

Taking on global opportunities



export
finance
australia

Are you ready to take on the world?

This year, you could unlock new opportunities and reach new customers by expanding your business into global markets.

In this eBook, we highlight opportunities for Australian businesses to expand globally and how we have supported our customers to navigate the challenges of taking on global opportunities with the right finance solutions.

This eBook explores some of the trends that could help boost your global growth, including:

- emerging markets and their benefits and risks Pg. 3
- the rise of e-commerce and its challenges Pg. 5
- digital transformation for global competitiveness Pg. 8
- the growing focus on sustainability Pg. 10
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Exploring emerging markets

There are many opportunities available for Australian exports in emerging markets, and they can be the perfect global market entry point for businesses new to export.

Identifying and evaluating international risks

When exploring opportunities in emerging markets, it is important to understand potential risks, including:

- › **geopolitical risks.** Conflict can affect a country's economy, currency and stability – and also affect the price of raw materials.
- › **natural disasters.** Extreme weather events can cause delays to goods delivery, which may affect your payments.
- › **legal risks.** Legal requirements can vary markedly, and contracts may not be binding or enforceable.
- › **currency issues.** Some countries will only settle in local currency, and unfavourable movements in exchange rates can affect your earnings.

Export strategies for entering emerging markets

Knowing the risks is an important first step for any business looking to launch a product or service. Building a strategy to achieve your goals builds on this to set out the stepping stones to global expansion.

Market research for exports is essential. Is there a demand for your products and services? Do you need to visit the country before you start exporting?

Check out your competition. What's your point of difference?

Adapt your product or service. Do you need to make changes to better fit your target market? Consider things like price point and local consumer trends.

Establish local partnerships. Having partners on the ground can help you build your brand, choose the best local suppliers or premises and better understand your customers and competitors.

Assess your finances. What capital do you need, and how will you manage your cash flow and working capital?

MARKETS

Fox Farming:**How Australian exports can meet the needs of emerging markets**

Family-owned Western Australian business Fox Farming produces lab-tested seed potatoes that must conform to the state's rigorous biosecurity standards before export.

They're popular in Indonesia, Thailand, Vietnam, Bangladesh and Mauritius, where they are used to grow disease-free potato crops.

We provided Fox Farming with a finance solution for new equipment and working capital requirements to support and fast-track exports of its seed potatoes.

How finance could help

When considering emerging markets for your global growth, the right finance could support your business to:

- › cover the costs of market research
- › establish local partnerships
- › adapt products to meet the unique demands of emerging markets.



“

Export Finance Australia has enabled Fox Farming to enter into longer contracts with customers while eliminating the need to outsource our packaging and marketing needs. ”

Patrick Fox**Co-founder, Fox Farming**

The global e-commerce revolution

An e-commerce business uses technology to buy, create and sell goods and services online. This can be a simple, affordable way to get into global trade and build your business through export expansion.

Today, roughly
60%
of all sales
begin online.

By 2027, it has been forecast that
e-commerce could reach
27%
of all global retail sales*.

However, while e-commerce presents exciting opportunities for Australian businesses, it also comes with unique challenges.

Strategies for managing global e-commerce growth

Knowing the benefits and the risks, and having a plan in place to navigate them, is essential when operating in global markets.

Before reaching out to international audiences and accepting global orders, it is important to:

- › **identify your target market.** Do you need to adapt your offerings for an international market?
- › **research e-commerce platforms.** Ensure your business has the appropriate digital capabilities to service your market.
- › **develop specific international digital strategies.** A strong online presence for exporters is key. Ensure the images, text and videos are appropriate and attractive for your target markets.
- › **investigate the laws and regulations.** What will apply when taking your e-commerce platform across borders?

*Source www.hostinger.com

Export opportunities

- › Reach more customers and markets through cross-border marketing and international digital strategies.
- › Save money on premises.
- › Inform your customers about your products and services quickly and effectively.
- › Follow your sales in real time to gain insights into customer wants and needs.
- › Reduce advertising expenditure by using digital marketing for exports.
- › Offer the convenience of an 'always-on' business.
- › Maintain customer loyalty and attract new business with fast product delivery that they can track online.

Export challenges

- › A competitive landscape.
- › High expectations from customers used to competitive pricing and personalised service.
- › Low conversion rates caused by poor look and feel of a website and navigation issues (especially on mobile phones).
- › Shipment delays due to supply chain issues, incorrect documentation or geo-political issues.
- › Currency risk, if customers pay with a different currency and the Australian dollar moves unfavourably for your business.

