



Export Council of Australia

The Voice for Australia's Exporters

Export Council Applauds Efic's Increased Focus on SMEs

The Export Council of Australia (ECA) welcomes the news this week that the government has amended Export Finance and Insurance Cooperation's (Efic) lending ability to better support SME exporters.

In its Trade Policy Recommendations to government, released in 2013, the ECA called for Efic's capital resources to accurately reflect the demand for export finance and the agency's level of risk exposure. The recommendations also called for Efic's mandate to be amended to ensure the needs to the SME export community are adequately met.

The proposed amendment to the Export Finance and Insurance Corporate Act will mean that Efic will be able to lend directly to SME exporters, which will help to reduce the substantial administrative burden and financial costs they face when accessing finance from Efic. The changes will also mean that Efic will be able to lend for the export of all goods, not just capital goods.

As the peak industry body representing Australia's SME exporters, the ECA welcomes the announced changes, which it believes fill a gap that currently exists in the trade finance market in Australia.

The SME sector is the largest employer group in Australia and the incubator of a diverse range of innovation. It is therefore very important that these businesses have adequate access to capital to facilitate growth and expansion into overseas markets.

Chief Executive Officer of the Export Council of Australia, Lisa McAuley says the expanded capabilities for Efic to help Australia's SME businesses with their export financing announced this week is very good news."

"Surveys of SME exporters have continually pinpointed access to working capital to meet overseas orders as a key inhibitor to growth, and this announcement by Efic will certainly assist. Many smaller exporters are finding themselves a part of international supply chains, and often in these arrangements payment up front is not possible. The ability to finance the transaction until payment is received is critical," Ms McAuley said.

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