

Five Chinese Banks

the Agricultural Bank of China, Bank of China, Industrial and Commercial Bank, China Construction Bank, and the Bank of Communications, – each bought \$374,000 of IBM computers and information-storage technology. Ex-Im Bank supported this \$1.9 million equipment sale by **Auto Tech International, LLC** of Minneapolis, Minnesota, by issuing five separate short-term, single-buyer insurance policies.



CNTIC Trading Company

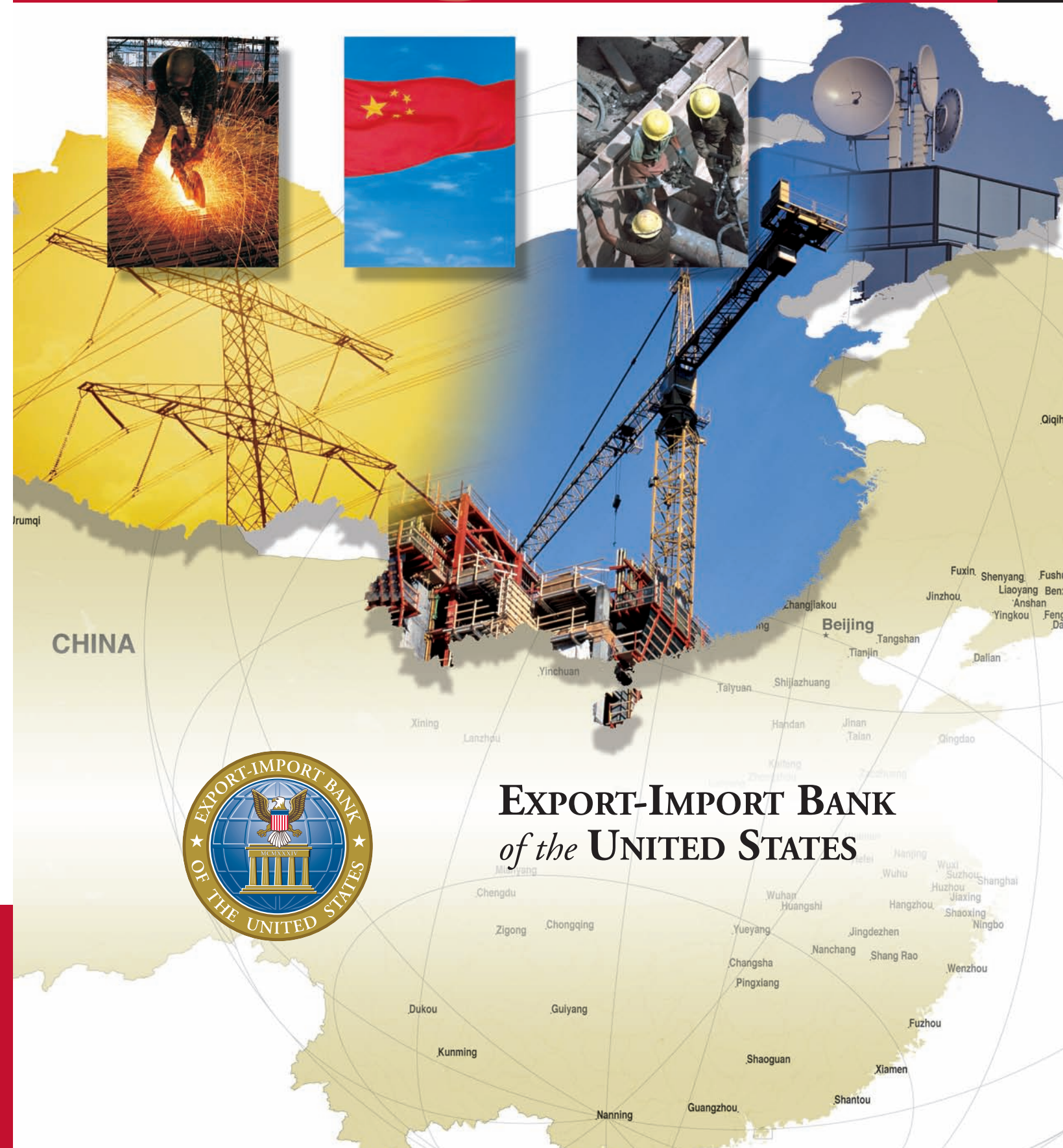
of Beijing purchased \$6.8 million of medical equipment from **GE Healthcare** of Waukesha, Wisconsin, and other suppliers, using an Ex-Im Bank loan guarantee. The sale includes MRI, CT and x-ray equipment, which will be used in hospitals throughout China. **Bank One** of Chicago, Illinois, is the guaranteed lender for this transaction.

China National Offshore Oil Corporation and Shell Petrochemicals Company Ltd.



In October 2002, Ex-Im Bank's Board of Directors approved a loan guarantee for \$200 million to support the construction of an 800,000-ton per year ethylene cracker plant with downstream production, intermediate, and final product processing units. The borrowers for this Guangdong Province-based facility are **China National Offshore Oil Corporation (CNOOC)** and **Shell Petrochemicals Company Ltd. (CSPCL)**. This project finance package also included utilities and supporting infrastructure: steam and electricity generation units; effluent treatment equipment; and storage, handling, and shipping facilities. When completed, this facility will sell petrochemical products in China. Total debt for the project is \$4.1 billion. The primary exporters are **Bechtel** and **Foster Wheeler**. The facility agent for the financing is **Credit Agricole Indosuez**.