E-COMMERCE

Y Bell Group:**Launching an e-commerce site to meet changing market conditions**

Innovative fitness business Y Bell Group (trading as Ybell Fitness) manufactured and sells a flagship product; its patented 4-in-1 fitness tool.

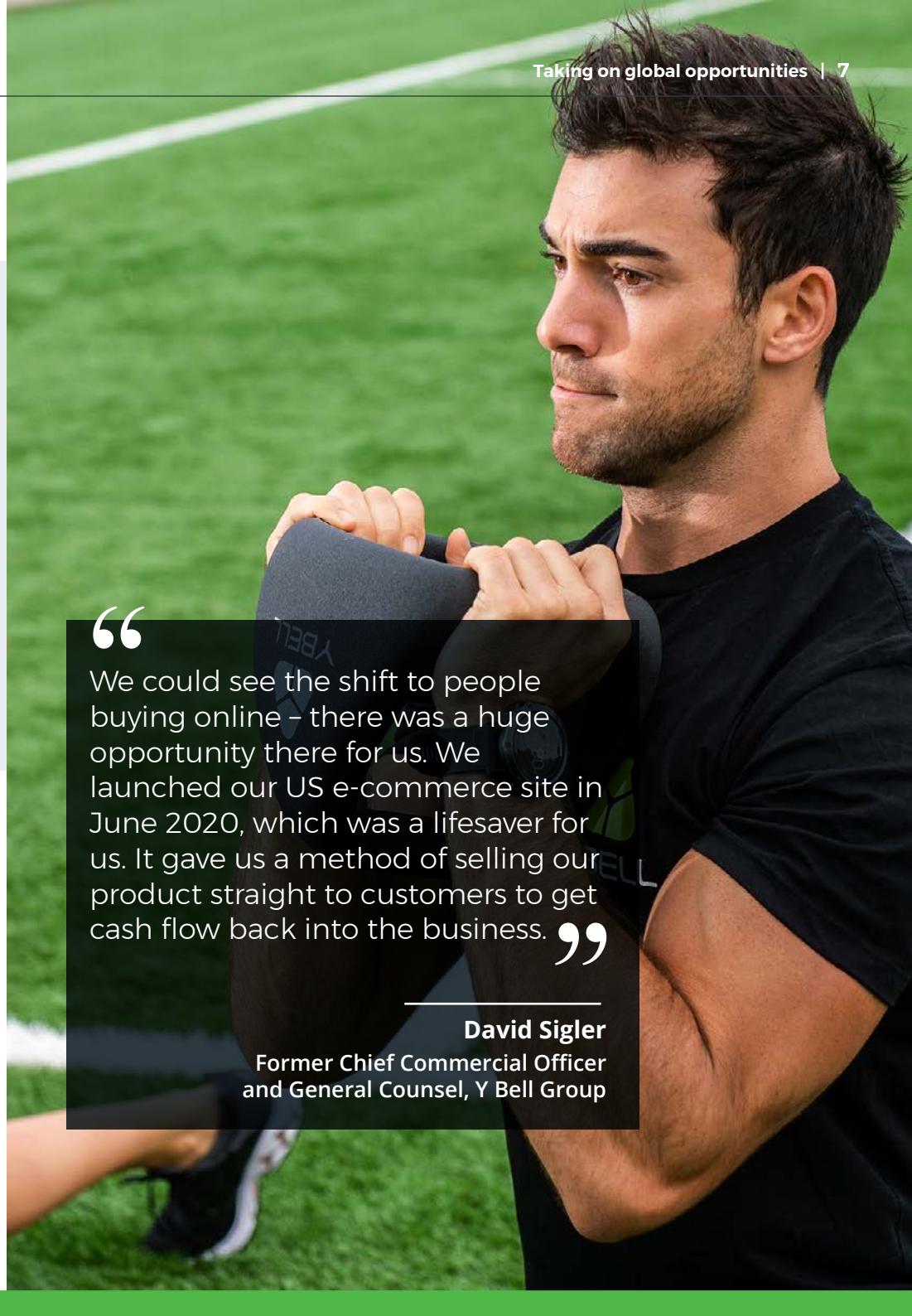
Before the COVID-19 pandemic, YBell Fitness had started expanding into North America, Europe and Asia. According to David Sigler, Interim CEO, Chief Commercial Officer and General Counsel, everything had been going well for the business. There were regular sales to global distributors and dealers, as well as to the direct-to-consumer market. However, as a result of COVID-19, this changed very quickly.

We provided a direct loan to help YBell Fitness fulfil the contract with the US gyms. This also freed up enough cash flow to help the business adapt to meet the pandemic's changing marketing conditions.

