This agreement promotes intra-African investments that aim to create a conducive environment in which SMEs, women and youth-led enterprises can fairly compete with larger firms. It also promotes financial inclusion, The AfCFTA Secretariat and Afreximbank developed and launched in January 2022 the Payment and Settlement System (PAPSS) to facilitate trading within the framework of the AfCFTA (Afreximbank, 2024). Furthermore, given the various levels of development among African states, the AfCFTA will serve as a catalyst for technology and skill transfer among African states, as well as facilitate the structural transformation of less-developed countries into knowledge-based economies with diverse trade portfolios that are not resource dependent for growth (Hollington, 2021).

2.5 Theoretical frameworks on internationalisation of SMEs

The section focuses on both widely used and recently constructed theoretical models. An examination of theoretical concepts and viewpoints about the internationalisation of SMEs. The theories and models that are used as benchmarks in the field of SME internationalisation are as follows:

2.5.1 The Uppsala Model

The Uppsala model one of the earliest approaches and the most commonly used model in the internationalisation literature, suggests that internationalisation activities increase incrementally and occurs in incremental steps (Abor, 2004). This model is based on the relationship between a company's understanding of the market it is attempting to enter, managerial commitment decisions, and the outcomes of first efforts as a predictor of future commitment (Arvidsson & Arvidsson, 2019). The Uppsala internationalisation model separates market entry into four stages or phases (Schlegelmilch & Crook, 1988), as illustrated in Figure 1 below.

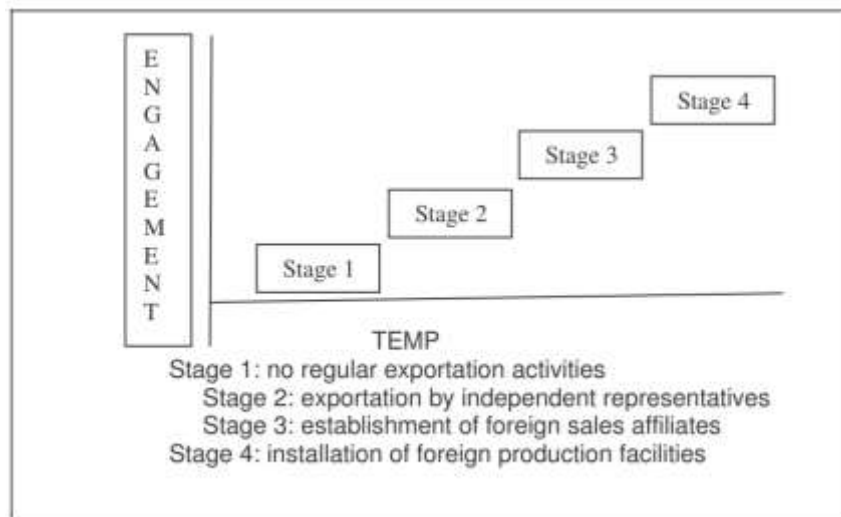


Figure 1: The Internationalisation theory according to the Uppsala Model

The Uppsala model of gradual internationalisation posits that SMEs undergo a step-by-step process of expanding their international presence. This concept has been explored by several researchers, including (Carlson, 1975), (Johansson & Vahlne, 1977), (Johanson & Wiedersheim-Paul, 1975), and (Welch & Luostarinen, 1988). Johansson & Vahlne (1977) proposed that companies are more likely to expand into markets that have a lower level of psychic distance. Psychic distance refers to the differences in language, culture, and political system between the firm's home country and the target market (Johanson & Wiedersheim-Paul, 1975). Over the years, the corporate environment has undergone changes, resulting in a shift in perspective and the development of an intricate network of relationships (Johanson & Vahlne, 2009).

In the SA context, this theoretical model suggest that that SA SMEs can gradually increase their commitment to the export market through incremental steps. Internationalisation commonly defined as a gradual and incremental process during which a company ceases to work exclusively in its domestic market to move to exploit its business activities in foreign markets and extension of business operations across borders (Paul et al., 2017). SMEs might choose to license their manufacturing process, establish a sales office in the target country, or even set up a manufacturing plant (Abor, 2004; Ashley et al., 2022; Fernandes et al., 2023; Hussain & Khan, 2023; Lloyd-Reason et al., 2009). Nonetheless, exporting is regarded as the most common internationalisation method, due to the low business risk and financial required (April & Reddy, 2015). The building up of experience gained via exporting provides SMEs with a

deeper knowledge of business opportunities both domestically and internationally, and as a result, the international participation of SMEs grows over time.

Even though the Uppsala model is well known in the sphere of internationalisation, it has been criticised over the years by other researchers as a crude attempt to capture the basic process of internationalisation from the start, but it failed to take into account aspects such as the role of networks and internet (innovation) (Arvidsson & Arvidsson, 2019). This is currently also the most typical critique levelled at a model that has influenced many researchers over the years, internet did not exist during the period when the Nordic school predominated (Arvidsson & Arvidsson, 2019) and these days internet gives the opportunity to instantly sell to markets far from the shores of one's own country. As result, the model is no longer viewed as universal but it is still be relevant to describe how firms act in certain industries.

2.5.2 Network Model

The network model for SMEs highlights the importance of connections and networks in assisting and supporting SMEs' expansion into international markets. This is because, as the business environment has become more globalised, it is critical for SMEs to seek out overseas market opportunities to achieve and maintain a competitive advantage (Osano, 2019).

Coviello and Munro (1995) support this notion, indicating that companies can engage in the export market. The theory tested by (Abor, 2004; Ashley et al., 2022; Hallén & Johanson, 2004; Scalera et al., 2009) was that when participating in relationships, SME manufacturing companies participate in foreign markets relatively easily because they promote information flows, which reduces the burden of international marketing on individual enterprise units. Strong interpersonal ties and social relationships are essential for the internationalisation of SMEs. This study will also examine using the network model theory, the extent to which SA SMEs use their networks to participate in the export market (Iwu et al., 2017). This is based on the factor that there seems to be a relationship between networks and internationalisation as outlined above by the different researchers. According to Coviello and Munro (1995), the role of networks in growth and international trade is not examined and discussed adequately.

2.5.3 Resource-Based View (RBV)

The Resource-Based View (RBV) was established by Birger Wernerfelt in 1984 and was later improved by Jay Barney in the 1990s (Wernerfelt, 1984). The RBV is a well-known strategic management theory that highlights the significance of a company's unique resources and skills

in gaining and maintaining competitive advantage (Safari & Saleh, 2020). The RBV focuses on internal resources and capabilities to identify the determinants of a company’s advantage and performance (Ramon-Jeronimo et al., 2019). According to Safari and Saleh (2020), RBV SMEs can improve their competitive position, e.g., concerning costs, quality, or further factors for differentiation, if they possess and exploit resources and capabilities that are valuable, rare, inimitable, and non-substitutable.

It further seeks to comprehend the interrelationships of different resources and how resources might be integrated to preserve a competitive advantage (Ramon-Jeronimo et al., 2019), thereby implying that mostly its internal resources rather than external market conditions influence the company’s performance. The study concentrates on internal factors such as export capability and readiness, market entry strategies, and network and collaboration because these are internal and under the direct control of SMEs. The RBV also emphasises the role of dynamic capabilities, which are a firm's ability to adapt, integrate, and reconfigure its resources in response to changing market conditions and opportunities. The RBV also highlights the importance of dynamic capabilities, or a company's capacity to modify, integrate, and rearrange its resources in response to shifting opportunities and market conditions (Wernerfelt, 1984). The RBV is depicted in Figure 2 concerning the business-specific resources that are necessary for a business to internationalise. The SME's ability to internationalise is influenced by the nature of the product, as well as the host and native country factors, as demonstrated in the model.

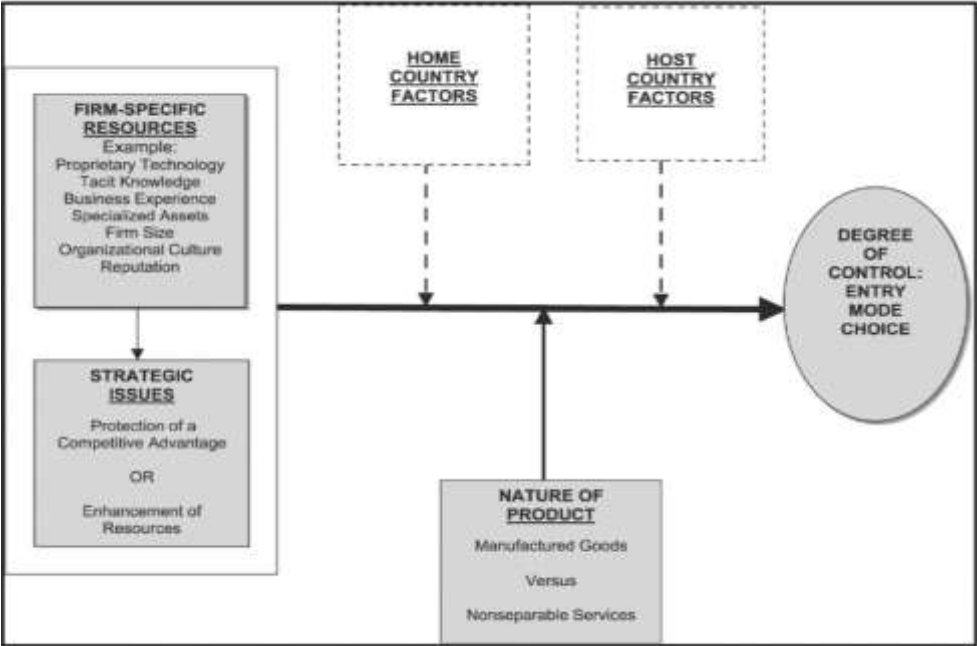


Figure 2: The Resource-Based View Theory Internationalisation Model

2.5.4 Dynamic capabilities

Teece et al. (1997) define dynamic capabilities as the firm's ability to integrate, build and reconfigure internal and external competences to address changing environment. Whilst Leonard-Barton (1992) and Teece et al. (1997) argue that dynamic capabilities as the company's ability to achieve new and innovative forms of competitive advantage. There are other dynamic internationalisation models such as Project business, Network model and the Uppsala model (Cederstav & Djerf, 2021). Therefore, resource-based view of dynamic capabilities, also known as dynamic capability theory, is a theoretical perspective in strategic management that focuses on a firm's ability to adapt and reconfigure its resources and capabilities in response to changes in the external environment and seize new opportunities (Teece et al., 1997). The Dynamic Capability theoretical mode is employed in various types of research undertaken around the world. To put this idea into context, it might help SMEs boost their export intensity in the following ways. SME exporters must be able to assess and identify potential international markets that present prospects for expansion and complement their core skills. Dynamic capabilities support this process by enhancing strategic flexibility. SMEs can swiftly find and evaluate market potential thanks to dynamic capabilities, which enables them to select markets with knowledge by using Resource Reallocation, Speed of Market Entry, Learning and Adaptation and Network Development. Dynamic capabilities enable SMEs to make fast, informed, and flexible decisions through these systems, which ultimately increases their export intensity and global competitiveness

2.5.5 Born Global Model

Companies classified as "Born Global" quickly internationalised shortly after being established. Coviello & Munro (1992) stated that Born Globals arise from the combination of management's global knowledge and their capacity to fulfil international market requirements. Several variables that facilitate internationalisation include globalised marketplaces, technical advancements, the entrepreneurial skills of management, and international network connections (Paul, 2020). Born Globals are usually tiny companies that aim to achieve technology-driven competitive advantages in various international markets from the very beginning. Nevertheless, McDougall & Oviatt discovered that Born Globals are not limited to specific industries and frequently provide inventive products and/or services, so giving them a competitive edge in

foreign markets that require their offers. According to Knight et al. (2004), a company can be considered a born global firm if it expands internationally and generates a minimum of 25% of its income from foreign markets within the first three years of its establishment.

2.6 Stakeholders in trade facilitation for SMEs

In this section, the researcher aims to answer the research questions regarding the key stakeholders in facilitating internationalisation of SMEs. Identifying key stakeholders is imperative, as the implementation of the SA international trade policy involves various stakeholders, including the public and the private sectors, at various levels of engagement, to ensure that regional trade support is accessible to every SME in South Africa. Therefore, it is vital that stakeholders in Department of Trade, Industry and Competition and SMEs ensure adequate support instruments, where the needs of the SMEs are considered.

2.6.1 Department of Trade Industry and Competition

The Department of Trade, Industry and Competition (dtic) was established after the merger of the Department of Trade and Industry and the Economic Development Department. The dtic is tasked with the mandate of promoting South Africa's economic growth and development. It operates regional offices around the world, providing market intelligence and identifying opportunities for South African companies. Sector specialists also offer advice on export processes and procedures (OECD, 2009). As part of its mandate, the dtic created the Export Marketing and Investment Assistance (EMIA) scheme. The incentive scheme offers exporters financial assistance for costs involved in developing export markets, including market research, trade missions, and international exhibitions. This aligns with the overall mandate of the department to support the country's international trade policy.

South Africa subscribes to the developmental integration approach as elaborated in the AU "Agenda 2063: The Africa We Want." In this conception, free trade agreements in Africa are part of wider efforts to promote cross-border infrastructure development and industrial development cooperation. Indeed, constraints to intra-African trade are in many cases narrow productive capacity and inadequate infrastructure, not tariffs per se (dtic, 2021).

2.6.2 Export Credit Insurance Corporation of South Africa

The Export Credit Insurance Corporation (ECIC) was established in 2001 under the Export Credit and Foreign Investments Insurance Act, 1957 (as amended), to provide political and commercial risk insurance to South African exporters of goods and related services. ECIC is a

self-sustained, state-owned national export credit agency. The Export Credit Finance Guarantee Scheme provides substantial export credit insurance to SMEs. Credit financing for exporters of capital goods is also available through the Industrial Development Corporation or private-sector merchant banks at reduced rates (OECD, 2009).

