Standard Bank
Business & Commercial

Unlocked

Business Insights Enabling
Your Growth

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Good day,

Africa's growth story is increasingly being shaped by its entrepreneurs: businesses finding new customers, building regional supply chains, and expanding beyond their borders.

The opportunity is significant. The African Continental Free Trade Area connects 55 countries and 1.3 billion people, with a combined economic value of US$3.4 trillion. It offers businesses a pathway to reach new markets, trade more easily and retain more value on the continent.

Momentum is building. Intra-African trade grew by 7.7% in 2024, while global uncertainty and shifting supply chains have made stronger regional partnerships increasingly important. For entrepreneurs, this creates opportunities to scale, diversify revenue and strengthen resilience.

Africa's global trade relationships are also evolving. China–Africa trade reached a record US$348 billion in 2025, opening new possibilities for African businesses. In this edition, Junaid Jadwat explores the growing importance of China as a trade partner and the role of the renminbi in enabling more efficient trade between Africa and China.

Realising these opportunities requires more than ambition. Businesses need market insight, trusted networks, effective trade and payment solutions, and a clear understanding of currency, regulatory and supply chain risks.

In this edition of *Unlocked*, we explore the potential of a more connected Africa, the growing China–Africa trade corridor and the practical considerations for expanding with confidence.

At Standard Bank Business & Commercial Banking, we are ready to apply our African market knowledge, presence and partnerships to help amplify your growth.

Italia Matlala
Group Head: Brand & Marketing, Standard Bank Business & Commercial Banking

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AFRICA'S CROSS-BORDER MANUFACTURING OPPORTUNITY

By Junaid Jadwat,
Head of Coverage, Standard Bank
Business & Commercial Banking

If you're running a manufacturing business in South Africa and have been watching the structural changes unfold across the continent, you've probably wondered whether it's worth looking beyond our borders.

Africa's economic development has largely bypassed industrialisation, moving directly from agriculture into low-value services. However, it's shifting direction as government policy reforms begin to facilitate infrastructure development and refocus on value-adding economic sectors, including manufacturing.

One number captures the opportunity in these structural changes: fewer than 5% of Africa's small and medium-sized manufacturers export directly, and even fewer engage in cross-border trade at all, according to the International Trade Centre's SME Competitiveness Outlook. This shows that most regional competitors haven't ventured into new markets either. By acting now, you could be among the first to enter promising new markets.

There are hurdles that could stand in the way of achieving your ambitions. Every border you cross adds risk. Logistics and tariff barriers could erode your margins, regulatory requirements shift from one country to the next, and working capital often gets tied up longer than you'd like. None of these challenges disappear just because the opportunity is good. What changes is whether you go in prepared or find these things out the hard way, mid-expansion.

The currency shift worth watching

Cross-border trade in Africa has long been priced and settled in US dollars, adding cost and exposure even when neither party is dealing with an American counterpart. That's beginning to change. The Pan-African Payment and Settlement System is projected to save the continent billions a year in payment transaction costs by enabling direct local-currency settlement between African central banks. The renminbi (RMB) is emerging as a compelling alternative settlement currency for trade with China, currently Africa's largest trading partner – a shift borne out of our own research. Standard Bank's latest Africa Trade Barometer found that Asian countries are now the preferred trading partners for 35% of the businesses surveyed, up from 24% in 2024, with China cited by 67% as their leading source of inputs.

Standard Bank, together with the Industrial and Commercial Bank of China, has been authorised by the People's Bank of China to clear RMB transactions across 19 African countries – the first African bank to hold this status. Combined with our earlier admission to China's Cross-Border Interbank Payment System, and a full suite of RMB spot, forward and options capabilities, it means you can settle and hedge trade with China through a more transparent, cost-effective route, without paying to route every transaction through a third currency.

> **"None of these challenges disappear just because the opportunity is good. What changes is whether you go in prepared or find these things out the hard way, mid-expansion."**

What being prepared actually looks like

Being prepared isn't complicated, but it does mean doing some crucial legwork before you sign anything. Understand the regulatory and compliance requirements in your target market before your first shipment goes out, or before you consider investing in bricks and mortar, not after. Build a working capital cushion to cover the extra weeks a cross-border cash cycle usually takes compared with a domestic one. Map your logistics route end to end so that you know the real cost and timeline for getting goods across a border or within a new market.

It also means lining up the right partners early, not once something has already become an issue. A bank with genuine on-the-ground presence, multi-sector coverage expertise and access to instruments like RMB settlement can help you navigate currency, payments and regulatory questions before they turn into expensive problems. The same goes for a customs agent or logistics partner who knows the specific border/s you're crossing, not just the region in general. None of this guarantees success, but it reduces the risk of running into problems beyond your control.

