

# SUPPLY CHAIN METAMORPHOSIS

**SAPICS**  
THE PROFESSIONAL BODY FOR  
SUPPLY CHAIN MANAGEMENT

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## 46<sup>th</sup> Annual SAPICS Conference

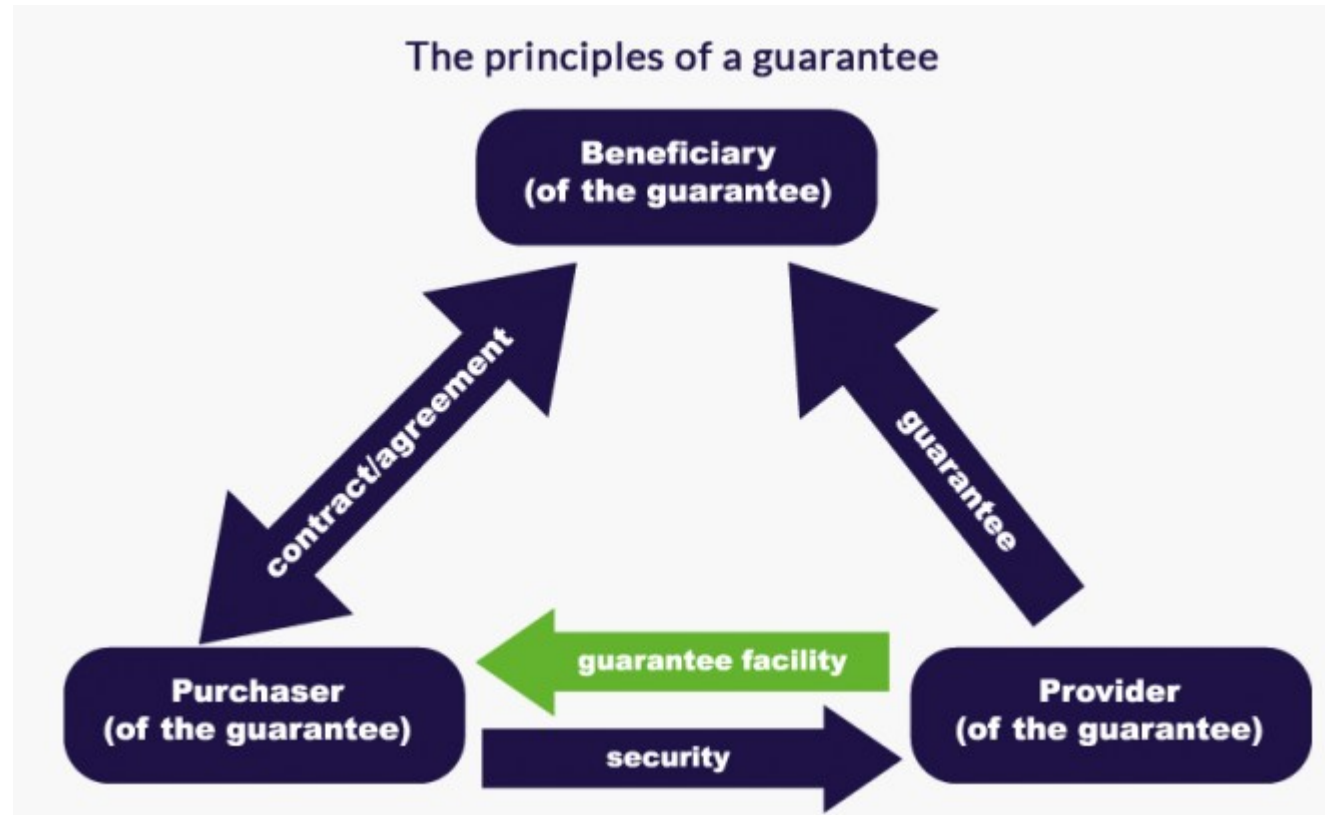
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Century City Conference Centre, Cape Town, South Africa

**Evolving Landscape Cargo Insurance, Trade & Customs Guarantees**

Thapelo Seanego | Lombard Insurance Company Ltd

# Guarantees Overview



# Freight/Logistic Guarantees

- South African Customs Guarantees Offered:

- Deferred Payment Bond.
- Bonded Warehouse.
- Excise Rebate.
- National Consignor Bond. (Not own Trucks)
- National Remover of Bonded Goods.(Own Trucks)
- Manufacture of Excisable Goods.
- Degroupage Depot Operator Guarantee.
- Temporary Import.

