



# ECIC NEWS

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**INSIDE  
THIS  
ISSUE**

Page 01  
**MESSAGE FROM  
THE CEO**

Page 02  
**ANNOUNCEMENT**

Page 04  
**MEDIA  
FEATURES**

Page 04  
**LATEST  
NEWS**

Page 05  
**RECENT  
EVENTS**

## MESSAGE FROM THE CEO

Synergy, Transparency and Innovation - These three words dictate ECIC's strategy, approach to service, pricing, and communication. Last year we continued to strive for growth as a force for change, challenging the status quo in the export credit insurance world.

During the year, we also finalized the acquisition of the Afreximbank shares and we are confident that the investment will enable us to reap the benefits of increased business opportunities across the continent as well as help us accelerate skills development.

We continue to strive towards developing innovative solutions to help us provide an ever-improving service to our valued clients, as client centricity remains at the heart of ECIC business.

That points towards our working increasingly to deploy a service tailored to the nature and complexity of each individual business case. Our recent engagement with our bank partners has yielded positive results and common understanding.

That greater responsiveness lies at the heart of our strategy for the future. Meanwhile, we face the coming year with optimism: unwavering in our values; strong in our people, our executive and our board; and confident in their ability, yet again, to meet the formidable challenges ahead.

We are also very upbeat with prospects in Zimbabwe as the political landscape improves after recent changes. There are also signs that West Africa and other commodity-dependent economies in the continent will resume growth trajectory in the aftermath of the commodity price slump of recent past.

As the economic prospects in Sub-Saharan African countries improve, and South Africa's manufacturing activity rebounds, we should begin to see increased interest in South African capital goods and services from the continent and beyond. This presents increased opportunities for ECIC to provide our risk solutions.

Last year was also a year of change and transition as we welcomed new changes to our governance structure with the coming on board of the new Chairman, Mr. Dheven Dharmalingam, who comes with wealth of experience and knowledge to smoothly take on from where Mr. Joe Lesejane left off. We applaud Joe's great service in the growth of the ECIC over the past 7 years he had served. Dheven has been joined by the new directors, Mr. Sisa Mayekiso and Ms Lerato Mothae. We wish them well in the service of our company going forward.

Meanwhile, ECIC will continue to strive toward its vision of industry leadership and



**KUTOANE KUTOANE**

its sustainability goals in the year ahead. Thank you for your ongoing interest in ECIC and for your support.

**YOUR EXPORT RISK PARTNER**

# ANNOUNCEMENTS

## ECIC AND AFREXIMBANK PARTNERSHIP

### AFREXIMBANK, ECIC SIGN MOU, PLEDGE \$1BN TO EXPAND TRADE BETWEEN SOUTH AFRICA AND OTHER AFRICAN NATIONS

Cairo, 15 March 2018



*Afreximbank President Dr. Benedict Oramah (right) and Kutoane Kutoane, Chief Executive Officer of ECIC of South Africa, exchange documents following the signing of the MOU in Cairo.*

The African Export-Import Bank (Afreximbank) and the Export Credit Insurance Corporation of South Africa (ECIC) have entered into a memorandum of understanding (MOU) to launch a \$1 billion financing programme to promote and expand trade and investments between South Africa and the rest of Africa.

Under the terms of the MOU signed in Cairo on Monday, Afreximbank and ECIC will jointly implement a South Africa-Africa Trade and Investment Promotion Programme (SATIPP).

SATIPP will involve the two institutions working together on identification, preparation and appraisal of trade transactions and projects; exploration of co-financing and risk-sharing opportunities; and knowledge-sharing work, with particular emphasis on intra-African trade matters, through technical cooperation, staff exchange, research and joint events.

South Africa, which joined Afreximbank as shareholder in November 2017 and named ECIC as its designated investor, became eligible for the Bank's trade promotion programmes and financial services as a result of that shareholding.

Speaking during Monday's signing ceremony, Dr. Benedict Oramah, President of Afreximbank, said: "In line with our strategy, IMPACT 2021: AFRICA TRANSFORMED, which prioritizes intra-African trade, industrialization and export manufacturing, we decided to develop this joint programme as it provides a platform for the realization of our strategic objectives while also aligning

with South Africa's strategic goal of expanding trade with the rest of Africa."

