

Export Financing Experts for U.S. Companies



AS&E Inc., a small high technology company makes cargo inspection systems in Billerica, Massachusetts

How many times have you had the opportunity to make an international sale or simply stood back as friends or competitors aggressively exported to global markets and wondered:

“Great, but how will I get paid? Who will finance these deals? Not my bank!”

Well, worry no more. The “export financing experts” at the Export-Import Bank of the U.S. have the solutions to these and many more challenges.

The Export-Import Bank of the U.S. (Ex-Im Bank) is the official export credit agency of the United States. Although Ex-Im Bank does not compete with private sector funding, it has supported nearly \$400 billion in U.S. exports for over 65 years—a remarkable record of leadership in providing trade financing, especially for small- and medium-sized U.S. companies.

With no minimum or maximum transaction limits, Ex-Im Bank’s long tradition of supporting U.S. exports, predominately to riskier emerging markets, has rightfully earned the Ex-Im Bank a reputation as the “go-to” place for the toughest export deals.

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Export Your Financing Challenges, Import Our Financing Solutions

Ex-Im Bank provides an array of financing tools tailored to meet the needs of the U.S. exporter including short-, medium- and long-term financing for the export of goods and services.

With our *working capital guarantee*, exporters can arrange loans from a commercial lender to meet their pre-export inventory build-up and accounts receivable needs. Ex-Im Bank guarantees 90% of the repayment. Another trade financing tool is *export credit insurance*, which allows exporters and lenders to mitigate the risk of buyer nonpay-

ment while extending attractive terms, including open-account terms, to international buyers. Our insurance serves as a powerful sales tool as exporters can sell to more buyers and compete in markets they might otherwise consider too risky.

Ex-Im Bank also offers *guarantees of loans* made by lenders to international buyers of U.S. capital goods and services. Since our guarantee protects against all nonpayment risks, exporters are able to assist their buyer in obtaining financing. These guarantees can also be structured as non-recourse loans common for infrastructure projects or asset-based finance leases common for large body aircraft.

Increase Your Export Sales, Decrease Your Risk

In today's global market place, having a great product or service is only part of the formula for a successful business strategy.

Competition is fierce and few companies possess the market power to dictate all sales terms. Providing financing to your customer is not simply a nice touch, but an integral part of the total sales package. Often, it is the edge that wins the sale.

A major obstacle to companies selling internationally is a lender's reluctance to finance the pre-export working capital cycle of the company's business. All too often, a lender simply will not extend credit on export items such as inventory designated for export or export-related accounts receivable. These items are routinely excluded from the collateral pool. Such exclusion can cause severe cash flow problems for the exporter and ultimately make the pre-export financing segment substantially more expensive than working capital for financing domestic sales.

Obtaining buyer financing, especially in emerging markets, is another major obstacle facing U.S. exporters. Capital goods and related services typically require extended repayment terms, depending on the amount and type of item. Not only can international buyers discover a dearth of financing opportunities in their local markets; but, when they do succeed, it is often priced at a punitive interest rate in the local currency. Ex-Im Bank insurance or guarantees allow



Juan Moreno, President of Genetic Resources International, Houston, Texas

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lenders to extend attractive U.S. dollar-based loans to creditworthy buyers who “Buy American.”

If Your Competitors Are Using Ex-Im Bank Financing, Shouldn't You?

With the technology advances of recent years, every company should be a global company—your customers and competitors certainly are. A good product, an aggressive marketing strategy, and a fancy web site, however, are just not enough. You must be prepared to offer potential customers financing. They expect it!

With Ex-Im Bank financing, you're just a few steps away from export financing solutions that can expand your sales and mini-

mize your risks. If you have been trying to “go global” and can't find financing—call the “export financing experts” at the Export-Import Bank of the United States.

For more information on Ex-Im Bank financing, contact Michael J. Spivey, Director, Business Development, at 202.565.3459 or mike.spivey@exim.gov.



Export-Import Bank Success Stories

AS&E Inc., a small high technology company in Billerica, Massachusetts, required funds to fulfill its export sales orders. Ex-Im Bank's working capital loan guarantee assisted this business in expanding its sales of X-ray cargo inspection systems for detecting drugs, bombs, and other contraband to governments worldwide. Our financing has contributed to AS&E's impressive revenue and employment growth.

Genetic Resources International of Houston, Texas, was unable to offer credit terms to its international buyers, limiting the amount of sales it could make to each customer. Single-buyer insurance policies allowed the company to extend credit terms to its customers and gain a competitive edge. Since more working capital was needed, the company's insurance was assigned to a lender to obtain financing for its accounts receivable. Now the business can sell more to existing customers and also enter new markets, increasing overall export sales.
