



ECIC NEWS

STAKEHOLDER NEWSLETTER | ISSUE 4 | MARCH 2017

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MESSAGE FROM THE CEO

It was not so long ago that we moved into a new-year 2017, and now we are even at the end of the first quarter. 2016 is gone. One should reckon it was a year full of uncertainties and unpredictable changes. Some of them included confirmation of UK's vote to exit EU and assumptions of its ramified implications, prolonged China's economic standstill, US presidential elections and stagnant commodity markets as well as stumbling emerging market currencies. In South Africa, 2016 was marked by low economic growth, unrest in tertiary institutions, and SA sovereign downgrading overhang. Nonetheless, global growth and global trade momentum are expected to lift modestly in 2017 and 2018, after reaching post crisis lows in 2016. This would lend support to export orientated domestic industries.

As we start a new year, we should relish the challenges that lie ahead. The road of transforming South Africa's high unemployment rate – a cause of inequalities and social unrest; expanding international trade foot print; and addressing the exclusion of some categories of economic operators, is a rocky one. It is a rocky road because the challenges are not only at home but also across the globe since multiple uncertainties continue to rein around the review of trade agreements, pro-protectionism policies,

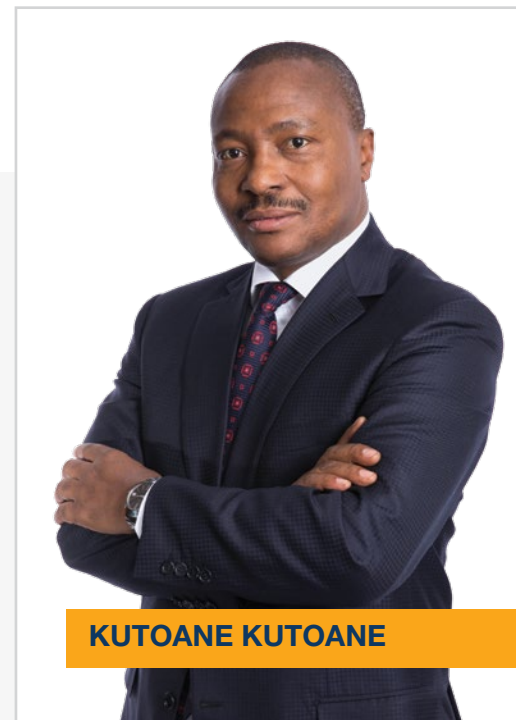
sluggish commodity prices, China's economic imbalances, etc.

In the midst of all these lurching issues, we remain focused on our mandate to facilitate cross-border trade and investment on the continent and beyond. We rely on government support and internal capacity to roll out changes that are aimed at expanding our mandate and visibility to reach out a large part of the business communities.

We realized that in spite of a challenging economic environment, the ECIC is able to adapt and surely position itself amidst the ever-changing global dynamics. A series of initiatives have been undertaken to find more innovative ways to succeed in facilitating South African exports.

The process of reviewing our legislation is at an advanced stage and we expect as outcome an effective transformation into an eximbank. We count mostly on our long experience and achievements.

With respect to establishing business ties with Afreximbank, the trade finance bank for Africa, the matter has been submitted to the government hierarchy and we are awaiting final sign-off. The ties with Afreximbank entail the acquisition of equity shares, knowledge



KUTOANE KUTOANE

sharing and joint effort to support business transactions. This initiative promises to catapult us into a visible organization across our key markets in Africa. It will also bring about excellent learning opportunities for staff across all disciplines and position us well for coping with the impending growth challenges. The Memorandum of Understanding with Afreximbank has been negotiated and agreed and we are working on the Implementation Plan, which should be in place before end of March 2017.

YOUR EXPORT RISK PARTNER

MESSAGE FROM THE CEO CONTINUED...

Under the new agreement with the Minister of Trade and Industry (the dti), we are enabled to offer insurance cover to non-South African registered banks and financial institutions, as well as foreign registered or domiciled companies, who are willing to support South African exports and subject to meeting South African local content requirements. This is a commendable outcome in the context of current tightened financial regulations.

