

DEVELOPING PRODUCTS

Ex-Im Bank is continually working to develop and streamline its products to be more responsive to the needs of U.S. exporters in an ever-changing and increasingly competitive marketplace. The Bank's goal is to make available better, more user-friendly products to benefit U.S. companies exporting to foreign markets, and to expedite the financing approval process. Highlights of FY 2000 include establishing a trade receivables facility with a major financial services company to support U.S. exports to Mexico, expanding eligibility for the Bank's small business insurance policy and streamlining processing of medium-term transactions. Ex-Im Bank is also developing an E-commerce strategy that eventually will make financing applications available through the Internet.

In October 2000, Ex-Im Bank approved and signed an export credit insurance policy with Residential Funding Corporation (GMAC-RFC), a wholly owned subsidiary of General Motors Acceptance Corp. (GMAC), and its affiliate, GMAC Trade Finance, Inc. The policy establishes a trade

receivables facility to support short-term purchases of U.S. goods and services by qualified Mexican buyers under revolving lines of credit extended by GMAC Trade Finance. In contrast to traditional multi-buyer insurance policies that are issued to exporters to help facilitate their foreign sales, the new policy will focus on small and medium-sized Mexican buyers, encouraging them to increase imports from the United States, especially from small U.S. businesses.

To help more small businesses to access the advantages of its small business policy, Ex-Im Bank is preparing to raise the export sales eligibility limit from \$3 million to \$5 million. The small business policy provides a higher level of insurance coverage for export sales than generally is available under the Bank's other policies. In addition, policyholders may take advantage of enhanced assignment of the policy proceeds to lenders, which encourages lenders to finance export credit receivables. The threshold limit increase is expected to increase the number of exporters using the small business policy.

EX-IM BANK'S E-COMMERCE STRATEGY

In FY 2000, Ex-Im Bank continued to focus resources on developing an E-commerce strategy to produce a Web-based Trade Finance Marketplace that will offer the Bank's customers the speed, convenience and security of doing their export financing transactions over the Internet. The new Web site will have customer portals and will feature interactive and functional Ex-Im Bank financial applications. Applications for Ex-Im Bank's Working Capital Guarantee Program are expected to be online in January 2001. The site will also serve as a source for export trade information.

The Bank's E-commerce strategy embraces a new concept of public/private sector partnership that will allow it to utilize state-of-the-art technology. Through this kind of partnership, Ex-Im Bank can offer substantial value to exporters and other customers – and especially to U.S. taxpayers – without significantly increasing capital outlays or maintenance costs. Currently under development, the Trade Finance Marketplace will integrate its offerings with other government trade-related agencies, providing customers with one-stop export financing opportunities.



*Viking Range Corp.
exports its high-end
kitchen products to
foreign markets with
Ex-Im Bank's
short-term insurance.*

In FY 2000, Ex-Im Bank also expanded the scope of its streamlined medium-term credit standards process for financing up to \$5 million. U.S. companies applying for insurance, loans or guarantees with terms of one to seven years can anticipate approval within a 20-day turnaround if their transactions meet the streamlined credit criteria. Ex-Im Bank introduced the new medium-term credit standards in May 1998 for transactions up to \$1 million.

To reduce processing time even further for qualifying medium-term export credit applications, Ex-Im Bank has instituted individual delegated authority within the agency. Now the Bank's insurance or trade finance division vice presidents can approve qualifying medium-term transactions without referral to the Bank's credit committee, which saves processing time for the exporter. Medium-term transactions of up to \$5 million in financing that involve financial institution credit under specified conditions are eligible for this streamlined approval. The new process is expected to expedite more than \$1 billion in medium-term transactions processed annually.

VIKING RANGE CORP.

Greenwood, Miss.

Expands Exports of Kitchen Appliances

This popular appliance company, famous for its high-end kitchen appliances, exported its products to countries such as Mexico, Venezuela, the Dominican Republic and Belgium with the help of Ex-Im Bank's short-term export credit insurance in FY 2000. The company is experiencing significant growth in export sales and expects these sales to increase dramatically in the coming years.

"The Ex-Im Bank insurance has been an asset to our company because it gives us a comfort level of protection that enables us to more aggressively grow our international business," said Brian Waldrop, Viking Range chief financial officer and vice president of finance.

SUPPORTING A CLEANER ENVIRONMENT

Since Ex-Im Bank created its Environmental Exports Program in 1994 as a proactive effort to fulfill its congressional mandate to increase support for U.S. exports of environmentally beneficial goods and services, the Bank's environmental transactions have grown from 13 in FY 1994 to 62 in FY 2000. Ex-Im Bank's environmental portfolio is now well in excess of \$2 billion.

In FY 2000, Ex-Im Bank authorized loans, guarantees and export credit insurance in support of nearly \$877 million of U.S. exports that were environmentally beneficial or were sold for environmentally beneficial foreign projects. In addition, Ex-Im Bank provided working capital guarantees to 13 small businesses that assisted more than \$148 million of environmental exports.

In accord with the Bank's environmental guidelines, Ex-Im Bank works with project sponsors to mitigate adverse environmental impacts of fossil fuel power plants, petroleum and mining sector operations, and other projects. Ex-Im Bank tracks the estimated amount of carbon dioxide produced by projects that it supports in order to assist in the management of global greenhouse gas emissions.

Although most of the projects supported by Ex-Im Bank in FY 2000 will emit some level of greenhouse gases, the most significant amount of these emissions are in the form of carbon dioxide produced by the operation of fossil fuel power plants. In FY 2000, Ex-Im Bank provided support for \$975 million of U.S. exports for five new fossil fuel power plants. The Bank estimates that the aggregate amount of carbon dioxide emissions produced by these plants will total approximately 16.9 million metric tons per year.

Petroleum sector projects supported by Ex-Im Bank represent a second significant source of carbon dioxide emissions. In FY 2000, Ex-Im Bank provided support for \$698 million of U.S. exports for six projects in the petroleum sector, including extraction, pipeline and refining projects. The Bank estimates that the aggregate amount of carbon dioxide emissions produced directly by these projects will total approximately 6.2 million metric tons per year.

Ex-Im Bank aggressively promotes clean U.S. renewable energy exports that produce virtually no greenhouse gases. In conjunction with the U.S. Department of Energy, the Bank identifies and targets foreign markets for U.S. exporters of wind, solar, and geothermal energy and technologies that promote energy efficiency.



Sorbilite Inc. used Ex-Im Bank's medium-term insurance in FY 2000 to export recycling equipment and services to a tire retreading center in Mexico.

SORBILITE INC.

Virginia Beach, Va.

Exports Tire Recycling Equipment to Mexico

With the help of Ex-Im Bank's Environmental Exports Program in FY 2000, this recycling technology firm sold more than \$2.3 million of recycling equipment and services to a Mexican business that runs a tire retreading center in Ciudad Juarez. Sorbilite used an Ex-Im Bank insurance policy to support a seven-year loan from Wells Fargo Bank of El Paso, Texas. The recycling plant will convert 4,000 tons of used tires per year into rubber floor mats and molding, reusing material that otherwise would create a significant environmental problem. Exports account for 80 percent of Sorbilite's sales.

"This deal would not have gone through without Ex-Im Bank's support. We fill a unique niche in the world market for environmentally beneficial products, and Ex-Im Bank is very helpful in those markets where export credit can be difficult to obtain," said Brigitte Pohl, vice president of Sorbilite Inc.