2.6.3 Small Enterprise Finance Agency

The Small Enterprise Finance Agency (SOF) Limited (sefa) provides financial products and services to qualifying SMMEs and cooperatives, as defined in the National Small Business Act of 1996 and amended in 2004, through a hybrid of wholesale and direct lending channels within the following sectors:

- Services (including retail and wholesale trades and tourism);
- Manufacturing (including agro-processing);
- Agriculture (specifically land reform beneficiaries and contract-farming activities);
- Construction (small construction contractors);
- Mining (specifically small-scale miners); and
- Green industries (renewable energy, waste and recycling management).

The sefa is an implementing agency of the Department of Small Business Development. The agency is a wholly-owned subsidiary of the Industrial Development Corporation Limited (IDC) and was founded on 1 April 2012 – in terms of Section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act). Following a Cabinet decision and the 2011 State of the Nation Address to merge three agencies (Khula, the South African Micro-Finance Apex Fund and the IDC's small business funding unit) into a single entity, sefa has a national presence, with its head office in Centurion, Gauteng. It operates as a development finance institution (DFI) to foster the establishment, development and growth of SMMEs and cooperatives as well as to contribute to poverty alleviation, job creation and economic growth.

2.6.4 International Trade Administration Commission of South Africa

The International Trade Administration Commission of South Africa (ITAC) is a Schedule 3A Public Entity established by the International Trade Administration Act, No. 71 of 2002, which came into effect on June 1, 2003. ITAC superseded its predecessor, the Board of Tariffs and Trade (BTT) created in 1986. The BTT succeeded the Board on Trade and Industries (BTI) established in 1924. According to the Act, the goal of ITAC is to promote economic growth and development in South Africa and the Common Customs Union Area by establishing an

efficient and effective system for the administration of international trade subject to this Act and the Southern African Customs Union (SACU) Agreement. The primary functions are customs tariff investigations, trade remedies, and import/export control.

2.7 Funding for SMEs

Many organisations in South Africa offer financial assistance to SMEs. Financial institutions such as commercial banks, microfinance institutions, development finance institutions, mutual banks, mobile money institutions, and other lenders commonly offer financing to SMEs. SMEs continue to be a crucial concern, as these businesses play a fundamental role in the economic development and employment generation in South Africa. Notwithstanding their significance, SMEs frequently have substantial obstacles in obtaining sufficient financing, mainly because financial institutions consider them to be high-risk. Insufficient financial resources pose a significant obstacle for SMEs to achieve internationalisation (Westhead et al., 2001). Fatoki & Asah (2011) argue that the tendency of traditional financiers to withhold credit from SMEs is influenced by their high failure rate. This is because these enterprises often lack the necessary collateral, credit history, and financial documents that are prerequisites for conventional loans. The majority of African small and medium-sized enterprises lack the requisite collateral to obtain loans from banks and other financial institutions (Afreximbank, 2024). Insufficient access to necessary funding is a significant obstacle facing SMEs throughout the continent. The limited availability of financial resources impedes the capacity of small enterprises to develop and broaden their operations, thereby limiting their ability to identify and take advantage of internationalisation prospects (Shree & Urban, 2012). According to OECD (2009), this problem is not exclusive to African SMEs but is also widespread in industrialised nations, including China, Finland, India, Indonesia, Ireland, Russia, South Africa, Spain, Sweden, and Turkey.

2.8 Development Finance Institutions

A Development Financial Institution (DFI) is established to promote economic progress, whereas commercial banks are formed for business purposes. As a result, DFIs provide financial support for infrastructure projects, whether in the private or governmental sector. Commercial banks, on the other hand, are still hesitant to lend to high-risk projects because their major concern is transaction feasibility (OECD, 2017). The majority of DFIs are state-owned, with a few operating under both private and public ownership (Kingombe et al., 2011). For example, in South Africa, there is IDC, sefa, Landbank of South Africa, Development Bank of Southern Africa (DBSA), and the National Empowerment Fund (NEF). All of these DFIs

have various mandates set by the state. All DFIs share a common mission: to promote economic growth and sustainable development. There are four types of DFIs: bilateral, multilateral, national, and regional. Bilateral DFIs prefer smaller enterprises, whereas multilateral DFIs have more funding ability and hence fund larger projects. National DFIs operate within the borders of their respective countries, whereas regional DFIs service the entire continent or region (OECD, 2017).

2.9 South African government support

South Africa governments have undertaken initiatives to promote the growth of SMEs (Abor, 2004). African governments need to provide an environment for SMEs to thrive, including investing in infrastructure, facilitating access to financing, fostering a positive business climate, and funding training initiatives (Afreximbank, 2024). Support is available through government schemes, which offer incentives to internationalise (Pyringer & Tettey, 2015). For instance, South African government has implemented various interventions aimed at supporting the internationalisation of SMEs such as:

- The Export Credit Finance Guarantee Scheme provides substantial export credit insurance to SMEs,
- The Export Marketing and Investment Assistance (EMIA) scheme offers exporters financial assistance for costs involved in developing export markets, including market research, trade missions, and international exhibitions.
- Credit financing for exporters of capital goods is also available through the Industrial Development Corporation or private sector merchant banks at reduced rates (OECD, 2009).
- Furthermore, the dtic focuses on promoting sectors with significant growth potential, such as agro-processing, chemicals, and information technology, recognising the importance of sectoral support in overcoming industry-specific internationalisation barriers. It also promotes the formation of sector-specific export councils to assist SMEs in accessing necessary resources and networks, which are crucial for successful internationalisation efforts (OECD, 2009).

In summary, while SMEs in South Africa face considerable barriers to internationalisation, the government's targeted interventions are designed to address these challenges by improving access to finance, information, and managerial expertise, particularly in high-potential sectors. These efforts are crucial for enhancing the global competitiveness of South African SMEs.

However, support is available through government schemes, which offer incentives to internationalise (Bowen, 2019).

2.10 AfCFTA role in access to African regional markets (intra-Africa trade) for South African SMEs

High trade barriers make it difficult for SMEs to participate meaningfully in the export market.

The lack of SME involvement in the export market is usually attributed to high tariff costs, infrastructure deficiency, political conflict and border regulations, which increase the cost of cross-border trade (Costantinos, 2023; Thusi et al., 2022). Axel (2021) mentioned, multiple trade treaties have been signed between African countries, resulting in every African country being a part of at least one regional economic pact, and several countries being a part of five or more. However, a substantial share of the agreement has not been able to deliver the intended goal since intra-African trade, which is to promote African countries to trade with each other.

The internationalisation of South African SMEs will enable them to benefit from the AfCFTA, a free trade agreement that brings deep and unprecedented commercial and regulatory agreements between African countries (Fafunwa et al., 2022). Safari et al. (2020) support the assertion that market and trade liberalisation initiatives, among other changes to the global economy, can assist SMEs in becoming more globally competitive by expanding the export of their goods and services. AfCFTA can increase the significance of local industries in countries 'supply chain networks through intra-firm trade (AU, 2024). In most African economies, SMEs make up about 90% of all businesses (Mugano, 2023). About 80% of jobs in Africa are provided by these SMEs (Mugano, 2023). This rationalises why SMEs should be frontliners to capitalise on AfCFTA's provisions (Mugano 2023; PACCI, 2022). SMEs, including construction SMEs, could benefit from the provisions of AfCFTA's to expand to new regional and international markets, establish partnerships with international firms, access funding opportunities, and engage in technology transfer and knowledge-sharing (AU, 2022). Non-tariff barriers (NTBs) are impediments to intra-African trade whether physical, like technical, poor infrastructure, administrative, and others (Hailu, 2024).

2.11 Conclusion

From the reviewed literature in this chapter, it has been established that greater effort is still required to overcome the challenges confronting SMEs when embarking on the of internationalisation particularly on intra-regional trade. Several challenges have been identified that cause SMEs to struggle with the internationalisation of their business. Since the research

is focusing developing a framework to internationalise South African SMEs through the AfCFTA, it has become clear that a need exists for a development of framework to assist SMEs. The also literature reveals that despite their importance, SMEs in South Africa encounter persistent barriers that hinder their ability to secure the necessary funding for growth and sustainability. Government interventions have also played a significant role in attempting to close the funding gap for SMEs. Such an approach would not only enhance access to finance for SMEs but also contribute to a more inclusive and resilient economic environment in South Africa. While these programs have had some success, the literature suggests that their impact is often limited by bureaucratic inefficiencies, lack of coordination among agencies, and the challenges SMEs face in navigating complex application processes. It is evident that while various financing options exist, their effectiveness is often constrained by structural barriers and market inefficiencies. The findings underscore the need for a more integrated approach that combines traditional and alternative financing mechanisms with supportive government policies and capacity-building initiatives.

CHAPTER 3: METHODOLOGY

3.1 Introduction

This section highlights the research methodology utilised to carry out this research study. The researcher's objective was to identify and address the significant barriers that impede the Internationalisation of South African SMEs and at the same time develop a framework to assist South African SMEs internationalise through AfCFTA. In this chapter, the researcher describes the research methodology and design utilised to investigate the research questions for this study. The study is structured as follows: the research methodology, followed by the research approach then philosophy, design, research strategy, population, and sampling. The subsequent sections of this study discuss the procedures of data collecting and data analysis, followed by an examination of the reliability and validity of the research, ethical considerations, and ultimately, the scope and justification of the research.

3.2 Research approach

This study uses a qualitative research approach, deemed suitable for scrutinising the internationalisation of South African SMEs via the AfCFTA. A qualitative design approach is deemed appropriate for this study for several reasons. Firstly, the AfCFTA is a relatively new agreement, with little research conducted on how South African SMEs interact with it. A qualitative approach allows for an exploratory examination into an understudied subject, capturing the diverse and changing perspectives of SMEs. Secondly, qualitative research is particularly adapted to studying the contextual elements that drive internationalisation (Saunders et al., 2019). These aspects include regulatory settings, cultural dynamics, and market conditions. Thirdly, qualitative approaches, such as interviews and case studies, allow SME owners and managers to contribute their personal ideas and tactics, providing practical and in-depth viewpoints that a quantitative survey may not yield (Bryman, 2016). Qualitative research examines subjective and context-specific business decisions, unlike quantitative methods. It also examines complex phenomena from participants' perspectives, providing a comprehensive, thorough look at SMEs' decision-making and experiences in new African markets (Creswell & Poth, 2018). This makes it an appropriate approach to how SMEs view the AfCFTA, their market entry strategies, and their challenges.

3.3 Research philosophy

This research is based on an interpretivist philosophy that emphasises the importance of understanding the subjective meanings that individuals attribute to their experiences. Interpretive approaches utilise questioning and observation to reveal comprehensive insights into the phenomenon being studied, rendering them especially appropriate for this research, which examines the internationalisation of South African SMEs within the context of the AfCFTA. The interpretivist approach is consistent with qualitative research methods that emphasise the importance of grasping the complicated experiences provided by respondents to achieve a deep comprehension of complex, context-specific issues (Arnett, 2007).

Interpretivist research fundamentally relies on inductive reasoning, allowing patterns and themes to emerge naturally from the data instead of being influenced by predetermined hypotheses. This approach differs from positivist methods prevalent in 20th-century social research, which aimed for objective, generalisable findings but frequently overlooked the complexity and diversity of human experiences (Lindlof & Taylor, 2011). This study employs interpretivism to facilitate a flexible examination of South African SMEs' perceptions and responses to the opportunities and challenges presented by the AfCFTA.

The research philosophy is fluid, indicating that data collection and analysis processes develop over the course of the study, influenced by continuous insights and interactions with participants. This philosophy approach is crucial in fieldwork situations, where researchers interact with individuals in the real world to obtain authentic experiences. This study adopts an interpretivist philosophy to generate findings that accurately represent the complexities of SMEs' internationalisation efforts (Deetz, 1982).

3.4 Research design

This study is an exploratory descriptive one because it seeks to investigate an area with limited prior research and aims to generate new insights into the internationalisation of South African SMEs through the AfCFTA. Exploratory research is appropriate when the objective is to gain a deeper understanding of a complex or relatively under-explored phenomenon (Saunders et al., 2019). Although considerable research exists on SME internationalisation, the particular context of African regional integration within the AfCFTA is still developing, with less empirical information about the engagement of South African SMEs from this agreement. Exploratory research usually involves small sample research based on “experience surveys” for

instance in-depth interviews with experts, focus group interviews, case study analysis or other qualitative data collection techniques (Alhassan, 2023).

The study used a qualitative descriptive research design, with data collected from participants using interviews and questionnaires. In the exploratory phase, the research was guided by an ontological paradigm, with an emphasis on the nature of reality as perceived by participants, who in this case were members of the public sector, notably the dtic. In-depth interviews were conducted to gain a full understanding of the participants' experiences and viewpoints on international market selection (IMS) processes. This qualitative technique is ideal for acquiring a thorough knowledge of the real-world experiences of persons participating in the AfCFTA implementation. Qualitative descriptive research design offers a comprehensive and direct account of an experience or event (Vögel et al., 2022). Sandelowski (2000) asserts that qualitative descriptive research offers direct and unequivocal responses to questions of particular importance for practitioners and policymakers. A qualitative descriptive design was deemed the most suitable research methodology for determining the IMS procedures used by South African business enterprises (Vögel et al., 2022).

3.5 Research strategy

The researcher utilised interviews which align with the interpretative methodology. Qualitative interpretative research requires thinking beyond qualitative content analysis throughout numerous levels (Wiesner, 2022). This is usually analysed first. It involves analysing the utterances, arguments, and concepts in a text, field, or image. Further analysis should focus on the 'how' and 'why' of creating meanings, narratives, arguments, topoi, or (mental) images (Wiesner, 2022). These are typically hidden. Thus, answering the 'how' and 'why' questions needs analytical and interpretative procedures that are rarely explored in techniques literature. Hence, this study adopts an interpretivist research strategy to explore the internationalisation of South African SMEs within the framework of the AfCFTA.

