

Cryogenic technology helping the world achieve better outcomes

The challenge: Fabrum had beachhead opportunities in Ethiopia and India, but the deals were payment-on-delivery. Fabrum was well positioned to deliver its pioneering cryogenic systems but was reluctant to take all the risk for the bespoke builds in new markets.

The solution: New Zealand Export Credit offered Fabrum its Trade Credit Insurance and Letter of Credit products, underwriting the risk of the Ethiopian or Indian clients not paying.

The benefit: The Trade Credit Insurance provided the Fabrum Board with the confidence to proceed with projects in full. The projects were successfully delivered and payment received, and India has subsequently become a major growth market for Fabrum. In fact, the company is currently delivering its biggest-ever export contract for traditional cryogenic products - which is in India.



Christchurch-based clean tech company Fabrum is in the cryogenics business of “making cold” - and making clever machines that can keep things cold, says Fabrum Global Business Manager Nigel Bartlett.

The uses for their cryogenic technology range from the production of liquid nitrogen to support artificial breeding, to freezing important substances in space laboratories, to the creation and liquefaction of hydrogen as a fuel for a decarbonised economy, and to hydrogen-fuelled, passenger plane test flights in the UK.

And now, support from NZEC has helped Fabrum fulfil contracts which could lift the productivity of agriculture in Ethiopia and India, effectively boosting food production in nations where food security is sorely needed.

In mid-2021, Fabrum won a contract to supply a liquid nitrogen solution for Ethiopia’s Oromia State Livestock Development Department. The Ethiopian buyer’s bank offered a Letter of Credit, promising to pay upon delivery and acceptance of the solution. This wasn’t quite enough to reassure Fabrum’s bank, so NZEC offered a guarantee against the Letter of Credit. The project was delivered in February 2022, and Fabrum was paid in April 2022.

In India, Fabrum had been negotiating for two years and secured multiple government sponsored contracts for machinery in March 2022 with payment upon delivery and acceptance. “But before we turned a spanner, we needed to get assurance that we would get paid,” Bartlett says.

So Fabrum secured NZEC trade credit insurance, essentially a promise to pay 80% of the purchase price if the Indian buyer didn’t pay. Bartlett says NZEC was willing to step in on deals private insurers had no appetite for. The machinery was installed in October 2022, and the customer paid the bill the next month.

“These projects demonstrated our competency – to our shareholders, to the market, and ourselves, that we would get paid,” Bartlett says.

“We would have gone ahead without the NZEC safety net because these were gamechanger beachhead contracts for us, but it would have been a lot more stressful, and we possibly wouldn’t have dared to do both the Ethiopian and Indian projects at once - which might have meant we’d have missed out on one of them. Having the NZEC products in place meant we could focus on doing our job and delivering these projects to the best of our ability.”

“NZEC completed background document checks and due diligence. We had to produce all the relevant documents, such as purchase orders and payment terms, but the process was really straightforward and reasonably quick. We had an answer within days.”

“Fabrum has subsequently secured a contract in India, our biggest export contract yet into this market. We really want to use this technology to help the world achieve better outcomes, and our team are very proud that these projects will impact development and improve people’s lives.”

NZEC’s Senior Business Originator Phil Quinn says, “This is a great example of how NZEC can help growing exporters take their first step into new markets. By supporting Fabrum with our trade credit insurance product, we were able to help Fabrum de-risk its growth and help them secure new contracts.”

Fabrum has enjoyed many years of support from New Zealand Trade and Enterprise, especially as the company started to move into emerging markets.

“NZTE continues to support Fabrum with developing its export business in Africa and India for its Cryocooler technology and with export market growth for Hydrogen production, liquification and storage solutions says Keith Mitchell, Customer Manager at NZTE. Fabrum’s contracts span the myriad uses for cryogenic gas to liquid technology.

Bartlett says that even as the world is showing increasing interest in its products and solutions., Fabrum is committed to staying local. “We’re staying here in Christchurch. We manufacture a significant portion of our parts ourselves and within Christchurch. We have a very good relationship with Canterbury University and Callaghan Innovation, and we are a proud part of the Christchurch manufacturing and export eco-system.”

If you want to understand more about how our [short term trade credit insurance](#) and how it may help your exports [click here](#) or get in touch:

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