The President said that in addition to being Africa's most industrialized country and a regional manufacturing hub, with one of the largest and most diversified economies in the continent, South Africa also accounted for the largest proportion of intra-African trade for both exports, at 24.5 per cent, and imports, at 15.4 per cent.

The joint initiative would support businesses through capacity building and market information initiatives; help small and medium-sized entrepreneurs join regional supply chains; and provide advisory services and guarantees to South African investors seeking trade and investment opportunities in Afreximbank African member states, added Dr. Oramah.

Kutoane Kutoane, Chief Executive Officer of ECIC, in his response, said that joining Afreximbank as a shareholder had made it possible for South Africa to widen its access to other African markets.

Beyond ECIC's mandate to increase the volumes of South African exports, the

institution was committed to contributing to the Africa's industrialization in an inclusive manner.

"We realise that one of the best ways to enhance our exporting capabilities as a country is by intensifying mutually beneficial trade with the rest of the continent," said Mr. Kutoane.

Also speaking, Kanayo Awani, Managing Director of Afreximbank's Intra-African Trade Initiative, said that SATIPP offered numerous opportunities to South-Africa-based entrepreneurs expanding to the rest of Africa, including trade and project financing, guarantees, twinning/business matchmaking services, export logistics facilitation, capacity-building, and trade information and advisory services.

Implementation of the MOU will involve technical teams from the two institutions collaborating in the identification of trade transactions and projects eligible for financing.

The South Africa – Africa Trade and Investment Promotion Programme ("SATIPP") is a joint programme launched by the African Export-Import Bank



("Afreximbank") and the Export Credit Insurance Corporation of South Africa SOC Limited ("ECIC"), with the aim of promoting and expanding trade and investment between South Africa and other African countries.

#### ABOUT ECIC:

The Export Credit Insurance Corporation of South Africa (ECIC) was established almost 17 years ago, in July 2001, when it was given the mandate of filling a market gap through the provision of medium to long-term export credit and investment guarantees by underwriting bank loans for political and commercial risk insurance cover, on behalf of the South African government.

The ECIC is committed to sustainable business through innovative solutions, operational and service excellence, business development and strategic partnerships. In enabling frontier markets to optimise production, the ECIC is effectively motivating a positive socio-economic impact.

Our mission is to provide export credit and investment insurance solutions in support of South African capital goods and services by applying best practice risk management principles.



*Afreximbank President Dr. Benedict Oramah (right) and Kutoane Kutoane, Chief Executive Officer of ECIC of South Africa, sign the MOU in Cairo*

#### ABOUT AFREXIMBANK:

The African Export-Import Bank (Afreximbank) is the foremost pan-African multilateral financial institution devoted to financing and promoting intra- and extra-African trade. The Bank was established in October 1993 by African governments, African private and institutional investors, and non-African investors. Its two basic constitutive documents are the Establishment Agreement, which gives it the status of an international organization,

and the Charter, which governs its corporate structure and operations. Since 1994, it has approved more than \$51 billion in credit facilities for African businesses, including about \$10.3 billion in 2016. Afreximbank had total assets of \$11.7 billion as at 31 December 2016 and is rated BBB+ (GCR), Baa1 (Moody's), and BBB- (Fitch). The Bank is headquartered in Cairo. For more information, visit:

[www.afreximbank.com](http://www.afreximbank.com)  
[www.ecic.co.za](http://www.ecic.co.za)



## ECIC & AFREXIMBANK PARTNERSHIP

[CLICK HERE](#)



## NACALA CORRIDOR LOGISTIC PROJECT

ECIC celebrated the signing of the direct agreement cementing the implementation of the Nacala Corridor Logistic Project on 30 November 2017, in Mozambique.

The Nacala Corridor Logistics project has brought together participants from

various continents, such as South America (VALE), East Asia (JBIC, NEXI and Mitsui) and from the African continent (African Development Bank and the Export Credit Insurance Corporation of South Africa), in its construction, financing and management.

This collaboration amongst the private sector investors, public and private financing institutions and insurers as well as both the sovereign governments of Malawi and Mozambique, has been the catalyst in developing such a world class transport infrastructure for the citizens and economies of both countries.

On behalf of the ECIC General Counsel, Ntshengedzeni Maphula, who wishes to thank all the stakeholders that have been involved in the negotiation of the financing package; it has been a journey well-travelled and during which we were able to overcome many challenges towards achieving this great milestone.