The interpretivist paradigm is appropriate for this study since it aims to grasp the social and contextual elements influencing SMEs' decisions in the convoluted and changing terrain of African continental trade (Saunders et al., 2019). Interpretivism is more focused on comprehending the subjective experiences, perceptions, and meanings that people attach to their actions and choices than positivist methods, which concentrate on measurable evidence and generalisation. The aim of this study is to obtain thorough understanding of how South African SMEs deal with the possibilities and obstacles posed by the AfCFTA.

To achieve the objectives of this study, the research relied on qualitative data collected through semi-structured interviews with key informants, such as SME owners, managers, and trade experts. This approach aligns with allowing participants to share their experiences, perspectives, and strategies in their own words, providing rich, detailed data (Bryman, 2016). Semi-structured interviews provide versatility, allowing the researcher to explore in-depth subjects of interest, including SMEs' perceptions of the AfCFTA benefits, their difficulties in accessing African markets, and the influence of local and regional networks on their internationalisation strategies. Additionally, the research of policy documents, trade agreements, and pertinent industry reports will enhance the interviews, providing context for the findings within the wider trade landscape (Creswell & Poth, 2018).

The study utilised an interpretivist research technique to develop a nuanced comprehension of the internationalisation process for South African SMEs inside the AfCFTA framework. This methodology acknowledges that internationalisation is not a uniform occurrence but a socially constructed process influenced by personal experiences and external elements such as market dynamics, regulatory structures, and the political economy (Guba & Lincoln, 1994). The knowledge obtained from this approach will be useful for policymakers looking to increase the involvement of SMEs in intra-African commerce as well as for the scholarly literature on SME internationalisation.

3.6 Population and sampling

The target population of this study comprised SMEs that have benefited from the dtic's EMIA incentive scheme, as well as the dtic personnel responsible for export development and international trade. A population is the entire collection of units under analysis from which a sample is drawn (Kumar, 2011). It is also defined as a component from which we want to draw conclusions, such as individuals, events, and records, or objects that contain information relevant to the study and can answer the research question while also establishing if a sample is representative (Babbie, 2016). The researcher conducted interviews with eight SMEs as well as two officials from the dtic's Export Development and International Trade business divisions. The sampling frame was based on South African SMEs that had or planned to export or establish business entities in international markets (Shree & Urban, 2012). The sampling parameters comprised SMEs with an established international presence in any form of international mode. The selection criteria encompassed SMEs that started operations in South Africa but were planning or had a global presence through exports, the establishment of

subsidiaries abroad, or global expansions. All targeted companies were established enterprises and had been in existence for more than three months in South Africa.

The sampling technique utilised is purposeful, non-probability sampling because the researcher did not intend to recruit a sample of research participants randomly; hence, the population is not generalised. Purposive sampling broadens the breadth of the specific information gathered because participants are selected based on specified qualities (Babbie, 2016). Unlike the purposive sample methods employed in this study, probability sampling entails selecting participants such that each individual in the population possesses a known, non-zero likelihood of inclusion. Common probability sampling methods encompass simple random sampling, stratified sampling, and cluster sampling, which seek to mitigate selection bias and facilitate the generalisation of results to a wider population (Taherdoost, 2016). In the context of this study, which aimed to gather in-depth perspectives from a particular group of both companies and people with distinct expertise in international expansion, probability sampling was unsuitable.

The researcher used two levels of sampling were used in this study. First, the unit of analysis - South African companies that are planning or have gone global, was sampled using maximum variation sampling, a type of purposive sampling. The secondary sampling level concentrated on the unit of investigation, employing purposive sampling, specifically key informant sampling (Vögel et al., 2022). The study necessitated individuals possessing particular expertise or specialised knowledge (Flachs, 2018; Marshall, 1996), specifically senior managers who have participated in or are currently engaged in the International Market Selection (IMS) process of South African companies. The researcher is an official of the dtic and a current bursary holder of the Department. A formal request letter to conduct research at the dtic and interview SMEs benefiting from the EMIA, as well as department officials, was accepted.

3.7 Data collection

Semi-structured interviews were considered suitable for data collection in this study because of their adaptability and capacity to facilitate a more thorough investigation of participants' experiences. As noted by Jackson et al. (2007), this approach enables interviewers to address developing themes, therefore promoting a more dynamic and engaged conversation. To guarantee a structured yet adaptable approach, open-ended questions were meticulously formulated in advance to direct the online interviews. This approach allowed the collection of detailed qualitative data while also allowing participants to express themselves more fully.

Potential interview participants were identified and they included eight (8) recipients of the dtic EMIA incentive program and two (2) dtic officials. Email correspondence was sent to each participant, requesting their participation, outlining the purpose of the research and providing an abstract to ensure a clear understanding of the study's objectives. Each participant was notified that their involvement was optional and their data would be kept anonymous. Additionally, the participants were explicitly notified that the study was solely carried out for academic purposes. Upon the respondents' confirmation of their consent to participate in the research study, they were issued an email invitation including suggested dates and times.

The interviews are scheduled to be no less than 25 minutes and no more than 45 minutes but an average of 35 minutes. At the beginning of each interview, the participant was asked for permission to record the interview using Otter.ai, a recording application, and a transcribing tool. An introduction was done at the beginning of the interview, with each participant asked to share background around his or her role, his or her company, and the industry in which they currently operate.

3.8 Data analysis

The data collected was qualitative, therefore, the researcher utilised thematic analysis, a method that specifically aims to identify, structure, and analyse themes within textual material (King & Brooks, 2018). Data analysis in this research study involved transcribing the recorded interviews. The data analysis technique used in this research study was transcribing the collected interviews. No external transcriber was used; instead, the researcher transcribed the interviews using the Otter.ai app. The transcription records were created by the app and the researcher's annotations during the interviews to verify the accurate capture of terminology. This process also involved replaying the recorded interviews to verify that the transcriptions accurately reflected the information obtained from the interviews.

The researcher utilised ATLAS.ti, an appropriate software, to do the audio analysis of the interviews (Reynolds et al., 2011). The identified themes were represented by codes and subsequently applied to raw data as summary indicators during the process of data analysis (Guest et al., 2014; Palakshappa & Gordon, 2006). The themes that were identified played an essential part in extracting vital insights for this research study. Thematic analysis is a method used to explore and identify both implicit and explicit themes in interview data to address the research objectives stated earlier in the study (Guest et al., 2014).

The researcher employed the six-step guide for thematic analysis as outlined by Braun and Clarke (2006), which is detailed in the subsequent section.

Step 1: The first stage involved the researcher becoming familiar with the data that was collected.

Step 2: In the second stage, the researcher used the acquired data to generate initial codes.

Step 3: Stage three involved searching for themes.

Step 4: Stage four was around formulating a set of themes which involved reviewing the themes.

Step 5: This stage involved defining and naming the themes.

Step 6: The final stage included producing the actual report.

3.9 Reliability and validity of the research

This research study is reliable, credible and valid because it relies on individuals that are struggling with the framework to internationalise SMEs. The concept of reliability pertains to the degree of consistency and stability exhibited by the research process, namely in terms of the replicability of the findings when identical methodologies are employed by various researchers or in diverse contexts. In this study, the reliability of the data was enhanced by involving participants who are knowledgeable in international trade, exports, and the AfCFTA. These professionals not only know the complications that SMEs encounter in expanding internationally but also have considerable practical knowledge in successfully navigating the complexities of international markets. By choosing participants who are well-informed, the study reduces response variability, enhancing the overall reliability of the findings.

In addition, to further enhance reliability, additional interviews were carried out. This preliminary stage was essential in validating the precision of the original data gathered and guaranteeing that any discrepancies or possible misinterpretations were resolved. Regular and systematic follow-up contacts with participants contribute to the reduction of errors, thereby improving the reliability of the study process. As Winter (2000) notes, reliability ensures the consistency of research methods across multiple projects and researchers, forming a key part of a positivist approach.

Validity, as defined by Joppe (2000), is a crucial factor in evaluating the precision and validity of study findings. Validity, conversely, pertains to the extent to which the research accurately assesses the desired concept. The validity of this study is guaranteed by aligning the data collection procedures with the research objectives. The collected data accurately represents the real-life experiences of the participants, offering a genuine description of their challenges and approaches concerning the SMEs. Additionally, Barnham (2015) highlights that validity involves accurately capturing the realities experienced by participants, which was achieved in this study through detailed interviews and comprehensive data analysis.

The use of accurate data collection methods and valid measures assures that policymakers and other departments may use the framework produced by this study. This methodology, based on real-world experiences and reliable data, is a powerful tool for guiding SMEs through the problems of internationalisation. By adopting strict reliability and validity standards, this study offers a more precise knowledge of the factors that influence SMEs' internationalisation, particularly in the context of the AfCFTA. The research approach, which is based on positivist epistemology, ensures that the findings are reliable and beneficial in developing future trade and business policies. The researcher in a qualitative study aims to give readers trust in the findings. Credibility and objectivity boost qualitative study trustworthiness (Connelly, 2016). Qualitative study credibility is assessed using four criteria. This study uses credibility, transferability, dependability, and confirmability.

3.9.1 Credibility

Credibility questions the congruence of the findings with reality. Each participant was asked permission to audio record the virtual interviews. The researcher established credibility by audio recording the interviews and availing them, by email, for the participants to review and verify. Credibility was further established through peer reviews by ensuring that the sources of the audio recordings provided, were reliable.

3.9.2 Transferability

Transferability is the extent to which study results can be applied to other contexts or settings with similar concepts. Stahl and King (2020) say this depends on a researcher's contextualisation of the topic.

3.9.3 Dependability

To account for variations in the data and findings over time, the researcher meticulously documented all study activities, procedures, data collection, and analysis in the correct order as they were carried out. The researcher has electronically recorded the audit trail and secured it with a password.

3.9.4 Confirmability

The study will undergo evaluation by the research supervisor and external examiners to verify the consistency of the study findings with those of other reputable writers. According to Stahl and King (2020), confirmability is predicated on the notion that it enables the researcher to obtain a precise and unbiased representation of reality, prior to subjecting the research to formal scrutiny or evaluation.

3.10 Ethical considerations

When conducting this research, ethical considerations were prioritised to guarantee the dignity of all participants. The Deputy Director General of the Exports Branch was among the senior officials from the dtic who participated in this research. The researcher verbally explained the study's nature to prospective participants and permitted them to decide whether or not to participate. Participants were told the study would help build strategy and guide policy decisions. The researcher stressed the need to keep responses, opinions, and ideas confidential and participant names anonymous. All participants gave informed consent, understanding the study's goal, procedures, and opportunity to withdraw without penalty (Creswell & Poth, 2018).

During the research, ethical issues were critical to ensuring the participants' dignity. Due to the high ethical considerations, the Deputy Director General of the Export Branch was one of the senior officials from the dtic who engaged in this research. The researcher pointed out the main objective of the research to possible participants, as well as the fact that they might choose not to participate if they so desired. All participants were informed that the research study will help establish a framework for internationalising SMEs through the AfCFTA, as well as policy development. The researcher also assured participants that their responses, thoughts, and ideas were secret, as well as that their names would be kept anonymous. As a result, all participants agreed to participate and provided full consent, knowing exactly what the goal of the study was, the method to be followed, and the option to withdraw without penalty (Creswell & Poth, 2018).

CHAPTER 4: FINDINGS AND DISCUSSION

4.1 Introduction

This section of the research study includes the findings from the semi-structured interviews conducted digitally. The findings are based on the research questions developed from the objectives in Chapter 2 and the data collection procedure presented in Chapter 3. The interviews employed a consistency matrix to verify consistency between the research question, the literature review, and the data collection, as outlined in Chapter 3.

To obtain research data, one-on-one interviews were held virtually with SMEs, government officials, and the export council on various dates and times (see Table 1). Eight (8) interviews were performed with SMEs from diverse sectors, the Cosmetics Export Council of South Africa (CECOSA) and the Chief Director of Export Development, to present a variety of perspectives on the research topic. The confidentiality of the interviews was discussed with all participants and no names were mentioned to maintain anonymity of the participants. All participants were designated titles, for example Participant 1 as dtic and Participant 2 as CECOSA. The participants were recipients of the dtic EMIA program and the government official in charge of export development from the dtic. A snowball sampling method was also used, in which participants were requested to suggest their colleagues who were not beneficiaries of the EMIA but are actively pursuing international trade, notably on the African continent.

Table 1: List of interview participants for the research study

Participants	Institution	Designation
Participant 1	RS Africa Diving	Business owner
Participant 2	Export Council of South Africa	Executive manager
Participant 3	Cabotage SA	Business owner
Participant 4	VivaSol Africa	Business owner
Participant 5	the dtic	Chief Director: Export development
Participant 6	Freshmark Systems	Business owner
Participant 7	Viscol Eco Solutions	Business owner
Participant 8	Philasande Solution	Business owner

4.2 Data analysis

In this chapter, the data collected in Chapter 3 is presented and analysed. The interviews were conducted with the selected interviewees, as identified in the previous chapter, to solicit information that answers the research questions. The research findings are structured as follows:

- a) Barriers to market entry and intra-Africa trade;
- b) Financial constraints and support mechanisms for SMEs;
- c) AfCFTA as an enabler for market expansion;
- d) Building collaborative networks for export growth;
- e) Enhancing institutional support for SME export readiness;
- f) Adaptation to local market conditions; and
- g) Market information and trade data access.

The selected interviewees comprised SME owners as well as senior managers from the public and private sectors who were instrumental in sharing their insights and experiences on the challenges facing South African SMEs in internationalising their businesses and how they can be addressed using the AfCFTA as an instrument to do that. The interviews highlighted other challenges, besides the lack of funding, such as infrastructure, corruption, lack of collaborations and partnerships between the local and regional SMEs, fragmented regulation, and limited market knowledge. The aforementioned obstacles prevent the AfCFTA from achieving the Sustainable Development Goals (SDGs) of “zero hunger, good health and well-being, economic growth, and the Promotion and Partnerships for Goals” as illustrated in Figure 3 below.



Figure 3: United Nations SDG goals

The detailed research findings follow.

