



Ex-Im Bank News

President's FY2003 Budget Request Released

President Bush's fiscal year 2003 budget, released on February 4, fully supports Ex-Im Bank's requested level of \$11.5 billion in loan, guarantee and insurance authorizations, funded by a program budget of \$541.4 million and an administrative budget of \$70.3 million. The level of authorizations supported is about 10 percent above the \$10.4 billion funded in FY 2002. This increase is achieved because of a new credit risk methodology that uses more focused estimates of default risks.

The \$70.3 million for administrative expenses will provide resources necessary for critical business elements such as upgrading information technology, enhancing small business outreach programs, upgrading office space to meet the minimal GSA standards, and fully funding the U.S. government's share of the accruing costs of Civil Service Retirement System benefits.

375,000-Name Exporter Database "Best in the Business"

In just two years, Ex-Im Bank has built an exporter database that includes the names of 375,000 export executives with 201,000 companies -- approximately 80 percent of all U.S. businesses that export. No other government agency or private company has this degree of exporter intelligence and uses it with such strategic purpose, according to Steve Maroon of Ex-Im Bank's Small and New Business Group.

The database, which has been developed by Maroon and Mary Tundo, also of the Small and New Business Group, is the cornerstone of the Bank's strategic marketing effort. It is being used for a 300,000 direct mail sales campaign, annual conference support, and outreach by Ex-Im Bank directors. The database, which Maroon calls "the best in the business," is also used by other U.S. government agencies because of its comprehensiveness.

The database has yielded about 3,000 new business prospects at a cost of \$97 per lead; this 1 percent success rate is excellent for business direct mail campaigns, Maroon said. At least 50-60 sales have been generated from these leads, and others are moving through the sales cycle.

Before the database, Ex-Im Bank had limited exporter data and had never attempted a strategic and continuous direct mail effort. The database was built with the help of City/State partners and by purchasing lists from marketing groups and trade associations. In addition, e-mail addresses for 51,000 executives have been gathered in order to provide updates on Ex-Im Bank programs and activities.

The biggest challenge is to keep the database accurate because up to one-third of any database becomes outdated each year. Tundo and Maroon also would like to see the database made available to all Ex-Im Bank staff in the future through an enterprise-wide customer management system.

Additional databases are being developed for foreign buyers and lenders, which they hope to put on the Bank's Web site as a resource for exporters.

Ex-Im Cooperation Pledged with Black Sea Trade Bank



Ex-Im Bank Vice Chairman Eduardo Aguirre, Jr. and Black Sea Trade and Development Bank President Ersoy Volkan at Ex-Im Bank signing ceremony

Ex-Im Bank and the Black Sea Trade and Development Bank signed a memorandum of cooperation on January 25 to facilitate greater access to financing for sales into the Black Sea region, which includes Russia, Ukraine, Moldova, Georgia, Romania, Bulgaria, Albania, Turkey, Greece, Armenia, and Azerbaijan. Under this agreement, Ex-Im Bank can support exports to these countries with the Black Sea Trade and Development Bank acting as an obligor, or projects may be structured where the two institutions provide parallel financing.

"We are already active in several countries of the region, and we anticipate financing several transactions as a result of this agreement," said Ex-Im Bank Vice Chairman Eduardo Aguirre, Jr., who signed the agreement with Black Sea Trade and Development Bank President Ersoy Volkan at Ex-Im Bank.

The Black Sea Trade and Development Bank is a regional institution that supports economic development in and regional cooperation among member countries of the Black Sea Economic Community. The bank provides project and trade financing for the public and private sectors of the member countries.

Ex-Im Bank To Help Support U.S. Policy Goals in Afghanistan and Pakistan

President Bush and Chairman Hamid Karzai, the interim leader of Afghanistan, issued a joint statement on January 28 during Karzai's visit to Washington that included a pledge of Ex-Im Bank involvement in Afghanistan's reconstruction and development efforts. They announced that the Bank -- together with the Overseas Private Investment Council and the Trade and Development Agency -- would conduct "an investment assessment mission" to Afghanistan later this month. It will help identify Afghanistan's investment needs and opportunities for U.S. private sector participation in reconstruction, President Bush and Chairman Karzai said.