In terms of insurance products, we foresee further growth in the delivery of big contracts and export of capital goods and services following ECIC Board approval for the insurance coverage of advance payment and performance bond which are issued by commercial banks. The cover is offered for 90% of the bond value. The Master Bond Policy sets the framework under which the insurance cover will be issued without delay. This means that the approval process will take into account the time that contractors need confirmation thereof. The visibility of the ECIC continues to expand within and outside the frontiers through billboards and

various media channels. It is expected that our Business Development department will build a larger network as many business operators are becoming aware of our existence and capabilities.

Internally, we continue to be committed to enhancing the capabilities and capacity of all our staff to undertake more challenging and yet highly rewarding engagements through rigorous and ambitious training and skills development program. We are aware of the technological revolution that will most likely fundamentally alter the way we live, work and relate to one another, both in a positive way and negative way. This is about the digital revolution that has been expanding at an unprecedented exponential pace. As the connectivity and information processing take the speed, we might also experience cyber-attacks on the other side of the token. Our IT team has started to work toward acquiring the technological tools that will increase efficiency and ensure safety of our systems. We managed to acquire new business and a long pipeline of

potential exports projects, specifically in public infrastructure (road, rails, power and port). We expect the insurance portfolio to grow further with new products and simplified underwriting processes aimed at reaching new market segments, which were not catered for in the past. To this end, we have approved a tailored Black Industrialist underwriting framework. In addition, the research team is exploring new trade and investment opportunities in favour of South African exporters and investors on the continent and overseas.

Looking Ahead

In closing, we look forward to getting support from all our stakeholders and partners in sailing together towards the realisation of our expanded mandate while defining and relentlessly pursuing the long term growth opportunities. Management earnestly seeks your cooperation as we seek sustainable growth and profitability in a very challenging business environment. We continue to value your feedback and close communication for mutual benefit.

FEATURES

BERNE UNION

VICE PRESIDENT ANNOUNCEMENT

With much anticipation, the ECIC is proud to announce that the COO, Mandisi Nkuhlu has been elected as Vice President of the Berne Union. The Berne Union is the leading association for the global export credit and investment insurance industry.

Founded in 1934, it is an international non-profit organisation whose mission is to enhance trade and investment flows globally through export credit, trade finance and investment facilities.

They represent 84 Member companies from 73 Countries, including government-backed

official export credit agencies, private credit and political risk insurers, multilateral institutions.

The Berne Union vision is to actively facilitate cross-border trade by supporting international acceptance of sound principles in export credits and foreign investment and to provide a forum for professional exchange, sharing of expertise and networking amongst our members.

The ECIC CEO, Kutoane Kutoane, Management and staff congratulate Mr Nkuhlu on this magnificent achievement and we wish him all the best in this incredible endeavour.



MANDISI NKUHLU

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FEATURES CONTINUED...

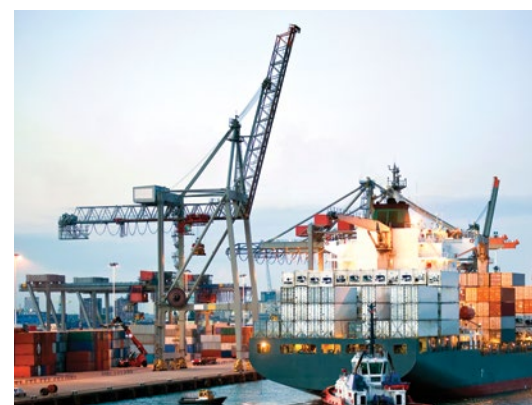
ECIC FEATURED ON

BUSINESS DAY TV

Business Day TV anchor, Semeyi Zake speaks to ECIC Management on various topics such as Business into Africa, Cross Border Export, Trade on the African Continent, the Role of Risk Mitigation in the Current Macro-Economic and Political Environment, and much more.

ECIC was featured on BDTV on Channel 412 from November 2016 – March 2017.

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LATEST NEWS

01

CAPE BUSINESS NEWS

Exporter of the Year to be announced at Gala Dinner

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02

ENGINEERING NEWS

Hard currency availability a challenge for cross-border trade in Africa.

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03

HERMANUS TIMES

Abagold rewarded as exporter.

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LATEST NEWS CONTINUED...