4.2.1 Barriers to market entry and intra-Africa trade

According to the findings of this study, South African SMEs miss out on intra-Africa trade opportunities due to various impediments such as fragmented regulations, logistical challenges, and operational inefficiencies. Regulatory compliance is a major issue because all African countries have distinct, standards, permits, and certifications which must be adhered to by SMEs. The result is that SMEs are required to incur a complex layer of additional cost of doing business coupled with time to comply which is a barrier to seamless trade. Many participants expressed the desire for harmonisation of standards, to align with the goals of the AfCFTA, which is to enhance cross-border trade. Participant two emphasised the frustration with regulatory diversity:

“Every single country that you want to export to has different requirements. We need one uniform standard per sector for the African continent.”

This sentiment reflects many people’s views that market fragmentation in standards adds cost in terms of ease of doing business in cross borders trade.

4.2.1.1 Logistics and infrastructure issues

In addition to regulatory complexity, logistics and infrastructural constraints pose major hurdles, particularly in countries with weak transportation networks and inconsistent logistics support. Participants cited inadequate transport infrastructure, particularly at border crossings, as a barrier that raises prices and slows trade. Corruption and border delays exacerbate these issues. These findings are consistent with literature that points to high trade barriers and poor infrastructure as significant constraints on SME internationalisation in Africa (Costantinos, 2023; Thusi et al., 2022). These challenges exacerbate the cost and complexity of cross-border trade, which ultimately discourages many South African SMEs from exploring regional markets (Bowen, 2019). SMEs face regular delays and, in some cases, bribery requests to speed up the customs process. For instance, participant three remarked:

“Cross-border management challenges, bribery at the border post, for example in Zimbabwe.”

This shows that such challenges delay the cross-country movement of goods and services and also increase the costs of trading across borders. Such multiplicity of regulatory, logistical, and operational impediments underscore the necessity for a unified AfCFTA regulatory environment which aims to reduce trade frictions. The Eurozone's harmonisation of trade regulations has streamlined cross-border trade, allowing companies to expand geographically with reduced administrative constraints. Implementing this strategy within AfCFTA could enhance the cost-effectiveness and global competitiveness of African trade (European Central Bank, 2019).

4.2.2 Financial constraints and support mechanisms for SMEs

The SMEs highlighted financial constraints as a huge barrier and they struggle with access to trade finance. Most of the SMEs are faced with the challenge of accessing trade finance through commercial banks and Development Finance Institutions (DFIs). However, participants indicated that in comparison with DFIs, commercial banks can offer more accessible financial options, although these come at higher interest rates and strict conditions, which hardly suit SMEs. This observation aligns with (Fatoki & Asah, 2011), who argue that SMEs' lack of collateral and credit histories severely limits their ability to secure funding. The DFIs by virtue of being state owned and their mandate which is developmental are supposed to support and develop SMEs but are said to be hard to penetrate. Participant three stated:

“Getting access to finance from a commercial bank is much easier than DFIs, even though it should actually be the other way around.”

Large-scale Government financial support programs for investment in land, buildings, plant and equipment are geared more towards big corporations that are perceived to be more secure. SMEs also see a high failure rate because insufficient time is dedicated to the due diligence test for SME business models. Basic business case quality gates would support the improvement of SME failure rates.

The majority of the SMEs struggle with access to trade finance, finding it challenging to secure funding from commercial banks and DFIs. Participants reported that while commercial banks offer more accessible finance options than DFIs, this accessibility comes with high interest rates and stringent requirements that are often unsuitable for SMEs. DFIs, which are mandated to support development-focused enterprises, were described as difficult to access for smaller businesses. Participant seven expressed this frustration:

“Getting access to finance from a commercial bank is much easier than DFIs, even though it should actually be the other way around.”

This illustrates the disparity between policy objectives and implementation, suggesting that DFIs may assume a more proactive role in facilitating SME internationalisation.

Another important financial constraint is the cost associated with the registration of a product and compliance to protocols and or regulations. Participants emphasised that certification and compliance testing can be very expensive for SMEs trying to penetrate into different markets. These upfront costs are frequently prohibitively expensive for many smaller enterprises. The study further revealed that there is limited government funding tailored to SMEs as compared to large corporate entities which signals a gap in current financial assistance programs.

4.2.3 AfCFTA as an enabler for market expansion

Despite the fact that SMEs continue to experience considerable challenges in terms of internationalisation, AfCFTA holds the potential to be a market expansion enabler for intra-Africa trade. There are many challenges to overcome, but there is potential and space for the expansion of SMEs with the aid of AfCFTA. Respondents felt that AfCFTA could unify the rules governing trade across the continent and thus lower the barriers as well as the requirements for compliance and allow many SMEs to access many markets without being faced by a horde of compliant regulations. Speaking about the correlation with the EU single market, participant five remarked:

“If we can surmount that and establish a unified standard akin to Europe’s for the continent, we will be able.”

Such a level of harmonisation can lower the costs of trading and also promote the internationalisation of South African SMEs in the entire African continent as per the target of AfCFTA of promoting intra-trade among Africans. This aligns to Hollington (2021) and Langton (2023), who argue that the AfCFTA can significantly enhance SME participation by providing access to a unified continental market and improving intra-African trade conditions.

Given the relevance of AfCFTA in reducing the barriers to accessing the market, SMEs would not incur additional costs related to entry and regulatory compliance, thus making markets in Africa accessible, and indeed, intra-African trade more attractive. This is particularly important for SMEs who would otherwise be unable to penetrate the markets because of the intricate entry consents requirements that characterise the multiple countries. Another theme that picks up is

the volumes of trade between Africa covering intra-African trade with most participants asserting that with AfCFTA Africa as a single market, SMEs would be able to service wider markets, shift from narrow to broad-based exports and improve brand image on the continent. AfCFTA increased market access is also congruent with the objectives of SMEs. By simplifying regulations in their countries, AfCFTA may reduce the cost of operating in new markets and facilitate African trade for small enterprises. In addition, opportunities offered by intra-African trade were addressed, with respondents realising that a common African market opens new frontiers for tapping into new markets, export diversification, and establishing brand presence across the continent.

In terms of trade facilitation or liberalisation, AfCFTA may not necessarily be ready to solve all continental trade challenges. Countless countries in the continent, in terms of infrastructure, in terms of economic makeup, are still fairly underdeveloped. Hence, you will find that even from the implementation of the agreement itself, you still find difficulties in getting up-to-date customs administration offices. For instance, it is still difficult to find well-functioning, fully funded and fully operational standard bodies within the continent, so it is a work in progress. Therefore, it must be recognised that it is not just the plug-and-play type of agreement, as typically with the likes of the EU market, which is highly sophisticated and highly advanced as well.

4.2.4 Building collaborative networks for export growth

Another crucial observation was regarding the importance of networks, where SMEs noted the significance of local collaboration in overcoming entry barriers and understanding the customers. Engaging SMEs in joint ventures as well as firms or distributors in the host countries can help to penetrate the local market providing such details as the regulatory, consumption and competitive environment. The respondents pointed out the trade fairs and B2B events as productive means of locating prospective partners because they allow face-to-face communication and increase brand awareness. Participant six said:

“The main focus is still, you know, to expand on the continent. We were talking about B2B missions to Namibia, Botswana, and Zambia.”

This indicates that well-organised events can assist SMEs in developing social networks and undertaking international business and marketing activities.

Furthermore, industry associations and networks were also considered important resources for SMEs. This is because such associations provide knowledge, tools and advocacy on how SMEs should deal with the peculiarities of their industry or region. Other participants suggested establishing a marketplace platform under the AfCFTA, drawing from similar schemes in China, for networking and showcasing products. Participants four mentioned:

“Marketplace platforms are successfully deployed in China. A similar model can be developed under the AfCFTA to promote trade.”

This indicates the potential value of such networks. The construction of these collaborative structures within AfCFTA, on the other hand, may enhance the capacity of SMEs and bolster persistent growth in Africa’s markets as indicated by (Coviello & Munro, 1995), in the Network Model which emphasizes the importance of social capital and business networks in facilitating SME internationalisation.

4.2.5 Enhancing institutional support for SME export readiness

When conducting international trade, institutional support is crucial and necessary for the skills and knowledge development of the SMEs. For instance, the dtic provides EMIA as one of the policy instruments for export promotion specifically to enable companies to market their products, and their services in key markets and as it were, because of the continent. There is an increasing move for South Africa to integrate with the rest of the continent and, because of geographical proximity, the continent remains a strategic market for South Africa. Participant four expressed concerns about how government support is provided especially under EMIA:

“I have seen people go there that really should not be at those shows right. I don't know how they get there, but I get the sense that it's a bit of a free-riding thing, right?”

Despite these challenges, the participant remarked:

“EMIA is a very good platform to showcase businesses, but the right businesses with at least some capacity must be the ones taken to those shows.”

In addition, the government must provide broader support, like training, advisory services, and mentorship, and not only money. Besides the provision of financial support, it was often mentioned that capacity building and training were needed to make SMEs ready for the requirements of the international markets. Participants identified a need for more targeted

training programs addressing such issues as allowing the SMEs to better understand the AfCFTA undertaking and its benefits as well as such training on how to deal with the legal issues and potential market needs. Such an emphasis on capacity building is supportive of AfCFTA's objectives of encouraging the sharing of knowledge and the development of an adequately skilled SME subsector on the continent. Participant 3 indicated a significant point regarding the AfCFTA:

“Many individuals are aware of its existence but lack understanding of its functionality. They are aware of the prospective advantages, yet lack an understanding of the real mechanics involved in leveraging these benefits.”

4.2.6 Adaptation to local market conditions

All participants asserted that SMEs must adjust to local market conditions as a component of their continental market entry strategy to successfully internationalise their business and achieve success in African markets. To a significant degree, successful internationalisation necessitates that SMEs undertake product localisation, adapting products to conform to local consumer preferences and spending behaviours. While this adaption process is crucial, participants have indicated that it frequently incurs significant expenses, particularly for small enterprises. Despite the cost involved in this process, the long-term benefits outweigh the short-term costs of product adaption. Consequently, the necessity for SMEs to align their product offers with the economic and cultural environment of the target market must not be underestimated.

4.2.6.1 Cultural and language barriers

Culture and language play a major role in international trade, as such, both are significant in shaping market entry strategies. The African continent comprises 55 countries with different culture and languages. SMEs must navigate language and social differences in African countries, adapting their approach as necessary, due to the diverse cultural norms involved. Participant eight emphasised:

“Each country has its own complications, which raises the cost of transacting with that country.

These differences also align with (Boter & Lundström, 2005), who argue that legal and administrative variations are significant obstacles to SME internationalisation. This highlights

that adaptation is an essential albeit expensive aspect of effective market expansion under AfCFTA.

4.2.7 Market information and trade data access

The lack of accurate trade information and trade data became an overwhelming obstacle to the growth of SMEs concerning intra-Africa trade. Participants were adamant that accurate and reliable information with regard to consumer preferences, regulatory frameworks, and competition is critical for making strategic choices, however, this information is always limited. Participants one observed:

“Such information about the inter-African trade of products is rare.”

This completely explains the deficiency of the availability of information that SMEs encounter. Information channels for SMEs were recommended as a possible solution to address this concern, where participants argued that such facilities under the AfCFTA will assist in giving SMEs critical market knowledge. In addition, participants noted that there were market opportunities and that such knowledge could enable SMEs to explore new markets proactively. Better data availability and enhanced market intelligence would help SMEs make informed decisions, take advantage of the trade potentials available under the AfCFTA and improve their competitiveness in the wider African market. The findings also underscore the need for accessible trade information platforms, as recommended by Afreximbank (2024).

4.3 Chapter summary

This chapter detailed the intricacies and challenges South African SMEs face in internationalising their business enterprises and the potential opportunities provided by the African AfCFTA. It was noted that, by focusing on the complex realities and views of SMEs, specific themes were established, which formed an overall picture of what it entails to expand internationally within the African continent. Such findings outline specific conditions that are dysfunctional, viable options and areas that require intervention policies, which are likely to foster intra-Africa trading systems and enhance the development of South African SMEs. This analysis uncovers a multifaceted environment of prospects and obstacles for South African SMEs aiming to grow under AfCFTA.

Although AfCFTA presents considerable opportunities for enhancing cross-border trade, standardising rules, and expanding markets, the prosperity of SMEs will hinge on overcoming particular obstacles. Financial constraints, regulatory challenges, the need for localised

products, and restricted access to market intelligence all present barriers to internationalisation. By cultivating collaborative networks, augmenting institutional support, and establishing accessible information channels, AfCFTA will enable SMEs to actively participate in intra-African trade and attain sustainable growth. These findings establish a foundation for policy recommendations designed to enhance SME growth and integration within the African market, underscoring the critical role of AfCFTA in cultivating an inclusive and prosperous business environment throughout the continent. The next chapter provides the overall conclusion and recommendations of the current research.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the framework for the internationalisation of South African SMEs inside the AfCFTA, building on the insights from the empirical findings in Chapter 4 and the theoretical foundations discussed earlier. The framework synthesizes internal capabilities, institutional enablers, and strategic considerations to guide policy and practical implementation. Figure 4 below illustrates the proposed conceptual framework. In addition, Chapter 5, provides a summary and results of the study, policy recommendations to enhance the participation of South African SMEs in international trade, specifically their export intensity to the African continent, as well as suggestions for further research.

