



Boeing aircraft exported to Royal Air Maroc of Morocco, 1999.



Ray Bowerman of the Case Corporation with Case tractor at Ex-Im Bank's 1999 Annual Conference in Washington, D.C.



Ex-Im Bank Chairman James Harmon conferred with African officials at the U.S.-Africa Transportation Ministerial in Atlanta, Ga., 1999.



ASSOCIATED PRESS

Brazilian President Fernando Cardoso addressed Ex-Im Bank's 1999 Annual Conference.

"The United States must continue to encourage American businesses to export to and invest in emerging markets. I believe in the mission of the Export-Import Bank of the United States, an agency that provides needed export financing to help U.S. companies develop trade relationships with customers in emerging markets throughout the world. The agency is a critical part of the U.S. government's effort to ensure that trade credit continues to flow during times of global economic stress and when capital markets are unable or unwilling to provide financing. The Export-Import Bank remains a very important part of America's economy."

President WILLIAM J. CLINTON

PERFORMING A VITAL ROLE IN U.S. TRADE GROWTH

Ex-Im Bank's role in U.S. trade growth is to deliver critically needed export financing to support U.S. exports to foreign markets, especially to developing markets, and to level the playing field for U.S. exporters competing for international sales. Ex-Im Bank works in cooperation with other U.S. government trade agencies — including the U.S. Trade and Development Agency (TDA) and the Overseas Private Investment Corporation (OPIC) — to ensure that the business interests of U.S. companies in foreign markets are assisted at every stage of development.

Some of the ways that Ex-Im Bank worked with other U.S. agencies in fiscal year 1999:

- **CASPIAN FINANCE CENTER** - In June 1999, an Ex-Im Bank senior loan officer began working at the multi-agency Caspian Finance Center at the U.S. Embassy in Ankara, Turkey. Ex-Im Bank's representative is working with staff from OPIC and TDA to facilitate financing of U.S. exports to be used in the Trans-Caspian gas pipeline, the Baku-Ceyhan oil transport project, and other major projects in the Caspian region.
- **CHINA CLEAN ENERGY PROGRAM** - China and the United States are working together on a \$100 million clean energy program to implement projects in China utilizing U.S. technologies for cost-effective and environmentally sound energy production. In March 1999, Ex-Im Bank signed an agreement with the U.S. Department of Energy (DOE), the China Development Bank, and China's State Development Planning Commission. Ex-Im Bank's financing will expedite deployment of clean energy projects in China and provide numerous opportunities for U.S. clean energy companies to increase exports to China.
- **U.S. - AFRICA MINISTERIAL** - In March 1999, Ex-Im Bank Chairman James Harmon and staff promoted the availability of the Bank's export financing at the U.S. - Africa Ministerial — a cabinet-level, multi-agency forum held at the State Department in Washington, D.C. The Ministerial brought together U.S. government and business representatives with African leaders from 46 sub-Saharan African countries to discuss development of African partnerships with the United States.

- **SAFE SKIES FOR AFRICA INITIATIVE** - In September 1999, Chairman James Harmon and Ex-Im Bank staff participated in a two-day U.S. - Africa Transportation Ministerial in Atlanta, Ga., that was hosted by the Department of Transportation (DOT). Ex-Im Bank signed an agreement with the DOT and representatives of the governments of Angola, Cameroon, Cape Verde, Côte d'Ivoire, Kenya, Mali, Tanzania, and Zimbabwe to promote improvements in aviation safety and security in Africa.
- **PRESIDENTIAL BUSINESS DEVELOPMENT MISSION TO AFRICA** - In December 1998, Vice Chair Jackie Clegg and Ex-Im Bank's coordinator-counselor for Africa participated in a Presidential Business Development Mission to Africa led by Commerce Secretary William Daley and accompanied by representatives from 15 U.S. businesses.



In Kenya in December 1998 while participating in a Presidential Business Development Mission to Africa, Ex-Im Bank Vice Chair Jackie Clegg signed a financing agreement to support aircraft exports to Kenya Airways. Foreground (from left): Commerce Secretary William Daley, Ex-Im Bank Vice Chair Jackie Clegg, and Brian Davies, (former) managing director of Kenya Airways. Background (from left): Robert Aman, Boeing Field Service, Nairobi; Rep. William Jefferson (D-LA); and Rep. Eddie Bernice Johnson (D-TX).

