

Expanding Global Opportunities

Webinar

Mike Winer
Economic Development Specialist
City Of Chandler AZ

Webinar January 28th 2020



Reducing Risk. Unleashing Opportunity.



Agenda



- Welcome
Mike Winer, City of Chandler AZ
- U.S. Commercial Service – Phoenix
Fernando C. Jimenez
- EXIM Bank
Aerek N. Stephens
- *Questions*

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Fernando C. Jimenez
U.S. Commercial Service – Phoenix

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Reducing Risk. Unleashing Opportunity.



U.S.
COMMERCIAL
SERVICE

United States of America
Department of Commerce

INCREASING JOBS AT HOME BY EXPANDING U.S. EXPORTS





We help our U.S. companies compete abroad.

A close-up photograph of two people's hands shaking over a wooden desk. A laptop is open on the desk, and a pen lies next to it. The background is slightly blurred, showing what appears to be a window with a view of a city skyline. The overall theme is business and partnership.

Our Mission

Grow U.S. exports to increase U.S. jobs.



We have global **relationships** and **expertise** in
every major industry **sector**.

Leverage the strength of the U.S. government

Market access problems

Unfair contract competition

Meetings with the right partners

Getting paid





The **local** trade specialist can **counsel** companies and **connect** them to resources across the **globe**.

Supporting
export growth every
step of the way.



A blurred background image of several people in a professional setting, likely a business meeting or trade show, with hands visible on a table and documents.

Service highlight: In-country **business matchmaking** to connect with the right **partners**.

Customized market and industry briefings

Post-meeting and follow-up strategies

Help with travel & interpreter service

Appointments with prospective partners



International Expansion Blueprint

Prepared for:

BOYD
CYCLING

U.S. Commercial Services
Atlanta, GA
December 18, 2016

Service highlight: **Customized report assessing every aspect of the company's export program.**

INTERNATIONAL EXPANSION BLUEPRINT SCORECARD		
Export Operations Review		DATE
ACME		Related Issue and/or Risk
Marketing & Sales		
Marketing Materials	3	3
Website Globalization	1	1,11
Identifying Markets	2	14
Free Trade Agreements (FTA)	1	1,4
Finding Partners	1	1,2
Government Programs (Gold Key etc.)	3	1
F.U.S.E Listing(s)	2	5,15
Joint Venture/Licensing	1	5
Responding to International Inquiries	3	6
Trade Shows	2	6
ATA Carnet	1	6
U.S. Export Controls	1	7
AES	1	8
BIS	1	14
ITAR	1	1
Compliance Management Program	3	17
FTA Compliance	2	17
Financial Considerations	1	9
SBA/EXIM Programs	1	TBD
Receivables Insurance	1	10
Standard Cost/Export Pricing	1	TBD
Terms of Sale	1	TBD
IFSC	1	TBD
Foreign Currency Management	2	19
Trade Zones (FTZ)	1	19
Commodity Considerations	1	19
Professional Services (law firm)	1	1
Specific Legal Requirements	1	TBD
Author Agreements, Licensing etc.	1	TBD
Logistics	2	TBD
Requirements	1	TBD
Shipping requirements	2	TBD
Carriers	1	TBD

Meet the Arizona Team

www.export.gov/arizona

Open

Industries:

- Architecture
- Energy
- Engineering
- Environmental Technology
- Infrastructure
- Mining
- Water Technology

Open

Industries:

- Consumer Goods
- Cosmetics
- Education
- Franchising
- Healthcare Technology
- Processed Foods
- Tourism

Molly Ho Sr. Int'l Trade Specialist

Molly.Ho@trade.gov

Industries:

- Advanced Manufacturing
- Automotive
- Information Communications Technology

Fernando Jimenez Sr. Int'l Trade Specialist

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Industries:

- Aerospace & Defense
- Safety & Security
- Sporting Goods



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Expanding Global Opportunities

Webinar

Mr. Aerek N. Stephens
EXIM Bank
Office of Small Business

City of Chandler Webinar January 28th 2020



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Who We Are - What We Do



- › EXIM is an independent agency of the U.S. Government
- › Established in 1934
- › Headquartered in Washington, DC
- › Twelve Regional offices
- › Regional Export Centers

Mission: To create and sustain jobs by increasing U.S. export sales





No Cost to Taxpayers



In the last decade, EXIM has supported more than 1.7 million jobs in all 50 states--and generated more than \$4 billion for American taxpayers.



>\$4B returned

EXIM

EXIM Supports Small Business!



