MARKETING AND EXPORT FINANCING

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Marketing Export Financing", Export Marketing Strategies for Tanzanian Business Firms Seminar,
Proceedings, Department of Marketing Arusha (AICC), 22-27 Sept., 1986, (Printed by DUP, pp. 60-77 1987.

Abstract

The paper has dwelt mainly on export financing. All the methods discussed from letters of credit, drafts, barter, telegraphic transfers, schemes - capital seed and credit guarantee effect payments in the international Operations. These methods are still in use. In using the methods, one should not discount the fact that, developing countries are at a disadvantage because of their weak economies, weak infrastructures especially the financing sector, their currencies not being internationally recognized. Whereas their counter parts the developed countries are at the advantage because of their strong economies, accepted currencies internationally especially the $ and £ and DM, strong financial institutions like banks, insurance, have access to transportation facilities etc. Much as the methods could be used in financing exports, the author sees that there is a need to extend the financing aspect to other activities which facilitate and increase sales in the International Market. This approach will do away with the old trend whereby an exporter once reimbursed with his outlay, or consignment, it ends there. What happens in the foreign market is not his concern. With this approach, developing countries have been failing to expand or maintain or penetrate foreign markets, even if the product at hand was of a very high quality. So financing of exports should be extended in providing funds which will be used in developing channels and physical distribution, promotion, training of sales force, carrying adequate inventories, researching of markets, extending credit where ever necessary, information seeking etc. Exporters for that matter a marketer have several sources of funding. This includes his own organization/country, government, foreign agencies, banks etc. So doing business internationally requires an acquaintance with a larger variety of documents and long procedures which may frustrate an exporter. Together with problems in seeking credit information on exporter and for a marketer well up to date information and understanding will always help to take a little care in his international transactions.

Key words; Marketing and Export Financing; credit, drafts, barter, telegraphic transfers, schemes - capital seed and credit guarantee; LDC disadvantaged; DC advantaged, Accepted currencies, Information on exporters.