Cross-border expansion isn't easy. But preparedness reduces the risk of problems materialising and getting out of control, and increases your chances of success. We're here if you would like to discuss how we can help you broaden your business's horizons.

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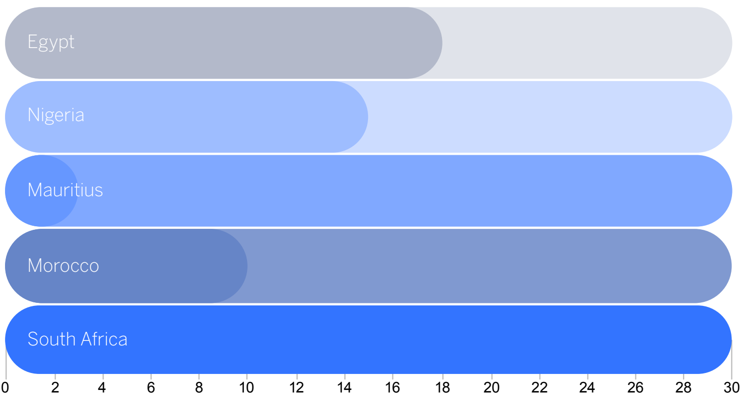
Market & economic pulse: September

- Inflation has re-accelerated → **Lock in input pricing and review supplier contracts**
- Rate increase possible → **Stress-test facilities** against a potential September hike
- Municipal elections a key rand swing factor → Explore **currency hedging structures**
- Domestic recovery remains thin → Build resilience by creating a **wider business footprint**

Renminbi in focus
Renminbi (RMB) trade with Africa is accelerating, up 161% in 2024, with Standard Bank now the continent's first authorised RMB clearing bank. RMB access ensures lower costs, faster settlements, reduced currency risk in transactions with Chinese partners, and direct access to China's onshore financial system.

CHINA IS INCREASINGLY ISSUING RENMINBI SWAP LINES TO AFRICAN COUNTRIES

In billions of renminbi



Source: RMB Internationalization Report (2025), Reuters, Atlantic Council

Talk to your Relationship Manager about how RMB clearing can lower costs and simplify settlement for your African cross-border transactions.

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Check-in with
GOOLAM
BALLIM
Standard Bank
Chief Economist

We sat down with Standard Bank Chief Economist Goolam Ballim to discuss why African businesses are increasingly looking beyond their home markets, and where the opportunities lie.

Africa is often spoken about as one market. Is that how businesses should think about it?
Not quite. Africa is a continent of 54 countries that are at very different stages of development. But the economic distance between them is shrinking, trade links are deepening, transport corridors are improving, and the African Continental Free Trade Area is building the architecture for a more integrated market. A business that has reached a natural limit at home increasingly has the option of looking next door before looking halfway around the world.

Where do you see the strongest opportunities?
I'd pay particular attention to East and West Africa, where strong growth combines with young populations, urbanisation and rising demand for infrastructure, energy and financial services. Businesses that establish themselves in these regions early will be well-positioned to meet future demand.

What are the risks for a South African business expanding across the continent?
The biggest mistake is assuming that what worked at home can simply be exported. Expansion needs to be deliberate, market by market. Being multinational isn't inherently virtuous, and a well-run national business beats a poorly run multinational.

Does the more fragmented global economy make African expansion more attractive?
Potentially, yes. Geopolitics and supply-chain security concerns are pushing governments and companies to reconsider where they source and manufacture, and resilience now matters as much as efficiency.

Where does China fit into this story?
China accounts for close to a fifth of Africa's trade and is deeply embedded in its economic architecture. African companies increasingly have scope to participate in the supply chains and manufacturing that connect the two regions, which makes understanding China – rather than merely trading with it – increasingly important.

Does that mean African businesses should start thinking seriously about the renminbi?
Yes, particularly businesses with meaningful Chinese trade flows. The US dollar will remain dominant for the foreseeable future, but it doesn't need to be replaced for the renminbi to become commercially useful. The relevant question isn't whether the renminbi will become the world's next reserve currency; it's whether using it makes trade with China cheaper, simpler or less risky. Increasingly, for some businesses, the answer may be yes.

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Now that's interesting

9.6 billion

DIAPERS AND DEMOGRAPHICS
The number of adult nappies and incontinence pads Japan produced in 2024, **compared with 8 billion for babies**.

Consumer spending reveals a country's demographics. As birth rates fall and the population ages, Japan's nappy makers are pivoting from babies to adults.

Source: bbc.com, issafrica.org

Africa's working-age population will exceed that of India and China combined by 2040. If your business has spotted a demographic opportunity you'd like to investigate, reach out to your Relationship Manager.

