

Opening New Markets

As America continues its economic recovery, exports will continue to be a powerful engine driving U.S. economic growth and job creation. The HSBC Global Connections Trade Forecast, which was released in mid-2012, projects a 95 percent expansion of U.S. trade activity by 2026, with annual growth of nearly five percent expected for the next decade.

Ex-Im Bank will continue to play a key role in making possible this trade growth, supporting American exporters as they work to reach new customers abroad and create jobs here at home. The Bank enables U.S. companies to seize sales opportunities in markets where they would not otherwise be able to compete due to risks or lack of available trade credit from private-sector lenders.

The Bank is open for business in approximately 200 countries on six continents. When the private sector is unwilling or unable to provide financing, Ex-Im can assist creditworthy transactions through its principal financing products or through financing arrangements that eliminate or externalize country risks, thereby enabling businesses to increase exports and grow.

The Bank has identified nine key markets for priority focus: Brazil, Colombia, India, Indonesia, Mexico, Nigeria, South Africa, Turkey and Vietnam. These countries were selected based on number of factors, including the size of the export market for U.S. companies, projected economic growth, anticipated infrastructure demand and need for Ex-Im financing.

The infrastructure needed in these countries and other developing markets is especially significant. Over the next five years, analysts expect more than \$2 trillion in cumulative infrastructure investment in these nine countries alone. This investment will generate a tremendous increase in demand for products and services that U.S. exporters are well-positioned to provide. As a result, international infrastructure development will be an important source for American job creation.

In FY 2012:

- The largest region in Ex-Im Bank's portfolio was Asia, which the Bank defines as a region stretching from the Pacific Rim to the Middle East. At the close of FY 2012, the Bank's exposure in Asia was \$42.3 billion, a 29 percent increase from FY 2011.

- The Bank's total authorizations in Asia have increased \$4 billion over the FY 2011 level and are up \$10 billion since FY 2008. Asian authorizations in FY 2012 included financing of a nuclear-power project in the United Arab Emirates, a petrochemical project in Saudi Arabia, a telecommunications satellite to Vietnam and commercial aircraft sales to several East Asian countries, including China.
- The fastest-growing region for Ex-Im Bank financing was Oceania (including Australia), where the Bank's portfolio was \$8.3 billion at the fiscal year's end. This represents a nearly 55 percent increase over the Bank's exposure in the region at the end of FY 2011. The Bank provided strong support for U.S. exports to Australia in FY 2012, authorizing \$3.2 billion in financing for the sales of commercial aircraft, a telecommunications satellite, and equipment and services for a liquefied natural-gas project.
- Ex-Im Bank authorized nearly \$5.5 billion for U.S. exports to the nine target country markets. (See Exhibit 1A on page 45.) The greatest amount of financing activity among these countries was in Mexico, where the Bank authorized more than \$2.8 billion to support exports of telecommunications satellites, commercial aircraft, locomotives, and equipment and services for oil and gas projects of Petróleos Mexicanos (Pemex).
- The Bank continued its strong support for U.S. exports to sub-Saharan Africa, financing approximately 7 percent of U.S. merchandise exports to this region. In FY 2012, the Bank reached a historic high of over \$1.5 billion in authorizations for sub-Saharan Africa, including support for the first sale of Boeing's 787 Dreamliner aircraft to Ethiopian Airlines and sales of mining equipment by Caterpillar Inc. to Eqstra, a pan-African distributor of industrial equipment based in South Africa.

Nuclear Project in the U.A.E “Powers” Thousands of Jobs in the United States

Exporters/Locations:	The Westinghouse Electric Company LLC Pittsburgh, Pennsylvania; Newington, New Hampshire; Other Suppliers in 17 States
Destination:	United Arab Emirates
Ex-Im Bank Product:	Direct Loan
Jobs Supported:	5,000



Drawing of the Barakah nuclear power plant to be constructed in the U.A.E. Photo courtesy of the Westinghouse Electric Company.

In a transaction that will support of thousands of American jobs, Ex-Im Bank authorized a \$2 billion direct loan in FY 2012 to the Barakah One Company of the United Arab Emirates (U.A.E.) to finance the purchase of U.S. goods and services for the construction of a nuclear power plant. The transaction is Ex-Im Bank's largest in the U.A.E. to date.

The Barakah nuclear power project will consist of four power-generating units on a coastal site along the Arabian Gulf approximately 220 kilometers from the city of Abu Dhabi.

Ex-Im Bank, in conjunction with other U.S. and U.A.E. governmental agencies, has conducted a detailed and extensive risk assessment of the project, in accord with the Bank's environmental procedures and guidelines. (See sidebar in "Renewable Energy and Environment" on page 24.)

The facility will built with U.S. equipment and expertise exported by American companies serving as exporters and suppliers in 17 states, including California, Connecticut, New Hampshire, Ohio, Pennsylvania, South Carolina and Texas.

Westinghouse Electric Company LLC, a Pittsburgh, Pa.-based group company of Toshiba Corp., will be the primary and largest exporter involved in the transaction. Westinghouse will provide reactor coolant pumps, reactor components, controls, engineering services and training for the project.



*Employees of the Westinghouse Electric Company at its facility in Newington, N.H. Included in the photo are **Westinghouse CEO Daniel L. Roderick** (front row, fourth from the right) and **Ex-Im Bank Chairman Fred P. Hochberg** (front row, sixth from the right), who visited the plant in October 2012. Photo courtesy of Westinghouse.*

With a U.S. workforce of approximately 9,000 employees, Westinghouse retails fuel, technology, plant design and equipment to the nuclear-power industry. The company's facility in Newington, N.H., will be responsible for the Barakah nuclear power project.

Ex-Im's financing for the project will support 600 jobs at Westinghouse and will also help to maintain jobs at suppliers and service companies across the country. In total, the Bank's financing will support approximately 5,000 American jobs, according to estimates derived from U.S. Census Bureau statistics.

The Barakah project demonstrates that when countries seek to modernize their energy infrastructure, the demand for U.S. expertise and manufactured equipment provides opportunities to create and sustain many good-paying jobs in the United States.