



# AFRICA TRADE AND INVESTMENT







# Africa trade and investment



We provide our clients with trade solutions to enable optimal international trade and minimise logistical challenges. Our clients benefit from our international payments expertise, and our trade loan, forex hedging and performance and payment risk mitigation products.

We also support them to identify and connect with vetted suppliers of goods and provide them with a single point of contact to help with everything needed to execute their import from start to finish.



**Supporting our clients through financial products such as finance, payments and forex**, and non-financial solutions to help customers with logistics, access to markets and procurement



**Helping African businesses to import and export internationally**, with emphasis on Africa's largest trade partner China, while also supporting and stimulating intra-Africa trade



**Providing end-to-end domestic and cross border trade solutions to support the growth and ambitions of business and commercial clients in Africa**, including finding a logistics partner, costing of goods, tracking and managing the movement of goods and collection of documents, and ensuring that forex is booked and payments are made appropriately



**Providing a digital interface** for tracking of imports, initiating letters of credit and guarantees and booking trade loans (local and international).



## Our impact in 2021



Over **47 000 African businesses** supported with **trade finance solutions**



Facilitated **R46 billion** in cross-border payments in the China–Africa corridor (excluding South Africa), **an increase in value of 40% and volume of 33%** compared to 2020

**WE UNDERSTAND  
THAT THERE'S MORE  
TO FARMING THAN  
EARLY MORNINGS.**



**102 export businesses** from **11 countries** matched to Chinese importers via virtual matchmaking sessions



Over **100 clients** helped with logistics and trade financing needs to the value of **R3 billion** through Trade Suite in South Africa



**121 trucks sold** to clients in **six African countries**, through the Africa China Sino Truck Import Solution.



## Africa-China trade solutions

Since 2008, Standard Bank and ICBC have been working in partnership to encourage trade and investment in the China–Africa corridor, and meet diverse business needs. We expect trade and investment flows between Africa and China to continue to increase, accelerated by the positive effects of the African Continental Free Trade Area.

### Africa China Import Solution

Standard Bank's **Africa China Import Solution** (formerly ACAP) supports African importers to source and validate quality goods, safely and efficiently, from the most competitive suppliers in China.

Challenges faced by African importers include:

- Contact with only a handful of trusted Chinese suppliers, providing limited choice and restricted negotiating power
- Potential risk in relation to the quality of products when ordering online
- Requirements for advance payment before goods can be shipped, without reciprocal guarantees of delivery or quality
- Language and cultural barriers when travelling and negotiating supplier agreements in China.

To help African importers manage these challenges and maximise their relationships with Chinese trading partners, Standard Bank and ICBC have developed the Africa-China Import Solution, which serves to:

- **Connect African importers** with dedicated trade partners in China and guarantee them access to the best suppliers in China
- **Provide excellent payment terms** and ensure product quality
- **Help African importers better manage their cash flow** by providing access to finance and giving importers oversight and control of the entire importing and logistics process.

Apart from the fees associated with conducting an international trade via a letter of credit, the entire Import Solution is available without cost, across 14 of our African markets.

Our Chinese trade agent partner, nominated by ICBC, currently has over 10 000 suppliers that meet the import needs of Standard Bank's clients. It assists African importers:

- To source the right suppliers, negotiate the best prices and trade terms, and validate the quality of the goods
- To arrange travel to China and meet with a broad range of suppliers, while providing translators to facilitate trade negotiations and discussions
- By providing quality guarantees on goods from its recommended Chinese suppliers and rectifying any quality issues on behalf of the African importer
- By providing support in handling shipping logistics and providing finance based on a letter of credit from Standard Bank and ICBC
- To source new suppliers, who will be subjected to validation and verification, if an importer requires something beyond the capacity of the agent's supplier base.



“Our Import Solution helps African importers to seamlessly access pre-vetted Chinese suppliers, ensuring the quality of products sourced. We also offer favourable payment terms to optimise cash flow management, together with insights regarding market demand for client products.”

#### Luthando Vuba

Head, Africa China Trade, Standard Bank





## Africa China Export Solution

China is the second largest importer of goods from Africa. However, these numbers are dominated by raw mining and mineral commodities. Smaller African businesses in sectors such as agriculture often struggle to establish themselves as exporters to China.

Standard Bank's **Africa China Export Solution** (formerly ACEP) aims to boost the export of African products to China, by easing language, cultural, logistics and regulatory challenges, and connecting our export-ready clients from across Africa with suitable importers in China. The solution includes support in terms of:

- Market intelligence and pre-screening for export opportunities
- Completion of required documentation to become a verified exporter to China
- Safe and secure payments through the ICBC payments platform
- Pre-export financing and payment and collections facilitation to help mitigate the risk of cross-border payments.
- Connections to reputable Chinese importers
- Access to Mandarin-speaking agents
- Issuing letters of credit and guarantees
- Access to Renminbi currency to reduce multiple currency conversions
- Trade finance to support expansion
- Assistance with marketing and distribution in China, to reach more consumers.