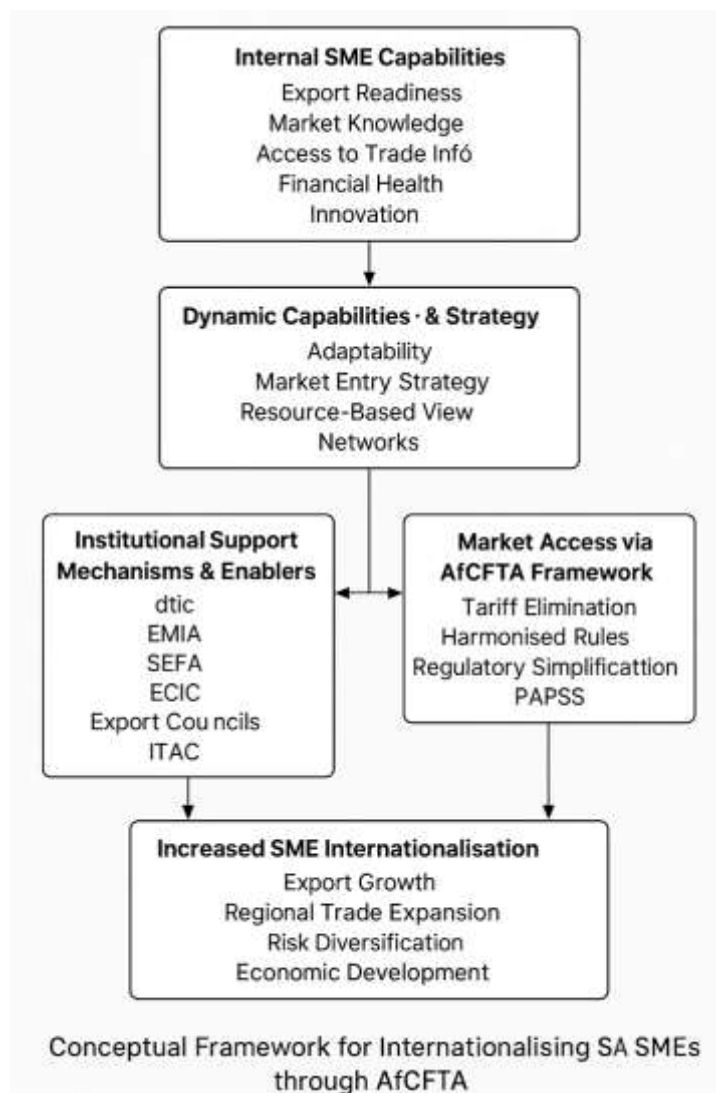


Figure 4. Conceptual Framework for internationalising SA SMEs

5.2 Summary and conclusions

The research focused on exploring the challenges and opportunities confronting SA SMEs in their quest to internationalise their business including understanding the limited participation of these business enterprises in the regional trade. The results demonstrated a dynamic landscape shaped by regulatory complexities, financial constraints, the potential of AfCFTA as a unifying market, and the critical role of support systems and adaptive strategies for successful SME internationalisation. It further revealed that although AfCFTA pledges to foster a more integrated African market, major obstacles remain. Regulatory compliance issues, logistics and infrastructure-related challenges, and corruption at border points create operational and cost burdens that can deter SMEs from cross-border expansion. In addition, financial constraints hamper SMEs' growth potential due to limited access to affordable trade finance targeted towards SMEs. As a result, SMEs are struggling to deal with the high costs of compliance and registration. Nonetheless, AfCFTA can offer valuable opportunities for growth by standardising trade regulations across member countries. Such harmonisation could drastically reduce compliance costs, enhance market accessibility, and support intra-African trade. Collaborative networks, including local partnerships, industry associations, and B2B events, are essential for SMEs to successfully enter new markets and expand their reach across the continent.

The results also highlight the importance of institutional support and capacity building which enable SMEs to be provided with the relevant skills and resources needed to actively participate under AfCFTA. Alongside that, integration into the local market conditions and the availability of sound market information is indispensable for SMEs willing to understand the consumers and economic situations across the different regions in Africa. In conclusion, although AfCFTA offers promises useful instruments that can promote intra-African trade and the growth of SMEs, consistent measures to facilitate harmonisation of regulatory requirements, increased availability of funds, and targeted assistance strategies will be required for the agreement to become effective. This information provides the context for policy advice and related future studies which could contribute even further to the role played by AfCFTA in the internationalisation of Africa's SMEs. Figure 5 below illustrates the legal instruments covered by the AfCFTA Agreement.

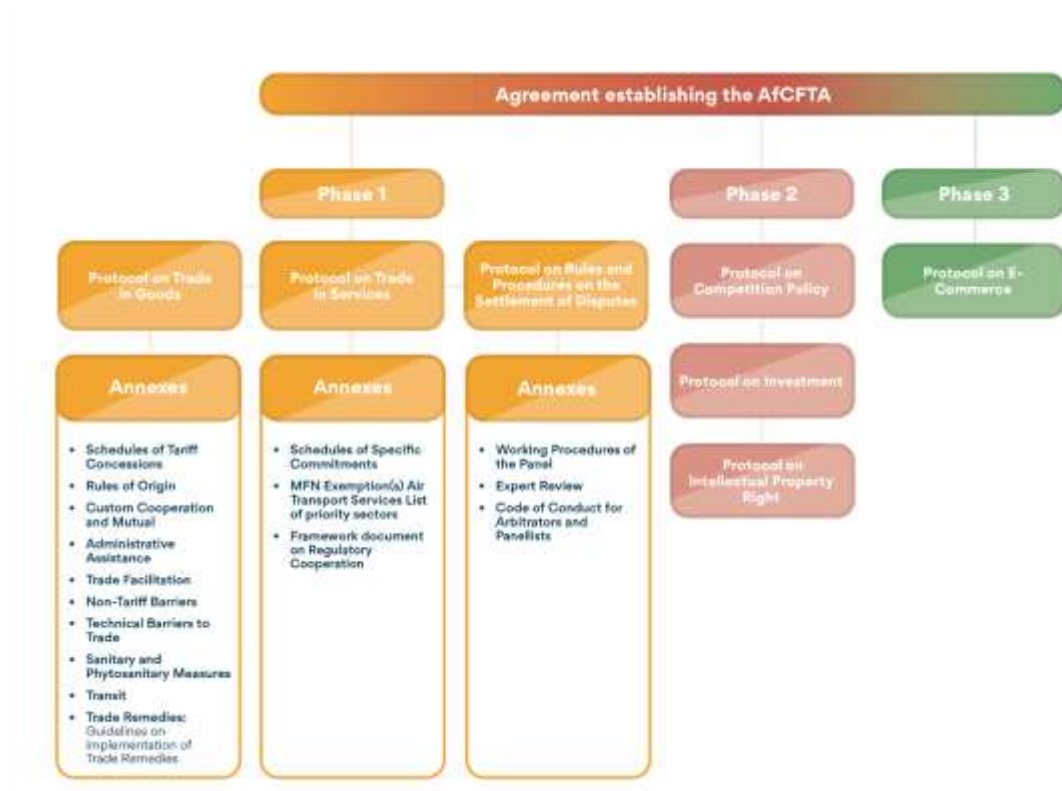


Figure 5: Agreement establishing the AfCFTA

Figure 5 demonstrates how the AfCFTA negotiations are conducted in phases. Phase I includes both the trade of goods and services and the dispute settlement. Phase II focuses on investment, competition policy, and intellectual property rights. E-commerce will be discussed in Phase III, which has been added. The above instruments are aligned with the findings of the research and will eliminate trade barriers between members, making it easier for businesses to trade within Africa and benefit from their own growing market. In addition, the introduction of regulatory measures such as sanitary standards and eliminating non-tariff barriers to trade will result in a liberalised market for goods and services.

5.3 Policy recommendations

Based on the findings, several policy recommendations emerge to address the barriers and leverage the opportunities AfCFTA presents for SMEs:

5.3.1 Harmonise regulatory standards across member countries

The AfCFTA agreement should establish a framework for harmonisation of regulatory standards. This includes uniform tariffs, easier permit applications, and faster border clearances. Such a process would lead to streamlined requirements for the continent, reducing compliance and market entry costs and making trade more predictable and accessible for SMEs. As a consequence, intra-African trade would increase. This would definitely promote geographical trade and enhance competition among African products. As in the case of the European Union, she suggests that Africa should have a single standard, which would ease trade for South African SMEs with other African countries. This would remove a significant barrier to entry and would lower the costs associated with SMEs seeking to enter various markets on the continent.

5.3.2 Enhance access to SME-focused trade finance

Various forms of funding are made available for businesses in South Africa ranging from commercial banks, DFIs, government grants/incentives, and microfinance institutions, including private financiers. The bouquet of funds is often outside the realm of SME funding needs especially trade finance. Current existing funding instruments are either priced very high because of the perceived risks associated with small to medium businesses or not tailor-made to cater for the needs of SMEs. Therefore, it is recommended that the government, ECIC and DFIs create low-cost trade financing options, such as working capital, credit insurance, consignment payments, and Letters of Credit specifically for SMEs. This can include subsidised interest rates, risk-sharing models, and flexible repayment terms that would support SMEs in managing the high costs of entry and compliance across multiple markets. The government should partner with commercial banks to provide grant funding as part of de-risking the trade finance instruments making them more accessible to SMEs at cushioning banks' potential losses that might arise from these transactions.

5.3.3 Improve logistics and trade Infrastructure

Africa as a continent should improve its logistics and trade networks to facilitate the flow of goods, services, and people across borders. Investment in infrastructure, such as border posts

and transportation networks, will make cross-border trade more efficient and promote regional integration. It will reduce bottlenecks and allow for the efficient movement of products and services. The majority of countries on the continent lack border post infrastructure, notably the 32 least developed countries (LDCs), hence it is proposed that new customs facilities be built to considerably cut waiting times, thereby improving trade efficiency. Such enhancements will play a critical role in lowering congestion at important trade hubs, enabling speedier cross-border flow of goods, and shortening transit times, which will be especially useful for SMEs operating on tight budgets and deadlines. There is also a need to modernise customs systems to reduce paperwork and implement digital platforms for customs clearance processes is a crucial step in supporting SME trade. Automated customs clearance and online payment systems are innovations that help reduce delays in administration and also reduce the chances of making errors. Kenya's implementation of a single electronic window system which allows traders to submit all documents in one place has improved import and export operations and lowered the average time taken by more than 50%. Duplicating such digital solutions along key trade routes in Africa will allow small and medium enterprises to deal with less documentation – which in turn will lower their costs and improve their ability to meet market demand.

5.3.4 Increase institutional support and capacity building

Government departments, specifically the dtic's Trade and Export branches, DFIs, State-owned development agencies, Export Credit Insurance Corporations of South Africa, export councils, and export councils should work together to provide specific training and capacity building programmes for SMEs. Such programs should raise awareness and educate small and medium-sized businesses about the AfCFTA agreement, rules of origin, tariffs, technical barriers to trade, sanitary and phytosanitary standards, as well as provide them with the necessary training to access trade finance, including best practices for internationalisation, thereby equipping them with the skills required for successful expansion. Lastly, government must provide broader support like advisory services, incubation platforms and mentorship to emerging small to medium business who are still who are at early stages of their internationalisation process.

5.3.5 Establish accessible trade information platforms

Credible information about product trade on the African continent is limited. A dedicated channel specifically for SME product and trade information on the African continent is recommended. This must also be linked to a manufacturing standard code on quality for the African continent. For instance, this will reduce the daunting task and challenge for SMEs of

dealing with the Manufacturing standards codes on quality of 55 countries. The AfCFTA secretariat in Ghana might establish a centralised platform that provides accurate data on consumer demand, market trends, and regulatory needs throughout African markets. This would enable SMEs to make more informed choices, mitigate perceived risks, and enhance their understanding of market opportunities. The government, in conjunction with its agencies and major stakeholders in international trade, must establish national awareness campaigns regarding trade opportunities and the AfCFTA to facilitate knowledge exchange and information dissemination for all SMEs across the country.

5.3.6 Promote collaboration through trade shows and network events

The dtic should evaluate its EMIA programme and introduce special ring-fenced financing for SMEs/emerging exporters to cover upfront costs for attending trade fairs and network activities, as opposed to the existing situation in which businesses pay and the department reimburses 50% later. This condition effectively prevents SMEs with good products but facing financial difficulties owing to their size and scale from partnering with other enterprises across the continent. The South African AfCFTA desk within the dtic should promote and encourage trade shows, B2B events, and industry associations that support SME networking and partnership opportunities across Africa. A dedicated African trade marketplace, similar to China's Canton Fair, could help SMEs showcase their products and establish regional partnerships.

To increase SA SMEs' international exposure and competitiveness, the country should create a sector-specific value chain approach for international trade shows and networking events. This value chain approach would enable SMEs to collectively present a strong "Brand South Africa" rather than individual businesses engaging separately. Such a coordinated strategy increases the influence of local products and services while also expanding the nation's brand in global marketplaces. Furthermore, collaboration between national and provincial government organisations is essential. These institutions could provide combined and targeted help to SMEs by synchronising various support initiatives and resources. This technique will improve the efficacy of government programs and limit the risk of duplicating events, which frequently results in wasteful spending with little or no impact. A well-thought-out plan ensures that resources are used efficiently, that SMEs have better access to vital markets, and that trade shows and networking events work more effectively.

5.4 Avenues for future research

While this research helps in understanding the experiences of South African SMEs in the context of the intra African trade, there are a few important gaps that remain for further research which would deepen understanding of the internationalisation of SMEs across the African continent and contribute to policy and strategy formulation. One such question concerns the role of regulatory controls implemented in different sectors on small and medium enterprises operating under the AfCFTA agreement. Many sectors such as agriculture, manufacturing and technology embody different trade promotion or advocacy regulations that promote or dissuade trade. For instance, agriculture SMEs are likely to experience stringent import and export rules regarding food safety standards and phytosanitary rules. On the other hand, technology companies may encounter issues around digital trade barriers and intellectual property rights protections. Therefore, the primary focus of future research should be on sector-specific regulations on SA SMEs in African regional trade. This could help policymakers propose appropriate targeted interventions for local SMEs in specific industries that would enable them to compete more effectively in African markets.

