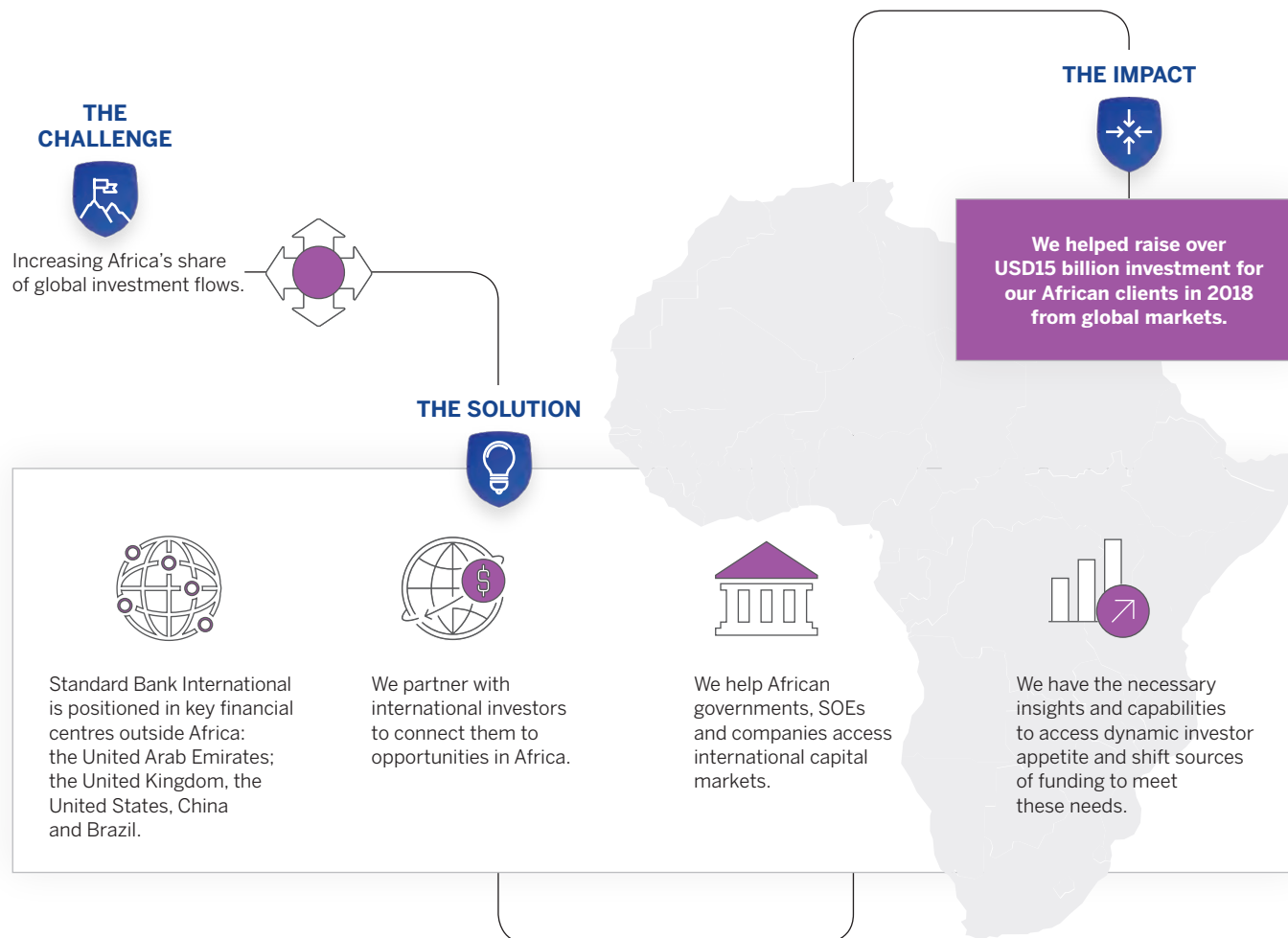




Expanding African trade to drive Africa's growth

The African Union's Agenda 2063 highlights the importance of trade and investment infrastructure to connect Africa.

The deepening of trade and investment flows between African countries and global markets such as China provides opportunities for African economies to develop and expand manufacturing and services industries, and for African businesses to tap into new markets and access global supply chains. A core part of our business is to facilitate trade and investment flows between African countries, and between African countries and global markets.



Availability of bank-intermediated trade finance is far below what Africa needs, falling short by at least USD100 billion according to the African Development Bank.

Access is particularly difficult for SMEs. Digital solutions that increase the efficiency and reduce the cost of trade would make it easier for SMEs to access trade finance. Currently, trade finance in Africa remains heavily paper-based, and disconnected by national borders. But African governments are beginning to encourage digitisation as a way of boosting domestic and global trade in markets that lack traditional domestic and cross-border trade infrastructure.

We see potential for further digitisation of the physical supply, the financial supply and the documents chain. Our contribution to digitising the financial supply chain has included working with regulators supporting price discovery and risk management in the tea industry in Kenya. We have also been working to digitise documents chains, including proof of concept tests using blockchain to digitise bills of lading, for example. We've identified the development of digital solutions that simplify and broaden access to trade finance among Africa's SME segments in key markets as a strategic focus for us.

Supporting trade in Africa also means working with clients to manage multiple categories of risk, including counterparty credit risk, country risk, currency risk and operational risk. A key element in this is helping clients match responses to real rather than perceived risk – by partnering with fintech firms operating trade contingent and asset risk distribution services, for example. We're also providing support and strategic guidance to regional organisations working to reduce trade barriers, speed up the clearing and release of goods, increase the predictability of landing costs, and support compliance to minimise the disruption and costs of legitimate trade, through use of digital platforms.