

## How to Apply

- ? Exporters wishing to access the schemes should visit any authorised financial institution in the ECCU to discuss their proposals. All public and private financial institutions (Commercial Banks, Development Banks, and Merchant Banks) operating in the ECCU are authorised lenders.
- ? Applicants will be required to present a business proposal including an export plan, financial records and projections, to the lender.



# Export Credit Guarantee Schemes

For further information you may contact:

- ? **Financial & Enterprise Development Department**  
**The Eastern Caribbean Central Bank (ECCB)**  
Basseterre, St. Kitts  
Tel (869) 465-2537  
Fax (869) 465-0322  
E-mail: [eccbmcm@caribsurf.com](mailto:eccbmcm@caribsurf.com)
- ? **Your local bankers.**
- ? **ECCB's Resident Representatives:**

### Anguilla

Tel (264) 467-5050

Fax (264) 497-5150

### Grenada

Tel (473) 440-3016

Fax (473) 440-6721

### Antigua and Barbuda Montserrat

Tel (268) 462-2489

Fax (268) 462-2490

Tel (664) 491-6877

Fax (664) 491-6878

### Dominica

Tel (767) 448-8001

Fax (767) 448-8002

### St. Lucia

Tel (758) 452-7449

Fax (758) 453-6022

### St. Vincent and The Grenadines

Tel (784) 456-1413

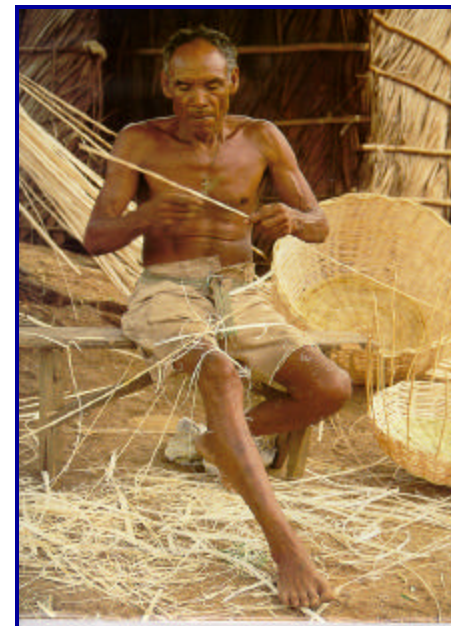
Fax (784) 456-1412

Produced by the Financial & Enterprise  
Development Department in collaboration with  
The Corporate Relations Department, ECCB



# Export Credit Guarantee Schemes

Promoting Export-Led Growth In The ECCU



Enhancing Export Financing Opportunities

## Export Credit Guarantee Schemes

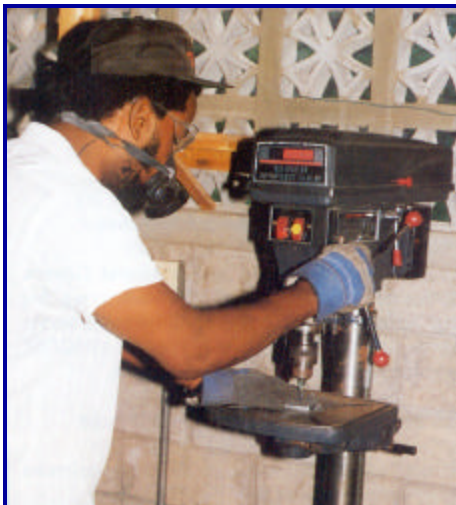
### What They Are

The Eastern Caribbean Central Bank (ECCB) has developed two Export Credit Guarantee Schemes, to provide an avenue through which exporters of manufactured goods can access working capital financing. These are the Pre-Shipment Finance Guarantee Scheme and the Post-Shipment Discount Guarantee Scheme.

#### **Pre-Shipment Finance Guarantee Scheme (PSFGS)**

Under the PSFGS, financial institutions advance working capital to **bona fide** exporters to purchase:

- ? Locally manufactured inputs;
- ? Raw material; and
- ? Finished goods for export.



#### **Post-Shipment Discount Guarantee Scheme (PSDGS)**

Under the PSDGS, the exporter can discount up to eighty percent (80%) of the total gross invoice value of each export shipment, on presentation to the lender of documentary proof that the shipment has been made.



#### **Who Can Access the Schemes**

- ? Manufacturing Companies established in the Eastern Caribbean Currency Union (ECCU); and
- ? Exporters of products, partially and wholly produced in the ECCU.

#### **Benefits**

- ? Access to cheaper financing;
- ? Improved competitiveness;
- ? The possibility of enhanced profits; and
- ? Increased inter-island trade;

### Terms Applicable To Both Schemes

The PSFGS and PSDGS work best together. When the Schemes are used together the working capital obtained through the discounting mechanism will first be used to retire any notes maturing under the PSFGS. Surplus funds, made available by using the Post-Shipment Discounting Guarantee Scheme, help to improve the working capital of the exporter at lower financing charges.

- ? Each guarantee is for twelve months, and is renewable annually, on application;
- ? An up front fee of one percent (1%) of the approved credit limit for each guarantee is charged by ECCB to the lender ;
- ? A set interest rate of prime plus one percent is charged by the lender;
- ? The ECCB guarantees eighty percent (80%) of the risk. The other twenty percent (20%) is undertaken by the lender;
- ? All credit under the PSFGS is granted through demand loan facilities evidenced by promissory notes; and
- ? The maximum repayment term for consumer and durable goods is one hundred and eighty (180) days and for capital goods, three hundred and sixty (360) days .