04

MERCURY

Exporter of the Year awards in the KZN.

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05

MINING WEEKLY

Need for greater economic risks.

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06

PUBLIC SECTOR MANAGER

SA aims to grow investment in Africa.

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07

WESTERN CAPE BUSINESS

Celebrating Export Excellence.

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08

ZAMBIAN HIGH COMMISSION

Government is happy that President Edgar Lungu's foreign visits are yielding quick results for the country.

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YOUR EXPORT **RISK** PARTNER



RECENT EVENTS

01

GTR AFRICA TRADE FINANCE WEEK

GTR Trade Finance Week is an event hosted by the Global Trade Review which is the world's leading news source, publisher and event organiser for the global trade, commodity and export finance markets. The London based organisation has hosted the Trade Finance Week in Cape Town South Africa for the past 11 years and has returned to the mother city once again this year.

ECIC participated at the GTR Finance Week that took place at the Westin Hotel in Cape Town from the 09 -10 March 2017. The GTR event is a meeting for bankers, financiers, industry regulators, ECA's and multilaterals and is one of the largest global trade finance events. The 2017 event incorporated GTR's West Africa Trade & Export Finance Conference, for increased coverage on developments in key markets such as Nigeria, Ghana and the Francophone region.

The event focused on the extensive trade, export, commodity and infrastructure financing opportunities available across the continent, providing unrivalled access to those companies and institutions currently doing business in Africa, including regional and global corporates, financiers and trade specialists.

ECIC Head of Business Development, Portia Gumbo Dube, was on the special ECA's panel discussion under the topic **"What role do ECAs have to play in the trade current climate?"**

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02

EXCRED LONDON

ECIC was a silver sponsor at the leading event for the global export credit & political risk industry, the Insuring Export Credit & Political Risk (EXCRED) event that took place in London from the 28 February – 01 March 2017.

ECIC's Head of Political, Economic Analysis and Research department (PEAR), Benoit Fugah, was a delegate at the event which poses an ideal opportunity to meet and interact with senior representatives of ECAs, banks, DFIs, insurers and corporate exporters deal generators as well as facilitators from all sides of the industry.

The main theme of this 2017 event was "Analysis of Key Markets for Export Credit & Political Risk".

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03

AFRICA ENERGY INDABA

ECIC exhibited at the Africa Energy Indaba 2017 that took place at the Sandton Convention Centre from the 21 – 22 February 2017 as a silver sponsor under the theme 'Energy solutions today-Powering tomorrow'.

The Indaba brought together key role players in the power and energy sectors around the globe to debate and exchange solutions on the African power and energy challenges with a specific focus on African power supplies, alternative and renewable energies, oil and gas, energy projects' financing and investment opportunities.



RECENT EVENTS CONTINUED...

03

AFRICA ENERGY INDABA CONTINUED

According to a research by African Development Bank, the continents combined energy demand in order to reach its optimal sufficient power grid requires an estimated 200 GW energy capacity, 130 million new on-grid connections and 75 million new off-grid connections and to provide 150 million households with access to clean cooking solutions.

More than US \$50 billion of investment is needed annually to achieve the African continent energy capacity. These brings together great investment opportunities for the economic growth of the continent and the ECIC to effectively carry out its mandate of facilitating export trade for South African exporters of capital goods and services. ECIC Senior Economist, Tsidiso Disenyana participated on the discussion panel today under the topic: "Prospects for growth in the African Energy Sector and are PPPs a vehicle for growth potential".

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04

MINING INDABA

The Export Credit Insurance Corporation SOC LTD, again participated at the Invest in Africa Mining Indaba 2017; the largest mining industry gathering in the world, which was hosted at the Cape Town International Conference Centre from the 06 – 09 February 2017.

The theme for the 2017 Mining Indaba was "Leveraging the next wave of growth: how to invest in African mining to make long term profits". The theme was significant to ECIC as we are embarking towards the EXIM Bank strategy, and it provided the corporation with a critical review process on the mining sector and its future growth for the African continent and the South African exporters in the industry.

