



Ex-Im Bank News

"The Export-Import Bank helps advance U.S. trade policy, facilitate the sale of U.S. goods and services abroad, and create jobs here at home." -- President George W. Bush

Ex-Im To Co-Host Mexican Environmental Infrastructure Conference

Ex-Im Bank and BANOBRAS, the Mexican government's infrastructure development bank, will host a conference on "Financing Mexico's Environmental Infrastructure" in Mexico City on Sept. 23-24.

The conference will feature nearly three dozen Mexican municipalities interested in purchasing environmentally beneficial infrastructure goods, services and technology from U.S. companies in the fields of water treatment, renewable energy, and solid waste disposal. The conference builds on the Partnership for Prosperity Initiative created by U.S. President George W. Bush and Mexican President Vicente Fox. The conference is expected to draw 100 participants and result in new U.S. sales to Mexico.

Ex-Im Bank Director Dan Renberg, BANOBRAS Director General Tomás Ruiz González, and Eduardo Sojo, President Fox's chief of staff, will deliver keynote addresses.



Ex-Im Bank agreements signed with Cargolux Airlines International S.A. of Luxembourg on Aug. 15 for the financing of Cargolux's purchase from the Boeing Company, of Seattle, Wash., of one B747-400F freighter aircraft. Front row from left to right: Michael Munting, senior vice president, Landesbank Schleswig-Holstein; Henk Delsing, head of Benelux division of European Investment Bank; Eduardo Aguirre, vice chairman, Ex-Im Bank; David Arendt, chief financial officer, Cargolux Airlines; and Terina A. Golfinos, head of structured export finance, ING Capital LLC. Back row from left to right: Peter Terpeluk, U.S. ambassador to Luxembourg; Arlette Conzemius, Luxembourg ambassador to the United States; and Henri Grethen, Luxembourg minister of economy and transport.

Ex-Im Bank Expands Activity in Southeast Europe

On Aug. 1, Ex-Im Bank opened a regional office for Southeast Europe in Zagreb, Croatia. Margaret Kostic will represent Ex-Im Bank at the office, which also will include staff from the Foreign Commercial Service, the Trade and Development Agency, and the Overseas Private Investment Agency. The office will work to expand exports to Croatia, Bosnia-Herzegovina, Slovenia, Hungary, Macedonia, Bulgaria, Romania, Albania, and Serbia and Montenegro. An Ex-Im Bank conference also will be held in Budapest on Sept. 9-10.

G-7 Export Credit Agencies Vary in Mission and Structure

An Overview of Ex-Im Bank's Counterparts: A Special Report

In the years just before and since Ex-Im Bank was established in 1934, export credit agencies (ECAs) have been established in virtually every industrialized country and many developing countries to promote their nations' exports. While Ex-Im Bank's mandate has been to support exports either when private financing is unavailable or U.S. exporters face competition supported by foreign governments, not all ECAs follow a similar philosophy, operate with similar policies, or are organized in a similar structure.

Indeed, among the 42 countries that are members of the Berne Union, the global association of ECAs, there is considerable variation in the role that governments and ECAs play in supporting exports. This article will provide a look at the ECAs of the other G-7 nations: Canada, Japan, Britain, France, Germany, and Italy.

Canada: Export Development Corporation (EDC), www.edc.ca -- EDC has grown since its founding in 1944 to become a major player in Canadian export finance, supporting more than CD\$45 billion in export and domestic sales and investments last year, mostly in the United States and Europe. Like Ex-Im Bank, EDC is structured like a bank, but unlike Ex-Im Bank, it is a state-chartered, for-profit entity that competes with commercial banks. It provides loans, guarantees, bonding, and insurance. Most of EDC's business falls under its Corporate Account, but its Canada Account supports exports deemed strategically important by the Minister of International Trade.

Japan: Bank for International Cooperation (JBIC), <http://www.jbic.go.jp/english/index.php> -- JBIC, formerly Japan Eximbank, is also structured as a bank and provides loans, as well as untied, investment and import credits. While JBIC, which is under the Ministry of Finance, works with commercial banks to offer loans, **Nippon Export**

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Transactions of the Month

Turkish Resort, Guyana Poultry-Processing, Mexican Telecommunications, and Nicaraguan Sugar Cane Production To Benefit from Ex-Im Bank-Financed U.S. Exports

Ex-Im Bank is providing a loan guarantee backing the \$4.1 million export of furniture and a diesel power generator by **World Brands Inc. of Jacksonville, Fla.**, and a number of sub-suppliers to help develop a thermal springs time-share and hotel resort in Turkey. Suppliers include **Century Furniture Industries of Hickory, N.C.**; **Lane Home Furnishings of Tupelo, Miss.**; **Woodard Inc. of Chicago, Ill.**; **Cambridge Lamps Inc. of Hialeah, Fla.**; and **Montaage of Dallas, Texas.**

Ex-Im Bank approved medium-term insurance coverage to support a \$1 million sale of equipment to be used in poultry raising and processing by DIDCO Trading Co. of Georgetown, Guyana. DIDCO previously imported processed chicken, but last year it began to process locally raised chickens, including its own. A DIDCO affiliate operates **KFC** and **Pizza Hut** franchises in Guyana. Ex-Im Bank has authorized medium-term support for only one other private company in Guyana since 1990.

