

## PPE exporter growing sustainably through pandemic

**The challenge:** Eagle Protect was already growing quickly when a major US distributor indicated it wanted to order large shipments of its hygiene products. It was great news, but bigger orders come with bigger risk. Eagle Protect's US bank was stretched beyond its comfort in terms of the Christchurch-based company's single buyer risk.

**The solution:** New Zealand Export Credit offered Eagle Protect trade credit insurance specific to its deal with the distributor, Hantover.

**The benefit:** Hantover transitioned from ordering pallets of Eagle Protect's product to ordering containers. Eagle Protect's exports soared. The company is attracting significant interest with appearances in growth rankings and international business awards.



When a major US distributor told Christchurch-headquartered Eagle Protect it wanted to graduate from ordering pallets to ordering containers, chief operating officer Gareth Brooks' excitement was tempered with caution.

"If you've got big customers, placing big orders in the uncertainty of a pandemic, the losses can be significant if sales fall through," Gareth says. "When you're raising capital and starting out, and you have early-stage investors, large sums of money that don't eventuate are a real problem."

Naturally, trade credit insurance was the answer. Brooks sought debtor insurance through his broker but because it was a single buyer, Eagle Protect were seeking cover for rather than whole of book, the underlying trade credit insurer was unable to assist and referred Gareth to NZ Export Credit (NZEC).

Eagle Protect was formed in 2006 to design and manufacture hygiene products such as gloves and gowns for food producers. It has remained a lean operation - 13 design, branding and operations staff are based across head office in Christchurch and a base in the United States, where 60% of the company's revenue is earned. It manufactures, through one of its small shareholders, and in other factories in Asia. Investors include Ngai Tahu and the K1W1 investment company.

Eagle Protect services 80% of New Zealand's major food processing companies and its number one product is food-safety gloves.

Brooks says: "In food production, hygiene is paramount. We've gained a solid reputation with New Zealand food processors and exporters, who are known to have exacting standards. And now, increasingly, our reputation is growing further afield."

In 2021, Eagle Protect placed 8th in the Deloitte Fast50 Master of Growth Index, which considers the percentage growth of Kiwi companies over a five-year span. Forces, including the pandemic, were combining to take Eagle Protect's growth to another level. Eagle Protect sought to increase the existing relationship with food processing and industrial supplies distributor Hantover. And that's when the company sought support to ensure its exciting growth story didn't turn sour.

Export Credit's Senior Business Originator, Phil Quinn, says the team had been talking to Eagle Protect for many years – both parties figured there'd come a time when Export Credit could help the exporter. That time came with the Hantover relationship which coincided with the global pandemic – hygiene products became more important than ever to food producers, traceability was considered vital, and growing environmental concerns were driving demand for lighter, stronger products such as gloves.

Phil says, "Eagle Protect's sales were shooting up, during a time when supply lines generally are being stretched and exporters are needing their banks to fund their increased manufacturing costs. This is a test of resilience for any exporter."

Eagle Protect's satisfactory 4-year trading history with Hantover meant it was eligible for NZEC's streamlined assessment process, which provides an accelerated turn around for SME's. Phil Quinn added "The due diligence burden is less as we've already gained confidence from the existing trading relationship. We were delighted to offer Trade Credit Insurance to Eagle Protect thus enabling them to be bold with their ambitions and diversify and grow significantly as a result".

Providing Trade Credit Insurance allows NZEC to directly support Eagle Protect in the USA by easing pressure on their supply chain by allowing them to confidently offer longer repayment terms to their buyer while their US bank has more confidence to fund their business. "It strengthens their resilience, that's exactly what we're here for" says Phil.

Eagle Protect was a finalist in the 2021 NZ International Business Awards in the 'Leveraging Investment for International Growth' category.

Brooks says Export Credit was an attractive option because they were comfortable covering the payment terms on a single buyer.

"Having Trade Credit Insurance with New Zealand Export Credit has helped us transition from pallet to container orders with Hantover. Having the trade credit facility in place provides some comfort for early-stage investors along with our bank lenders here in New Zealand and in the United States."

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