



# Business Evolution in Crisis

## EXIM Bank Special

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December 02, 2021



# Business Evolution in Crisis



## Introduction

With the ever-present threat of additional waves of COVID-19 infections, business owners must now think about the steps that can be taken to evolve their business permanently to the realities of the pandemic.

This crisis has driven innovation and digital interaction to a new level, and businesses must learn to adapt or risk getting left behind. Though there was some economic recovery in 2021, businesses are still feeling the economic strain as rising commodity and shipping prices have introduced a new set of issues to consider.

Thankfully, EXIM Bank helps businesses on this journey of evolution by providing funding, business development support, and other facilities that make doing business in the pandemic much easier for large companies and MSMEs alike.

This memo outlines some of the product offerings that EXIM Bank provides that can help you evolve your business.



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## Programs and services available – EXIM Bank

### JMEA Loan

- EXIM bank has partnered with the Jamaica Manufacturers and Exporters Association (JMEA) to provide this product for small businesses trying to expand their domestic and export markets.
- Loans can be used to finance working capital requirements or purchase raw material and/or light equipment. A recommendation from the JMEA is required to support the application.

### FACT SHEET

Loan Amount	<ul style="list-style-type: none"> <li>• Exporters – up to J\$2 million</li> <li>• Manufacturers – up to J\$1.5 million</li> </ul>
Interest Rate	<ul style="list-style-type: none"> <li>• 11% per annum (Unsecured Loan)</li> </ul>
Repayment Terms	<ul style="list-style-type: none"> <li>• Purchase Raw Material – repayable up to 180 days</li> <li>• Finance Receivables – repayable up to 180 days</li> <li>• Purchase Light Equipment – repayable up to 30 months</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>• Must be member of JMEA</li> <li>• Considered by the JMEA to be export ready and have excess capacity</li> <li>• Linkage customers providing goods and services for the Tourism/Export sectors</li> <li>• Employers of less than fifty (50)</li> </ul>
Requirements	<ul style="list-style-type: none"> <li>• Current Financial Statements</li> <li>• Up-to-date Tax Compliance Certificates (TCC)</li> <li>• Personal Guarantee of the principal (s) with supporting personal financial statement (s)</li> </ul>
Application	<ul style="list-style-type: none"> <li>• Apply at <a href="https://www.eximbankja.com/loans/pre-qualify-for-a-loan/">https://www.eximbankja.com/loans/pre-qualify-for-a-loan/</a></li> </ul>
Submission	<ul style="list-style-type: none"> <li>• Completed applications must be submitted to the JMEA</li> </ul>



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## Programs and services available – EXIM Bank

### Loan Products: Short-term Working Capital Loans

- *Foreign Currency Line of Credit* - Jamaican business operators involved in export trade, manufacturing, agri-business, mining and tourism, and those who are a part of the Jamaican Productive Sector can access international (foreign currency) lines of credit from EXIM Bank. This competitively priced product can be used to import raw material and capital equipment that is necessary for growth and expansion.

LOAN FEATURES	DETAILS
How does it work?	<ul style="list-style-type: none"> <li>• Make a formal request in writing to EXIM Bank expressing interest in accessing foreign currency lines of credit.</li> <li>• State amount of foreign currency you wish to borrow, supported a pro-forma invoice.</li> <li>• Loans can be made by Letters of Credit, Bank Draft or via direct wire transfer.</li> </ul>
Uses	<ul style="list-style-type: none"> <li>• Import raw material and capital equipment that is necessary for growth and expansion</li> </ul>
Credit Period	<ul style="list-style-type: none"> <li>• Up to 180 days.</li> <li>• In exceptional circumstances, up to 360 days.</li> </ul>
Interest charges	<ul style="list-style-type: none"> <li>• Dependent on the line of credit</li> <li>• Generally based on US Floating Prime or 6-month LIBOR, plus a service charge.</li> <li>• A onetime pre-paid interest payment of 1.0% is required, prorated for the period of the loan.</li> </ul>
Documents required	<ul style="list-style-type: none"> <li>• Pro-forma invoice from foreign supplier.</li> <li>• Completed Application form.</li> <li>• Indemnity Form (if payment is by wire transfer or bankdraft.</li> <li>• A bank guarantee or negotiable instruments from an EXIM Bank Approved Financial Intermediary or other collateral security acceptable to EXIM Bank.</li> </ul>
More information	<ul style="list-style-type: none"> <li>• <a href="https://www.eximbankja.com/loans/foreign-currency-line-of-credit/#1548366074006-5c9227a1-9285caec-8e75">https://www.eximbankja.com/loans/foreign-currency-line-of-credit/#1548366074006-5c9227a1-9285caec-8e75</a></li> </ul>



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## Programs and services available – EXIM Bank

### Loan Products: Short-term Working Capital Loans

- *Tourism Receivables Financing* - Considering the functional requirements of entities operating in the important Tourism Linkages sub-sector, EXIM Bank has developed a Tourism Receivables Financing Loan Facility, tailored to meet the funding requirements of these linkage companies.
  - Benefit from a one-time payment of receivables, hassle-free financing and a balloon payment at the end of the loan period. Loans are offered on a short-term basis to finance Working Capital, Pre-shipment Financing and Post-shipment Financing