*ECIC Nacala Corridor Logistic Project - \$5 billion rail and port project will boost Moz economy*



## MEDIA FEATURES

ECIC FEATURED ON

### CNBC AFRICA

CNBC Africa TV anchor, Rofhiwa Madzena, speaks to ECIC Management on various topics such as, The role and impact of ECIC in the South African export economy, Afreximbank, South Africa's competitiveness within the export industry, ECIC playing a critical role in the industry, Risk Mitigation in the export industry, The role of ECIC in taking exporters into Africa, Business into Africa – Proactive Engagement, Cross Border Trade and much more.

ECIC was featured on CNBC Africa Channel 412 from November 2017 – March 2018.

[CLICK HERE TO VIEW ONLINE](#)

ECIC FEATURED IN

### AFRICAN LAW AND BUSINESS

ECIC has been featured in African Law and Business, under the topic *A corridor to prosperity*.

Click below to view the clip online.

[CLICK HERE TO VIEW ARTICLE ONLINE](#)

## LATEST NEWS

# 01

### SOUTH AFRICA'S TRADE & EXPORT FINANCE AMID POLITICAL TURBULENCE

ECIC has been featured in the 'Into Africa' publication under the topic *South Africa's Trade & Export Finance Amid Political Turbulence* with ECIC Senior Economist, Tsidiso Disenyana, as spokesperson for the piece. The publication offers fresh insight into Africa's Emerging capital markets.

[CLICK HERE TO VIEW ARTICLE ONLINE](#)

## RECENT EVENTS

### 01 TXF CAPE TOWN

ECIC partnered with TXF as a major sponsor for the first South African TXF event held at the Table Bay hotel in Cape Town on the 3 – 4 October 2017. TXF co-host its inaugural South African export and project finance event with both ECIC and Afreximbank.

TXF Cape Town provided a comprehensive overview of the state of the market and regional financing opportunities.

With more than two days of networking, international leaders and some of the region's largest corporates participated in panel discussions, case studies and innovative idea labs, as they addressed some of the key challenges facing the South African financing market. DFIs and MFIs are increasing support for new projects, trade blocs have renewed efforts to promote intra-African trade and ECAs are developing creative market offerings.

Some of the topics discussed included:

- The extent South Africa's downgrade has caused a spike in demand for DFI/MFI finance
- Whether new power projects can counteract the region's high energy cost
- Some of the obstacles to successfully promoting intra-African trade
- What can be done to facilitate greater ECA participation in South Africa
- Ways to mitigate the risk in key sectors such as water, infrastructure and power

Key participants included ECIC CEO Kutoane Kutoane, dti Minister Dr. Rob Davies and President & Chairman of the African Export-Import Bank Dr. Benedict Oramah.

### 02 ECIC A PARTNER AT THE KZN EXPORTER WEEK 16 -20 OCTOBER 2017

ECIC participated at the KZN Exporter Week, which coincided with the Africa Rail and Ports Conference, and the KZN Exporter of the Year Awards 2017 gala dinner. ECIC partnered with both events through a sponsorship arrangement.

KZN Exporter Week is an annual programme of Trade Invest KZN (TIKZN) developed to recognise, promote and assist with growing KwaZulu-Natal's export businesses and industries. Export Week highlighted the significance of exporting to the KwaZulu-Natal economy and aimed to celebrate the success of KwaZulu-Natal exporters. Export Week KZN was filled with information and networking sessions of interest for emerging exporters, existing exporters, and seasoned exporters.

The 6th annual African Ports Evolution Forum focused on unlocking Africa's economic potential through port development and optimization.

ECIC had an exhibition stand at the co-located Africa Ports Evolution exhibitions alongside DBSA, Transnet Ports and other ports and rail companies from around the continent. Head of Business Development, Portia Gumbo Dube participated on the discussion panel under the topic: ***"What are the optimal PPP and concessions models to drive investment into port development"***.

### 03 EASTERN CAPE MANUFACTURING INDABA

ECIC participated at the Eastern Cape Manufacturing Indaba, Co-hosted by the DTI and the Eastern Cape Development Corporation on the 20 October 2017, at the Boardwalk Casino Conference Centre.

The provincial Indaba came after a successful National Manufacturing Indaba which was held at the country's manufacturing hub, Ekurhuleni in June 2017, which is followed by provincial Indaba's in key industrial provinces including Eastern Cape, KZN, and the Western Cape.

