



FRED P. HOCHBERG
CHAIRMAN AND PRESIDENT

EXPORT-IMPORT BANK
OF THE UNITED STATES

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Steve Hayes
President
The Corporate Council on Africa
1100 17th Street NW
Suite 1000
Washington DC, 20036

Dear Mr. Hayes:

During a recent Senate Foreign Relations Committee's Subcommittee on African Affairs hearing about "China's Role in Africa" you testified that the U.S. Export-Import Bank (Ex-Im Bank) "has played a less than stellar role in supporting U.S. business in Africa."

I would like to take this opportunity to address concerns you have raised relative to Ex-Im Bank's support of U. S. business in Africa. In raising these concerns, it is suggested that Chinese banks are more responsive in supporting Chinese business than Ex-Im Bank is of U.S. business and that our processing time is slow.

With respect to Chinese banks, the majority of the Export Import Bank of China and other state owned Chinese banks' transactions are largely bilateral in nature meaning that transactions are government to government. The majority of the large infrastructure transactions are supported by state owned Chinese banks supporting largely state owned enterprises which are subsidized by the Chinese government and repayment is often secured through resources for Chinese state owned companies. At every level, this is subsidized by the Chinese government.

Further, it is important to note that China is not part of the OECD consensus and Chinese state owned banks act in many ways as developmental institutions. As an export credit agency, Ex-Im Bank is not a developmental institution. In order to comply with the OECD consensus, Ex-Im Bank follows the OECD rules on debt sustainability. In the case of sub-Saharan Africa (SSA), many of our transactions would need to be highly concessional, i.e., tax payer subsidized loans if we were to compete toe to toe with the financing being provided by the Chinese.

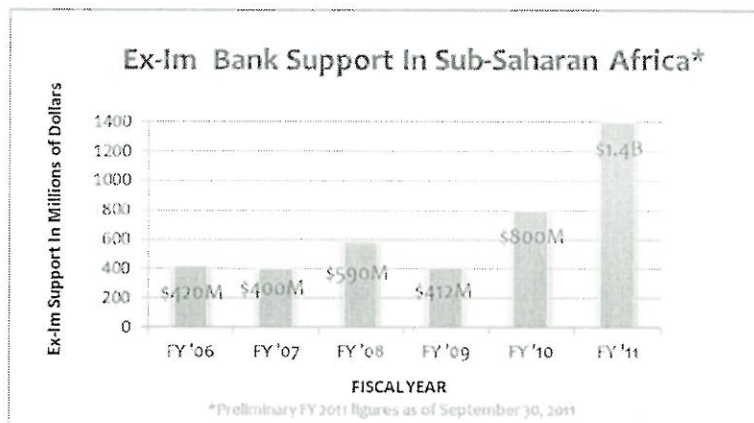
Regarding the processing of our transactions, the majority of our transactions are completed within one month of application submission, larger transactions do require a longer period to complete due diligence consistent with reasonable assurance of repayment to ensure that we are good stewards of tax payer money as required by law. It

should be noted that a large number of our transactions are small business insurance transactions and these are completed within seven days.

Ex-Im Bank is contributing significantly to the infrastructure in Africa. The Bank has financed a wide array of products to more than 20 countries across the continent including:

- Fire trucks and medical equipment to Ghana
- Commercial aircraft to Angola and Rwanda
- A power plant to South Africa
- Marine equipment and automotive supplies to Nigeria
- Agricultural aircraft to Kenya
- Chicken incubators to Uganda

By way of background, when reauthorized by Congress in 1997, Ex-Im Bank was mandated to increase its business in SSA in a manner consistent with its reasonable assurance of repayment standard. Despite a challenging financial environment over the last two years, Ex-Im Bank's performance has been impressive. Below is a chart showing Ex-Im Bank's financings in SSA since 2006 highlighting Ex-Im Bank's success:



- For FY 2011, Ex-Im Bank authorized \$1.4 billion of transactions, exceeding the \$1 billion mark for the first time in the history of Ex-Im Bank.
- Authorizations for FY 2011 were nearly double the FY 2010 of \$812M and almost four times the FY 2009
- In FY 2011 the Bank completed 177 transactions compared to 144 transactions in FY2010.
- Ex-Im Bank's authorizations for FY 2011 are expected to represent approximately 7.0% of all U.S. exports to SSA. Note that U.S. exports to SSA are expected to reach \$20 billion in 2011(Actual 2010 exports were \$17 billion).
- Of the 177 SSA transactions authorized, 139 had a small business component totaling approximately \$100 million.

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- Of the 49 countries in SSA, Ex-Im Bank remains open in 43 countries in the short term, 29 countries in the medium term, and 19 countries for long term.
 - Of the nine strategic markets Ex-Im Bank is targeting around the world, two are in SSA: Nigeria and South Africa. While these are target markets, the Bank completed transactions in over 20 countries in the region in FY 2011.

Our new Vice Chair Wanda Felton and I recently traveled to discuss several business development opportunities with officials in Nigeria and Ghana. Sub-Saharan Africa remains an integral focus of Ex-Im Bank's activities and I am pleased to report that we are more active in SSA than any part of the world in terms of intensity of support.

I hope this helps to clarify the significant progress Ex-Im Bank has made in recent years supporting exports to Africa and we look forward to working with CCA and Congress to continue our recent trend.

Sincerely,



Fred P. Hochberg
Chairman and President