

Small Business Exporters Need Working Capital

Solution: SBA Export Working Capital Program

Companies that strategically use exporting to fuel sustainable revenue growth will quickly discover that over time, exports sales will result in a large pool of both inventory and accounts receivable that need to be financed to prevent shortfalls in cash flow. **The Export Working Capital Program** is used to finance these pools of export assets.

By using an SBA export loan guarantees, small business can work with their lender to access an export line of credit to fulfill their working capital needs.

Benefit to Export Working Capital Guarantee Lenders

- **90% guarantee**
- **Funds single transactions OR multiple export orders on inventory and receivables** (up to \$5,000,000)
- **Maximum advance rates:**
 - Up to 90% on foreign A/R
 - 75% on export-related inventory
 - 75% on export-related work-in-process
- Can advance against purchase orders up to 100% of borrower's cost to fulfill orders

To learn about SBA programs supporting U.S. small business exporters, contact an SBA office near you or visit [SBA.gov/InternationalTrade](https://www.sba.gov/InternationalTrade).



U.S. Small Business
Administration

[SBA.gov](https://www.sba.gov)

All SBA Programs and services are extended to the public on a nondiscriminatory basis. (11/2023)

FOR LENDERS



Example

Company: Grocery products wholesaler in business 3 years; average annual sales \$2 million/year.

Order: Open account invoices to distributors in Asia of ~\$3.5M/year.

Asset-based Line of Credit

Foreign buyer provides: Letter of Credit

U.S. small business exporter

provides: 60-day terms to distributors

Working Capital Need

Loan Amount: \$500,000

Use: Asset-based line of credit, 90% SBA guarantee

Term: 12 months

Collateral:

- Foreign accounts receivable: 85% advance rate
- Export inventory—65% advance rate

Benefit to Business Owner:

\$500,000 working capital available on revolving line to finance open account terms on international sales