CHINA



EXPORT-IMPORT BANK of the UNITED STATES



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Gain Greater Access to U.S. Goods and Services with Competitive Financing



The Export-Import Bank (Ex-Im Bank) is the official export credit agency of the United States and supports the purchase of U.S. goods and services by creditworthy Chinese buyers that have difficulty obtaining credit through traditional financing sources. Ex-Im Bank support is available in China for short-, medium-, and long-term transactions in both the public and private sectors. Ex-Im Bank financing can enhance Chinese buyers' access to U.S. goods and services.

Over the past 70 years, Ex-Im Bank has supported more than \$400 billion of U.S. exports worldwide.

Short-Term (up to one year repayment; political risk coverage equivalent to 100 percent of contract value; 90 to 95 percent coverage for commercial risk)

Export credit insurance enables U.S. exporters to extend trade credit directly to Chinese buyers. Applications to Ex-Im Bank for credit insurance must come from a U.S. exporter. Export credit insurance can support the importation of U.S. goods and services, including raw materials, semi-manufactured, and finished goods.

Benefits:

- Open account credit is an attractive substitute to letters of credit
- Lower costs through reduced interest charges and fees
- Available for purchases of bulk commodities, consumer goods, spare parts, etc.

Medium-Term (up to five years repayment terms for transactions less than \$10 million)

Ex-Im Bank medium-term credit insurance and loan guarantees provide coverage for up to 85 percent of the U.S. contract value. Ex-Im Bank guarantees the repayment of medium-term loans extended by commercial lenders or supplier credit offered to Chinese buyers.

Benefits:

- Quick turnaround
- Coverage available for purchases of both capital goods and services
- Attractive interest rates
- Flexible repayment schedule(s)

Long-Term (up to 10 years repayment or more than \$10 million)

Using Ex-Im Bank cover, Chinese buyers can obtain attractive financing terms for the purchase of U.S. goods and services via commercial loans and guarantees.

Benefits:

- Attractive interest rates
- Extended repayment terms
- Flexible repayment schedules

Loan Guarantees for the Purchase of Used and Refurbished Equipment

Ex-Im Bank financing is available for the purchase of used or refurbished U.S. equipment by Chinese importers. The criteria for Ex-Im Bank support of such equipment purchases may be found on Ex-Im Bank's website: <http://www.exim.gov/products/policies/used equip.html>.

Aircraft Finance

Ex-Im Bank supports Chinese purchases of new and used U.S. commercial and general aviation aircraft through loan guarantees and credit insurance. This support applies for both large and small commercial aircraft. As in other transactions, Ex-Im Bank can finance the purchase of spare parts and ground equipment, as well as associated training costs and transaction expenses.

Project Finance

Ex-Im Bank supports project financing in China. This program provides the Chinese marketplace access to U.S. exporters with competitive advantages in the power, telecommunications, transportation, and other infrastructure sectors.

For projects under \$30 million, Ex-Im Bank will consider performing the necessary financial and legal analysis at no cost to the Chinese buyer or U.S. exporter. In addition to reducing associated transaction costs, Ex-Im Bank provides comprehensive financing packages for Chinese companies during the project construction period.

In addition to the several financing options Ex-Im Bank offers to developing financing plans, its staff has transaction experience in a broad array of industry sectors.



China's State Environmental Protection Administration purchased 55 air-quality monitoring systems using an Ex-Im Bank loan guarantee. This \$5.2 million order for **Dasibi Environmental Corporation** of Glendale, California includes equipment and technical assistance for use in 11 Chinese cities. These automated monitoring systems are used to detect and measure pollution. **Bank of America** in Los Angeles, California served as the guaranteed lender for the transaction.

Medical, Environmental, and Transportation Security Initiatives

Ex-Im Bank provides enhanced support for exports of medical equipment, environmentally beneficial goods, or services and exports related to international transportation security. Such benefits include extended repayment terms and coverage of local costs equivalent to 15 percent of the U.S. contract value.

Credit Requirements

Arrangements are in place with the **Bank of China** and the **State Development Bank** to serve as obligor or guarantor for medium- and long-term transactions

under the loan and guarantee programs. For medium-term insurance, loans or guarantees, Ex-Im Bank will consider transactions with other financial institutions or entities able to comply with relevant Ex-Im Bank credit standards.

For short-term insurance policies in support of public-sector transactions, the use of discretionary credit limits and country limits of liability require the obligation of the **Bank of China, State Development Bank, China Construction Bank, Industrial and Commercial Bank of China**, or the **Bank of Communications**. For private sector transactions, discretionary credit limits and cover are not available, unless specified in a special buyer credit limit endorsement or an issuing bank credit limit endorsement.



China's Ministry of Railways

purchased \$87.2 million in railway track inspection equipment and supporting services using an Ex-Im Bank loan guarantee. The order from **Harsco Corporation** of South Carolina, **Sperry Rail, Inc.** of Connecticut, and **ImageMap, Inc.** of Illinois, provided rail grinding trains and equipment, rail flaw detection cars, and track inspection cars, as well as related training and services. This transaction will allow the Chinese Ministry of Railways to implement the "Permanent Way Equipment Project of the Ministry of Railways" – a five-year plan to modernize the rails to meet international standards in three railway bureaus (Shenyang, Shanghai, and Guangzhou). The guaranteed lenders

for this transaction are the **Hong Kong Shanghai (HSBC) Bank PLC** and **Deutsche Bank**, New York branch. The borrower is the **China Construction Bank**.