

A hand is shown holding a glowing, interconnected network of white nodes and lines. The network is superimposed over a circular compass rose. The background is a dark blue, starry space. The text 'Doing Business in Morocco & South Africa' is overlaid on a semi-transparent blue rectangle in the center-left.

Doing Business in Morocco & South Africa

Webinar

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Agenda

- ✓ Who is Juniper
- ✓ Knowing Morocco & South Africa
- ✓ Economics of Morocco & South Africa
- ✓ Customers in Morocco & South Africa
- ✓ Interactions and Experience with Customers
- ✓ Small Exercise
- ✓ Key Takeaways

Introduction to Juniper



Industry: Networking Equipment
Revenue: ~ \$5 Billion USD
Employees: ~ 10,000



Vision:

“To be worldwide leader of network innovation”

Mission:

“Connect Everything. Empower Everyone”

Products:

Routing



MX Series
Edge Routers



PTX Series
Packet Transport Routers



ACX Series
Access Routers

Switching



QFX Series
Data center Switches



EX Series
Enterprise Switches



OCX Series
White-box Switches

Security



SRX Series
Service Gateways

Morocco

Key Facts

- ❑ Head of State: King MOHAMMED VI
- ❑ Capital: Rabat
- ❑ Time zone: GMT
- ❑ Official language: Arabic
- ❑ Population (millions): 35.7
- ❑ GDP (USD billions): 109.80
- ❑ GDP per capita (USD): 3,073
- ❑ Life expectancy (years): 75.40
- ❑ Literacy (% of adult pop.): 71.70
- ❑ Surface area (sq. km) : 446,550



Economics of Morocco

Overall country Risk is Moderate risk

❖ Core Outlook		❖ Stable
❖ Credit Environment outlook		❖ Stable
❖ Political Outlook		❖ Deteriorating
❖ Regional Comparisons		❖ Stable
❖ Trade Terms		❖ Improving
❖ Credit Conditions		❖ Deteriorating

Customer in Morocco

Major Business Models

Marine transportation

Automobiles

Import and Export

Fishing & Agriculture

Information & Communication Technology

Trading terms

- ❖ Minimum Terms → Net 30 days
- ❖ Recommended terms → Net 30 days

FX Efficiency

There is a stability in FX conversion in the last two years. FX was 9.4 MAD to 9.8 MAD between 2016 & 2018.

Case Study

Issue:

We received an order from a subsidiary of a global customer in Morocco. The global customer has been doing business with us many years and has a Master Sales Agreement. We started providing service to the Morocco entity. When the invoice became due we encountered issues trying to collect the outstanding invoices. Customers bank refused to release payment.

Due Diligence:

Local banking regulations suggested to have a local contract to sell into Morocco.

- A – Execute agreement between buyer and seller locally
- B – Exercise Corporate Guarantee

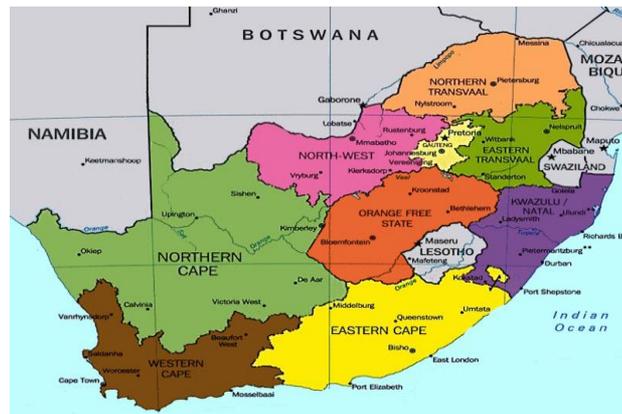
Result:

Ensure you have a thorough understanding of the local banking regulations. In this case we used the Corporate Guarantee to get paid and executed the agreement for future orders.

South Africa

Key Facts

- ❑ Head of State: President Cyril Ramaphosa
- ❑ Capital: Cape Town, Pretoria & Bloemfontein
- ❑ Time zone: GMT +02-00
- ❑ Official language: Eleven, including - Xhosa, Zulu, Afrikaans & English
- ❑ Population (millions): 56.7
- ❑ GDP (USD billions): 352
- ❑ GDP per capita (USD): 6,205
- ❑ Life expectancy (years): 61.10
- ❑ Literacy (% of adult pop.): 94.4
- ❑ Surface area (sq. km): 1,219,090



Economics of South Africa

Overall country Risk is Moderate risk

❖ Core Outlook	→	❖ Deteriorating
❖ Credit Environment outlook	→	❖ Deteriorating
❖ Political Outlook	→	❖ Deteriorating
❖ Trade Terms	→	❖ Deteriorating
❖ Credit Conditions	→	❖ Deteriorating

Customers in South Africa

Major Business Models

Telecommunications

Chemicals

Investment Services

Food & Agriculture

Life & Health Insurance

Trading terms

- ❖ Minimum Terms → Net 30 days
- ❖ Recommended terms → Letter of Credit

FX Efficiency

There is a stability in FX conversion in the last two years. FX was 14 ZAR to 12 ZAR between 2016 & 2018.

Case Study

Issue:

We have been doing business with a partner from South Africa for the last 10 years and they placed an order worth \$1M. Even though partner had been doing business with us for the last 10 years and have been paying regularly, they stopped making payments abruptly. We placed this customer on credit hold and upon escalation we received payment from a Third Party Payer (TPP). This triggered an investigation on why did we received this payment from a TPP which could possibly be a breach of anti-money laundering laws.

Investigation & Due Diligence:

The customer explained to us their reason why they had a TPP make the payment on their behalf.

A – Completed thorough internal compliance check

B – Customer completed TPP questionnaire on why the payment was made by another party

C – Executed Tri Party Agreement signed between customer, seller & TPP who made the payment

Result:

Upon thorough due diligence and completion of the above steps approval was given to accept payment.

Exercise

1. What kind of precautions steps should you take when selling to a new customer in Morocco?
 - A. Understand the local banking regulations
 - B. Limit your risk by requesting security instruments (CIA, Letter of Credit, etc.)
 - C. Use outside resources to understand how to do business (credit associations, reference checks, etc.)
 - D. All the above

Key Takeaways

- Know Your Customer (KYC) / Anti Money Laundering / Third Party Payments
- Understand Local Banking Regulations
- Have Thorough Understanding of Contract Agreements
- Manage Foreign Exchange Risk
- Conservative approach for new customers
- Limit overall exposure with security options if possible

Thank you

For any clarifications please reach out to

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