As part of the initiative announced by the President, Ex-Im Bank Vice Chairman Eduardo Aguirre, Jr. also will lead a Bank delegation to Pakistan from February 16-22.



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Transactions of the Month

Guarantee Issued for Russian Bank; California Firm Obtains Guarantee To Export Prototype Molds; and Genus Backed for Semiconductor Exports

Ex-Im Bank issued its first guarantee involving a Russian private bank since the 1998 Russian economic crisis, as it approved a \$3.2 million medium-term loan guarantee to support the sale of mining equipment by **Copco Wagner Inc.** of Portland, Ore., for a silver mine in Magadan, Russia. The buyer is Leasing Promhold, which is wholly owned by the Russian bank, Commercial Bank Moscow Business World (MDM). In December 1999, Ex-Im Bank chose MDM as one of 15 creditworthy partners to work with to finance Russian purchases of U.S. exports. The mine, which is expected to be operational later this year, will reach a maximum capacity of 470 tons per year by 2004.

Ex-Im Bank authorized medium-term insurance coverage for a \$830,000 sale by **3D Systems,**

Inc. of Valencia, Calif., to Craftech Rapid Technologies of Noida, India, of a machine that produces prototype molds used in making various plastic and metal parts. The molds are sold to companies such as Honda, Whirlpool, Electrolux and Xerox. Prior to this sale, Craftech had to import the prototype molds from the United States or Germany.

Silicon Valley Bank of Santa Clara, Calif., has committed a \$7.5 million revolving loan to **Genus, Inc.** of Sunnyvale, Calif., that will be used to support export sales of about \$36 million of semiconductor manufacturing equipment to Korea, Japan and Europe. The 20-year old publicly held company employs 95 people and derives more than 85 percent of its sales from exports.

Weaver Signs City-State Partnership Agreement with Nebraska

Ex-Im Bank Director Vanessa Weaver signed a City/State Partnership agreement with Nebraska Gov. Mike Johanns in Omaha on January 25 that will make it easier for Nebraska companies to export their goods and services. The Nebraska Department of Economic Development joins more than three dozen other Ex-Im Bank City/State Partners around the country. The program is a joint effort between Ex-Im Bank and state and local entities to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export.

"We look forward to working with Governor Johanns, and to increasing the number of products exported from Nebraska," Weaver said.

"The City/State Partnership Program brings Ex-Im Bank financing to small and mid-sized businesses through state and local organizations across the country," said Governor Johanns, who is a member of Ex-Im Bank's Advisory Committee. "I look forward to a strong and productive relationship in the years ahead."

Nebraska is the fourth largest exporter of agricultural products among U.S. states. However, half of the state's \$6.2 billion in exports are non-agricultural.

Ex-Im Bank has assisted 27 Nebraska companies in 12 communities during the last five years.

Renberg Addresses Virginia Minority and Women-Owned Business Workshop

Director Dan Renberg addressed a group of Virginia-based minority and women-owned businesses at an Ex-Im Bank-sponsored workshop in Richmond on January 25.

Renberg was joined by Rep. Robert C. "Bobby" Scott (3rd District, Va.), to encourage minority- and women-owned companies and other small businesses to reap the benefits of international trade. The workshop, co-hosted by the Virginia Regional Minority Supplier Development Council, described special Ex-Im Bank products for minority- and women-owned, rural and environmental businesses.

Last year, Ex-Im Bank's working capital minority business initiative supported 30 transactions worth nearly \$35 million, and the Bank's working capital women-owned business initiative supported 25 transactions worth more than \$32 million. Ex-Im Bank also issued 58 insurance policies for minority-owned businesses and 53 policies for women-owned businesses.

"In Virginia during the past five years, Ex-Im Bank has helped 79 companies in 38 communities export more than \$706 million of goods and services to foreign markets, sustaining thousands of jobs in the state," Renberg said. "We want to expand that by helping small and minority- and women-owned businesses export to foreign buyers in more than 150 countries."