From the desk of
FEZILE DALI
CIO of Standard Bank Business & Commercial Banking

How social engineering can put your business at risk

In banking terms, social engineering is when criminals trick people into giving them access to money. It doesn't always involve a complex cyber-attack. For growing businesses, the risk increases when more people can access or approve company payments.

Some of the common types of fraud business owners should be aware of

1. **Vishing-led authorised payment fraud.** This happens when someone phones the company pretending to be a bank, regulator or service provider. They stay on the line and guide the victim through the payment.
2. **Supplier mandate fraud and business email compromise.** This type of fraud is harder to spot. Criminals change banking details in messages that look like they come from a trusted supplier. The payment may follow the normal approval process, but the money ends up in a criminal account. Businesses are especially at risk because they often pay the same suppliers regularly.
3. **Remote access and screen sharing.** Sometimes criminals convince users to install software for fake "support". Once they have access, they can move money quickly, often to a new beneficiary created moments before the payment.

The pressure is the attack

Fraudulent payments are often approved by someone who is authorised to make payments for the business. The problem isn't always the control itself. The problem is that the person has been tricked about what they are approving.

Fraudsters create urgency so that people act before checking the request. They don't need to bypass your verification process. They only need to convince you that there's no time to use it. Pressure to act quickly is often a warning sign. Ensure you make verification a standard step for every payment or change request, even when the request feels urgent.

Fraud across borders

When companies expand into other countries, fraud risks can increase. New partners, unfamiliar processes and slower checks can make it harder to confirm whether a payment request is real.

Businesses may also become less careful if they believe they are entering a safer market. This can be risky. In 2024, the European Banking Authority and European Central Bank reported that manipulation of the payer made up more than half the value of fraudulent credit transfers in the European Economic Area.

AI: A dual threat

AI can make fraud harder to spot. It can remove warning signs such as spelling mistakes, unusual wording and poor-quality logos. This means the usual checks for spotting fake messages may no longer be enough.

AI can also create risk inside a business. Automation makes processes faster, but slower steps are often where fraud is detected. Some organisations are adopting AI systems that can start or approve transactions, but these systems may not yet have the same controls as traditional payment systems.

The fact is, whenever you put client, payment or supplier information into AI tools without clear controls it creates risk. It may not look like fraud at first, but it can lead to fraud if the information is misused.

One way to reduce this risk is to keep payments within a trusted system; for example, Standard Bank has offices in 21 African countries that all use the same payment system. Cross-border payments can then be managed in one environment, instead of being spread across institutions that cannot see the full picture.

Speak to your Relationship Manager about practical ways to help protect your business from fraud.

HUNGRY LION
HUNGRY LION
HUNGRY LION

QUICK BITES
What Hungry Lion's spectacular rise can teach you about cross-border expansion

By Stephan van der Merwe, Head of Commercial Banking Suite, Western & Eastern Cape

Over the past two years, fast food chain Hungry Lion has opened a new store on the African continent every second working day. Today, the company has over 500 stores across Africa, with an ambition to double that number by 2028.

At the 2026 Amplifying Growth Summit, CEO Adrian Basson shared his insights into expanding successfully across African borders.

CONSIDER BOTH THE CURRENT AND THE FUTURE OPPORTUNITY

"Africa has 1.5 billion people, most of whom eat chicken," says Basson. But the current opportunity pales in comparison to potential future growth.

According to the ISS African Futures report, Africa's population is projected to double to 3 billion by 2061.

Key takeaway: Understanding your current target market isn't enough. Long-term strategy requires an in-depth comprehension of potential future markets.

RISK COMES IN MANY GUISES

"I see expanding into Africa as a de-risking exercise," says Basson of Hungry Lion's expansion into countries experiencing political instability and infrastructure challenges. "It's hard to explain to someone that we're opening in the DRC, Tanzania and Uganda to de-risk the business, but that's the reality."

He balances radical acceptance of the inherent risks of doing business across the continent with a clear understanding of the concentration risk of a single market.

Key takeaway: Not all risks are obvious. Sometimes complacency is your biggest threat.

EFFICIENCIES REQUIRE SCALE

Hungry Lion aims to have 1 000 stores by 2028. Basson argues the scale is precisely what makes it easier.

"If you build 30 stores per year, you're building individual stores. The more stores you open, the better pricing you get from suppliers, the better you can purchase, the more people you can train, the better skilled people you can hire."

Key takeaway: Scaling necessitates systems that can scale.

AUTOMATION AND AUGMENTATION

From site analysis to sales forecasting to stock management, machine learning and AI are integral to all Hungry Lion operations.

"Lots of businesses focus their tech on the flashy, customer-facing stuff. We use tech to improve the business side."

Computer-vision cameras, AI alarm systems and analytics tools alert managers automatically so that they can resolve problems on site.

