



CASE STUDY

HELPING UK BUSINESSES TO EXPAND WITH CONFIDENCE

Stodec Trading used an insurance policy from UK Export Finance (UKEF) to enable it to start a contract in an important new market



The Stodec Group has supplied storage equipment for warehouse interiors throughout the UK for more than 30 years. Its export division, Stodec Trading Ltd, has been supplying the mining, oil and gas industries with the Dexion range of storage equipment since 2003. The company's main overseas markets are in Africa, Central Asia and The Caribbean.

Breaking new ground

In August 2011 the St Albans-based company won a £130,000 contract to design and build a two-tier storage solution for mining core samples at Tekleberhan Ambaye Construction's (TACON) warehouse for the Ethiopian Ministry of Mines in Addis Ababa, Ethiopia. Stodec finished the designs and received the formal order in August 2013 but found that its bank would not confirm the Letter of Credit offered by the client.

"We later found that other banks didn't have the risk appetite for this letter of credit either," says Mike Daldry, Managing Director at Stodec Trading. "But getting help was important to us as we had spent two years working on this job and it was our foothold in Ethiopia."

Providing reassurance

In February 2014 Stodec's bank suggested that it approach UK Export Finance for help. UK Export Finance (UKEF) offered the company an Export Insurance Policy (EXIP) for 95% of the contract's value against the risk of neither the letter of credit issuing bank nor the buyer paying, so that the UK bank would no longer have to confirm the letter of credit. With payment insured, Stodec Trading produced the components for the six-metre high storage system and delivered them to Ethiopia in May 2014. The company

expects to receive a second order later in the year and is also exploring opportunities in Nigeria and North Africa, as well as in South America.

"The reassurance that the EXIP gave us means we were able to go ahead with the job without any worries," says Mike. "It gives us the confidence to deal with smaller overseas companies not just blue chip ones."



Any company thinking of exporting should engage with UKEF as soon as possible. Having UKEF behind you gives you a lot of credibility when you're looking for overseas work. You'll also get access to a lot of knowledge and experience."

Mike Daldry,
Managing Director,
Stodec Trading