The Export-Import Bank of the United States (Ex-Im Bank) provides U.S. exporters and their international buyers with the financing tools they need to successfully buy U.S. products and services. Ex-Im Bank support protects against foreign political and commercial risk, and gives U.S. exporters the ability to offer competitive financing to their buyers through export credit insurance and loan guarantees.

**African Buyers:**

**Buy More U.S. Goods and Services with Competitive Financing**

The Bank supports many industries for both private- and public-sectors. In particular, the agency provides loan guarantees to lenders that offer sub-Saharan African buyers with competitive financing to purchase U.S. capital goods and services (such as trucks, construction equipment, laundry equipment, food processing machinery, kitchen equipment and engineering or legal fees). This access to capital typically includes longer repayment terms and lower costs of financing for the buyer.

Long-term guarantees are available for major projects, large capital goods and/or project-related services such as power generation facilities, or refinery projects.

Ex-Im Bank also offers credit insurance to U.S. exporters and lenders against the political and commercial risks of a foreign buyer defaulting on payment. This policy thereby allows an U.S. exporter to extend credit terms to its buyer.

The seller – a U.S. firm – needs to provide Ex-Im Bank with information on the creditworthiness of the buyer and the U.S. content of the product(s). As one can expect, the Bank’s credit standards depend on the amount being financed and the length of time involved.

**Success Story**

In 2010, Ghana National Fire Service (GNFS) purchased 121 modern fire fighting vehicles and related equipment from Florida-based Project Development International (PDI). This transaction succeeded with the backing of an Ex-Im Bank $41 million loan guarantee with eight year repayment terms. The credit is secured by the full faith and credit of the Republic of Ghana through its Ministry of Finance and Economic Planning. PDI was hired for their expertise in procurement and project management while Wisconsin’s Pierce Manufacturing Inc. was responsible for manufacturing the vehicles.
Nigeria’s Coscharis Motors Limited in Lagos has greatly expanded their business through an Ex-Im Bank insurance policy offered by ABRO Industries, Inc., of South Bend, Ind., a small business exporter of automotive and industrial supply products. This policy allows the U.S. exporter to offer a credit line to Coscharis Motors backed by Ex-Im Bank, thus negating the need of the U.S. exporter to require cash in advance. This relationship started modestly in 2002 and the credit line is now in excess of $10 million.

**Export-Credit Insurance**

Export credit insurance enables U.S. exporters to extend U.S. dollar credit directly to African buyers. The insurance supports the sale of U.S. goods and services, including raw materials, semi-manufactured, and finished goods. Of note, the application must come from a U.S. exporter.

**Benefits:**
- Open account credit is an attractive substitute to letters of credit and bank financing
- Lower interest charges, as credit is often arranged directly through the U.S. exporter or a lender
- Available for purchases of bulk commodities, consumer goods, spare parts, etc.

**Export-Credit Insurance and Guarantees of Commercial Loans**

Ex-Im Bank’s medium-term insurance and loan guarantees support the purchase of U.S. goods and services by African buyers. The buyer is required to make a down payment of at least 15 percent. Ex-Im Bank guarantees or insures 100 percent of the financed amount, covering nonpayment due to commercial or political risks.

**Benefits:**
- Quick turnaround
- Covers both capital goods and services
- Lower financing costs with negotiated interest rates
- Covers both principal and interest

**Guarantees of Commercial Loans**

With Ex-Im’s guarantee, African buyers of U.S. goods and services are able to obtain attractive financing terms. This is critical for U.S. companies to achieve export success in the African marketplace.

**Benefits:**
- Extended repayment terms depend on the project but could be up to 12 years for conventional power and up to 18 years for renewable-energy power
- Available in U.S. dollar and some foreign currencies to include the South African Rand and CFA Franc
- Negotiable interest rates with fixed interest-rate options
- Tailored principal repayment profiles available
Medical, Environmental and Transportation Security Initiatives

Ex-Im Bank provides enhanced support for medical equipment exports, exports that benefit the environment and exports related to international transportation security. Benefits include extended repayment terms (up to 18 years for renewable-energy and water projects) and coverage of local costs for up to 30 percent of the U.S. contract value.

Backing for Rand and CFA Franc Denominated Loans

These currencies have been added to the list of major pre-approved currencies for inclusion in Ex-Im Bank’s Foreign Currency Guarantee Program. African companies can now arrange denominated loans guaranteed by Ex-Im Bank, which means African buyers and U.S. exporters should find it easier to arrange transactions in Africa.

Used and Refurbished Equipment Guarantees

Ex-Im Bank will extend financing to support U.S. exports of equipment that has been previously owned or placed into service. Ex-Im Bank support for used equipment is subject to certain criteria that can be found on Ex-Im Bank’s Web site at http://www.exim.gov.

Aircraft Finance

Ex-Im Bank supports African buyers of U.S. new and used commercial and general aviation aircraft through loan guarantees and insurance for both large and small commercial aircraft.

Ex-Im Bank can also finance spare parts, ground equipment, training costs and transaction expenses.

Structured and Project Finance

Ex-Im Bank offers a range of financing solutions for African customers. Project (limited-recourse) and structured financing are two options that offer maximum flexibility for project sponsors in natural resource and infrastructure sectors. For major transactions with significant equity, project financing allows Ex-Im Bank to lend to newly created companies with the project’s future cash flows as our source of repayment. Through structured finance, Ex-Im Bank can consider existing African company borrowers based on their creditworthiness as reflected on their balance sheet and additional sources of collateral or security enhancements.

South Africa’s Transnet, Limited

South Africa

Ex-Im Bank approved a Rand denominated loan guarantee in excess of $100 million as part of the sale of ten fully-assembled GE Model C30ACi locomotives and U.S.-manufactured components for high-value locomotive kits. These were shipped from GE’s Erie, Pa. manufacturing facility to TRE in South Africa. Ex-Im Bank developed a customized, tailor-made financing solution that was designed specifically to meet the financing needs of Transnet and provide financing for both the work performed by GE in the United States and for TRE in South Africa.