

EX-IM BANK: A VALUABLE PARTNER FOR WISCONSIN COMPANIES SEEKING TO EXPORT

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Companies in northern Wisconsin and surrounding areas may be leery of competing in the global marketplace during the current economic crisis, but the truth is that exports are more important than ever in these difficult times. In fact, companies cannot afford NOT to export.

While many U.S. companies are being forced to lay off workers, many others are maintaining or even adding jobs by exporting.

And NWITA members can get the financing support they need to export from a valuable partner – the Export-Import Bank of the United States (Ex-Im Bank).

Just one recent example: **Dan's Fish Inc. of Sturgeon Bay, Wisc.**, a 20-employee wholesaler of fish and fish products including caviar, has been able to increase its export sales using an Ex-Im Bank short-term multibuyer insurance policy. The company's primary export markets are Finland, Sweden and Estonia, and roughly 60 percent of its business consists of exports.

"With Ex-Im Bank insurance, we're able to expand internationally and service more of a world that's hungry for fish," says Dan's Fish President and owner Daniel Schwarz. "The insurance gives us security that otherwise would be unattainable. This allows us to grow and keep our employees. In fact I think we will be adding staff soon."

Dan's Fish Inc. is not alone in depending on export sales to maintain U.S. jobs. Approximately one in 10 U.S. jobs is now dependent on exports, and statistics from the U.S. Commerce Department show that export-related jobs on average pay better. Foreign buyers are frankly an untapped vein of gold.

It is true that lending standards have been tightening at many banks over the past year. Private insurers of U.S. export sales are pulling back. And without coverage of their receivables, companies are bound to limit their international efforts.

But NWITA members can turn to Ex-Im Bank, the official export credit agency of the United States, which has the financing tools to help U.S. companies break into, or expand their business in, global markets. In the past, businesses could turn to private insurers for their lower cost and efficiency. While they frequently don't have that option today, as private insurance companies are pulling back to reduce exposure, they can turn to Ex-Im Bank.

We are the official export credit agency of the United States. For 75 years, our mission has been to help finance the export of U.S. goods and services to international markets. We exist to help U.S. companies expand their business overseas so that they can create or maintain jobs for workers here at home.

We do not compete with private sector lenders. We provide export financing products that fill gaps in trade financing, to keep trade flowing to emerging markets. That is more important today than at any time in our history. In other words, Ex-Im Bank assumes credit and country risks that the private sector is unable or unwilling to accept. We complement the efforts of commercial lenders, and help them expand their business in emerging markets. We also help level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters. In short, we support exports that otherwise would not go forward.

We are legally mandated to find that a "reasonable assurance of repayment" exists for every transaction we authorize. Yet, we also like to see ourselves as catalysts that pave the way in opening up and cultivating more difficult markets. Ex-Im Bank is active in about 90 countries. We support every kind of export – from capital goods associated with large infrastructure projects, to exports by thousands of small businesses including consumer products and services.

We offer a variety of financing tools:

Working Capital Loan Guarantees. Ex-Im Bank's working capital loan guarantee covers 90 percent of the principal and interest on working capital loans for pre-export costs. These costs

can include purchase of raw materials or finished products, production of exports, and coverage of standby letters of credit serving as bid bonds, performance bonds, or advance payment guarantees.

Export Credit Insurance: Ex-Im Bank's export credit insurance protects mostly small-business exporters and their lenders against the commercial and political risks of a foreign buyer defaulting on payment. The insurance can cover multiple buyers, countries, and transactions, and also allows exporters to extend credit terms directly to their international buyers. We have both short- and medium-term insurance.

Loan Guarantees: Ex-Im Bank's commercial loan guarantees enable American firms to offer foreign buyers competitive credit to win a sale of equipment and services.

Financing enhancements: Ex-Im Bank has enhanced several of its trade finance products to help counter the tightening of credit and the lack of liquidity in the export marketplace. Among the changes is expanded access to the Bank's working capital loan guarantees. These loan guarantees are now available for **indirect exporters**, which are U.S. companies that provide goods and services destined for export by other U.S. companies.

Korean LOC facility: Ex-Im Bank also has approved a special delegated authority facility providing \$2.9 billion in insurance cover involving letters of credit issued by 11 Korean financial institutions. It will help meet increased demand to insure U.S. lenders' confirmation of Korean bank letters of credit. This facility is a response to requests from U.S. banks and exporters.

To learn more about Ex-Im Bank financing products, visit our web site at www.exim.gov or contact the Bank at **1-800-565-EXIM (3946)**, or through our regional Midwest Regional Office in Chicago at (312) 353-8081, which can explain all the requirements to obtain Ex-Im Bank financing. Our web site also provides information on Ex-Im Bank financing products, key transactions, export opportunities, available training, and more.

Ex-Im Bank also has many partners -- help in reaching us can be as near as:

- your local bank
- your Chamber of Commerce

- Or the nearest of more than 100 Export Assistance Centers around the country that are run by the U.S. Commerce Department's Foreign Commercial Service.

Delegated Authority Lenders: More than 200 commercial lenders have delegated authority to provide Ex-Im Bank-guaranteed working capital financing without prior approval from the Bank. This greatly accelerates access to our financing. A list of these banks is on our web site. JPMorgan Chase Bank, N.A., and Wells Fargo HSBC Trade Bank, N.A., both in Milwaukee, are Ex-Im Bank Delegated Authority Lenders.

Insurance brokers that work with Ex-Im Bank also are listed on our web site. They are able to help clients select the best Ex-Im Bank export credit insurance for their needs.

To get a list of **U.S. Commerce Department Export Assistance Centers**, go to **www.export.gov** or **www.buyusa.gov**. and click on "Find Local U.S. Office." These centers can help small businesses through the beginning steps of learning the requirements of foreign markets and finding foreign buyers. Ex-Im Bank and **U.S. Small Business Administration (SBA)** offices often are co-located there to provide one-stop shopping. You can learn about SBA financing programs at www.sba.gov.

Another important resource: More than 50 **Ex-Im Bank City-State Partners** around the country – including Chambers of Commerce, state trade offices, and universities -- can help local small businesses with exporting and obtaining Ex-Im Bank financing. These and many more trade-related organizations can walk you through the process of finding foreign buyers, and then they can help you obtain the financing support you need from Ex-Im Bank. The **Wisconsin Department of Commerce's Division of Investment and Export** is an Ex-Im Bank City-State Partner located in Madison. It can be reached at **(608) 266-1480**.

Also consider participating in one of the **Ex-Im Bank exporter training seminars** that are held around the country and at Ex-Im Bank headquarters. A calendar of seminars is available on the Bank's web site.

To sum up, Ex-Im Bank's financing is more critical and useful than ever before in the current economic crisis. We are working to make our products even more flexible and accessible, and

less expensive. When banks can't lend, private insurers do not renew export credit insurance policies, and exporters can't get credit. We are the financing source for you to make international sales. We can help you:

- boost your borrowing power
- speed cash flow
- expand your sales
- enter new markets, and
- mitigate losses

Resist the negatives, look for the opportunities. Ex-Im Bank, the Small Business Administration, and the Department of Commerce Export Assistance Centers are all here to help you.