Setting up the right technology at the outset shows up on the bottom line. As Basson explains, "When we started, we had one regional manager per seven to eight stores. Now we have one regional manager looking after about 20 stores."

Key takeaway: Invest in systems first and foremost for efficiency.

A FLEXIBLE APPROACH AND THE RIGHT BANKING PARTNER

In Africa, your goal should be written in pen, but your day-to-day planning should be in pencil, says Basson. That requires a banking partner that understands the environment in which you operate.

"On paper, a lot of countries don't make sense. Standard Bank understands Africa better than the rest of the banking industry and is excited about those countries and the future."

Key takeaway: Your banking partner should be as excited about your ambition as you are. Remember, your Relationship Manager is always ready to hear from you.

Growth story

FLYING IN THE FACE OF FLOODS AND CONFLICT

Griffin Procurement Services

A ruby mine in a conflict zone in Mozambique and a luxury safari lodge on a flooded riverbank in Botswana ... these are some of the challenging construction sites of Griffin Procurement Services' cross-border projects. When you're responsible for end-to-end procurement and logistics spanning several countries, the stakes are high and scaled finance provides crucial security.

When things go wrong, the consequences are costly. If your shipment misses a barge to the Afungi region, the insurgency-affected area in northern Mozambique, you pay demurrage for several weeks.

Then there are the different regulatory environments. Although the same SADC import rates apply, each of South Africa's neighbouring countries add their own, different surcharges to shipments.

"That was quite a steep learning curve," Craig Jones, the company's Director, admits.

> **"It's not just about getting a quote, buying something and sending it across a border."**

An unintended consequence of success

Griffin was founded in response to repeated failures by South African suppliers to deliver to project sites in Mozambique in the early 2000s.

So, they decided to take charge of their entire supply chain. This decision, born out of necessity, had an unintended consequence. Other construction clients noticed their efficiency and the business grew without any marketing spend, through word-of-mouth recommendations.

At first, a team of only three employees manually managed cross-border procurement processes from Mbombela.

"But procurement and logistics is a volume business, so our biggest problem was scaling," says Jones. The biggest lever he pulled to get there was securing finance from Standard Bank "when we were still a pipe dream and our balance sheet wasn't the prettiest", he says.

"When you're working with thin margins of between 5 and 15% – and considering everything that can go wrong, from getting an enquiry to delivering an order – you need to make sure you've got financial security," Jones says.

Through years of experience, the team mastered cross-border procurement and logistics solutions. "It's not just about getting a quote, buying something and sending it across a border," Jones says.

That's why the company has grown into a buying house that supports clients from project inception stage, providing the value engineering to define what they need – and fulfil that requirement smoothly.

Bloomberg
Next Africa

ON OUR RADAR

Why Africa's population boom will be its greatest business advantage

Podcasts: Birthgap, Next Africa (Bloomberg), Afronomics (World Bank)

By 2050, Africa's working-age population will have grown by more than 624 million people, meaning that by then, close to one in six people on Earth will be an African of working age. The world has never seen a shift like it. It also represents one of today's starkest contrasts: as Africa's population grows, most of the developed world's is shrinking.

Three fascinating podcasts explore different dimensions and ramifications of these profound global demographic shifts, and why they favour Africa.

Birthgap, the documentary-turned-podcast available on YouTube, is reshaping how demographers talk about the West. It highlights the significance of falling birth rates, driven by an explosion in unplanned childlessness, and the resulting ageing workforces, which leaves far fewer hands to contribute to economic growth in the developed nations. In contrast, Africa's population trends could turn the continent's youth into a global asset.

Africa's demographic advantage is already being felt. In the *Merryn Talks Money / Next Africa* podcast – Africa's Growth Engine on YouTube, economist Joe Studwell argues that Africa's rising population density is already deepening consumer markets, lifting farm productivity, and making manufacturing easier to build. These are the same forces that powered Asia's rise decades ago.

The World Bank's *Afronomics* podcast episode with Andrew Dabalen and Ndiamé Diop (19 May 2026) explores a tougher question: are African economies creating jobs fast enough to absorb all this growth? While the continent's population dividend is a real advantage, Dabalen and Diop point out that it can't be unlocked automatically.

Together, these three podcasts offer a timely reminder: businesses that understand this shift early will be best positioned for tomorrow's fastest-growing consumer markets.

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Important calendar dates

22 October 2026
Best of Bloemfontein, **Bloemfontein, Free State**

28 October 2026
Free State Business Impact Awards, **Bloemfontein, Free State**

5–10 November 2026
9th China International Import Expo (CIIE), **Shanghai, China**

3 December 2026
Standard Bank Top Women Awards, **Johannesburg, Gauteng**

For more information on any of the Standard Bank events, contact your Relationship Manager.

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