ENERGY AND ENVIRONMENTAL EXPORTS SUPPORT

ENERGY

In fiscal year 1999, Ex-Im Bank supported 16 transactions involving U.S. exports to foreign energy-related projects (electric power production, coal mining, and oil and gas production) with a total export value of \$686.5 million.

ENVIRONMENT

Ex-Im Bank authorized financing to support more than \$214 million of U.S. exports of environmentally beneficial goods and services in fiscal year 1999.

GREENHOUSE GAS EMISSIONS

In 1999, Ex-Im Bank began to track the estimated amount of greenhouse gas emissions produced by projects that the Bank supports through its export financing. This environmental initiative is designed to assist in the management of global greenhouse gas production. While most of the projects supported by Ex-Im Bank will emit some greenhouse gases, the most significant amount of these emissions are in the form of carbon dioxide produced by fossil fuel power plants.

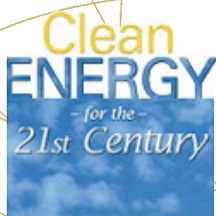
During 1999, Ex-Im Bank provided long-term financing for \$183.7 million of U.S. exports to five new fossil fuel power plants. Ex-Im Bank estimates that the aggregate amount of carbon dioxide emissions from these plants will total approximately 10.1 million metric tons per year.

In addition, Ex-Im Bank provides financial incentives for power generation exports that produce low levels of carbon dioxide.

RENEWABLE ENERGY

Ex-Im Bank continues to promote the sale of clean U.S. renewable energy exports that produce virtually no greenhouse gases. In 1999, Ex-Im Bank, the U.S. Department of Energy (DOE), and the government of China signed a memorandum of understanding to support up to \$100 million of renewable and energy-efficient U.S. exports to clean energy projects in China.

Under the initiative, Ex-Im Bank and the DOE will work together to encourage U.S. private industry to work with Chinese authorities to identify, assess, and implement projects using technologies for wind, solar, and geothermal energy production, industrial cogeneration, energy efficient buildings, and reduction of nitrous and sulfur dioxide emissions.



KEY INDUSTRIES REPORT

Section 8(d)(1) of the Export-Import Bank Act of 1945, as amended, directs Ex-Im Bank to include in its annual report a detailed description of its actions to:

- maintain the competitive position of key linkage industries in the United States,
- support industries that are engaged in the export of high value-added products,
- support industries that are engaged in the development of new capital goods technology,
- preserve and create highly skilled jobs in the U.S. economy, and
- enhance the opportunity for growth and expansion of small businesses and entrepreneurial enterprises in the United States.

Ex-Im Bank's fiscal year 1999 activity (financial support for shipments and disbursements) included support for approximately \$4.9 billion in exports from 34 industry groups that fall into the first four of these "key" industries. Although many products could fit into more than one category, products are only allocated to one category.

Key linkage industries are those critically linked to the cost competitiveness of many businesses, and are often referred to as "forward linkage" industries. These industries produce inputs necessary for the production of durable goods. This category also includes certain industries that are key to national defense. In fiscal year 1999, Ex-Im Bank assisted \$499.5 million in exports from four key linkage industries: mining, petroleum, steel products and metal working equipment.

High value-added products are those in which the value of output generated per unit of resource input is above average. This number is derived by dividing the value added by an industry by the total value shipped by that industry. For this report, "high value-added" is defined as a value-added to value-shipped ratio greater than 50 percent. Ex-Im Bank activity assisted \$273.3 million in exports from eight industry groups that produce high value-added products.

The *new capital goods* technology category consists of certain typically high technology export industries that produce innovative-type capital goods. These industries typically have research and development expenditures of 50 percent or higher than general industry standards. Industries meeting this description include computers and accessories, electronic equipment, specialized machinery, telecommunication equipment, aircraft and parts, and automotive. Ex-Im Bank activity assisted \$3.3 billion in exports from eight of these industries.

The *highly skilled jobs* category includes those industries that employ a high concentration of scientists, engineers and technicians. Such industries take advantage of the U.S. comparative advantage in relatively expensive skilled labor. Sectors that demonstrate a high concentration of skilled jobs, but which are not key linkage industries and do not produce new capital goods technology or high valued-added exports, include services, chemicals, construction, metal products, engines and railways. Ex-Im Bank activity assisted \$813.1 million in exports from 14 industries in the highly skilled jobs category.

ADVISORY COMMITTEE STATEMENT FOR THE 1999 EX-IM BANK ANNUAL REPORT:

The 1999 Export-Import Bank Advisory Committee approves the Lundine Report of Key Industries without change.