

# How exporters can tackle cross-border payment challenges in 2023

The South African Chamber of Commerce and Industry (SACCI) conducted a survey in 2021 which found that 35% of exporting companies in South Africa face challenges of high cross-border payments which places a burden on the industry. Another challenge is the time it takes to process cross-border payments. According to the same SACCI survey, 29% of exporting companies identified delays in payment processing as a challenge. These delays can be caused by a range of factors, including payment intermediaries, regulatory requirements, and compliance checks.



Source: tawatchai07 via [Freepik](#)

Cross-border trade is a key driver of the South African economy, accounting for over half of the country's total exports. However, South African exporters face many challenges in receiving cross-border payments, including high transaction fees, currency conversion issues, and difficulties in verifying the identity of buyers.

There are several strategies exporters can implement to enhance global payments, decrease financial risk, and streamline their financial operations. Financial technology company, Vertofx has identified the following factors:

## Introduce digital diversification

A focal point of an exporter's global payments strategy is to diversify payment methods, particularly in emerging markets like South Africa where there is a reliance on cash or cheques as the most common use of payment.

While this is favoured, it leaves exporters at risk of not receiving payments, or delays which can impact cash flow or result in shipping delays. Using electronic transfers and digital platforms, which allow for faster, safer, and tracked payments can be a smart way to improve exporting.

## Staying informed to stay agile

For exporters, operating globally means keeping abreast of the economic and political environments of the jurisdictions they operate in is essential. Instability and currency fluctuations in emerging markets can lead to border problems, cash flow

issues, and delays in receiving money safely and on time. Ola Oyetayo, chief executive officer at Verto, says being informed can help a business be adaptable and mitigate any potential risk.

"Some steps to do so may be setting news alerts on your computer or phone, working with local partners who can keep you informed, or working with a payments provider that understands these risks."

## **Implementing a helping hand**

A step towards better payments may lie with who the payments providers are, especially as exporters can work in markets that they are unfamiliar with, and that have differing regulations, which may result in the risk of not being financially compliant. Using an innovative global payments provider can ensure exporters are provided with a variety of services such as global compliance support, fraud prevention and detection, and currency conversion.

"For example at Verto, we allow our customers to set their own preferred rates via our Marketplace so that they can negotiate and execute trades at a price that suits them."

There are numerous ways for exporters to optimise their cross-border payments. By implementing several improvements to their strategies, financial risk can be reduced and payment methods can be diversified, giving businesses more confidence and control over their cross-border payments.

For more, visit: <https://www.bizcommunity.com>