

# Pre-shipment Financing

At Export Development Canada (EDC), the door to exporting options is always open with new markets to explore and new opportunities to seize. One of the most difficult obstacles smaller exporters face when trying to win new export contracts, is raising working capital to fund pre-shipment costs. EDC, in cooperation with financial institutions, has developed a risk-sharing guarantee designed to encourage advance pre-shipment loans to smaller exporters.

## Support that helps you execute the contract

EDC's guarantee can cover up to 75% of a loan made by a financial institution to fund pre-shipment costs. Variations of support can include loans to fund costs for a specific export contract, multiple contracts, operating facility or the acquisition of term assets used in the production process. Loans can also be used to finance indirect exports such as component sub-supply in Canada related to a product that is ultimately exported. Approved loans can be for amounts up to 100% of the direct costs incurred.

## Exporter eligibility

- small and medium sized Canadian companies in most sectors;
- you must have, or be able to obtain credit arrangements with your financial institution; and
- your financial institution must indicate their willingness to participate in the deal.

## Goods and services eligibility

Support is available for goods and services sold under an export contract so long as the goods and services meet EDC's environmental and Canadian Benefits Policies.

## Key benefits

- access to working capital;
- financial capacity to complete and perform the contract;
- existing operating line is not affected and remains available for day-to-day operations; and
- opportunity to increase sales and profits in international markets.

## Approval process

Eligible exporters should contact their own financial institution to pursue support under this program. EDC and the financial institution will work together to assist you.

## What are the costs?

Costs are based on the associated risks, the duration of the contract, and the amount of financing required.

## Find out more

To learn how EDC's Pre-shipment Financing Program can help you open the door to export opportunity, contact us today at **1 888 332 3777** or visit [www.edc.ca](http://www.edc.ca).

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