



Thank you for registering to attend the recent *Beyond the Financial Crisis* briefing.

Following on from the event, please find an outline of the support available from EFIC which I hope you will find helpful and informative.

To arrange a free consultation with EFIC, please contact us on 1800 887 588 or at info@efic.gov.au.

Yours sincerely

Peter Pyrgiotis
Head of Business Development

Overcoming trade finance issues for exporters

As you'll know, the global financial crisis has seen a severe tightening of credit markets. With trade finance becoming increasingly difficult to obtain, we recommend that exporters focus on two key issues:

- How will I finance my export production?
- How can I ensure that I get paid?

Both issues address the bottom line, so here are some tips for managing your cash flow:

- **Increase your customer due diligence.** How important is your export order to *their* ongoing business? How strong is your buyer's bank and how stable is the financial system in their country?
- **Review your payment terms.** Consider bringing forward revenue by reducing payment periods or requiring a deposit, progress payments or even full payment in advance.
- **Increase your payment certainty.** Minimise open account transactions or secure payment through Letters of Credit or export payments insurance.
- **Update your business plan.** Articulate your strategy for trading through the downturn, and share the plan with your bank.

How EFIC can help

EFIC can work directly with you or in partnership with your bank to provide solutions including:

- An **EFIC Headway working capital guarantee**, which enables an exporter's bank to increase the amount of a working capital facility by giving the bank additional security in the form of a guarantee from EFIC.
- An **advance payment or performance bond**, which allows an exporter to satisfy these common requirements of large export contracts without tying up working capital.
- A **documentary credit guarantee**, which facilitates confirmation by an Australian bank of a Letter of Credit drawn on a lesser-known foreign bank by guaranteeing payment by EFIC to the Australian bank.
- **Export payments insurance**, which protects against the risk of payment default by an overseas buyer for contracts with payment periods of over two years.