Ex-Im Bank authorized \$103 million in financing for two transactions supporting the export of U.S. wireless telecommunications equipment and television broadcast rights and capital

goods and services to Mexico. **Motorola Inc. of Arlington Heights, Ill.**, and four sub-suppliers are exporting \$100 million in cellular equipment and services, thanks to an Ex-Im Bank guarantee of a PEFCO loan. Nuvision, a Mexico City film producer and distributor, is using an Ex-Im Bank credit guarantee to buy the programming rights from various U.S. exporters.

Ex-Im Bank approved a \$1,857,080 medium-term insurance policy to help four U.S. companies export sugar cane harvesting and refining equipment to Nicaragua. Monte Rosa S.A. of Managua, Nicaragua, will buy \$1.5 million of tractors from **Deere & Company Inc. of Moline, Ill.**; \$300,000 of centrifuges for sugar crystal production from **Western States Machine Company Inc. of Hamilton, Ohio**; and \$190,000 of pumps by **Goulds Pumps Inc. of Seneca Falls, N.Y.** Under this repetitive sales policy, Allfirst Bank of Baltimore, Md., will extend credit to Monte Rosa. International Risk Consultants Inc. of Columbus, Ohio, is the broker on this transaction. Ex-Im Bank authorized \$19.5 million in financing for U.S. exports to Nicaragua in fiscal year 2001 and has more than \$100 million of exposure in the country.

Overview of G-7 Export Credit Agencies (continued from the cover)

Investment Insurance (NEXI), <http://nexi.go.jp/e/index.html>, provides export insurance. Because virtually all Japanese exporters use the government to insure their short-term business, NEXI provided \$86 billion in short-term insurance, and about \$8 billion in medium- and long-term support in their 2000 fiscal year. The Japanese export credit system is not only unlike Ex-Im Bank in structure and volume of business, but it also includes tied aid credits to promote Japanese exports.

Britain: Export Credit Guarantee Department (ECGD), www.ecgd.gov.uk -- ECGD was established in 1919 but was restructured in 1991 primarily to provide financing for capital and project-related goods, as its insurance services for consumer exports were privatized. ECGD, which is under the Ministries of Trade and Finance and has a break-even mandate, also has entered into agreements with other ECAs to provide reinsurance. Most like Ex-Im Bank in terms of mission, oversight, transparency, and political sensitivity, ECGD has become a customer-focused ECA that issues about \$6 billion in guarantees per year.

France: Compagnie Francaise d'Assurance pour le Commerce Exterieur (Coface), www.coface.com -- Coface is a private insurance company that also provides export credit insurance on behalf of the French government. Founded in

1946, Coface does the underwriting but defers to the Direction des relations économiques extérieures (DREE), part of the Ministry of Economics, on export credit policy. It did \$5.6 billion in medium- and long-term business for the French government and \$42.5 billion in short-term private business in 2000.

Germany: Hermes Kreditversicherungs AG, <http://www.hermes-kredit.com/indexeng.html> -- Hermes, somewhat like Coface, is a consortium that includes a private insurance company and a quasi-public entity that provides export insurance for the German government. Hermes did \$8.2 billion in medium- and long-term government business and \$9.9 billion in short-term private business in 2000. While Hermes, which dates to 1917, is Germany's official ECA, **Kreditanstalt für Wiederaufbau (KfW), <http://www.kfw.de/EN/Inhalt.jsp>**, is a government institution founded in 1948 that promotes economic growth in various ways, including by providing export insurance, loans for exports, and tied aid. KfW assumed an export-support role in the 1990s, and provided \$11.2 billion in export credits in 2000.

Italy: Sezione Speciale per l'Assicurazione del Credito all'Esportazione (SACE), www.isace.it, provides insurance and reinsurance for Italian exporters and banks financing Italian exporters. SACE was reorganized in 1999 as a public company and is under the authority of the Italian Treasury. **SIMEST (Società Italiana per le Imprese All'Estero)**, created in 1991, is a joint stock company under the Ministry of Foreign Trade that manages funds to support exports, foreign investment, and related services.



Published by:
Office of Public Affairs
James Lambricht, publisher
Andrew Yarrow, editor
(202) 565-3200 or
andrew.yarrow@exim.gov