

## Ch. VII Conclusion

Overall in 2002, Ex-Im Bank operated along a fine line between an A and an A- but ultimately came out with a grade of A-, indicating that the Bank was selectively competitive (i.e., in most cases equivalent to the typical G-7 competitor) with its G-7 ECA counterparts (see **Figure 32**). The specific financing elements such as premia, interest rate and cover policy are essential to each transaction and therefore the most important, and in these core financing areas Ex-Im Bank is most competitive overall. Ex-Im Bank is also considered competitive in the major program structures of aircraft, foreign currency and project finance. The one area within Ex-Im Bank's control where Ex-Im Bank is less competitive is co-financing, primarily because Ex-Im Bank has concluded only two bilateral agreements.

In the economic philosophy and public policy areas, over which Ex-Im Bank has little to no control, Ex-Im Bank fares less well, with the exception of local costs support where Ex-Im Bank is considered slightly better than the other G-7 ECAs. Foreign content, PR 17, economic impact and market windows, when confronted, tend to offset the competitiveness of a given transaction. See **Appendix A** for the background behind the determination of Ex-Im Bank's overall competitiveness grade.

**Figure 32: Grading of Ex-Im Bank's Overall Competitiveness**

Key Elements	Grade
<b>Core Business Policies and Practices</b>	<b>A</b>
A. Cover Policy & Risk Taking	A
B. Interest Rates	A
C. Risk Premia	A+
<b>Major Program Structures</b>	<b>A-</b>
A. Large Aircraft	A
B. Project Finance	A
C. Co-financing	B
D. Foreign Currency Guarantee	A+
<b>Economic Philosophy</b>	<b>B-</b>
A. Tied/Untied Aid	B
B. Market Windows	C
<b>Public Policies</b>	<b>B+</b>
A. Economic Impact	B
B. Foreign Content	B+
C. Local Costs	A+
D. Shipping/PR 17	C
<b>OVERALL GRADE</b>	<b>A-</b>