



Exporting overseas

Understanding the finances



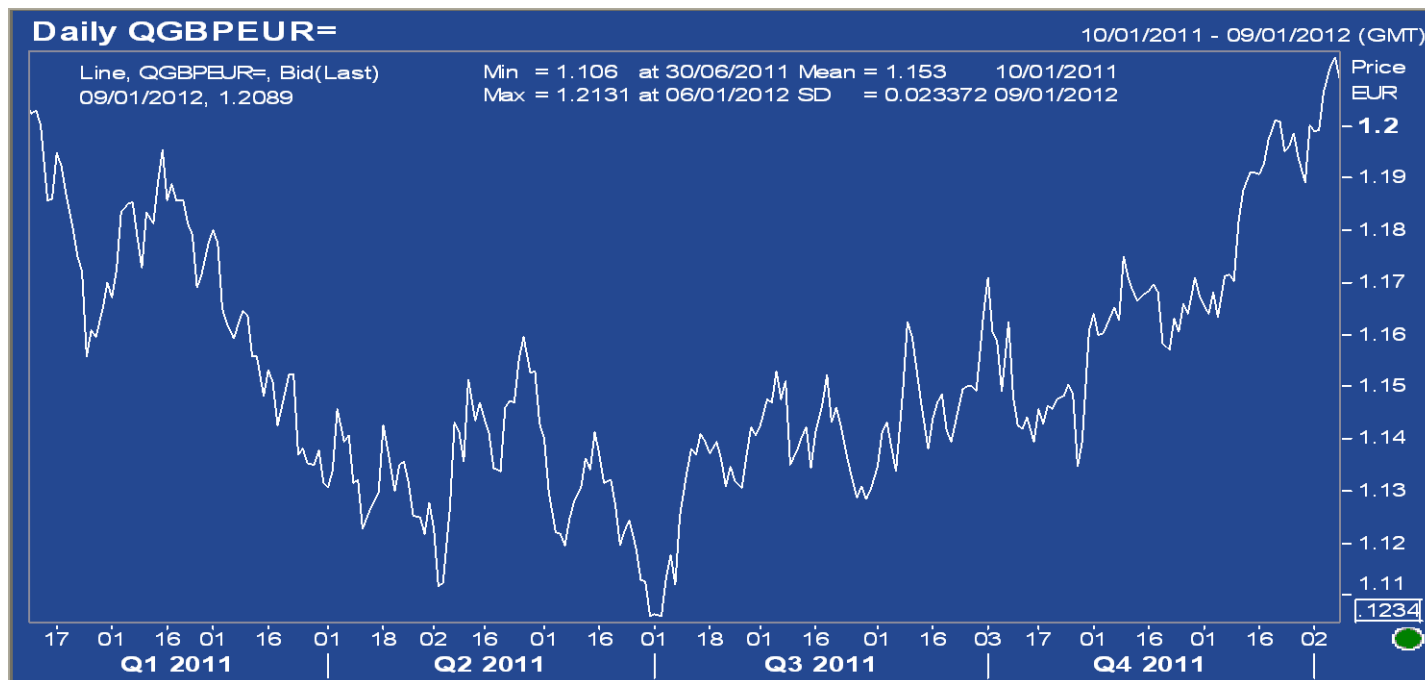
Two thirds of companies think the time is right to trade overseas

- Multinationals account for 75 per cent of all Irish exports last year
- Indigenous companies are trading overseas
 - Construction services
 - Farm machinery
 - Software / software consultancy
 - Camel feed
- Russia, Middle East, Central & Eastern Europe
- It's profitable and complex

What successful companies do

- Know your market
- Have a plan
- Understand risks and costs
- Mitigate payment risk
- Think long term, relationships

Foreign Exchange



Foreign Exchange

- Understand your exposure
- Establish company policy on FX
- Lock in your rates
 - movements can wipe out profit margins
- Predictable profits means no nasty surprises

Payment Risk

- Buyer Risk
- Sovereign Risk
- Foreign Exchange Risk
- Transport Risk
- Risk of Fraud

Key considerations

- Choice of trading or business partner
 - are you going to sell directly or use an agent
- Payment risk
- Foreign exchange risk
- Sources of finance

Sources of Finance

- Understand what you need
- Can you fund it yourself ?
- External funding
 - Trade credit
 - Promissory Notes and Bills of Exchange
 - Cash advances
 - Discounting receivables (Invoice Finance or LC's)
 - Term Loans
 - Leasing

Summary

- Complex, but not too complex
- Understand and manage your risks
- Understand what financing you need
- Speak to An Bord Bia or your own bankers

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