In 2020, Standard Bank introduced **digital matchmaking events** as an additional capability to its existing export and import client solutions. These events, which continued in 2021, pair our clients with Chinese buyers seeking African products. Standard Bank and ICBC facilitate these interactions with translators and support both parties throughout the negotiations and the transaction. The events happen virtually and ensure that African sellers are matched with the relevant importers with an interest in their basket of goods.

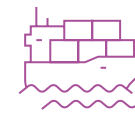
### For example, in 2021 we



**Hosted a wine matchmaking event,** where ICBC clients visited a physical venue in Shenzhen, China, to sample wines that had been shipped in advance to the venue, while our African wine exporting clients took them through a virtual wine tasting session. The event exposed African wine exporters to a new market and created a connection for Chinese importers to source new wine products.



**Hosted our clients and their products at the second edition of the China-Africa Economic and Trade Expo (CAETE),** an opportunity for China and African countries to explore increased collaboration on import, export and investment opportunities. We took 89 clients in 2021, up from 30 clients in 2019. As clients were not able to travel, Standard Bank arranged for their goods to be sent to China and Standard Bank employees based in China represented our clients' products.



**We participated in the China International Import Expo (CIIE)** for the fourth year. In partnership with ICBC, we hosted over 50 clients and their products from ten African countries, across several sectors, including various agricultural products, such as wine, nuts, tea and coffee.



**Matched exporters** from 11 African countries with Chinese importers of cashew nuts, sesame seeds, dried ginger, cassava powder, and coffee.





## Trade Club

For many African businesses, one of the biggest challenges is finding trusted customers and suppliers to trade with, across Africa, and globally. To solve this, Standard Bank offers **Trade Club**, a digital platform that connects clients to vetted, reputable, reliable and trusted sellers and buyers. It's part of the trade club alliance which connects our customers to the customers of banks such as Santander.

We use algorithms to match our clients to relevant businesses. Our dedicated team is available to facilitate introductions. We support Trade Club members access to local and international trade shows and events. The platform enables members to post and respond to new business opportunities, and to access market insights related to their countries and industries of interest. Our understanding of our clients' businesses and of local markets enables us to provide bespoke advice and support sustainable business growth.

20 356 vetted businesses registered  
in over 48 countries

>5 300 matches

## Trade Suite

Standard Bank's **Trade Suite** solution provides end to end servicing of our clients' trade related requirements. We have a dedicated team of trade experts throughout our clients' trade journey, from finding the right suppliers and buyers, to assisting them with trade finance solutions and their import process. We support businesses with import trade management services such as timeline planning, production tracking, world-class logistics providers, real-time tracking on all goods, and the management of shipping documents and arrangements. We also support clients in managing payment processes, customs requirements (duties, taxes and other clearing specifications) and other relevant regulatory requirements. Our range of financial solutions enables clients to mitigate risk and expand their businesses by navigating international payments, extending cash flow cycles with supply chain finance, and facilitating outstanding payments with documentary trade products.

Over 100 clients  
use our Trade Suite solution.







## International payments

### Shyft Global Wallet

**The Shyft forex app is available to Standard Bank and non-Standard Bank clients.** Users can buy, send, sell and spend foreign currencies anywhere in the world, whenever it suits them. They can also make payments to anyone, anywhere across the globe, with Shyft-to-Shyft payments or international bank transfers, create virtual cards for secure online shopping, and/or use a physical Shyft Mastercard to swipe or draw cash when travelling, and a physical Shyft Rand card to swipe and spend locally. Up to four currencies can be stored on a single card. The app is highly secure and fully compliant with South African Reserve Bank requirements. The Shyft app won Best Financial Solution at the 2021 MTN Business App of the Year Awards.

Other digital international payment solutions, enabling clients to make secure international payments that comply with exchange control regulations, include: Internet Banking (suitable for payments of up to R1.5 million per transaction), Business Online (integrates with mainstream accounting packages, suitable for payments of any amount, accommodates single and multiple payments), and eMarketTrader/eMarketTrader Mobile (a web-based cross-asset trading platform, bringing together market intelligence and research, real-time pricing, trade execution and post-trade services).





## Expanding the availability and use of digitised trade services

Digitisation of trade services, together with the use of technologies such as **data science, AI and blockchain**, has the potential to improve **inter-connectedness, transparency and efficiency for African economies**. Standard Bank continues to work with the African Continental Free Trade Area (AfCFTA) secretariat and other banks to support the digitisation of trade in our Africa markets. Implementation requires collaboration between governments and industry and the alignment of regulatory frameworks. We are working with trade commissions and regulators to showcase the potential benefits.

We have coordinated an AfCFTA steering committee with dedicated workstreams designed to provide stakeholders with a clear view of how digitisation of trade services has the potential to support AfCFTA implementation.