

Trade in time of Crisis

Opportunities and Solutions through digital

World Trade at a glance..

w/spotlight on Africa Trade

World Bank announces
\$12bn fund for developing
countries

IMF predicts slow
down in global
growth

35% of Imports
come from Europe

WTO states
double digit
decline in trade
volumes

US-China Trade
War continues

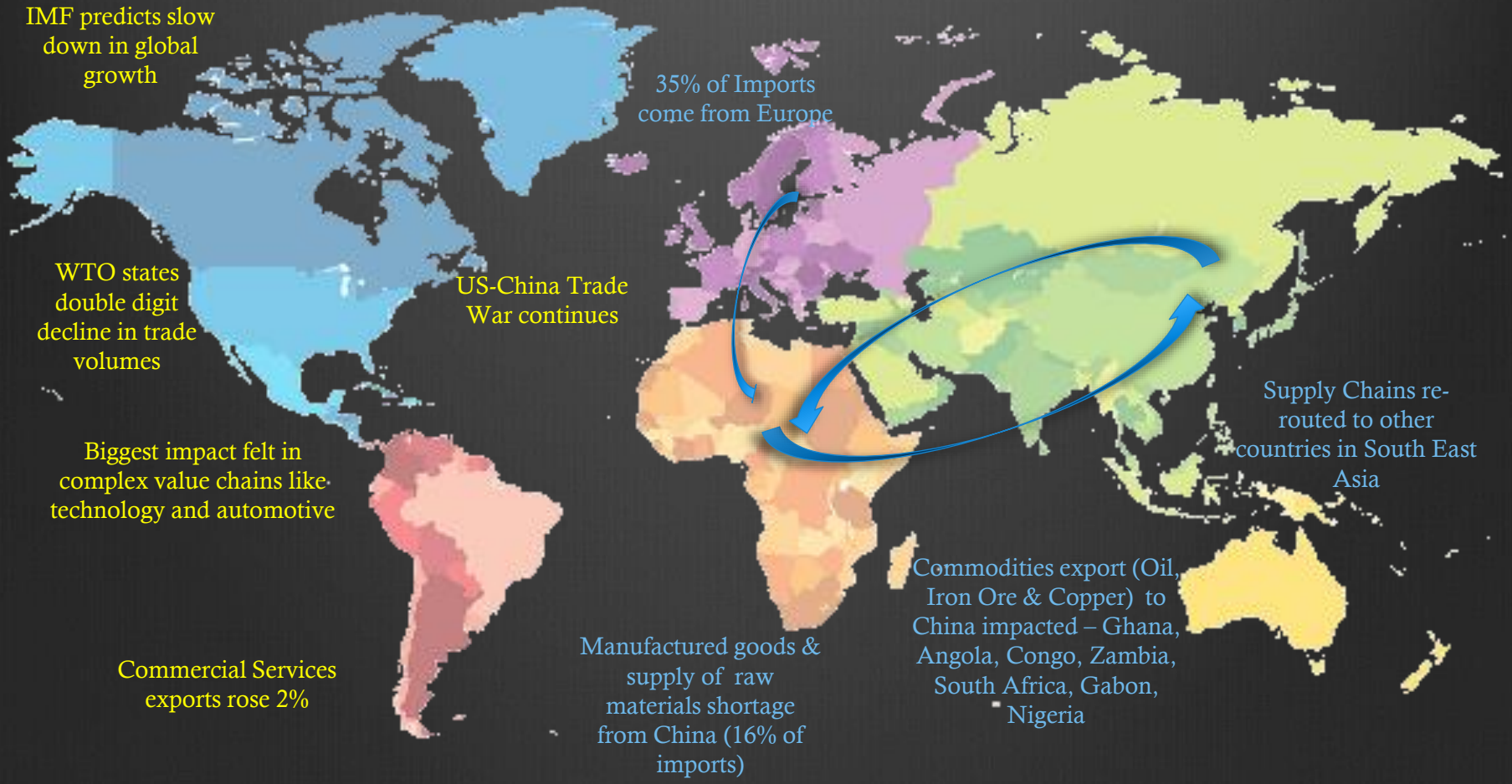
Biggest impact felt in
complex value chains like
technology and automotive

Supply Chains re-
routed to other
countries in South East
Asia

Commercial Services
exports rose 2%

Manufactured goods &
supply of raw
materials shortage
from China (16% of
imports)

Commodities export (Oil,
Iron Ore & Copper) to
China impacted – Ghana,
Angola, Congo, Zambia,
South Africa, Gabon,
Nigeria