ECIC Chief Operations Officer, Mandisi Nkuhlu, was part of a discussion on the Finance Panel at the conference main stage with other DFI's, IDC and IFC, under the topic: "Examining strategies to successfully finance emerging and mid cap mining projects". The weeklong Mining Indaba brought together a wide range of stakeholders in the mining sector that includes engineering companies, manufacturers of mining equipment, project sponsors and financiers, governments and industry regulators.

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05

BRICS EXPORT CREDIT AGENCIES' FORUM - SECOND TECHNICAL WORKSHOP

The second Technical Workshop of BRICS Export Credit Agencies (ECAs) was held at Hyderabad from the 01 – 02 December 2016.

The Technical Workshop was part of a series of events being organised under the Chairmanship of India of BRICS Forum. The Technical Workshop was hosted by ECGC Limited, a premier Export Credit Agency of India.

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RECENT EVENTS CONTINUED...

06 KZN EXPORTER WEEK

ECIC participated at the KZN Exporter Week, which coincided with the Africa Rail and Ports Conference, and the KZN Exporter of the Year Awards gala dinner. ECIC partnered with both events through a sponsorship. The exhibition area which was the hallmark of the event, saw the ECIC stand being popular among other key stands including DBSA, Transnet and other Rail companies from the around the continent and the globe.

ECIC Head of Business Development Portia Gumbo was a speaker at the KZN Exporter Week on a presentation regarding ECIC product offerings and our role in the SA exporter industry, and will also be a panellist at the Africa Rail Summit under the topic: **“Developing an integrated and sustainable transport network in Africa”**. The Panel was moderated by Mr Adam Deen-Head: Infrastructure Programme, NEPAD Planning and Coordinating Agency, South Africa.

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UPCOMING EVENTS

ECIC is a proud partner of the following events:

01 MANUFACTURING INDABA

19 - 20 April 2017
The Norfolk
Nairobi, Kenya


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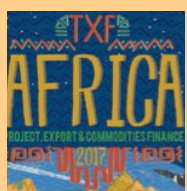
02 AFRICAN UTILITY WEEK

16 - 18 May 2017
CTICC
Cape Town, South Africa


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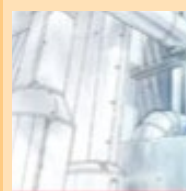
03 TXF AFRICA

29 -30 March 2017
Nairobi, Kenya


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04 MANUFACTURING INDABA | EKURHULENI

27 & 28 June 2017
Emperors Palace, Ekurhuleni


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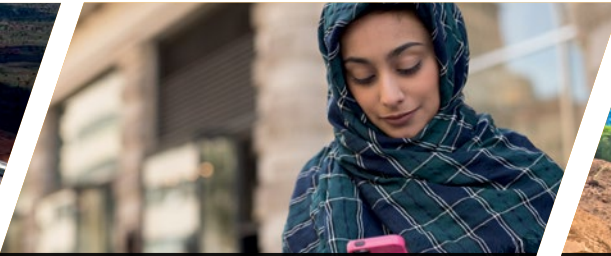
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SUCCESSFULLY GROWING OUR PORTFOLIO IN FRONTIER MARKETS



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MOZAMBIQUE



MTN IRAN • TELECOMMUNICATIONS
IRAN



BELL EQUIPMENT • COPPER & COBALT MINE
DRC



VEECRAFT MARINE • BOATS
NIGERIA



KONKOLA • COPPER MINE
ZAMBIA



RRL GRINDROD • LOCOMOTIVES
SIERRA LEONE



CEMPOWER • GAS TURBINE POWER
GHANA



ZINARA INFRA LINK • TOLL ROAD
ZIMBABWE



LIQHOBONG • DIAMOND MINE
LESOTHO

Since 2001 we have continued to provide commercial and political risk insurance for cross-border transactions, offering risk mitigation solutions to South African exporters of capital goods and investors. We have partnered with credible financial institutions and believe through partnerships economic growth can be achieved. As Export Credit Insurance Corporation of South Africa (ECIC) we are committed to supporting our South African businesses who export and invest in capital projects beyond our borders.

If you're planning on exporting to or investing in capital projects beyond our borders, contact ECIC for assistance

+27 12 471 3800 | info@ecic.co.za | www.ecic.co.za

ECIC is a registered service provider with the FSB No. 30656