



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

Merrill Testifies on TPCC Issues at Senate Hearing

Ex-Im Bank Chairman Philip Merrill joined other representatives of the 19 federal agencies that make up the Trade Promotion Coordinating Committee (TPCC) to testify before the Senate Banking Committee on Wednesday, May 21, 2003, regarding the U.S. government's National Export Strategy. Merrill addressed TPCC joint marketing, training and small business initiatives, early project development, and tied and untied aid. He also discussed Ex-Im Bank's potential role in supporting reconstruction in Iraq. Merrill emphasized that "by cooperating with other agencies, Ex-Im Bank is trying to achieve a more strategic approach for trade and export promotion. Our focus is on improving customer service, streamlining case processing, and enhancing risk management."

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Philippine Agriculture Minister Victor Leviste signs Ex-Im Bank letter of interest with Bank Chairman Philip Merrill at Blair House in Washington on May 20 as Philippine President Gloria Macapagal-Arroyo looks on.

U.S. Signs Treaty on Cross-Border Aircraft Financing

The U.S. government, on May 9 signed the Cape Town Convention, an international treaty that will facilitate cross-border, asset-based financing and leasing of large commercial aircraft and aircraft engines. Buyers in countries that sign, ratify and implement the treaty will be eligible for lower-cost financing from Ex-Im Bank for their purchases of U.S. large commercial aircraft. The treaty has been signed by 26 countries and will be in effect when eight countries ratify it.

Previously, Ex-Im Bank adopted a plan to reduce its exposure fee by one-third on financing of U.S. commercial aircraft for buyers in countries that sign, ratify and implement the Cape Town Convention. Eligible foreign buyers will receive an exposure fee of as low as 2 percent. During the past five years, Ex-Im Bank has supported the export of \$18.5 billion of U.S. large commercial aircraft.

Ex-Im Named "Best ECA"

Trade Finance magazine announced in its June 4th issue that Ex-Im Bank was named the best export credit agency in a poll of its readers. France's Coface and Germany's Hermes were ranked second and third.

Merrill Addresses U.S. Exporters, Rand Russia Forum

Ex-Im Bank Chairman Philip Merrill addressed several hundred large and mid-sized U.S. exporters at a U.S. and Foreign Commercial Service-sponsored conference in Reston, Virginia, on May 12, as well as a high-level policy forum on the Russian economy in New York City on May 17 sponsored by RAND.

In Reston, Merrill outlined his three priorities for Ex-Im Bank:

- 1) Putting customers first, in part by insuring that customers have a regular relationship manager;
- 2) Improving the Ex-Im Bank's cycle time, by insuring that 80 percent of medium-term transactions and other products are processed within 20 business days; and
- 3) Expanding support for newer knowledge-based, high-technology, and services industries, while continuing to support manufacturing exports.

At the RAND forum, Merrill said that "Russia's government needs to use the current favorable environment of high energy prices to ensure that Russia has a more diversified economy."

Ex-Im Bank has a portfolio of \$1.5 billion in Russia, and has supported U.S. exports ranging from aircraft and school lighting to mining equipment for a silver mine and oil and gas infrastructure.

Ex-Im Advisory Panel Meets



Ex-Im Bank Chairman Philip Merrill, Ex-Im Bank Advisory Committee Chairman Edward Monto, and Maryland Lieutenant Governor Michael Steele at June 3 meeting in Washington to discuss services, agriculture, and the Bank's annual Competitiveness Report.

New Texas City/State Partner for Ex-Im

The Northwest Texas International Trade Center of Lubbock, Texas, has joined Ex-Im Bank's City/State Partners Program, a national marketing initiative that brings export financing services to small- and medium-sized U.S. companies through cooperation with 40 state and local government offices and private sector organizations. In the last fiscal year, the Center supported \$91.4 million in international trade transactions.

Early Summer Ex-Im Bank Seminars

Ex-Im Bank is offering five training seminars for exporters, lenders, and government officials scheduled during June and early July. The seminars include ones for exporters in Bedford, Mass., on June 4; for government officials in Washington, D.C., on June 10; for lenders in San Antonio, Texas, on June 26; for exporters and lenders in Washington, D.C., on July 14-15; and for lenders in Washington, D.C., on July 16. Register by fax to (202) 565-3723.



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Ex-Im Bank Transaction of the Month

California Personal-Care Products Company Expands Exports and Jobs With Ex-Im Bank Export Insurance

In just the last year, **Avalon Natural Products**, of **Petaluma, Calif.**, more than doubled the proportion of its sales accounted for by exports to nearly 9 percent, thanks in part to Ex-Im Bank's export credit insurance and a cheaper dollar, according to Mark Egide, the company's president.



Avalon, which was founded in 1989, has been using Ex-Im Bank's export credit insurance during the last seven years to help sell its natural, organic, and animal cruelty-free hair and skin care and other personal care products to buyers in Europe and Asia.

The company increased its overall export sales from \$94,000 in 1999 to \$1.2 million in 2002. As a result of this increase, Avalon was able to hire 10 new employees, bringing the company's staff total to



Avalon Natural Products exports its personal-care products with the help of Ex-Im Bank financing.



40. Egide expects exports to represent 11 percent of Avalon's sales in 2003.

"Ex-Im Bank insurance has been a big help because it allows us to give open terms to our customers," Egide said. "Most customers want open account, and it's less expensive for us, so we prefer it. It also allows us to turn orders around more quickly, which makes everyone happy."

Weaver Tells Businesswomen The Benefits of Exporting

Ex-Im Bank board member Vanessa Weaver told an audience of U.S. businesswomen in New York City on May 20 that "the U.S. government recognizes the value of woman- and minority-owned companies to the U.S. economy and trade - and we have a wide range of services to offer."

Weaver noted that women-owned businesses are growing at twice the rate of all U.S. firms, employ more than nine million workers, and generate more than \$1 trillion in revenue. "These impressive numbers illustrate the growing economic power of woman-owned companies and their value to our economy," she said. "However, far too few of these companies have tapped the tremendous potential for even more growth that can be found in international markets."

She highlighted several Ex-Im Bank financing products for women- and minority-owned firms:

- 1) Working capital guarantees cover 100 percent of their export working capital loans; and
- 2) A small business export credit insurance policy to insure against commercial or political risks of nonpayment by a foreign buyer. This helps firms improve their cash flow and enables them to offer competitive terms of credit on short-term sales.

Ex-Im Bank Signs Master Guarantee Agreements With Two African Banks

Standard Bank of South Africa and the Bank of Africa signed master guarantee agreements with Ex-Im Bank on May 16 and May 27, respectively, that will enable it to expand its capacity for financing the purchase of U.S. goods and services in sub-Saharan Africa.

"While our mission at Ex-Im Bank is to promote U.S. exports, our method is to provide new and/or additional competitive financing for the African marketplace," said J. Joseph Grandmaison, an Ex-Im Bank board member. "Working with strong banking partners is key to achieving that goal. We believe that the availability of medium-term financing in Africa is necessary to allow for the healthy growth of the African economy."

Standard Bank of South Africa is a leading international bank in southern Africa, and Bank of Africa, which has its headquarters in Cotonou, Republic of Benin, also has offices in Burkina Faso, Cote d'Ivoire, Madagascar, Niger and Senegal. Ex-Im Bank already has master guarantee agreements in Egypt, Mozambique, Nigeria, and South Africa, as well as with the Eastern and Southern African Trade and Development Bank (PTA Bank) of Nairobi, Kenya, which serves several countries in east Africa.