REFERENCES

- Abor, J. (2004). Internationalisation and Financing Options of Ghanaian SMEs
Internationalisation and financing options of Ghanaian SMEs. *In Acta Commercii* (Vol. 4).
- Abor, J., & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39(6), 218-228.
- Acosta, A. S., Crespo, Á. H., & Agudo, J. C. (2018). Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs). *International Business Review*, 27(6), 1128-1140.
- Afreximbank. (2024). *African Trade and Export Development in the Context of AfCFTA*. https://media.afreximbank.com/afrexim/African-Trade-Report_2024.pdf
- African Union. (2018). *Agreement establishing the African Continental Free Trade Area*. <https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area>
- African Union. (2019). *Agreement Establishing the African Continental Free Trade Area*. <https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area>
- African Union. (2024). *Private sector can accelerate Intra-African trade and investments: African Union Private sector Forum*. <https://au.int/en/pressreleases/20241030/private-sector-can-accelerate-intra-african-trade-and-investments-african>
- African Management Services Company (AMSCO). (2006). SME development in Africa: A case for strategic partnerships. United Nations Development Programme (UNDP)
- Alhassan, S. (2023). *Qualitative methods in African business research: A guide for emerging scholars*. *African Research Methodologies Journal*, 6(1), 33–47.
<https://doi.org/10.xxxx/afmj.2023.xxxx>
- Arnett, R. C. (2007). Interpretive research as a hermeneutic practice. *Journal of Communication*, 57(2), 210-218.
- Arvidsson, H. G., & Arvidsson, R. (2019). The Uppsala model of internationalisation and beyond. *International Journal of Finance and Administration*, 42(2), 221-239.
- Ashley, N. L., Mbuya, F. F., & Vögel, A. J. (2022). The internationalisation of South African enterprises: A focus on international market selection. *Acta Commercii* 22(1).
<http://hdl.handle.net/2263/90208>
- April, Z., Reddy, R. (2015). The internationalisation of SMEs in South Africa: export capacity, capability and commitment. *Journal of Economic and Financial Sciences*, 8(2), 567 – 583.

- Axel, T. (2021). Regional integration and economic pacts in Africa: An overview of trade treaties and blocs. *African Economic Policy Review*, 12(3), 45–63.
- Babbie, E. (2016). *The Practice of Social Research*. www.cengagebrain.com
- Beck, T., Demircuc-Kunt, A., & Levine, R. (2005). SMEs, growth, and poverty: Cross-country evidence. *Journal of Economic Growth*, 10(3), 199-229. <http://dx.doi.org/10.1007/s10887-005-3533-5>
- Berglund, H., & Malmsjö, O. (2009). SME Entry Strategy in Foreign Markets: A case study of Aura Light, Slipnaxos and Norba.
- Bowen, M. (2012). The state of small business in South Africa. *Journal of Small Business Management*, 50(1), 103–117
- Bowen, R. (2020). Motives to SME internationalisation: A comparative study of export propensity among food and drink SMEs in Wales and Brittany. *Cross Cultural & Strategic Management*, 27(1), 51-74.
- Boter, H., & Lundström, A. (2005). SME perspectives on business support services: The role of company size, industry and location. *Journal of small business and enterprise development*, 12(2), 244-258.
- Barnham, C. (2015). Quantitative and qualitative research: Perceptual foundations. *International journal of market research*, 57(6), 837-854.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101. <https://doi.org/10.1191/1478088706qp063oa>
- Braun, V., & Clarke, V. (2012). Thematic analysis. In H. Cooper, P. M. Camic, D. L. Long, A. T. Panter, D. Rindskopf, & K. J. Sher (Eds.), *APA handbook of research methods in psychology, Vol. 2. Research designs: Quantitative, qualitative, neuropsychological, and biological* (pp. 57-71).
- Briggs, I. (2021). Analysis of the African Continental Free Trade Agreement (AfCFTA): The Pros and Cons. *Journal of International Relations Security and Economic Studies*, 1(1), 1-10.
- Bryman, A. (2016). *Social Research Methods* (5th ed.). Oxford University Press.
- Bvuma, S., & Marnewick, C. (2020). Sustainable livelihoods of township small, medium and micro enterprises towards growth and development. *Sustainability (Switzerland)*, 12(8). <https://doi.org/10.3390/SU12083149>
- Calof, J. (1995). *The proflotation of exports in South Mrica*.
- Carlson, J. A., & Parkin, M. (1975). Inflation expectations. *Economica*, 42(166), 123-138

- Cavusgil, S. T., & Knight, G. (2015). *International Business: The New Realities* (4th ed.). Pearson Education Limited.
- Cederstav, A. A., & Djerf, R. (2021). *It's fun to stay at the AfCFTA: A qualitative study of the AfCFTA's impact on manufacturing SMEs in Kenya*. <https://www.diva-portal.org/smash/get/diva2:1567869/FULLTEXT01.pdf>
- Chetty, S. (1996). The case study method for research in small-and medium-sized firms. *International Small Business Journal*, 15(1), 73-85. <https://doi.org/10.1177/0266242696151005>
- Chetty, S., & Campbell-Hunt, C. (2003). Paths to internationalisation among small- to medium-sized firms: A global versus regional approach. *European Journal of Marketing*, 37(5/6), 796-820. <http://dx.doi.org/10.1108/03090560310465152>
- Connelly, L. M. (2016). Trustworthiness in qualitative research. *Medsurg nursing*, 25(6), 435.
- Costantinos, B. (2023). The African Continental Free Trade Area agreement: Acceleration of the African Free Trade Area Implementation. The African Union Summit 36th Ordinary Session Addis Ababa, 16-19 Feb 2023; *Respublica Litereria*, XV(784), MMXXIII. <http://dx.doi.org/10.13140/RG.2.2.28273.76641>
- Coviello, N. E., & Munro, H. J. (1995). Growing the entrepreneurial firm: Networking for international market development. *European Journal of Marketing*, 29(7), 49-61. <http://dx.doi.org/10.1108/03090569510095008>
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). SAGE Publications.
- Dakora, E. A., & Bytheway, A. J. (2014). Entry mode issues in the internationalisation of South African retailing. *Mediterranean Journal of Social Sciences*.
- Deetz, S. (1982). Critical interpretive research in organizational communication. *Western Journal of Communication*, 46(2):131-149. <http://dx.doi.org/10.1080/10570318209374073>
- Deng, P., & Yang, M. (2015). Cross-Border Mergers and Acquisitions by Emerging Market Firms: A Comparative Investigation. *International Business Review*, 24 (1), pp. 157-172.
- Department of Trade Industry and Competition (the dtic) . (2021). Update on African Integration and the AfCFTA.
- European Central Bank. (2019). *The Economic Impact of European Integration*. Frankfurt: European Central Bank.

- European Union Delegation (EUD). (2021). *European Union Delegation to the Republic of South Africa*. EU-South-Africa Foreign Direct Investment. Official Development Assistance. Trade, V4a.pdf.
https://www.eeas.europa.eu/sites/default/files/documents/2024/1.1%20EU-South-Africa_FDI.ODA_TRADE_V4a.pdf
- Fafunwa, T., & Odufuwa, F. (2022). African micro, small, and medium enterprises need to digitally transform to benefit from the Africa Continental Free Trade Area (AFCFTA). In *Africa-Europe Cooperation and Digital Transformation* (pp. 66-82). Taylor & Francis. <https://doi.org/10.4324/9781003274322-5>
- Fatoki, O., & Asah, F. (2011). The impact of firm and entrepreneurial characteristics on access to debt finance by SMEs in King Williams' Town, South Africa. *International Journal of Business and Management*, 6(8), 170-179.
<http://dx.doi.org/10.5539/ijbm.v6n8p170>
- Fernandes, C., Veiga, P. M., & Gerschewski, S. (2023). SME internationalisation: past, present and future trends. *Journal of Organizational Change Management*, 36(1), 144-161. <https://doi.org/10.1108/JOCM-05-2022-0146>
- Flachs, A., & Richards, P. (2018). Playing development roles: the political ecology of performance in agricultural development. *Journal of Political Ecology*, 25(1), 638-646.
<http://dx.doi.org/10.2458/v25i1.23089>
- Ghauri, P. N., & Kumar, P. (1989). An empirical investigation of factors influencing export behavior of smaller Swedish firms. *Marketing thought and practice in the 1990s. International Business Review*, 3, 5-3.
- Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of Qualitative Research* (pp. 105-117). Sage Publications.
- Guest, G. (2014). Sampling and selecting participants in field research. *Handbook of methods in cultural anthropology*, 2(1), 215-250.
- Gumede, V. (2004). Export propensities and intensities of small and medium manufacturing enterprises in South Africa. *Small Business Economics*, 22(5), 379-389.
<http://dx.doi.org/10.1023/B:SBEJ.0000022212.08739.54>
- Gumede, V., & Rasmussen, V. (2002). Small manufacturing enterprises and exporting in South Africa: A preliminary assessment of key export success factors. *Journal of Small Business and Enterprise Development*, 9(2), 162-171.
<https://doi.org/10.1108/14626000210427401>
- Goldstein, A., & Baena, C. (2012). Drivers of internationalization in emerging economies: Comparing Petrobras and PDVSA. In M. Marinov (Ed.), *Impacts of*

emerging economies and firms on international business (pp. 189–201). London: Palgrave Macmillan

- Hagos, B. A. (2023). The African continental free trade area: The road ahead for the continent's bold integration project. *Journal of International Trade Law and Policy*, 22(7). <https://doi.org/10.1108/JITLP-02-2023-0011>
- Hailu, M. K., Wudu, M. A., Gebriye, D. B., Birhanu, T. A., & Bekalu, Y. E. (2024). Prevalence of Anemia and its associated factors among 6–59 months age children visiting public hospitals at Afar Region, Northeast Ethiopia: a hospital-based cross-sectional study. *BMC pediatrics*, 24(1), 589.
- Hallén, L., & Johanson, M. (2004). Integration of relationships and business network development in the Russian transition economy. *International Marketing Review*, 21(2). <https://doi.org/10.1108/02651330410531376>
- Hussain, A., & Khan, S. (2023). International marketing strategy standardisation. *Academy of Business and Scientific Research*, 2(4), 353-359. <https://www.studocu.com/ko/document/dong-a-university/marketing-management/international-marketing-strategy-standar/52579224>
- Hollington, M. (2021). The AfCFTA and the promise of intra-continental trade in Africa. *The Thinker*, 88(3), 47-59.
- Iwu, C. G., Elvis, O. O. N., & Tengeh, R. K. (2017). Social media adoption challenges of small businesses: The case of restaurants in the Cape Metropole, South Africa. *African Journal of Hospitality Tourism and Leisure*, 6(4).
- Jackson, C., Daly, J., & Chang, E. (2007). *Qualitative research: Providing the evidence for nursing practice*. Elsevier Health Sciences.
- Jerven, M. (2011). The quest for the African dummy: explaining African post-colonial economic performance revisited. *Journal of International Development*, 23(2), 288-307.
- Jibrilla, A. (2018). African Continental Free Trade Area (CFTA) and its implications for Nigeria: A policy perspective. *International Journal of Research and Innovation in Social Sciences*, 2, 164-172.
- Johanson, J. Wiedersheim-Paul.(1975). The internationalization of the firm-four Swedish cases.
- Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411-1431. <https://doi.org/10.1057/jibs.2009.24>

- Joppe, M. J. T. Q. R. V. (2000). The research process, as quoted in understanding reliability and validity in qualitative research nahid golafshani. *The Qualitative Report Volume*, 8.
- Knight, G., Koed Madsen, T., & Servais, P. (2004). An inquiry into born-global firms in Europe and the USA. *International Marketing Review*, 21(6), 645-665.
- Kingombe, C. (2011). Achieving pro-poor growth through investment in rural feeder roads: the role of impact evaluation. *ODI Bankground Note*.
- King, N., Brooks, J., & Horrocks, C. (2018). Interviews in qualitative research.
- Kumar, R. (2011). *Research methodology - A step by step guide for beginners* (3rd ed.). SAGE Publications.
- Langton, J. (2023). Unlocking Africa's potential through the AfCFTA: Trade, inclusion, and economic transformation. *African Development Perspectives Journal*, 15(2), 85–104.
- Leonard-Barton, D. (1992). Core capabilities and core rigidities: A paradox in managing new product development. *Strategic Management Journal*, 13(S1), 111-125.
<https://doi.org/10.1002/smj.4250131009>
- Leonidou, L. C., Katsikeas, C. S., & Samiee, S. (2007). Research into exporting: Theoretical, methodological, and empirical insights. *Handbook of International Marketing*, 511-546. <http://dx.doi.org/10.4135/9780857021007.n8>
- Lindlof, T. R., & Taylor, B. C. (2011). *Qualitative communication research methods*. Sage Publications.
- Lloyd-Reason, L., Deprey, B., & Ibeh, K. (2009). *Top Barriers and Internationalisation of SMEs*. <https://pureportal.strath.ac.uk/en/publications/top-barriers-and-drivers-to-sme-internationalisation>
- Love, J. H., & Roper, S. (2015). SME innovation, exporting and growth: A review of existing evidence. *International Small Business Journal: Researching Entrepreneurship*, 33(1), 28-48. <https://doi.org/10.1177/0266242614550190>
- Lu, J. W., & Beamish, P. W. (2001). The internationalisation and performance of SMEs. *Strategic Management Journal*, 22(6-7), 565-586. <http://dx.doi.org/10.1002/smj.184>
- Luo, Y., Tung, R. (2007). International expansion of emerging market enterprises: A springboard perspective. *J Int Bus Stud* 38, 481–498
<https://doi.org/10.1057/palgrave.jibs.8400275>
- Luke, D. (2023). *How Africa Trades*. LSE Press. <https://doi.org/10.31389/lsepress.hat>
- Madara, F. T., & Tsyokor, E. K. (2022). Exploring non-tariff barriers inhibiting indigenous African SMEs' intra-African trade and internationalisation within sub-Saharan Africa:

- A focus on Ghanaian SMEs exporting to Nigeria. <https://www.diva-portal.org/smash/get/diva2:1677861/FULLTEXT01.pdf>
- Makoni, P. (2023). *Micro-Enterprise Finance (MEF) (GSB5100Z) MDevFin MEF (GSB5100Z)*. Class notes.
- Mlambo, M., Silén, C. & McGrath, C. (2021). Lifelong learning and nurses' continuing professional development, a metasynthesis of the literature. *BMC Nurs* **20**, 62. <https://doi.org/10.1186/s12912-021-00579-2>
- Mandela, N. (1993). South Africa's Future Foreign Policy. *Foreign Affairs*. Vol. 72, No. 5 (Nov. - Dec., 1993), pp. 86-97 (12 pages). Published By: Council on Foreign Relations. <https://doi.org/10.2307/20045816>
- Marshall, M. N. (1996). Sampling for qualitative research. *Family Practice*, *13*(6), 522-526. <https://doi.org/10.1093/fampra/13.6.522>
- Mazrui, A. A. (2005). Pan-Africanism and the intellectuals: Rise, decline and revival. *African intellectuals: Rethinking politics, language, gender and development*, 56-77.
- McDougall, P. P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of business venturing*, *9*(6), 469-487.
- Moyo, T. (2020). The case of acceleration of the implementation of United Nations Sustainable Development Goal 9 in Africa. *Africa Insight*, *50*(1), 1-24.
- Mugano, G. (2023). SMEs and the African Continental Free Trade Area. In *SMEs and Economic Development in Africa* (pp. 142-157). Routledge.
- Offei, D., Asare-Nuamah, P., & Masinde, W. (2020). Local private sector awareness and participation in the African Continental Free Trade Area prior to accession by the Government of Ghana. The Case of Small and Medium Size Enterprises (SMEs) in Ghana. *Africa Institute of South Africa Africa Insight*, *50*(1). <https://www.ajol.info/index.php/ai/article/view/213049>
- Organisation for Economic Co-operation and Development (OECD). (2022). *Financing Growth and Turning into Business: Helping SMEs Scale Up*. OECD. https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/10/financing-growth-and-turning-data-into-business_0c8de4b1/81c738f0-en.pdf
- Organisation for Economic Co-operation and Development (OECD). (2017). Enhancing the contributions of SMES in a Global and Digitalised Economy. In *Meeting of the OECD Council at Ministerial Level* (pp. 1-24). OECD Publishing. <https://www.oecd.org/mcm/documents/C-MIN-2017-8-EN.pdf>

- Osano, H. M. (2019). Global expansion of SMEs: role of global market strategy for Kenyan SMEs. *Journal of Innovation and Entrepreneurship*, 8(1), 13.
- Palakshappa, N., & Ellen Gordon, M. (2006). Using a multi-method qualitative approach to examine collaborative relationships. *Qualitative Market Research: An International Journal*, 9(4), 389-403.
- Pan African Chamber of Commerce and Industry (PACCI). (2022). Strengthening the readiness of small businesses to participate in AfCFTA marketplaces.
- Paul, J., Parthasarathy, S., & Gupta, P. (2017). Exporting challenges of SMEs: A review and future research agenda. *Journal of World Business*, 27(3):327-342.
<http://dx.doi.org/10.1016/j.jwb.2017.01.003>
- Paul, J. (2020). Scope framework for SMEs: A new theoretical lens for success and internationalization. *European Management Journal*, 38(2), 219-230.
- Pyringer, M., & Ayikoe Tettey, M. (2015). Waking the Lion—A Study on the Internationalisation of South African Family Firms.
- Ramdani, B., Belaid, F., & Goutte, S. (2023). SME internationalisation: Do the types of innovation matter? *International Review of Financial Analysis*, 88(July 2023), 102681.
<https://doi.org/10.1016/j.irfa.2023.102681>
- Ramon-Jeronimo, J. M., Florez-Lopez, R., & Araujo-Pinzon, P. (2019). Resource-based view and SMEs performance exporting through foreign intermediaries: The mediating effect of management controls. *Sustainability (Switzerland)*, 11(12).
<https://doi.org/10.3390/SU11123241>
- Resnik, D. B. (2020). *What is ethics in research & why is it important?* National Institute of Environmental Health Sciences.
<https://www.niehs.nih.gov/research/resources/bioethics/whatis>
- Reynolds, J., Kizito, J., Ezumah, N., Mangesho, P.E., Allen, C., & Chandler, C. (2011). Quality assurance of qualitative research: A review of the discourse. *Health Research Policy and Systems*, 9(1):43. <https://doi.org/10.1186/1478-4505-9-43>
- Robb, C. A., & Stephens, A. R. (2021). The effects of market orientation and proactive orientation on the export performance of South African SMEs. *Journal of Global Marketing*, 34(5), 392-410. <https://doi.org/10.1080/08911762.2021.1894625>
- Ruzzier, M., Hisrich, R. D., & Antoncic, B. (2006). SME internationalization research: past, present, and future. *Journal of small business and enterprise development*, 13(4), 476-497.

- Safari, A., & Saleh, A. S. (2020). Key determinants of SMEs' export performance: a resource-based view and contingency theory approach using potential mediators. *Journal of Business and Industrial Marketing*, 35(4), 635–654.
- Scalera, D., Zazzaro, A., Fabrizio Cafaggi Cheltenham, by, & Elgar, E. (2009). Do Inter-Firm Networks Make Access to Finance Easier? Issues and Empirical Evidence Measuring Institutional Quality in Italy View project Do Inter-Firm Networks Make Access to Finance Easier? Issues and Empirical Evidence *. <http://ssrn.com/abstract=1428776><http://ssrn.com/abstract=1428776>
- Sandelowski, M. (2000). Whatever happened to qualitative description?. *Research in nursing & health*, 23(4), 334-340.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). Research methods for business students (8th ed.). In S. Lincoln (Ed.), *Handbook of qualitative research* (pp. 105-117). Sage Publications.
- Schlegelmilch, B. B., & Crook, J. N. (1988). Firm-level determinants of export intensity. *Managerial and Decision Economics*, 9(4), 291-300.
- Shen, X., Finn, E.S, Scheinost, D, Rosenberg D.M, Chun. MM, Papademetris. Constable.R.T, (2017). Using connectome-based predictive modeling to predict individual behavior from brain connectivity.
- Shree, U., & Urban, B. (2012). Internationalisation of South African SMEs: The role of capital factors. *Acta Commercii*, 15(1), 186-199.
- Stahl, N. A., & King, J. R. (2020). Expanding approaches for research: Understanding and using trustworthiness in qualitative research. *Journal of developmental education*, 44(1), 26-28.
- Stiglitz, J. E. (2016). How to restore equitable and sustainable economic growth in the United States. *American Economic Review*, 106(5), 43-47.
- Soontiens, W. (2002). Managing international trade: an analysis of South African SMEs and regional exports. *Management Decision*, 40(7), 710-719. <https://doi.org/10.1108/00251740210438544>
- Ismael,F. (2024). The past, present and future of Africa – US trade and investment relations:CRRecommendations on the Future of AGOA post-2025! International Trade Policy(ITP) GSB5113F) MDevFin ITP. Class Slides.
- Taherdoost, H. (2016). Sampling methods in research methodology; How to choose a sampling technique for research. *International Journal of Academic Research in Management*, 5(2), 18-27. <http://dx.doi.org/10.2139/ssrn.3205035>

- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic management journal*, 18(7), 509-533.
- Thusi, X., Mlambo, V., & Mkhize, N. (2022). The African Continental Free Trade Area Agreement (AfCFTA): Possible benefits for women and youth in Africa. *Latin American Journal of Trade Policy*, 5(13). <https://doi.org/10.5354/0719-9368.2022.66963>
- Trade Law Centre NPC (tralac). (2024). *The African Continental Free Trade Area: A TRALAC GUIDE*, 12th Edition, May 2024.
- United Nations Development Programme (UNDP). (2020). *The Futures Report: Making the AfCFTA Work for Women and Youth*. <https://www.undp.org/africa/publications/futures-report-making-afcfta-work-women-and-youth>
- United Nations Economic Commission for Africa (UNECA). (2019). *The African Continental Free Trade Area: Creating fiscal space for jobs and economic diversification*. <https://repository.uneca.org/handle/10855/41802>
- United Nations Economic Commission for Africa (UNECA). (2023). The AfCFTA, an opportunity for Africa's youth to accelerate trade and industrialization. <https://repository.uneca.org/handle/10855/49424>
- United Nations Industrial Development Organization (UNIDO). (2005). *Private Sector Development: The Support Programmes of the Small and Medium Enterprises Branch*.
- United Nations Industrial Development Organization. (2022). *Industrial Development Report 2022: The future of industrialization in a post-pandemic world..*
- van Staden, L. J. (2022). The influence of certain factors on South African Small and medium-sized enterprises towards export propensity. *Development Southern Africa*, 39(3), 457-469.
- Vlok, E. (2021). Issue 82-New Agenda: Who will gain from Africa free trade agreement promises? https://journals.co.za/doi/full/10.10520/ejc-nagenda_v2021_n82_a7
- Vögel, A. (2019). The selection of foreign markets in the internationalization process. *International Business Review*, 45(2), 123–137. <https://doi.org/10.1016/j.ibusrev.2018.10.001>
- Welch, L. S., & Luostarinen, R. (1988). Internationalization: Evolution of a concept. *Journal of general management*, 14(2), 34-55.
- White, L., & Van Dongen, K. (2017). Internationalization of South African Retail Firms in Selected African Countries, *Journal of African Business*, 18(3), 278-298.

- Wernerfelt, B. (1984). A resource based view of the firm. *Management Journal*, 5(2), 171-1180. <https://www.jstor.org/stable/2486175?seq=1&cid=pdf->
- Westhead, P., Wright, M., & Ucbasaran, D. (2001). The internationalization of new and small firms: A resource-based view. *Journal of business venturing*, 16(4), 333-358.
- Wind, Y., Douglas, S. P., & Perlmutter, H. V. (1973). Guidelines for Developing International Marketing Strategies. *Journal of Marketing*.
<https://doi.org/10.1177/002224297303700205>
- World Bank Group. (2018). The World Bank Annual Report 2018.
<https://documents1.worldbank.org/curated/en/630671538158537244/pdf/The-World-Bank-Annual-Report-2018.pdf>
- World Bank Group. (2020b). Small and Medium Enterprises in the Pandemic Impact, Responses and the Role of Development Finance.
<https://documents1.worldbank.org/curated/en/729451600968236270/pdf/Small-and-Medium-Enterprises-in-the-Pandemic-Impact-Responses-and-the-Role-of-Development-Finance.pdf>
- World Bank Group. (2020). *The African Continental Free Trade Area Economic and Distribution*. <https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area>
- Wiesner, C. (2022). Doing qualitative and interpretative research: reflecting principles and principled challenges. *Political Research Exchange*, 4(1), 2127372.
- Winter, R. (2000). Contextualising the Patchwork Text: Addressing problems of coursework assessment in higher education. *Innovations in Education and Training International*, 37(1), 3–10.
- Zahra, S. A., Ireland, R. D., & Hitt, M. A. (2000). International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. *Academy of Management Journal*, 43(5), 925-950.
<https://www.jstor.org/stable/1556420>

APPENDICES

APPENDIX A: ETHICAL CLEARANCE



UNIVERSITY OF CAPE TOWN
FACULTY OF COMMERCE
 Igniting Knowledge and Opportunity



Commerce Faculty Ethics in Research Application Form

Any person planning to undertake research in the Faculty of Commerce at the University of Cape Town is required to obtain ethical clearance. This form is intended for undergraduate students, honours students, PD Dip students and Masters students whose research component is less than 90 credits.

Once this form is completed it should be sent via email to your departmental ethics representative. Your supervisor will be able to provide you with the contact details.

It is assumed that the researcher has read the UCT Code for Research Involving Human Subjects (Available at <http://web.ucl.ac.za/depts/educate/download/uctcodeforresearchinvolvinghumansubjects.pdf>) in order to be able to answer the questions in this form. Students must include a copy of the completed form with the dissertation/thesis when it is submitted for examination.

1. PROJECT DETAILS			
Project title:			
Principal Researcher/s:	Akona Nakani	Email address(es):	Anakani84@gmail.com
Research Supervisor:	Dr Rene Albertus	Email address(es):	rene.albertus@uct.ac.za
Co-researcher(s):	N/A	Email address(es):	N/A
Department: Graduate Business School (MSC Development Finance)			
Brief description of the project:			
<p>The objective of this research is to establish a comprehensive framework that will enable South African SMEs to internationalise by capitalising on the opportunities offered by the AfCFTA. The investigation will investigate the obstacles that SMEs encounter when attempting to enter African markets and will suggest methods to improve their export capabilities. Market entry strategies, capacity building, access to finance, and regulatory compliance are among the primary areas of emphasis. The research aims to facilitate the expansion of SMEs' market reach, the promotion of regional trade integration, and the promotion of sustainable economic development by allowing them to capitalise on the AfCFTA.</p> <p>Interviews and surveys with SMEs, government officials, and trade facilitators will comprise the study's qualitative research methodology. Participants will share their perspectives on the opportunities, challenges, and experiences they have encountered in the context of internationalising SMEs within the AfCFTA framework. The research will yield practical recommendations for policymakers and SME stakeholders, with the objective of enhancing the role of SMEs in intra-African trade and contributing to the broader economic development of the continent.</p>			

Com Ethics_V5_May2017

APPENDIX A: Ethical clearance continued

I certify that I have read the Commerce Faculty Ethics in Research policy X
 (<http://www.commerce.uct.ac.za/Pages/ComFac-Downloads>)

I hereby undertake to carry out my research in such a way that

- there is no apparent legal objection to the nature or the method of research; and
- the research will not compromise staff or students or the other responsibilities of the University;
- the stated objective will be achieved, and the findings will have a high degree of validity;
- limitations and alternative interpretations will be considered;
- the findings could be subject to peer review and publicly available; and
- I will comply with the conventions of copyright and avoid any practice that would constitute plagiarism.