How finance could help

Securing finance can help fund the costs of setting up and growing your global e-commerce journey. With the right solution, your business could:

- › develop a robust e-commerce platform
- › invest in digital marketing for exports
- › set up an international payment solution.



“ We could see the shift to people buying online – there was a huge opportunity there for us. We launched our US e-commerce site in June 2020, which was a lifesaver for us. It gave us a method of selling our product straight to customers to get cash flow back into the business. ”

David Sigler

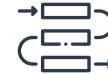
Former Chief Commercial Officer and General Counsel, Y Bell Group

Digital transformation for global competitiveness

Technology is transforming international markets by introducing AI in global trade to predict demand, create data analytic tools for export and build online payment platforms that help you get paid faster.

Using digital solutions for export success

To make the most of the rise in digital transformation and the interest in innovative solutions to global problems, consider how technology could not only improve your business in the global market, but how your digital innovations could support other businesses worldwide.



Streamlining internal processes

Mapping internal and back-office processes and identifying any pain points where automation could increase speed and reduce error.

If your product or service can support other businesses to operate more efficiently by solving these problems, it could have a global appeal.



Using export automation

Cloud or blockchain technology in exports can save businesses time and money, reduce risks such as damage or fraud, improve transparency and make it easier to track goods while in transit or waiting for collection.

An important innovation for businesses that export and a technology that could support businesses right around the globe.



Better serve your international customers

A more personalised, satisfying customer experience can be created through data analytics. By building a better understanding of what your export customers want and personalising their experience.

DIGITAL

IND Technology:**An Australian innovation creating global efficiencies**

IND Technology is a Victorian business that provides its highly innovative early fault detection (EFD®) technology to some of the world's largest utility companies and asset holders to predict and locate electrical faults before they occur.

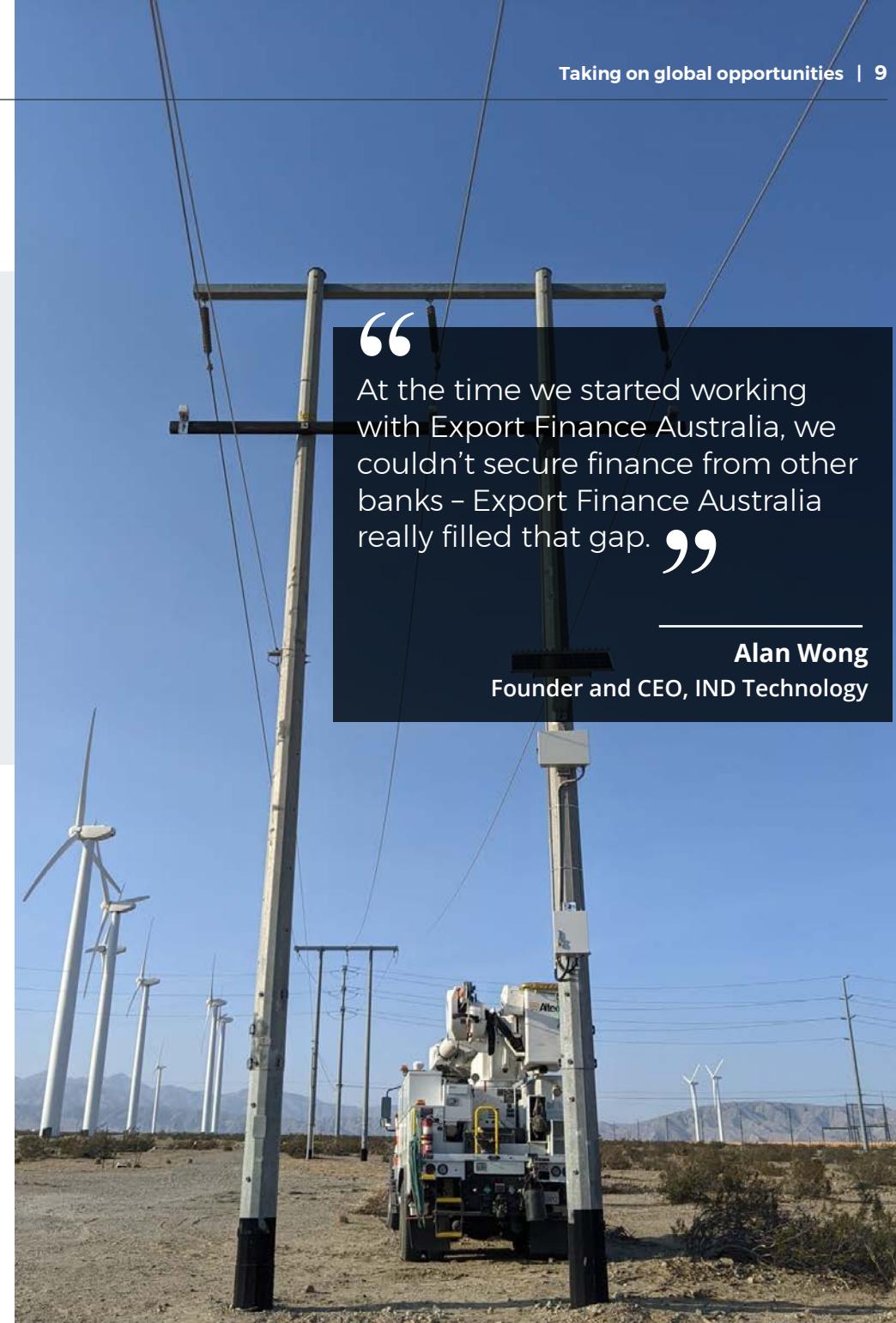
EFD® allows utility companies to monitor large electricity grids, identifying and fixing defects in the system early before they become outages. This helps avoid the major disruption of power supply cuts to businesses, communications, utilities and homes. Just as importantly, it can help avoid electrical faults that can spark wildfires and save lives.

