Ensure U.S. EXIM Bank Can Help Exporters Compete

POLICY FACTSHEET

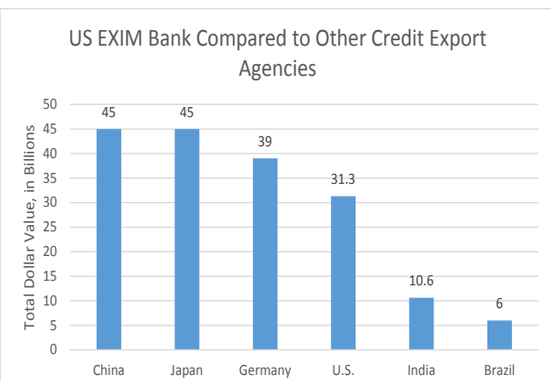
Why it matters to WASHINGTON

Dozens of Washington employers, many of them small businesses, depend on EXIM Bank financing to support their exports. In the last five years over 70% of the 184 Washington companies supported by the bank were small businesses.[3] In FY 2014-2015, EXIM financing supported $28 billion in Washington exports. By the U.S. International Trade Administration's calculation, this means that approximately 160,916 Washington jobs were directly supported by EXIM Bank last year. Any reduction or interruption in EXIM support for Washington exports could put those jobs at risk.

EXIM Bank by Numbers[3]

The EXIM Bank has had a significant contribution to Washington's international competiveness

- 160 WA Companies supported FY 2012-2016
- 58 WA Cities and Towns supported FY 2012-2016
- $77 Billion in WA exports supported FY 2012-2016
- 10 WA Congressional Districts have exporters supported by EXIM
- $28 Billion in WA exports supported FY 2014-2015



Industry	Examples of WA Companies Supported by the EXIM Bank
Transportation Equipment Manufacturing, Maintenance, Sales and Services	The Boeing Company, LKD Aerospace Inc., Sonico Inc., Northwest Aviation Services Group LLC, Renton Coil Springs Company
Chemical Manufacturing and Sales	Norwest Ingredients LLC, Rudd Company Inc., Northwest Natural Products Inc.
Electrical Equipment Manufacturing and Sales	Schweitzer Engineering Labs, Heatcon Composite Systems Inc.
Beverage and Food Product Manufacturing and Sales	Ste. Michelle Wine Estates Ltd., Commercial Creamery Co., Eagle Beverage & Accessory Products, Rootabaga Enterprises Inc., Nova Fisheries Inc., American Wine Trade Inc., Nutriom LLC, L'Ecole No. 41, Pacific Harvest Seafood Inc.
Machinery Manufacturing and Sales	Outback Power Technologies Inc., Concordia Coffee Company Inc., Aerogo Inc., Colmac Coil Manufacturing Inc., Sunstream Corporation, Scafco Corporation, Thermoforming Systems LLC, Surecrete Inc.
Crop Production and Sales	I E F Corp., Valley Grain Inc., Brubakken and Reinbold Inc., Legacy Trading LLC, Washington Export LLC, Calaway Trading Co.
Forestry, Logging , Wood, Paper Product Manufacturing and Sales	Paneltech Inc., KMJ International Inc., Natural Trade Ltd., McFarland Cascade Holdings Inc., North Fork Timber Company Inc.

POLICY FAQs

1. Do other countries have EXIM Banks?
Yes, numerous countries have their own credit agencies, which in many cases offer more funding than the U.S. EXIM Bank. For example, in 2010 Brazil and China supported 10 times more aid to their exporters as a share of GDP than the U.S. EXIM Bank did for American companies.[4] The U.S. EXIM Bank also provides less assistance than its peers in Germany, France, India and Canada.

2. How do U.S companies benefit from the EXIM Bank lending to foreign companies?
EXIM Bank offers assistance to some foreign-owned companies who buy U.S. goods and services, stimulating our economy and keeping jobs local. For example, EXIM Bank is granting a $3.4 billion loan to Air India, allowing the airline to purchase 30 Boeing aircraft. Air India's purchase of U.S-made aircraft supports Washington jobs at Boeing and the 22,000 suppliers in Boeing's value chain.[4]

3. Is the government competing with private banks?
No, the majority of private banks do not have export credit to lend, or they see trade financing as complicated and risky. The banks that do offer export loans actually partner with the EXIM Bank rather than competing with it.

4. Why is it an issue to limit loans to $10 million?
We all benefit from the ability of our largest exporters to succeed, especially in a state that is so dependent on trade. The large companies that rely on EXIM loans support hundreds of small business suppliers throughout Washington. When our large employers can't reach their full potential, our entire economy hurts.

3 Export-Import Bank of the United States, Washington Congressional Map, 2013 | 4 Ezell, Stephen, The Information Technology & Innovation Foundation, "Let the Ex-Im Bank Do Its Job Supporting U.S Exporters," January 2012 | 5 Progressive Economy, 2013, *Estimated range for China is $45 to $70 billion

CASE STUDIES

VISTA CLARA INC.

Amount of EXIM Bank Loan: $856,112

Located in Mukilteo, Washington, Vista Clara develops, manufactures, and provides services for groundwater detection instruments. The company began exporting in 2008 and, with help from the Export Finance Assistance Center of Washington and EXIM Bank, now exports to Germany, Denmark, Australia, Canada, China and India. Since 2008, 44% of sales (approximately $2.5M) were exports. Over the past three years they have hired six full-time employees, now supporting a total of eight full-time and three part-time Washington employees. Dave Walsh, President and Founder of Vista Clara Inc., says that selling internationally has also sparked interest in the industry on a national level, stimulating the U.S market.

PANELTECH INC.

Amount of EXIM Bank Loan: $7,691,446

Nine years ago the Hoquiam, WA, company began exporting their composite surface materials to Canada. Since then, sales and employees have continued to increase. Paneltech has a team of 40 employees, with more than half the employees hired since exporting began. Export sales continue to grow each year, reaching $6.4 million in 2013. Scott Olmstead, Paneltech Business Manager, stated approximately 56% of company sales are foreign. Support from the EXIM Bank has allowed Paneltech to export their sustainable Washington-made products to Canada, France, Italy, Mexico and Chile.

ENPRECIS

Amount of EXIM Bank Loan: $4,344,924

Globally-focused since launching in 2006, Enprecis is an advanced technology company that measures vehicle quality and customer satisfaction in the global marketplace. The company exports services to major automobile manufacturers operating in the UK, France, Italy, China, Russia, Australia, Japan, and most recently, Germany. Thanks in part to assistance from EXIM Bank, Enprecis has seen a 35% increase in exports over the past few years. This success in the global marketplace has allowed the company to grow its Washington-based office by about 30%, supporting several new employees.

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ENSURE U.S. EXIM BANK CAN HELP EXPORTERS COMPETE

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Background

The Export-Import Bank (EXIM Bank) of the United States is our country's official export credit agency that assists U.S. companies, large and small, to export goods and services to international markets. The agency has 80 years of experience supporting more than $567 billion of U.S. exports.[1] The bank is successful with a loan default rate of less than 2%.[2] Since 2005 the EXIM Bank has returned more than $3.4 billion to the U.S. Treasury, above and beyond the cost of its operations.[2] The bank is particularly important to small business exporters - 87% of the bank's transactions directly benefit U.S. small businesses.[1] Although the EXIM Bank was re-authorized by Congress in December of 2015, it cannot fully function until Congress appoints new board members. Washington employers depend on the bank to support their exports, so appointment of new board members is critical.

1 Export Import Bank of the United States, 2014 | 2 U.S. Chamber of Commerce, 2014