



EX-IM BANK NEWS

"The Export-Import Bank helps advance U.S. trade policy, facilitate the sale of U.S. goods and services abroad, and create jobs here at home." -- President George W. Bush

News in Brief

House Acts on Ex-Im FY 2004 Administrative Budget

The House passed a bill containing \$71.4 million for Ex-Im Bank's administrative budget for fiscal year 2004. This is \$4 million below what was requested and \$3 million below the Senate committee level. Senate floor action is expected in the fall.

Ex-Im Teleconference Discusses Potential Support for Iraq Exports

An Ex-Im Bank international teleconference on July 30 addressed how the Bank's financial products could be used to support the new Trade Bank of Iraq, which has been created by the Coalition Provisional Authority. [See photo at right.] Ex-Im Bank's letter of credit short-term insurance and a financial institution buyer credit policy to cover letters of credits were both discussed. Any Ex-Im Bank facility to support the Trade Bank of Iraq must be approved by Ex-Im Bank's board of directors. The teleconference was led by Peter Saba, Ex-Im Bank's acting

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Ex-Im Launches Transportation Security Exports Program



Ex-Im Bank staff **Charles Goohs** and **Bob Morin** lead the Bank's transportation security exports seminar in Washington on July 29.

Ex-Im Bank's new transportation security exports program can help U.S. exporters provide state-of-the-art equipment, technology, and services to countries seeking to improve the security of their cross-border transportation systems. The program offers enhanced financing for U.S. exports of machinery, equipment, and services for screening and identification of cargo, baggage, and passengers; data collection and analysis; and communications.

The enhanced financing, which is similar to what is available under the Bank's programs for environmentally beneficial exports and medical equipment, consists of the maximum allowable repayment terms under Organization for Economic Cooperation and Development guidelines and support local costs up to 15 percent of the U.S. net contract value. The program complements the government's Secure Trade in the APEC Region initiative to increase international security cooperation among the nations of the Asia Pacific region. Information: (202) 565-3790.

Teleconference Held on Iraq Trade Bank



Ex-Im Bank officials discuss potential support for Iraq Trade Bank. From left to right: **Bruce Hunt, John McAdams, Peter Saba, and Jeffrey Miller.**

Fast-Track Working Capital Program Approved

Ex-Im Bank approved a "fast track" application processing system that will enable small and medium-sized U.S. exporters to obtain larger Ex-Im Bank-guaranteed working capital loans in less time. Under the new system, nine asset-based lenders can provide up to \$25 million per borrower in Ex-Im Bank-guaranteed working capital loans, subject to a total aggregate limit of \$300 million per lender.

Last year, Ex-Im Bank's working capital program supported \$2.4 billion in exports in more than 370 transactions. **Sam Zytcer**, the Bank's vice president, Small and Medium Enterprises Division, predicted that the new program was likely to support additional exports next year.

Lenders are Bank of America, BankOne International Corp., The CIT Group, Comerica Bank, General Electric Capital Corp., JP Morgan Chase Bank, PNC Bank, Silicon Valley Bank, and Wells Fargo/HSBC Trade Bank.

Lenders will analyze credit using the same standards and procedures as those applied to loans not guaranteed by Ex-Im Bank. Lenders will complete a guaranteed loan facility review worksheet for expedited approval by Ex-Im Bank. The lender then may commit the transaction and receive Ex-Im Bank's 90 percent guarantee of the working capital loan. Information: (202) 565-3782/3792.



Indian Oil Company Chairman **M.S. Ramachandran** and Ex-Im Bank Chairman **Philip Merrill** sign credit agreement on July 21 for a \$75 million Ex-Im Bank loan guarantee to support the sale of U.S. technology, equipment, and services to build a petrochemical refinery in Panipat City, India.

chief operating officer and general counsel.

