

Introduction

For each Competitiveness Report, the Export-Import Bank of the United States conducts an annual Congressionally mandated survey of exporters, lenders, and project sponsors who used EXIM's support during the prior calendar year, assessing the Bank's competitiveness relative to other ECAs. This survey provides a valuable opportunity for EXIM program users to identify which policies and programs are the most effective, and flag those that are insufficient or impede the Bank's ability to support U.S. exports. These survey results, among other sources, aid in informing the conclusions of this report.

Survey Methodology

The survey assesses EXIM's competitiveness relative to other official providers of export credit support, including OECD and non-OECD ECAs. This survey is broken into sections by program areas and policies, as illustrated in Figure A. Survey participants are only asked to complete sections with which they had experience. For the 2015 report, EXIM sent the Exporter and Lender Survey to 71 recipients of which 41 responded. This response rate is similar to last year and up from the year before.

Figure A: Annual Response Rate

	2015	2014	2013
Invited	71	70	143
Completed survey	41	40	59
Response rate	58%	57%	41%

The respondents utilized a range of EXIM programs—more than half used at least two EXIM programs. Among a total of 41 respondents (20 Exporters, 20 Lenders, and one Project Sponsor), 39 utilized competitive EXIM Medium- or Long-term programs.

Figure B: U.S. EXIM Programs Utilized

Program	Number of Survey Respondents
Long-Term Guarantee	21
Long Term Loan	13
Medium-Term Guarantee	16
Medium-Term Insurance	11
Medium-Term Loan	6
Short-Term Insurance	8
Working Capital	6

Figures C and D describe survey response choices for specific competitive areas facing ECAs in the current Competitiveness Report and previous Competitiveness Reports surveys of exporters,

lenders, and project sponsors. This change in rating methodology was intended to 1) shift to a more comparative system as opposed to an absolute raking system, and 2) reduce possible skewness of the results by allowing for equal comparative upside and downside.

Figure C: Current Survey Choices

Survey Choices
“EXIM is much more competitive”
“EXIM is slightly more competitive ”
“EXIM is equally competitive”
“EXIM is slightly less competitive”
“EXIM is far less competitive”

Figure D: Past Survey Choices

How does U.S. Ex-Im Bank Competitiveness Compare to Competitor ECAs?

Survey Choices
“Equal to most competitive”
“Equal to the average”
“A notch below”
“Far below”
“Don’t know”

Over half (62.5%) of the respondents worked on a transaction with another Export Credit Agency (ECA) besides EXIM (i.e. another ECA financed the export of the company's product or guaranteed a loan from their bank). Overall in 2015, respondents (60%) said that EXIM was less competitive than other ECAs.

Figure E: Competitive Issue Responses

Comparison	Responses
EXIM is far less competitive	20.00%
EXIM is slightly less competitive	40.00%
EXIM is equally competitive	32.00%
EXIM is slightly more competitive	8.00%
EXIM is much more competitive	0%

In 2015, apart from general competitiveness, the survey asked respondents to compare US EXIM’s overall competitiveness compared to other ECAs on specialized areas including: Aircraft Financing (18 respondents), Structured and Project Finance (14 respondents).

Competitive Issues and Decision Factors

In 2015, the Exporter and Lender Survey asked respondents if they encountered head-to-head competition between US EXIM and foreign ECA (i.e. a prospective buyer chose between a supplier supported by US EXIM and a supplier supported by a foreign ECA). Twenty-one respondents indicated that they faced such competition, and of those, 11 respondents (52%) stated that the buyer chose to procure from the foreign company instead of the U.S. exporter.

The survey asked respondents to indicate what main factors affected buyer's procurement decisions. Apart from the listed response, other main factors given by respondents included: the lack EXIM support due to the lapse in EXIM authority (3 respondents) and the non-ECA factor of quality of products (3 respondents).

Figure F: Primary Factor Affecting Buyers' Decisions:

FACTOR	Number of Respondents
Non-ECA Related Factors	6
Interest Rate	1
Exposure Fee	1
Tenor	2
Speed of Doing Business	1
Shipping Policy	1
Environmental Policy	0
Foreign Content Policy	2
Economic Impact Policy	0
Other Responses	12

The survey also asked respondents about their experience with EXIM compared to other ECAs with regards to other issues affecting EXIM's ability to support exports.

Figure G: Issues Affecting EXIM's Ability to Support Exports vs. Other ECAs

Issue Area	Number of Respondents
Response Time	25
Ease of Doing Business	25
Country Cover Policy	39
Appetite for Risk	39
Interest Rate Schemes	38
Interest Rate Timing	37
Exposure Fee Timing	38
Environmental Review	13
Environmentally Beneficial Exports Programs	4
Financing of Services	8
Co-Financing	16
Local Cost Financing	21

Foreign Content Policy	27
Economic Impact Policy	9
Shipping Requirements/Policy	10
Tied Aid Financing	7
Foreign Currency Guarantee Programs	9

Exporter Supply Chains

Like previous years, the 2015 survey asked exporter survey participants with about the Suppliers they used for their export contracts. Figure H indicates that of the respondent exporters (17) all indicated that they worked with Suppliers.

Figure H: Number of Suppliers Used by Exporters to Execute Export Contracts in CY 2015.

Number of Suppliers	Percent of responses
None	0.00%
1 - 25	40.00%
26 - 50	10.00%
51 - 75	5.00%
76 - 100	5.00%
100+	25.00

Respondent exporters who responded having suppliers were also asked to estimate the number of employees their suppliers employed.

Figure I: Number of Supplier employees.

Number of Suppliers	Number of Exporters
None	0
Less than 500	2
500 to 999	2
1000 to 9999	3
10,000 or More	4
Don't Know	7
Not Applicable	2

Non-Standard Financing Section Results

The 2015 Exporter and Lender Survey inquired about respondents' experiences with market windows and untied financing.

Figure J: Companies Encountering Competition Benefitting from Non-OECD Compliant Financing or Untied Financing Programs in 2015

	Number of Exporter and Lender Survey Responses		
	Yes	No	Don't Know
Non-OECD Compliant Financing (such as Market Windows)	8	18	13
Untied Financing	9	16	14

Denied and Deterred Transactions

EXIM uses this section of the survey to better understand if policy or program considerations could prevent transactions from reaching approval for EXIM financing. Deterred transactions are cases that are not submitted to EXIM because of a perceived or real policy constraint. Deterred transactions can also include applications submitted but later withdrawn. Denied transactions are cases that were formally denied by EXIM.

The survey results indicated that slightly more than 20% of all reporting lender and exporter respondents (39) had experience with EXIM denying an application in 2015.

Additionally, the survey shows that of 39 lender and exporter respondents, 21 identified themselves as having been deterred from seeking EXIM support or withdrew an application for support. The survey also asked those who were deterred or withdrew applications what were the factors influencing their decisions.

U.S. and Foreign Government Factors

The Exporter and Lender survey asks respondents to indicate if U.S. government actions or foreign government actions had an effect on their business involving US EXIM Bank. Of 39 respondents, 28 indicated that US government actions had an effect on their business with EXIM in 2015. Of 39 respondents, 6 indicated that foreign government actions had an effect on their business with EXIM. Those exporters and lenders who responded that actions of either the US or foreign governments had an impact on their business with EXIM were then asked to evaluate the effect of these actions either positively or negatively.