We provided a loan to IND Technology, which helped fund the gap in its payment cycle, enabling the business to cover costs associated with manufacturing and delivering its orders.

How finance could help

Whether you are investing in digital transformation to support global growth or are exporting your products, the right finance solution could help you:

- › invest in state-of-the-art technology in exports, such as export automation tools
- › upskill your employees with digital training
- › ensure you have secure digital infrastructure.



Supporting sustainable business practices

If your business helps enable sustainable business practices, exporting could help you reach international markets and environmentally conscious consumers across the globe.

Consumers value sustainable business practices, with more than

80%
willing to pay more for sustainability in 2024*.

Smart, sustainable Australian businesses are seizing this opportunity and providing eco-friendly exports to the world.

* Source [PwC](#)

How our customers have done this

Taking sustainable offerings to the world

Australian agribusiness [Seed Terminator](#) has created an innovative product that attaches to combine harvesters and kills weed seeds during harvest. By replacing herbicides, it reduces pollution, health risks and the problem of herbicide resistance and makes weed extermination more cost-effective.

Other Australian businesses are creating sustainable products in Australia and using international sustainable supply chains. Solar lighting business [Green Frog Systems](#) bases its design and research and development in Australia but uses international engineers, test sites and a global manufacturing supply chain to deliver its product in international markets such as the USA, the UK, Hong Kong and the Middle East.

Helping organisations to reduce emissions

Mining can lead to a number of environmental impacts, such as left-over materials known as tailings, which can lead to water contamination and erosion of soil. Queensland business [Phibion](#) is helping mining operations manage tailings by helping to recover water and reducing the risk of environmental contamination.

Other industries such as concrete and lime manufacturers use processes that have a large carbon footprint that is hard to abate. New South Wales-based business [Calix](#) provides a technology that can capture the CO2 emissions of these industries.

Being part of the sustainable energy supply chain

[Biogass Renewables](#) builds and operates bioenergy plants that convert food and agricultural waste into biogas, which is then used to generate electricity and heating.

The company has become a sustainable part of a major grain exporter's supply chain. One of its plants has been installed onsite at the business, allowing it to generate its own electricity.

SUSTAINABILITY

Zenith Energy: Decarbonising Australia's mine sites

Zenith Energy is a leading power producer integrating thermal and renewable fuel sources to help clients decarbonise their mine sites.

As its hybrid renewable projects grew in size and capital needs, Zenith turned to us for support. We provided an \$80 million loan as part of a \$1.9 billion syndicated refinancing, enabling the business to continue its growth and role in Australia's export supply chains.

How finance could help

Whether your business creates eco-friendly products and services, contributes to sustainable supply chains or demonstrates strong corporate social responsibility, exporting could help you find the markets for your offering.

We could provide capital to cover the cost of eco-friendly exports and practices, such as:

- › providing sustainable packaging
- › increasing your energy-efficiency
- › obtaining certifications
- › accessing sustainable supply chains.



“ Having solution-focused partners is really important when looking to secure funding to support Zenith’s rapidly growing business. Export Finance Australia is there to help Zenith achieve its goals – it really worked as a partner. ”

Tim Cipolloni
Chief Financial Officer, Zenith Energy

Understanding trade agreements and policies

Trade associations

Trade associations can provide international networking or export collaboration opportunities, help you stay up to date with issues affecting your industry and give you access to training and development, so it makes sense to become a member.

