

3 Tate & Lyle needs extra finance to expand in Mexico. The methods available are loans and leasing.

Evaluate which method of finance would be the most suitable for Tate & Lyle's expansion.

(20)

Leasing means to buy ^{or rent} something for a short period of time ^{or temporarily} and return it back when it is not in need anymore.

Tate and Lyle can consider leasing to expand in Mexico because the cost of leasing is less.

Repairing or renovating cost will not have to be paid by Tate & Lyle. So they can make use of the resource by paying little amount. On the other hand, leasing is basically like renting so the property or asset cannot be owned by Tate & Lyle.

Tate & Lyle can consider bank loans as they already are an established business and trustworthy. It will be beneficial for Tate & Lyle to ~~go~~ take bank loan as they ~~to~~ can get large ^{of finance} amount. Since the bank will be aware of their business condition and accounts. But it can also be a disadvantage as bank loans have to be repaid.

So in conclusion, I think Tate & Lyle should go for leasing as their costs would decrease, increasing their profits due to high demand. "Increasing consumer demand for healthier food and drink is driving more manufacturers in Latin America." Even if they have to pay for leasing, ~~they~~ Tate & Lyle can cover it up with their increasing sales, growth and high profit.