

# **EXPORT FINANCING SOLUTIONS**

## **Australian Grains Industry Conference**

Wednesday 31<sup>st</sup> July 2013



**Australian Government**



Overcoming financial barriers for exporters

## About EFIC

- Australia's export credit agency (ECA)
- Purpose is to support growth of Australian business internationally
- Provides financial and insurance solutions for Australian exporters and offshore investors
- 100% owned by the Government of Australia
- Operates on commercial principles but different risk profile to banks
- AAA rating (S&P)
- Over 50 years experience

## Our role

- Fills 'market gap' when commercial finance unavailable/insufficient
- Role complementary to commercial lenders
- Supports Australian involvement in:
  - export of goods or services
  - overseas investment
  - international or eligible domestic export-related transactions or projects
- Customers range from SMEs to large listed companies

## How can EFIC assist?

Pre-Shipment Finance



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graph TD; A[Pre-Shipment Finance] --> B[Post-Shipment Finance]; B --> C[Project Finance]; C --> D[Buyer Finance];
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Post-Shipment Finance

Project Finance

Buyer Finance

## Case study – United World Enterprises, 2012

### Customer

United World Enterprises (UWE) is a commodity trader specialising in facilitating agribusiness exports including grains and cotton seeds. The company acts as a selling agent between Australian cotton seed suppliers and Chinese buyers.

### Need

UWE recently moved into more formalised cotton seed supply arrangements and had identified new buyers with higher volume needs. The company required upfront funding as it had insufficient working capital to pursue these opportunities.

### Solution

EFIC provided an export working capital guarantee through UWE's commercial bank.

### Result

**UWE was able to pursue larger contracts and ship higher volumes**



## Case study – VEB, 2012

### Customer

Bryansk Meat Company is part of Russian agribusiness group, Miratorg Agribusiness Holding, and is responsible for rebuilding the country's breeding stock.

### Need

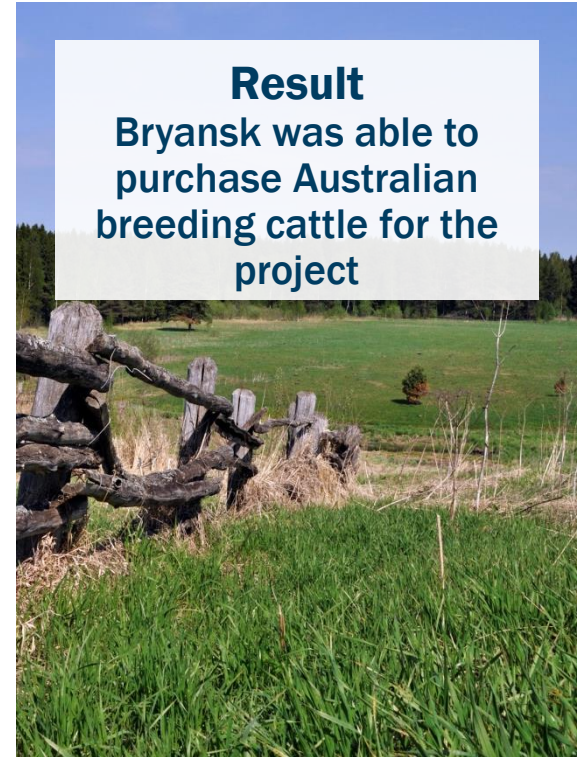
Bryansk required funding for the establishment of a fully integrated cattle breeding and beef production facility in Russia. The aim of the facility is to provide Russian consumers with beef and to develop national meat production.

### Solution

EFIC provided a global bank with two separate export finance guarantees in support of a loan to Bryansk's lender, Vnesheconombank, one for US\$42.34 million in August 2011 and a second one for \$US47.5 million in May 2012 to help with the funding needs.

### Result

**Bryansk was able to purchase Australian breeding cattle for the project**



## Case study – Wellard Rural Exports, 2011

### Customer

As one of Australia's and the world's leading livestock exporters, Wellard Rural Exports (Wellard) often seeks the support of flexible financing solutions for its international business ventures.

### Need

When bidding for a US\$12.95 million project to assist the National Livestock Development Board of Sri Lanka in the establishment of a high productivity dairy farm, Wellard wanted the backing of a financing package to enable it to deliver the best possible outcome for the project.

### Solution

EFIC provided an export finance guarantee in an amount equal to 81% of the US\$12.95 million project which enables a lending bank to provide a long term sovereign loan to the Government of Sri Lanka to fund the dairy infrastructure project.

### Result

**EFIC's guarantee helped Wellard to compete in global markets.**



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