ECIC Senior Economist, Tsidiso Disenyana, participated in a panel discussion under the discussion topic: ***"Intra-African regional trade - How can manufacturers sell their products and services to the African market and develop export led growth"***. The Indaba was attended by financiers, investors, government leaders and industrial manufacturing export companies from the Eastern Cape region.

Eastern Cape province hosts three import/export harbours and has excellent road and rail infrastructure, the province has been earmarked as a key area for growth and economic development in modern South Africa. The two-major industrial centers, Port Elizabeth and East London have well-developed economies based on the automotive industry.

## 04 WESTERN CAPE MANUFACTURING INDABA

ECIC is participated at the Western Cape Manufacturing Indaba, co-hosted by the dti and the Western Cape Provincial Government on the, 22 November 2017 at the Century City Convention Centre, Cape Town.

The provincial Indaba's are roadshows following the successful National Manufacturing Indaba which was held at the country's manufacturing hub, Ekurhuleni in June 2017. The provincial Indaba's are hosted in key industrialised and manufacturing led regions of South Africa, namely Eastern Cape, KZN and the Western Cape.

ECIC's Economist, Ms. Sindiso Ndlovu participated in a discussion panel under the topic: "Intra-African regional trade - How can manufacturers sell their products and services to the African market and develop export led growth". The Indaba was attended by financiers, investors, government leaders and industrial manufacturing export companies from the Western Cape region.

Manufacturing is the second biggest sector in the Western Cape and contributes about 15% to the South African manufacturing sector output. The province's agro-processing continues to show resilience amid tough economic times, and its renewables and green tech industries have received significant boost through investments. The manufacturing sector in the Western Cape is supported by multi-national corporations who have chosen the region to take advantage of the economic opportunities of the local economy as well as those in the rest of Africa.

## 05 ECIC AT THE MINING INDABA 2018

The Export Credit Insurance Corporation SOC LTD, participated at the Invest in Africa Mining Indaba 2018, the largest in the world, hosted at the Cape Town International Convention Centre from the 05 – 08 February 2018. The theme for the 2018 Mining Indaba was "Providing the foundation for sustainable junior and major mining growth in Africa" which was focused on forging integration between major mining players and the SME mining sector role players.

ECIC participated at the exhibitions running concurrently with the conference.

ECIC COO, Mandisi Nkuhlu lead a delegation of ECIC representatives for the purpose of networking with potential clients to discuss pipeline mining projects and forging prospective partnerships. The aim of the meetings was to provide ECIC with growth prospects of major activities of the ECIC Mining Indaba campaign.

The week-long Mining Indaba brought together a wide range of stakeholders in the mining sector that included mining investors, engineering companies, manufacturers of mining equipment, projects sponsors, banks and financiers, governments and industry regulators.

## 06 AFRICA ENERGY INDABA

ECIC participated at the Africa Energy Indaba 2018 that took place at the Sandton Convention Centre from the 20 – 21 February 2017. 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.

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 required annually to achieve the African continent energy capacity. These brings together great investment opportunities for the economic growth of the continent and for the ECIC to effectively carry out its mandate of facilitating export trade for South African exporters of capital goods and services.



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## 07 GTR AFRICA TRADE & EXPORT FINANCE WEEK

ECIC took up a sponsorship at the **GTR Africa Trade & Export** Finance Week conference that took place in Cape Town in March 2018. For well over a decade, GTR Africa Trade & Export Finance Week has been a crucial networking and discussion forum for Africa's corporates, financiers, trade specialists, ECAs and service providers.

With extensive opportunities to create new business, as well as a truly customisable delegate experience, this event covered all aspects of trade, export, commodity and infrastructure finance, exploring innovative funding solutions available to African corporates, identifying key African trade hotspots and project opportunities, providing insight into credit and political risks and much more.

ECIC Head of PEAR, Benoit Fugah, participated in a panel discussion under the topic ***"The changing role of ECA's and DFI's on the continent."***





# PROVIDING CREDIT SUPPORT FOR BUYERS OF SOUTH AFRICAN CAPITAL GOODS AND SERVICES



Access to international trade finance is critical to the growth of Intra-Africa trade. ECIC provides credit support in the form of political and commercial risk insurance for buyers of South African capital goods and services to enable them to access trade finance. ECIC is committed to expand export trade between South Africa and the rest of the continent.

If you are planning to buy capital goods and services from South Africa, you may contact ECIC for assistance.

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



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