Opportunities for Trade

- Move from Paper to Digital Solutions
- Policy changes to facilitate above
- Building resilient Digital Supply Chains
- Influencing and leveraging government schemes to enable additional liquidity and ease of accessing them, especially for SMEs
- Use of social media, e-commerce channels, online marketing

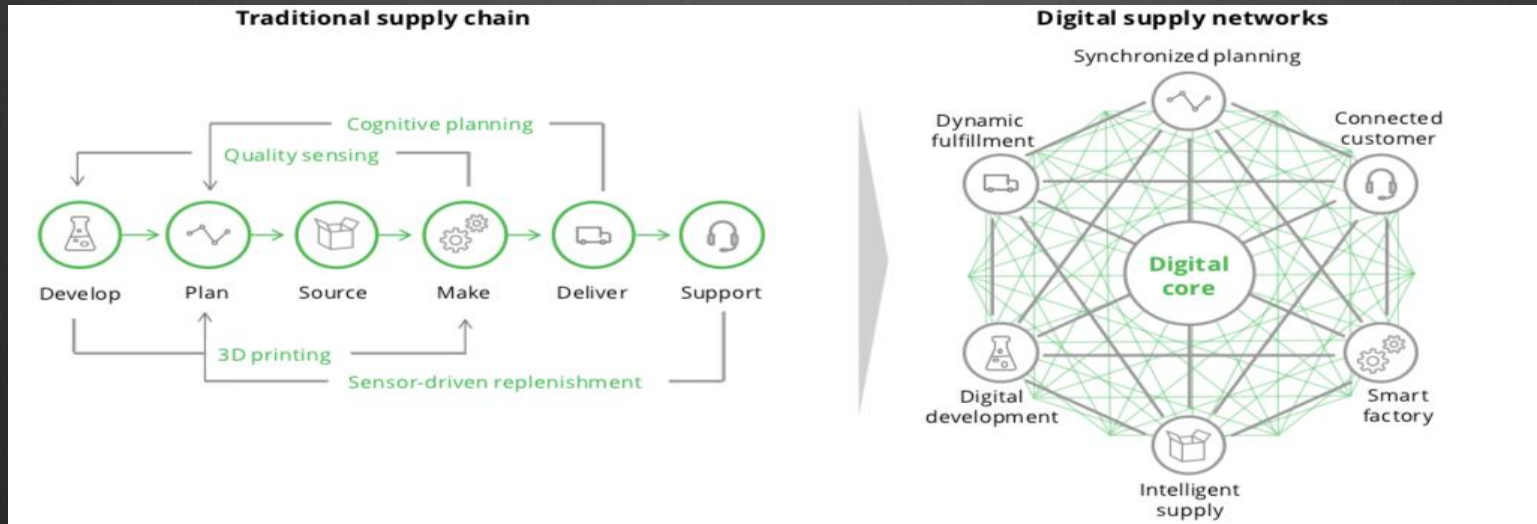
‘Crisis is a terrible thing to waste’

....Paul Romer, a Stanford economist

Digitisation of Trade

- No longer a topic for efficiency or cost...must for business continuity
- Channels of choice – Online bank platforms, API connectivity, Trade & Block chain Networks
- Electronic document presentation - e-signature, electronic scans (OCR – Optical Character recognition) – EY/SAS (Track), Conpend, Traydstream
- Converting paper into digital originals and using block chain rails to preserve its authenticity and drive transparency (Enigio, Komgo, Consensys Contour, Tradeshift, Marco Polo)
- Using AI to drive compliance, fraud and sanction checking for swifter decision making (EY/SAS)
- Policy changes being led by industry champions like ICC, BAFT and ITFA with government organisations around the world

Digital Supply Chains (DSN)



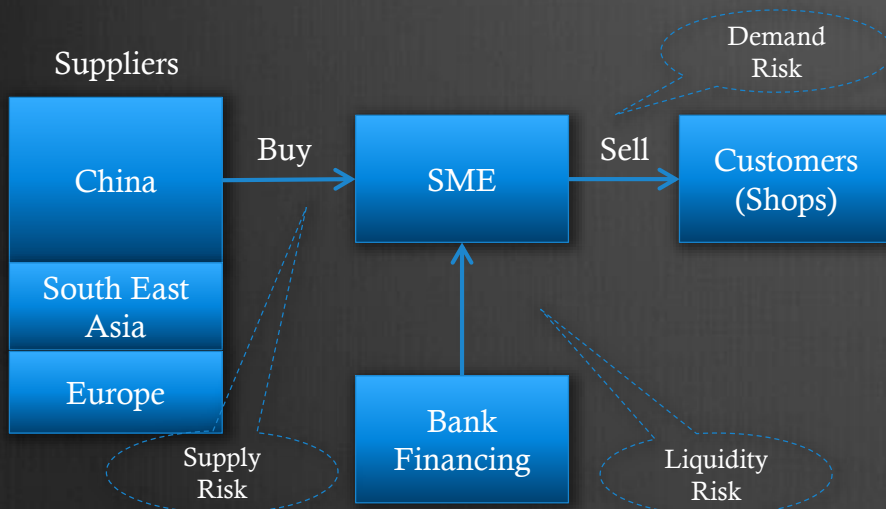
- Linear to a diversified network of suppliers and customers
- Check if your customers have supply chain programs with their banks which you can tap into for liquidity at any time. Most banks have these enabled thru robust technology platforms (Taulia, Demica, Kyriba, Premium technology etc.)
- Deloitte's CentralSight is designed to drive visibility across many layers of supply chain, giving companies important info on vulnerabilities therein
- Move from physical distribution channels to building an online presence
- Increasing use of e-commerce channels for both marketing and distribution (Amazon, Google, EBay etc.)