Key trade agreements

Australia has a number of **free trade agreements**, designed to make trade and investment between countries smoother.

How to navigate trade policies effectively

- › Make sure you read the trade agreement between Australia and the countries you are trading with, and understand laws concerning issues such as:
 - › intellectual property
 - › customs
 - › labelling and licensing
 - › privacy and cybersecurity
 - › biosecurity and quarantine.
- › Consider consulting a lawyer experienced in international trade if your situation is complex.
- › Contact a relevant government agency such as **Austrade**, **Export Council of Australia** or **DFAT** for more information.

TRADE & POLICY

FLOVAC:**Financing to meet international contract conditions**

After winning a contract for the US Army Corps of Engineers to install a monitoring system for hurricane preparedness in Key Largo, Flovac Vacuum Sewerage Systems (FLOVAC) had to meet US bond requirements. The bond had to be 100% of the contract value; and, because it was for a government agency contract, issued by an accredited American financial institution.

As Australia's export credit agency, our existing relationships with accredited providers in the US enable us to partner with them to support Australian businesses like FLOVAC. This enabled the business to meet US performance bond requirements and secure this valuable US contract.

How finance could help

Every market will have different trade agreements and other requirements you must comply with in order to operate in or export your goods and services.

We could provide you with finance to help cover the cost of:

- › complying with international regulations
- › meeting quality standards
- › leveraging government-backed export financing programs.



“
Export Finance Australia has supported a number of businesses with bonds in the US, so they are aware of how the process works and what those requirements are. ”

John Radinoff
CEO, FLOVAC

Finance for global growth

When operating internationally and navigating global markets, you may need extra finance at various times. Knowing in advance where to go and how to access funding is a key part of being ready to take on global opportunities.

What options are available?

Do-it-yourself finance

You may be able to meet costs from your own reserves without causing cash flow problems or taking on expensive debt. Your existing customers and suppliers could also help you cover any temporary cash flow gaps by rescheduling payments and invoices.

Talk to your bank

Keep your banks updated on your business plans. They may be able to offer you a secure loan or commercial bill facility when you need extra finance.

Alternative sources of finance

We may be able to provide alternative support for your export ambitions. We have the expertise to help Australian businesses with their export activities.

Our finance solutions are designed to support Australian businesses to grow globally



Loans

Working capital to grow your business.



Bonds

The security to help you take on export contracts.



Guarantees

To secure the finance you need from your bank.

Contact us to discuss our finance solutions

From an online unsecured loan to help with cash flow, to a flexible multi-option facility that could include a longer-term loan and bonds, our experts take the time to understand your needs, so you can focus on growing your business.

Call us on **1800 093 724** or visit our website for more information.

Need a small loan to give your export plans a boost?

Our **Small Business Export Loan** is designed to help businesses get the finance they need for a variety of export-related needs. You can access between \$20,000 to \$350,000 for a wide range of export-related activities such as investing in equipment, promoting your business and even providing services for international visitors.

Apply now on our website.

Support available

Want more information?

We've developed a range of export-related **resources**.

Explore more of our resources, including eBooks, articles and country profiles here:

exportfinance.gov.au/resources/



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Export Finance Australia

Australia's export credit agency, providing finance solutions to Australian exporters including businesses in an export-related supply chain.

Visit exportfinance.gov.au

Call 1800 093 724

Email info@exportfinance.gov.au

The Australian Trade and Investment Commission (Austrade)

Austrade helps grow Australia's prosperity by delivering quality trade and investment services to businesses, accelerates growth in Australia's tourism sector and promotes Australia's education to the world. It can link Australian businesses to global export opportunities, provide market and industry insights and make it easier for businesses to go global.

Visit austrade.gov.au



Export Council of Australia (ECA)

ECA is the peak body representing every player in the ecosystem of international trade. It supports Australian businesses and other entities involved in global trade through providing updated information, ongoing capacity building, advisory services, creating ecosystems and advocating on behalf of members.

Visit export.org.au



The Department of Foreign Affairs and Trade (DFAT)

DFAT promotes and protects Australia's international interests to support our security and prosperity. One of the ways it does this is by helping Australian businesses, in partnership with other agencies like Austrade and Export Finance Australia.

Visit dfat.gov.au

Discover how Export Finance Australia could help your business take on the world.

To find out more about how we could help your business, go to exportfinance.gov.au or call 1800 093 724.

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Australian Government

