

To All Members of EEPC INDIA  
Western Region

**MSME Seminar on Doing Business with Africa with a focus  
on Ethiopia & South Africa & "Interactive session on The  
Invoice Finance Advantage: Collateral-Free Trade Finance  
made Easy by Drip Capital"**

**on Friday the 26<sup>th</sup> July, 2019**

Mahratta Chamber of Commerce, Industries and Agriculture  
505 and 506 A and B Wing, MCCIA Trade Tower  
S. L. Kirloskar International Convention Centre  
Senapati Bapat Road, Pune 411016  
Tel : 91-20-25709211 Fax : 91-20-25709021

Dear Member,

EEPC INDIA in Association with Mahratta Chamber of Commerce, Industries and Agriculture invites all members for the MSME Seminar on Doing Business with Africa with a focus on Ethiopia & South Africa & "Interactive session on The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital" as per the following details:

Programme	:	MSME Seminar on Doing Business with Africa with a focus on Ethiopia & South Africa & "Interactive session on The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital"
Date & Time	:	Friday the 26 <sup>th</sup> July, 2019 at 5.00 pm to 8.00 pm <b>(followed by dinner)</b>
Venue	:	Mahratta Chamber of Commerce, Industries and Agriculture 505 and 506 A and B Wing, MCCIA Trade Tower S. L. Kirloskar International Convention Centre Senapati Bapat Road, Pune 411016
Guest Speakers	:	Consulate General of Ethiopia Consulate General of South Africa
Guest Speaker	:	

		Speaker from Drip Capital Services India LLP
Participation Charges	:	Nil (but prior confirmation is must)

## Why Ethiopia ??

1. Ethiopia is ranked 159 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Ethiopia improved to 159 in 2018 from 161 in 2017. Ease of Doing Business in Ethiopia averaged 133.45 from 2008 until 2018, reaching an all time high of 161 in 2017 and a record low of 104 in 2010
2. Strategically located at cross-roads between Africa, the Middle East and Asia, Ethiopia is the second most populous country in Africa and offers untapped resources, a vast domestic market and a large, young workforce.
3. Recent government reforms and incentives are unlocking investment and business opportunities. More efficient bureaucratic processes related to registration, logistics and taxation are increasing the inflow of foreign direct investment, especially in the manufacturing sector.
4. The Government of Ethiopia grants customs duty exemption provided for investors engaged in eligible new enterprises or expansion projects, such as manufacturing, agriculture, agro-industries and other sectors.
5. 100 per cent exemption from the payment of customs duties and other taxes levied on imports is granted to all capital goods, such as plant, machinery and equipment and construction materials.
6. Spare parts worth up to 15 per cent of the total value of imported investment capital goods, provided that the goods are also exempt from the payment of customs duties.
7. An investor granted with a customs duty exemption will be allowed to import capital goods duty free indefinitely if his investment is in manufacturing and agriculture, and for five years if his investment is in other eligible areas.
8. An investor entitled to a duty-free privilege that buys capital goods or construction materials from local manufacturing industries will be refunded the customs duty paid for raw materials or components used as inputs for the production of such goods.
9. Investment capital goods imported without the payment of custom duties and other taxes levied on imports may be transferred to another investor enjoying similar privileges.
10. Foreign investors who establish a new enterprise in selected areas of Ethiopia (such as Gambella; Benishangul-Gumuz; Afar, Somali, Guji and Borena Zones in Oromia and other regions) will be entitled to an income tax deduction of 30 per cent for three consecutive years after the expiry of the income tax exemption period.
11. An investor who expands or upgrades his existing enterprise and increases in volume by at least 50 per cent is entitled to income tax exemption.

12. Investors that export at least 60 per cent of products or services, or supply the same to an exporter as production of service input, will be exempt from income tax for an additional two years.

## **Why South Africa ??**

1. South Africa is ranked 82 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. ... Ease of Doing Business in South Africa averaged 54.36 from 2008 until 2018, reaching an all time high of 82 in 2017 and a record low of 32 in 2008.
2. A wave of optimism continues to wash across South Africa as the country benefits from renewed political stability and improved global economic conditions. Since the end of the commodity super-cycle and the severe drought between 2005 and 2006, inflation has remained low. The South African rand has also strengthened, and investor confidence improved after the recent change in government leadership.<sup>1</sup> Add to this an economy that is already globally positioned, sophisticated and diversified,<sup>2</sup> and the case for optimism is sound.
3. By highlighting good practices found within the country and benchmarking locations with others across the globe, Doing Business in South Africa 2018 aims to inspire better regulatory practices to improve the experiences of small businesses and encourage entrepreneurship. Every location has something to share with its peers, and good practices can be found even in lower-performing locations. This means that top performers also have room to improve and learn. The pace of reforms is undoubtedly slow, but the improvements recorded are noteworthy for their impact.
4. The obstacles firms face extend beyond mere process efficiency. Businesses also depend on good quality regulations to protect their interests

## **Collateral-Free Trade Finance made Easy by Drip Capital**

Export finance includes the purchase, funding, management and collection of short-term export receivables, based on goods exported to existing foreign buyers. Export finance works on the principle of invoice discounting & is primarily dependent on the exporter, the buyer, & the transaction history between them. The export factoring method has several benefits like increased sales in foreign markets by offering competitive terms of sale, protection against credit losses, accelerated cash flow, no requirement of providing/pledging additional asset/collateral, boost in working capital etc.

In order to appraise exporter members about this product, and the process and modalities involved in availing easy export finance, the session will cover the following points:

- Working capital issues faced by SME Exporters
- Overview of Export Finance
- Key offering and benefits to exporters
- Case Study
- Process for procuring Export Finance
- Q & A Session

RELEVANT FOR EXPORTER MEMBERS WHO:

- Have a track record of 6 shipments in past 6 months
- Are selling to geographies other than Africa
- LEO volume of USD 300,000 in past 12 months

Kindly send our confirmation at the earliest to [pbharda@eepcindia.net](mailto:pbharda@eepcindia.net) in the below format or depute your representative/concerned official for this useful Seminar as early as possible to enable us to make the necessary arrangements

Name of the Representative

Name of the Company

Contact no. and email

With Kind Regards,

RAJAT SRIVASTAVA  
REGIONAL DIRECTOR



(Formerly Engineering Export Promotion Council)

AN EPC UNDER UNION MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF INDIA

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