



Government of the Netherlands

Dutch Good Growth Fund Part: Exporting Dutch SMEs

A programme by the Ministry of Foreign Affairs

Helps exporters and importers of Dutch capital goods with credit insurance and financing.

Do you buy, or export, Dutch capital goods? Or are you a Dutch contractor working abroad or perhaps his principal? DGGF can help you with financing and credit insurance.

Export credit insurance and export financing

On behalf of the Dutch government, Atradius carries out the part of the Dutch Good Growth Fund (DGGF) that involves improving trade relations between the 68 DGGF-countries and the Netherlands. In particular, this part of the DGGF focuses on covering the financial and political risks of Dutch exporters, so they can make appealing supply and financing offers to businesses and organizations in the 68 DGGF countries. Atradius itself can also offer financing for certain transactions.

Why invest in capital goods from the Netherlands?

You are an entrepreneur or represent a not-for-profit organization in one of the 68 DGGF countries and you wish to invest in your company or organization. You are considering purchasing capital or investment goods. Thanks to DGGF, high quality machines, medical equipment, installations, systems and transportation vehicles from the Netherlands become even more attractive. The fund covers the payment risks of your Dutch supplier and as a result he is able to make an appealing offer, including for the financing of the purchase.

Exporting to a DGGF country?

You are a Dutch manufacturer of capital goods or a contractor and you wish to export or carry out a project abroad. Is credit insurance unavailable for your transaction, for instance because regular credit insurance is off-cover for this country? Or does your bank lack capacity to take care of the export credit? DGGF might be the solution.

The fund is primarily meant for Dutch SMEs. Larger companies able to demonstrate that their export will have a positive impact on Dutch SMEs can also be considered eligible. The fund is also available for banks that finance these exports.

For which transactions?

The credit insurance and export financing are meant for supply transactions between buyers and principals in the DGGF countries, and Dutch suppliers of capital goods and infrastructure projects. This part of the DGGF applies to transactions where the regular credit insurance of Atradius offers no options. Under DGGF, payment risks can be covered up to 15 million euros, provided that the credit risks are acceptable. Atradius can also cover guarantees (such as advance payment bonds or performance bonds) against the risk of the guarantees being called. This coverage is also available to banks that finance the transaction or provide working capital. In so doing, the supplier can offer longer payment terms to the buyer, with payment spread out across multiple years. The coverage simultaneously frees up credit lines for you with the financing bank. If you are unable to secure bank financing for your export, there are still possibilities involving

financing provided under the DGGF. In case the Dutch supplier offers credit to the buyer by means of bills of exchange or promissory notes, Atradius can give an advance up to 2 million euros to the supplier against transfer of the bills or notes.

Development interests and CSR

DGGF is a government initiative under the responsibility of the Minister of Foreign Trade and Development Cooperation. This means that, aside from the acceptability of the credit risk, there are a number of other conditions. These conditions involve, among other things, the environmental and social impact of your transaction and development impact. When the supplier files its application, Atradius evaluates the impact of the transaction for social consequences and the environment, such as pollution or occupational health and safety conditions of the buyer. The outcome of this evaluation is meant to be acceptable on balance. The evaluation for development impact aims at, among other things, the increase in production, creation of jobs and the transfer of knowledge, skills and technology to the buyer and his country.

What does it cost?

DGGF is breaking even for the Dutch government. This means that the insurance premium and the charge for discounting bills of exchange must be sufficient to cover any potential losses, measured across several years. You can find a premium calculator on www.atradiusdutchstatebusiness.nl.

How can I apply?

The application must always be filed by the Dutch exporter. On www.atradiusdutchstatebusiness.nl, you can download the short DGGF application form. As soon as the form is received, Atradius will evaluate your application and contact you. If it is expected that your transaction is eligible under the DGGF, you can (with assistance if you wish) fill in the additional DGGF application form. If your transaction is acceptable, you will receive a coverage advice. When your transaction is concluded under the conditions of the advice, Atradius will issue an insurance policy to you (and, when applicable, to your financing bank). If your transaction is also approved for financing by us, this will be granted as soon as your buyer accepts the supplied goods or services.

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