FY 2019

- In FY 2019, EXIM authorized \$8.2 billion of loan guarantees, export credit insurance, and direct loans in support of an estimated \$9 billion of U.S. export sales.
- U.S. export sales backed by EXIM in FY 2019 supported an estimated 34,000 U.S. jobs.
- In FY 2019, EXIM's small business authorizations totaled nearly \$2.3 billion, representing 27.5 percent of total authorizations exceeding the agency's charter requirement of 25 percent. Transactions that directly benefited small business exporters were more than 89 percent of total transactions.
- EXIM authorized \$440.6 million for minority- and women-owned businesses in FY 2019.



>\$8.2B





GLOBAL POPULATION



95%

of Sales
Opportunities
Outside US





EXIM REDUCES RISK AND UNLEASHES
OPPORTUNITY!



Why Do Only 1% of Companies Export?

Fear of the Unknown RISK!



Our Financing Makes the Difference



- › Minimize risk
- › Level the playing field
- › Supplement commercial financing





Support for a Variety of Industries



- › Manufacturing
- › Construction Equipment
- › Medical Equipment
- › Mining
- › Power-generation
- › Aircraft and Avionics
- › Services
- › Renewable Energy
- › Agribusiness
- › Wholesale/Retail
- › Oil & Gas



EXIM Financing Covers The Spectrum



Pre-Export
Financing

Post-Export
Financing



Working Capital Guarantees

Insurance
Guarantees
Direct Loans



How Can EXIM Products Assist You?



Funds to Fulfill Orders



Working Capital Guarantee

Risk Protection
Extension of Credit



Receivables Insurance

Buyer Financing



**Medium- and Long-Term
Insurance and Lender Loan
Guarantee**



WHAT IS EXPORT CREDIT INSURANCE?



Insurance
against non-
payment of
foreign accounts
receivable

NOT a means to
make bad credit
good

NOT primary
source of
repayment



Short Term Export Credit Insurance



- › Protects against non-payment by foreign buyers
 - Commercial Risks: insolvency and protracted default
 - Political Risks: currency inconvertibility; war, revolution, insurgency, expropriation; cancellation of import or export license
 - Coverage ranges from 90% to 100% of the invoiced amount
- › Covers competitive credit terms
 - Up to 180 days for consumable products, as well as sales to distributors
 - Up to 360 days for some bulk agricultural products, as well as sales to end-users of capital equipment



Small Business Multi-Buyer Policy



- Coverage: 95% commercial and 95% political
- Exporter must qualify as “small business” by SBA definition, and
- Average export credit sales over the past 3 years must be less than \$7.5million
- In same line of business for at least 3 years
(No material adverse issues)
- Must insure ALL export credit sales
(L/C, CIA, CAD, SDDP, and Canadian sales may excluded)
- No deductible, no application fee, no advance premium required, “pay-as-you-ship,” no minimum premium requirement
- Buyer credit limits endorsed to policy (requires minimal pre-approvals by EXIM Bank)



Short-Term Single Buyer Insurance Policy



Insures a single sale or multiple sales to one buyer

90% coverage, both commercial and political;

98% for bulk agricultural transactions

95% for letter of credit transaction

- Maximum policy period: 1 year
- No deductible, No application fee
- Premium based on country, type of buyer, and length of credit term extended (see rates on www.exim.gov)
- Charged on sales volume (not credit limit)
- “Pay-After-You-Ship” premiums
- Reduced \$500 minimum premium for “small business” exporters (\$2500. minimum premium for non-small business)



WORKING CAPITAL GUARANTEE



Provides lenders with a **90%** guarantee to extend short-term loans allowing exporters to purchase inventory, pay for labor, overhead, etc.

- › Advance rates are larger than lenders typically offer:
 - › up to 90% against export accounts receivable; and
 - › up to 75% against exportable inventory (including work-in-process)
- › Also covers standby letters of credit



Public Policy (charter) Restrictions - Just A Few



- › No Military or Defense-related products or obligors (exceptions apply)
- › U.S. Content (Standard-Term: 50+%; Medium-Term: 85% U.S.)
- › Restricted Countries (Country Limitation Schedule)
- › Economic impact
- › Shipping
- › Additionality





Consult with an EXIM Regional Director



Customer Contact Center: 800.565.3946 (EXIM)

(Operating Hours: 8 a.m. to 5 p.m., Eastern Time
Monday through Friday, excluding Federal holidays.)

www.exim.gov/contact

www.exim.gov/contact/regionalexportfinancecenters



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Additional Resources



- Additional resources and assistance in applying for Ex-Im Bank products are available from:
 - Insurance Brokers
[Broker Locator](#)
 - Regional Export Promotion Program (REPP) Members
[REPP Locator](#)
 - Delegated Lenders
[Working Capital Locator](#)
 - US Export Assistance Centers (USDOC and SBA)
[www.export.gov](#)



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EXPORT-IMPORT BANK
OF THE UNITED STATES