Signed by:

	Full name and signature	Date
Principal Researcher/Student:	Akona Nakani <small>Signed By: Akona Nakani Signed Date: 20/09/2024 14:22:16 +0200 Signed Location: Jgqkqk, Jgqkqk</small>	23/09/2024

This application is approved by:

Supervisor Dr Rene Albertus	Dr Rene Albertus	25/09/2024
Departmental Ethics Rep.		26.09.2024

APPENDIX B: EDITOR'S LETTER

Krag Street
Napier
7270
Overberg
Western Cape

11 November 2024

LANGUAGE & TECHNICAL EDITING

Cheryl M. Thomson

**A FRAMEWORK TO INTERNATIONALISE SOUTH AFRICAN SMALL MEDIUM
ENTERPRISES THROUGH THE AFRICA CONTINENTAL FREE TRADE AGREEMENT**

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled thesis of **AKONA NAKANI**, student no. **NKNAKO002**, at the **UNIVERSITY of CAPE TOWN**, in preparation for submission of this thesis for assessment.

Yours faithfully

CHERYL M. THOMSON

Email: cherylthomson2@gmail.com

Cell: 0826859545

APPENDIX C: INTERVIEW GUIDE



Master of Commerce in Development Finance INTERVIEW GUIDE

Section 1: Demographic information

1. Name of the Business:
2. Nature of business:
3. Current role in business:

Section 2: Interview questions

1. Could you briefly describe your business (*sector, years of operation, markets served*)?
2. Does your business currently export goods or services to other African countries? If yes, please specify which markets.
3. What are the most significant challenges your business faces when trying to expand into African markets? (*e.g., access to finance, regulatory & compliance barriers, infrastructure, payment systems, exchange rate, corruption, language barriers etc.*)?
4. Have you encountered any specific regulatory or administrative barriers when attempting to export? If so, could you describe these?
5. How familiar are you with the African Continental Free Trade Area (AfCFTA)?
6. Do you think the AfCFTA presents new opportunities for your business to expand into African markets?
7. How do you decide which African markets to target for your products or services? What factors influence this decision?
8. What skills or resources do you think your business lacks to increase its export intensity into African markets?
9. In terms of networking & collaboration, how do you think collaborating with other businesses, associations, or networks can increase SMEs export capacity?
10. Is there adequate financial support (loans, grants, trade finance) available for South Africa SMEs looking to expand internationally?
11. What recommendations would you make to improve the export potential of South African SMEs to African markets?

END/

APPENDIX D: CONSENT FORM: CABOTAGE SA (PTY) LTD



Master of Commerce in Development Finance INTERVIEW GUIDE /CONSENT FORM

Participant name: Mr. Bradley Padayachee

I volunteer to participate in a research project conducted by **Akona Nakani** as partial fulfilment of the requirements for the **MCom Development Degree** at the Graduate School of Business. I understand that the research is designed to gather information about **A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement** and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on **26 September 2024**.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

28/10/2024

Date

Scanned By Albertus Rene
Page No: 000011 | 11/10/2024 10:00:00
Personal Document | Confidential | Private

28/10/24

Signed by Student

Date

APPENDIX E: CONSENT FORM: FRESHMARK SYSTEMS (PTY) LTD



Master of Commerce in Development Finance INTERVIEW GUIDE / CONSENT FORM

Participant name: Dr J. Range

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Background and purpose of the research

Objective(s) of the research

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses

of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

Signed By: Rene Albertus
Signing Date: 2024-11-12 21:20:34 +02:00
Reason: Document Digitally Signed

Signed by Student

2024/10/30

Date

30/10/24

Date

APPENDIX F: CONSENT FORM: COSMETICS EXPORT COUNCIL OF SOUTH AFRICA



Master of Commerce in Development Finance INTERVIEW GUIDE / CONSENT FORM

Participant name: Ms. Mariette Van Rooyen

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about a framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

24 October 2024
Date

Signed By: Akona Nkomo
..... Signing Date: 2024-10-24 11:28:03 +02:00
Signed by Student

24 October, 2024
Date

APPENDIX G: CONSENT FORM: VISCOL ECO SOLUTIONS



Master of Commerce in Development Finance INTERVIEW GUIDE / CONSENT FORM

Participant name: Mr. Owen Smith

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

31 October 2024

Signed by interviewee


Digitally signed by Rene Albertus
DN: cn=Rene Albertus, o=UCT, ou=UCT, email=rene.albertus@uct.ac.za

Date

31/10/24

Signed by Student

Date

APPENDIX H: CONSENT FORM: PHILA TSHINGANA



Master of Commerce in Development Finance INTERVIEW GUIDE /CONSENT FORM

Participant name: Mr. Oscar Phila Tshingana

I volunteer to participate in a research project conducted by **Akona Nakani** as partial fulfilment of the requirements for the **MCom Development Degree** at the Graduate School of Business. I understand that the research is designed to gather information about **A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement** and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

Signed By: Rene Albertus
Signed Date: 2024-11-02 21:21:03 +02:00
Reason: Document Digitally Signed

Signed by Student

01/11/2024

Date

01/11/24

Date

APPENDIX I: CONSENT FORM: VIVASOL (PTY) LTD



Master of Commerce in Development Finance INTERVIEW GUIDE /CONSENT FORM

Participant name: Mr. Jaques De Villiers

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

Digitally signed by Rene Albertus
DN: cn=Rene Albertus, o=UCT, ou=UCT, email=rene.albertus@uct.ac.za
.....

Signed by Student

28/10/2024

Date

28/10/24

.....
Date

APPENDIX J: CONSENT FORM: DEPARTMENT OF TRADE INDUSTRY AND COMPETITION



Master of Commerce in Development Finance INTERVIEW GUIDE /CONSENT FORM

Participant name: Mr. Joseph Senona

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

Signed by interviewee

Signature of Interviewee

28/10/2024

Date

28/10/24

APPENDIX K: CONSENT FORM: ELECTRONIC RECYCLING (PTY) LTD



Master of Commerce in Development Finance INTERVIEW GUIDE / CONSENT FORM

Participant name: Mr. Motsamai Ndina

I volunteer to participate in a research project conducted by Akona Nakani as partial fulfilment of the requirements for the MCom Development Degree at the Graduate School of Business. I understand that the research is designed to gather information about A framework to internationalise South African Small Medium Enterprises through the Africa Continental Free Trade Agreement and that I will be one of approximately eight of people being interviewed for this research.

Objective(s) of the research:

The primary objective of this study is to develop a comprehensive framework to facilitate the Internationalisation of South African SMEs through the AfCFTA.

These objectives will be addressed:

- To identify and analyse the key barriers that impede the Internationalisation of SMEs, including limited access to finance, inadequate infrastructure, regulatory and administrative obstacles, and a lack of awareness about the AfCFTA.
- To assess the adequacy of current market entry strategies employed by SMEs for entering African markets.
- To evaluate the capabilities of SMEs (such as export capabilities, market knowledge, and access to trade-related information) that contribute to their readiness and capacity for Internationalisation.
- To identify the key stakeholders involved in trade facilitation for SMEs exporting to the African market.
- To investigate the current challenges with funding structures and identify potential solutions to address funding requirements for SMEs to access international markets, particularly in Africa.
- To examine the role of Development Finance Institutions (DFIs) in assisting SMEs in accessing export markets.
- To investigate the extent of small businesses' access to export programmes from government.
- To determine the role that AfCFTA will play in the improvement of access to African regional markets (intra-Africa trade) for South Africa SMEs.

Ethics approval

The ethical clearance for this study was approved by the UCT GSB Research and Ethics Committee on 26 September 2024.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 30 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Should you have any questions or concerns please contact me on (076) 7124 212 or my supervisor at rene.albertus@uct.ac.za

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

M.N

21/10/2024

Signed by interviewee

Date

Signed By: Rene Albertus
Signature Date: 2024-10-21 12:23:11 AM +02:00
Document Generated Digitally Signed

21/10/24

Signed by Student

Date

APPENDIX L: HUMAN PARTICIPANTS' FIELDWORK CHECKLIST

HUMAN PARTICIPANTS FIELDWORK CHECKLIST

Researchers wanting to take part in field work that involves human participants off campus are required to complete this check list and to obtain the approval of their HoD and thereafter their Dean, prior to embarking on the fieldwork. Please provide supporting documentation to this completed checklist listed below.

Researchers names and Department at UCT:

Akana Nakani

Graduate School Business

CHECKLIST ITEM	Y/N or NA	COMMENTS (comment on reasons why NA or N)
1) Have alternatives to face to face options been explored? If No please discuss alternatives with your HOD. If Yes please complete this checklist	y	
2) H&S Risk Assessment completed to evaluate hazards and risks: a) trip route (travel arrangements across provincial and magisterial districts) b) COVID-19 hotspots c) site to be visited d) tasks to be performed e) policy and procedures in case of damage to property (field workers, internal & external UCT parties), vehicle breakdowns, accidents f) emergency situations such as fires, COVID-19 breakout g) accommodation and related subsistence arrangements h) transport of participants and or staff to facilities	N/A	Virtual interview will be conducted.
3) Strategies, plans and precautionary measures put in place and arrangements made: a) Address results/profile of individual team members health risk assessment b) PPE to wear c) Physical and other barriers to put in place d) promotion of ventilation such as natural/fresh air e.g. opening of windows e) Decontamination/cleaning of potentially contaminated site? (e.g Wiping surfaces down after each participant?)	N/A	Virtual interview will be conducted.
4) Form/record completed by all field workers to include: a) medical aid details (if available) b) medical practitioner's details c) Contact details	N/A	Virtual interview will be conducted.

Version 1

5)	Before persons may attend a field trip it is vital he/she completed the Personal Health Risk and Medical Vulnerabilities Assessment and may only be allowed to join the field trip if: a) He/she has received clearance by the Occupational Health Services to return to UCT/Research b) Received a Letter of Authority from the Faculty/ Department to return to campus.	N/A	Virtual interview will be conducted.
6)	Programme/information pack handed out to field workers include info: a) Fieldwork programme: dates/times/time slots b) Trip route c) Route rest stops d) Areas to visit (descriptions of spaces to be accessed, eg building site offices etc) e) Accommodation/dining places names and arrangements f) Name & contact details of H&S persons on trip if applicable: i. first aiders ii. COVID-19 Compliance Officer or SHE Rep g) COVID-19 rules & protocols h) Emergency/incident reporting procedures	N/A	Virtual interview will be conducted.
7)	Copies of UCT issued fieldwork authorisation letters (as issued by the Faculty Deanery). Original/copy should be with field team members at all times, especially important for areas that might still be off limits if still closed due to lockdown.	N/A	Virtual interview will be conducted.
8)	Permission evidence/letter (whether on private, parastatal or government sites) obtained from sites where fieldwork is to be conducted.	N/A	Virtual interview will be conducted.
9)	Evidence/records that field trip training/induction completed by each fieldwork attendee before leaving on trip.	N/A	Virtual interview will be conducted.
10)	Health & COVID-19 symptom screening procedures in place e.g. completing HigherHealth App every morning - available at https://llhealthcheck.higherhealth.ac.za	N/A	Virtual interview will be conducted.
11)	Procedure to follow (paper exercise) if symptom screening cannot be completed via a cellphone or online.	N/A	Virtual interview will be conducted.
12)	Reporting procedure of ill health or COVID-19 symptoms: a) who to report symptoms to b) procedures to follow if an attendee displays COVID-19 symptoms c) isolating/quarantining area procedures of symptomatic person d) procedures of keeping others safe from infection	N/A	Virtual interview will be conducted.
13)	Biological disposal drum/container lined with biohazardous red bag for soiled/contaminated first aid items, masks, gloves, tissue papers.	N/A	Virtual interview will be conducted.

Version 1

14)	COVID-19 incident procedures in place: a) reporting procedure on field trip b) ceasing fieldwork c) wearing of surgical/KN95 mask/shields? d) isolation procedures e) isolation area.	N/A	Virtual interview will be conducted.
15)	UCT COVID-19 reporting contact details - for staff as well as students.	N/A	Virtual interview will be conducted.
16)	Local/nearest clinic/hospital or medical practitioner's contact details and/or location/s at all the field trip's stops	N/A	Virtual interview will be conducted.
17)	Contact details of local emergency services - ambulance, fire brigade, police	N/A	Virtual interview will be conducted.
18)	Procedure how injured, ill, COVID-19 + person/s to be transported to clinic, hospital, back to campus.	N/A	Virtual interview will be conducted.
19)	COVID-19 procedures for other fieldwork team members to follow after incident (high or low risk incident).	N/A	Virtual interview will be conducted.
20)	Field trip incident investigation procedure: a) access to HS02 forms b) completion procedure c) keeping of record d) to whom at UCT to send it to.	N/A	Virtual interview will be conducted.
21)	Procedure in place to log of each day's activities e.g. to be recorded in a shared folder such as google or dropbox. The log to include: a) places visited b) persons closely or at length interacted with external to UCT members on trip c) locations samples taken d) public or private venues accessed or visited e) personnel at venue that were in attendance f) any operation anomalies that may have occurred requiring assistance from persons outside the field crew (e.g. vehicle problems).	N/A	Virtual interview will be conducted.
22)	Social and physical distancing as well as de-densifying plan: a) dividing into smaller field teams - no more than 2 - 4 members b) teams to work separate from one another c) minimising staff/students on-site by using rotation/shift work d) only 2 persons per vehicle with FCMs on at all times e) only one person per room	N/A	Virtual interview will be conducted.

Version 1

30) First aider/s appointed for trip and trained in what to do in case of a COVID-19 symptomatic person.	N/A	Virtual interview will be conducted.
31) First aid kit contains all the legal minimum required items, but also include: a) Appropriate cloth/surgical or KN95 masks (enough for first aider & those possibly infected on trip in case of a possible COVID-19+ incident) b) face shields for first aider and possible COVID-19+ patient c) a thermometer d) blanket (in case of chills)	N/A	Virtual interview will be conducted.

Supporting documents to attach

1. Up to date Ethical approval for the study
2. Recommencement approval of research activities from HREC or REC
3. Study protocol with relevant amendments for safe recommencement of research activities.
4. Study synopsis for the research to be conducted for this application
5. Health and Safety risk assessment IF RELEVANT

Signatures

Dr R W Albertus
Research Supervisor (for post-grad students)

Head of Department

Deputy Dean/Dean

DVC sign off (Not Required)

Version 1