



Forum for International Trade Training

International Trade Finance Course Description & Learning Outcomes

Course Description

The course *International Trade Finance* centres on the strategies and knowledge required for a successful international trade transaction. To be successful in international trade, organizations need to optimize payment options, risk mitigation strategies, use of financial tools, contracts and effective cash flow management. The course also covers techniques and plans to resolve disputes should they arise.

The *International Trade Finance* course is a key course of the FITTskills Program, which has been designed for the independent self-directed learner who is an international trade practitioner with a minimum of two to five years of experience. The FITTskills Program has been developed so that you as a practitioner can ensure you have all the competencies required to take advantage of international trade opportunities.

Note: The *International Trade Finance* course assumes you have the necessary basic business and trade knowledge and skills needed for domestic trade, as these fundamentals are not covered in the FITTskills Program.

Course Learning Outcomes

Upon successful completion of this course, learners will be able to:

1. Describe types of commercial, currency and other risks involved in international trade transactions and describe methods available to minimize them.
2. Assess the competitiveness and profitability of potential import ventures through consideration of applicable components such as market interest, landed costs, packaging and other related expenses in order to optimize potential risk and negotiate trade terms.
3. Assess the competitiveness and profitability of potential export ventures through consideration of all associated costs and possible risks of both environmental and market factors in order to negotiate trade terms and establish final pricing.

4. Negotiate payment method as a part of the terms and conditions of a contract for an international venture, considering payment options, benefits and relative risk for buyer and seller.
5. Describe several ways in which importers and exporters can mitigate potential risks related to currency exchange rate fluctuations.
6. Describe how banks and international financial institutions support international trade finance.
7. Explain the range of products and services provided by various models of export credit agencies and how they can support organizations in their international trade transactions.
8. Make use of cash flow projections, income forecasts and develop a cash flow plan as part of an annual budget and the development of financing packages.
9. Employ the most prudent course of collection procedures for non-payment by an international importer.
10. Explain the two key types of disputes in international transactions with examples of situations where disputes may arise, and why the inclusion of an arbitration agreement or mediation clauses in contracts is valuable.
11. Resolve any international business disputes through alternative dispute resolution techniques where possible before considering litigation.

Textbook Contents

Unit 1: Negotiations and Planning for Successful International Transactions

Successful Planning
Identifying Cost and Price Elements
Identifying Risk
Negotiating International Contracts
Method of Payment and Payment Terms
Pricing Strategies

Unit 2: Payment Risk Assessment

Risk Management and Mitigation Options
Securing Payment Using Trade Finance Instruments
Managing Foreign Exchange Risk
Bonds, Guarantees and Standby Letters of Credit
Facilitating Payment

Unit 3: Using Export Credit Agency Services for Financing and Mitigating Commercial Risks

Global Export Credit Agencies
Export Credit Agencies and Corporate Social Responsibility
Export Credit Agency Models
Export Credit Agency Products and Services

Unit 4: Cash Flow Management

Projecting Cash Flow
Operational Considerations for Managing Cash Flow

Securing Financing

Pursuing Collection

Unit 5: Disputes in International Trade

Identifying the Nature of the Issue

Dispute Resolution