Ex-Im Approves First Vietnam Deal With Jet Export

Vietnam Airlines Corporation (VNA) purchased a Boeing 777-200ER aircraft with the proceeds of an Ex-Im Bank guaranteed loan. The transaction, which was finalized at a signing ceremony in Hanoi on July 22, is Ex-Im Bank's first in Vietnam. The financing is part of a larger guarantee package for the purchase of four Boeing 777 aircraft with Pratt and Whitney engines, valued at nearly \$700 million. The package provides the maximum permitted financing, the longest allowable repayment term, and the lowest risk premia. Three aircraft will be financed through Citibank, and one will be funded by the Private Export Funding Corporation (PEFCO) pursuant to a financing arranged by ABN AMRO. The aircraft, to be delivered in August, will be used on routes throughout Asia and to Australia. "The U.S. Government hopes that this transaction for VNA will be the first of many Ex-Im Bank-supported purchases of U.S. goods and services by Vietnamese companies and government agencies," U.S. Ambassador to Vietnam Raymond F. Burghardt, said.



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Ex-Im Bank Transaction of the Month

Seattle Flavorings Company Exports With Ex-Im Insurance

Seattle, Wash.-based Da Vinci Gourmet, Ltd., has been making syrups, sauces, and tea concentrates for use in coffees, desserts, and teas since 1989. Da Vinci products are found in specialty food and grocery stores and coffee shops in nearly 60 countries in Asia, Europe, the Middle East, and Africa, thanks in part to export financing assistance from Ex-Im Bank and the Bank's broker, **Meridian Finance**.

Da Vinci, which has been using Ex-Im Bank's short-term multi-buyer insurance, was referred to the Bank by the Export Finance Assistance Center of Washington, a member of Ex-Im Bank's City/State Partner Program. The company has more than 100



employees, and derives about 30 percent of its revenues from exports.

"We have just started our second year using Ex-Im Bank's export credit insurance, and it's working like a charm," **Richard Venneri**, an international accounts manager at Da Vinci

said. "With the support of our assigned Ex-Im Bank broker, we have successfully put several old and new customers on open account, making us much more competitive in global markets. For example, our distributor in Lebanon has realized savings of about \$700 per shipment in letter of credit banking fees and several hours of documentation preparation."

Ex-Im Programs Top, Yet Competitive Challenges Remain

In 2002, Ex-Im Bank provided medium and long term export credit support that was generally as competitive as the financing packages offered by other export credit agencies (ECAs), and on some elements, was equal to the best offers made by any major ECA. However, the Bank faced competitive challenges due to public policy issues and the need to more quickly adapt to globalization, according to the Bank's annual Competitiveness Report.

The 127-page report, which was distributed to Congress on June 30, was prepared by the Bank's Policy Group to measure the effectiveness of Bank policies in meeting international competition, and has been issued since 1971 under the Bank's charter.

The study, based on information provided by U.S. exporters and empirical data, concluded that Ex-Im Bank's standard financing components -- e.g., rate, term, cover policy, premia -- and the features in its project finance, aircraft, and foreign currency guarantee programs are generally near or equivalent to those of any major G-7 ECA. By contrast, due to philosophical differences between Ex-Im Bank and other ECAs, the Bank was deemed less competitive on foreign content, economic impact, and shipping requirements, which other ECAs are not required to impose. As the Bank's Advisory Committee said: "While Ex-Im Bank needs to maintain its competitiveness in the core financing elements, it must also be looking for ways to provide more value to the U.S. exporting community by repositioning itself and leveraging its core competencies in the future."

Vanessa Weaver Concludes Four-Year Ex-Im Board Service



Vanessa Weaver concluded nearly four years as a member of Ex-Im Bank's board of directors in July. Nominated by President Bill Clinton in July 1999 and confirmed by the Senate that November, Weaver coordinated the Bank's efforts to increase small business exports and headed the Bank's audit committee.

During her tenure, Weaver delivered numerous speeches and traveled to 18 countries in Asia, Europe, and Central and South America, as well as 17 U.S. states to promote U.S. exports and Ex-Im Bank's programs.

"Through the decisions I made at Ex-Im Bank, I worked to expand trade and move us forward to become an integrated global community," Weaver said.