- Other Types of Logistical Guarantees:

- Transnet Freight Rail Guarantees.
- Transnet National Ports Authority Guarantees.
- Transnet Port Terminals.
- Airline Guarantees
- ATA Carnets
- Rental Guarantees



# Patterns With Trade Guarantees – Customs

## Custom Guarantees

- Change in guarantee requirements (AEO).
- Customs looking to redeploy resources will it have enough staff to make the program work?
- How are the different state entities working to make the program a success



# Market shift

- Clearing agents risk changes.
- Agents need to manage importer risk, by having contingencies in place such as credit insurance.
- SMME's compliance may increase with Customs.
- Does it make it harder to facilitate trade and sustainability to do business?

# Other trade guarantees

Huge decline demand for rail guarantees.

No material increases across all Transnet guarantees. Speaks to organizational challenges.

Property side has been good specifically for commodities Traders.  
General warehousing

Trading landscape/environment changes the risk profile. Translate to change in pricing and capacity.

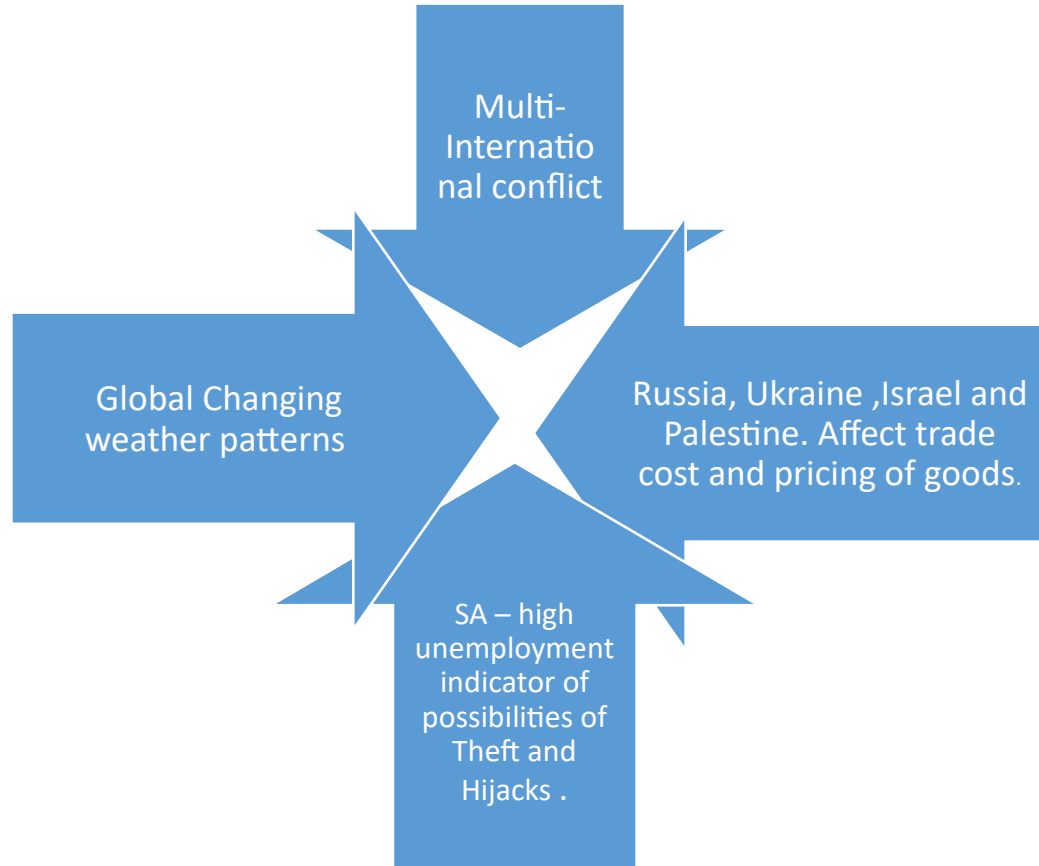
# Market shift and our assumptions on risk

- Our state-owned institutions do not have the capacity and balance sheet for the risk. Outside Customs we believe the Market will continue being dependent on guarantees as a mitigating solution for risk. This with private players coming into partnership with the state.
- Liquidity challenges in a hard trading environment. How can guarantees cushion a business.
- Opportunity cost, risk and return.

# Cargo Insurance



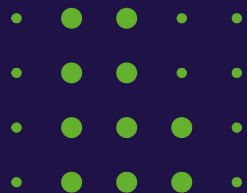
## Trends we seeing



## What we expect and constant evolvement

- Pricing is quite sensitive. Rate fluctuate with events.
- Political and wars impact.
- Knowledge and underwriting capabilities are key for risk assessment.





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Guarantee

# Thank You

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