

The 5 most common ways to finance your exports.

Let's face it, exporting can be costly, it is an investment, but it can require some money up front. What can you do to ensure your business stays healthy but still can take advantage of the opportunity exporting offers. Financing is a good way to do this but there are many types of export finance available to companies looking to enter international markets.

Let's look at 5 of the most common.

- 1. Pre-Export Financing:** Pre-Export financing provides companies with funding for the production and shipping of goods before payment is received from the buyer.
- 2. Capital goods financing:** This refers to the financing of long-lived, tangible assets that are needed in the production of goods and services. This can include machinery, equipment, vehicles, and other physical assets.
- 3. Factoring:** Factoring involves selling outstanding invoices to a third-party finance provider in exchange for immediate payment, which can provide companies with working capital to support their export operations.
- 4. Supply Chain Finance:** Supply chain finance involves financing the payment of suppliers, allowing companies to extend payment terms while maintaining good relationships with their suppliers.
- 5. Export Loans:** Export loans are a type of financing specifically designed to support companies in their exporting activities. They are often provided by development finance institutions and export credit agencies.

It is important to note that the availability of export finance varies by country, and companies should work with their bank or financial advisor to determine which financing options are best suited to their needs. Each of these options has its own advantages and disadvantages, and the best choice for a business will depend on a variety of factors, including the size and needs of the business, the type of equipment being purchased, and the availability of credit. It is important to carefully consider the terms and conditions of each option and to work with a financial advisor to determine the best approach for your business.

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