Impetus from Governments

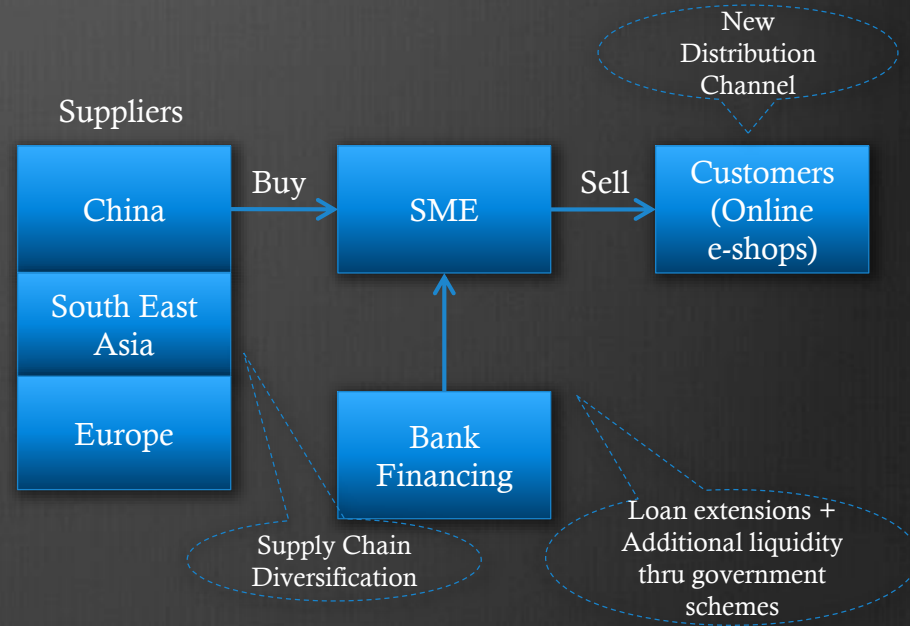
- Trade can help support recovery
- Government practices also re-visited
- Cutting of interest rates
- Injecting liquidity through various schemes
 - ‘Bounce Back’ Loan – Digitally enabled, Maximum uptake, oversubscribed within first few hours of launch
 - Staff furlough programs
- Schemes for Exporters – General Export Facility (non-contract specific)

Case Study

Pre Covid-19



Post Covid-19



Supply Risk → Digital & Diversified Supply Networks (DSNs)

Demand Risk → Online distribution channels

Liquidity Risk → Additional liquidity thru government schemes

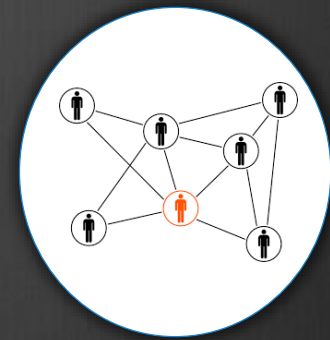
Summary



RESET
to ensure business
continuity



ADAPT
the operating model
to maximise
opportunities



ENGAGE
the ecosystem to
foster cooperation
and learning

Q & A

Appendix

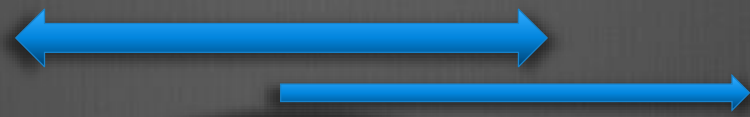
Business Continuity

- ⊗ 2 Key attributes
 - ⊗ Resilience
 - ⊗ 'Digital first' Strategies

NOW – is the RIGHT time

Surviving

Thriving



Dealing with crisis

Pivoting to sustainable strategies

Reacting to:

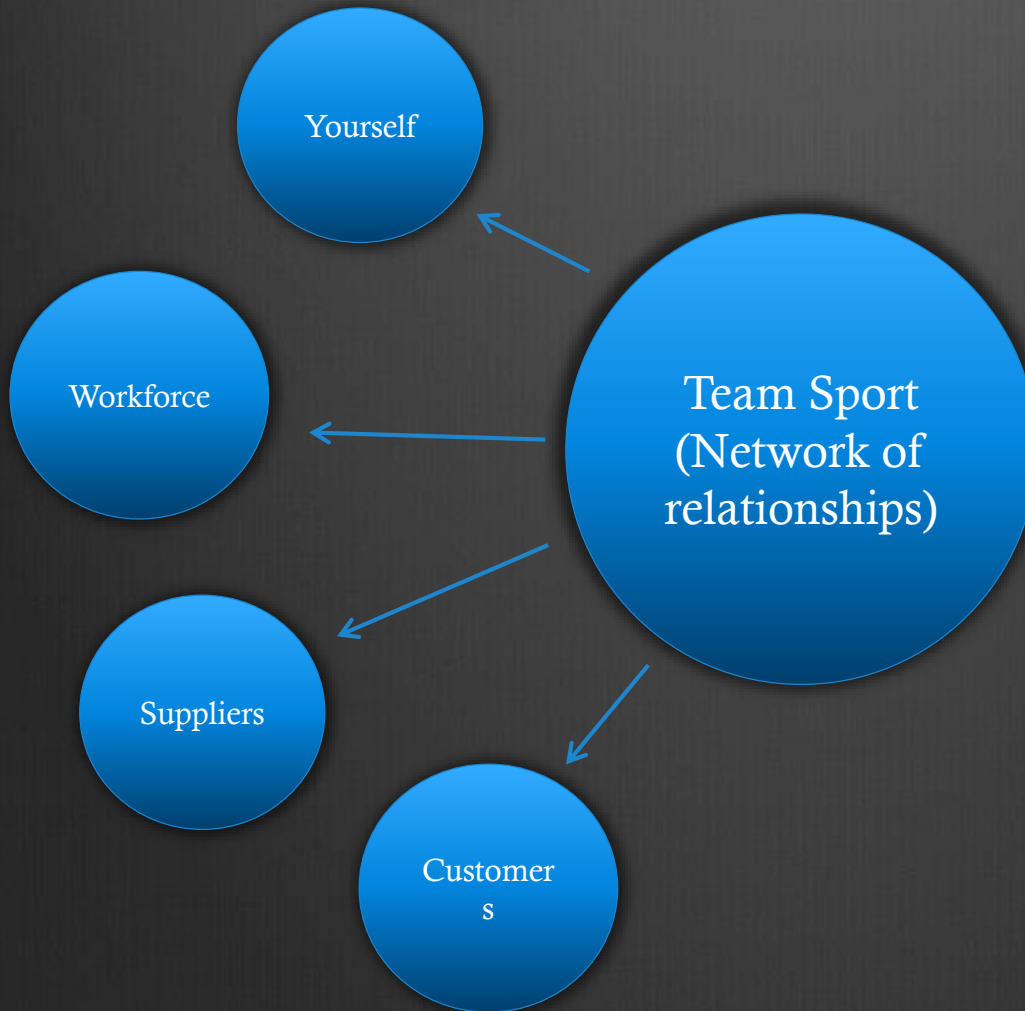
- Market collapse
- Supply Chain disruption
- Workforce Capacity reduction



Seeking:

- New markets and online channels
- Move from linear physical to digital supply network (DSN)
- Agile Workforce

Leadership



- Who
- Rank on Priority
- Action least resilient and strengthen most strategic

Revenues

- ‘What if ‘ scenario discussion with customers
- Pivot to digital channels (online, e-shops, e-advertising, social media etc.) to widen customer base
- Identify customer segments that can thrive in multiple situations; Prioritise long-term relationships
- Build out inventory for future sales

Organisation

- Open Communication and Information Flow
- Be open to cost-cutting measures (*but as a measure of last resort*)
- Know key personnel you want to hold on to

.....when people are empowered in their jobs, they are more receptive to working through a difficult situation....

Finances

Cash flow Forecast

- MUST

Future Proof Contracts

- Commercial
- Banking
- Funding from Public & Non-Profit organisations
- Leverage Government Schemes

Flexibility to pivot to alternative strategies

- Cash Discounts for early payments
- Seek longer payment terms

Operations

- Map out E2E Supply Chain
 - check for vulnerability;
 - maximise value extraction
- Communications infrastructure – Update
- Stay connected using Agile Tools – Microsoft Teams, Zoom
- Emotional and well-being support - Mental Health webinars