

From left: David Lynch and Dr. Jared Potter, President



“When we go into a market such as Russia, Ex-Im Bank has the political and financial muscle to make it possible for a small company such as ours to compete on a level playing field.

We could not do what we do in Russia without Ex-Im Bank.”

David Lynch, Vice President

A small business exporter can find tremendous sales opportunities in an emerging market such as Russia but can also find it hard to compete for contracts with foreign companies that are supported by their governments.

Coretest Systems Inc. in San Jose, Calif., is a small business manufacturer of geophysical analysis and laboratory test equipment that is succeeding in the vast marketplace of Russia’s oil and gas industries, with the help of Ex-Im Bank. The company produces some of the world’s most sophisticated core analysis equipment. Only a few other companies in the world produce similar technology, but the competition is strong in developing markets.

Over the past two years, Coretest Systems Inc. has been using Ex-Im Bank’s short-term insurance in Russia to win contracts in the face of government-supported European competition. Ex-Im Bank’s insurance has enabled the company to offer competitive financing terms to its Russian customers.

In fiscal year 2002, Coretest Systems Inc. used a \$2.5 million Ex-Im Bank insurance policy to cover letters of credit issued by International Moscow Bank for sales of its equipment to one of Russia’s largest oil producers. International Moscow Bank is one of 15 Russian banks approved by Ex-Im Bank for short- and medium-term financing on a case-by-case basis.

Coretest Systems Inc. produces state-of-the-art laboratory instruments and equipment for the petroleum and hydrothermal industries. The company exports 98 percent of its products to customers such as oil companies, research laboratories, universities and many other facilities worldwide. A small business, the company currently has a staff of 17 employees at its manufacturing facility in San Jose.



PRODUCTS

Geophysical analysis and laboratory test equipment for energy-based industries

CHALLENGE

Mitigating foreign credit risk and competing in emerging markets where competitors are backed by foreign governments

SOLUTION

Ex-Im Bank's export credit insurance has enabled the company to cover letters of credit from a Moscow bank for its equipment sales to Russia's oil industry.

RESULT

The company has been able to compete successfully against foreign companies to win a multimillion-dollar contract from one of Russia's largest oil producers.