LOAN FEATURES	DETAILS
Eligibility	<ul style="list-style-type: none"><li>• Tourism linkage companies that operate as in-bond merchants, janitorial service providers, fresh produce suppliers, car rental companies, linen/textile companies, landscaping service providers and other providers of goods and services.</li><li>• Open to all suppliers based on the recommendation of participating hoteliers/attractions</li></ul>
Uses	<ul style="list-style-type: none"><li>• Finance Working Capital, Pre-shipment Financing and Post-shipment Financing</li></ul>
Application	<ul style="list-style-type: none"><li>• <a href="https://www.eximbankja.com/loans/pre-qualify-for-a-loan/">https://www.eximbankja.com/loans/pre-qualify-for-a-loan/</a></li></ul>



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## Programs and services available – EXIM Bank

### Medium Term Loans for SMEs

- *Small and Medium Tourism Enterprise (SMTE) Loans* – The Tourism Enhancement Fund (TEF) has crafted this special loan facility to enable continued growth and sustainable development in Jamaica’s Tourism sector.

LOAN FEATURES	DETAILS
Loan amount	<ul style="list-style-type: none"><li>• Up to J\$25 million.</li></ul>
Eligibility	<ul style="list-style-type: none"><li>• Qualified entities within the Tourism Sector, the Tourism Linkages Networks and to Manufacturers and Suppliers to Hotels</li><li>• Must be in operation for at least 2 years</li><li>• Applicants must prove that they provide goods/services to the Tourism Sector and that 25% of revenues are generated from services to the Sector.</li><li>• Collateral necessary</li></ul>
Credit Period	<ul style="list-style-type: none"><li>• Up 5 years.</li></ul>
Interest charges	<ul style="list-style-type: none"><li>• 4.5% per annum</li></ul>
More information/contact	<ul style="list-style-type: none"><li>• <a href="https://www.eximbankja.com/loans/smte/#1548379510951-bf5a7b28-1bf3">https://www.eximbankja.com/loans/smte/#1548379510951-bf5a7b28-1bf3</a></li></ul>



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## Programs and services available – EXIM Bank

### Medium Term Loans for SMEs

- *Modernization Fund for Exporters* - designed to meet the upgrading and retooling needs of businesses in the export sector and linkage companies providing support to the export sector.
  - Funds are for the acquisition of capital equipment for retooling, refurbishing, upgrading and efficiency improvement to enhance export competitiveness.
  - Financing is available for both new and used equipment.
  - The program is open to any company registered and operating in Jamaica that is engaged in export or otherwise earns foreign exchange and/or has a link to the Export Sector.
  - A maximum of five (5) years with provision for a moratorium on principal payments for up to one year.
  - A graduated repayment plan including ballooning can also be negotiated.



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## Programs and services available – EXIM Bank

### RESET Loan

- EXIM bank has partnered with the Jamaica National (JN) Small Business Loans to avail MSMEs of \$675 million for distribution to productive sector entrepreneurs at a rate of 4.75%. Loans can be used to finance working capital requirements or purchase raw material and/or light equipment. A recommendation from the JMEA is required to support the application.

### FACT SHEET

Loan Amount	<ul style="list-style-type: none"><li>• Up to \$25 million for SMEs in productive sectors involved in the manufacturing, agriculture and tourism.</li><li>• To \$5 million for micro businesses</li></ul>
Interest Rate	<ul style="list-style-type: none"><li>• 4.75% per annum</li></ul>
Repayment Terms	<ul style="list-style-type: none"><li>• Up to 5 years</li></ul>





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## Programs and services available – EXIM Bank

### Trade Credit Insurance

- This service was designed for exporters or suppliers of goods or services who wish to protect themselves against the loss of domestic and foreign receivables.
- Trade Credit Insurance covers both foreign and domestic receivables against commercial and political risks of non-payment by buyers.
- It covers both:
  1. Commercial Risk – Risk of non-payment as a result of bankruptcy/insolvency of buyer.
  2. Political Risk – Risk of non-payment for political reasons, e.g. war/civil disturbance, exchange transfer, cancellation of import/export licence, etc.
- More information can be found at <https://www.eximbankja.com/loans/trade-credit-insurance/#1560352561083-03228d43-c066>



# RESOURCES



## Sources:

<https://www.eximbankja.com/loans/trade-credit-insurance/>

<https://www.eximbankja.com/loans/sme/#1548379510951-bf5a7b28-1bf3>

<https://jamaica-gleaner.com/article/business/20210625/jnsbl-exim-bank-partner-reset-loan-facility-msmes>

<https://www.eximbankja.com/loans/sme-receivables-financing/#1548965194995-1fbce91a-6a43>

<https://www.eximbankja.com/loans/foreign-currency-line-of-credit/>

<https://www.eximbankja.com/loans/jmea-loan/#1548365768509-7fbca0e3-79dca30d-bb33>