



The Export-Import Bank of the United States: Its Impact on U.S. Competitiveness, Exports, and Jobs



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The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

The Export-Import Bank of the United States: Its Impact on U.S. Competitiveness, Exports, and Jobs

The Export-Import Bank of the United States (Ex-Im) is one of the most important tools at the disposal of U.S. companies to increase exports and create jobs. The benefits of its programs to the U.S. economy are plain: In fiscal year 2013, Ex-Im provided financing or guarantees for \$37.4 billion in U.S. exports, thereby supporting more than 200,000 American jobs.

Ex-Im is especially important to U.S. small- and medium-sized businesses, which account for more than 85% of Ex-Im's transactions. In addition to these direct beneficiaries, tens of thousands of smaller companies that supply goods and services to large exporters also benefit from Ex-Im's activities.

Medical Limited Bethesda, MD

If we lose access to Ex-Im loan guarantees, we cannot hope to compete with the vast financing available from European and Israeli ECAs, and hospitals will purchase equipment from those countries instead of medical devices made in America.

-Judy Zakreski
Vice President,
U.S. Operations
www.chindexmedical.com

Unilateral disarmament is rarely a good idea, but this is precisely what refusing to reauthorize Ex-Im beyond September 30, 2014, would accomplish. The Organization for Economic Cooperation and Development (OECD) reports that 60 official export credit agencies (ECAs) worldwide have extended more than \$1 trillion in trade finance in recent years. Governments from Canada to China have shown no interest in shutting down their ECAs. On the contrary, German and French ECAs extended roughly two and a half times as much export financing — measured as a share of GDP — as Ex-Im did in 2012; Chinese and Indian ECAs provided almost three times and Korea's ECA ten times as much as Ex-Im.

Ex-Im loans expose the U.S. taxpayer to little risk as they are backed by the collateral of the goods being exported. Borrowers have defaulted on less than 2% of all loans backed by Ex-Im over the past eight decades, a default rate lower than commercial banks.

Some critics charge that Ex-Im picks winners and losers, skewing the marketplace. On the contrary, Ex-Im extends loans and guarantees to all applicants that meet its strict lending requirements but does so only when commercial credit is unavailable

or when it is necessary to counteract below-market credit from foreign ECAs. Refusing to reauthorize Ex-Im would reduce the number of ECAs worldwide from 60 to 59, harming only U.S. exporters and the workers they employ.

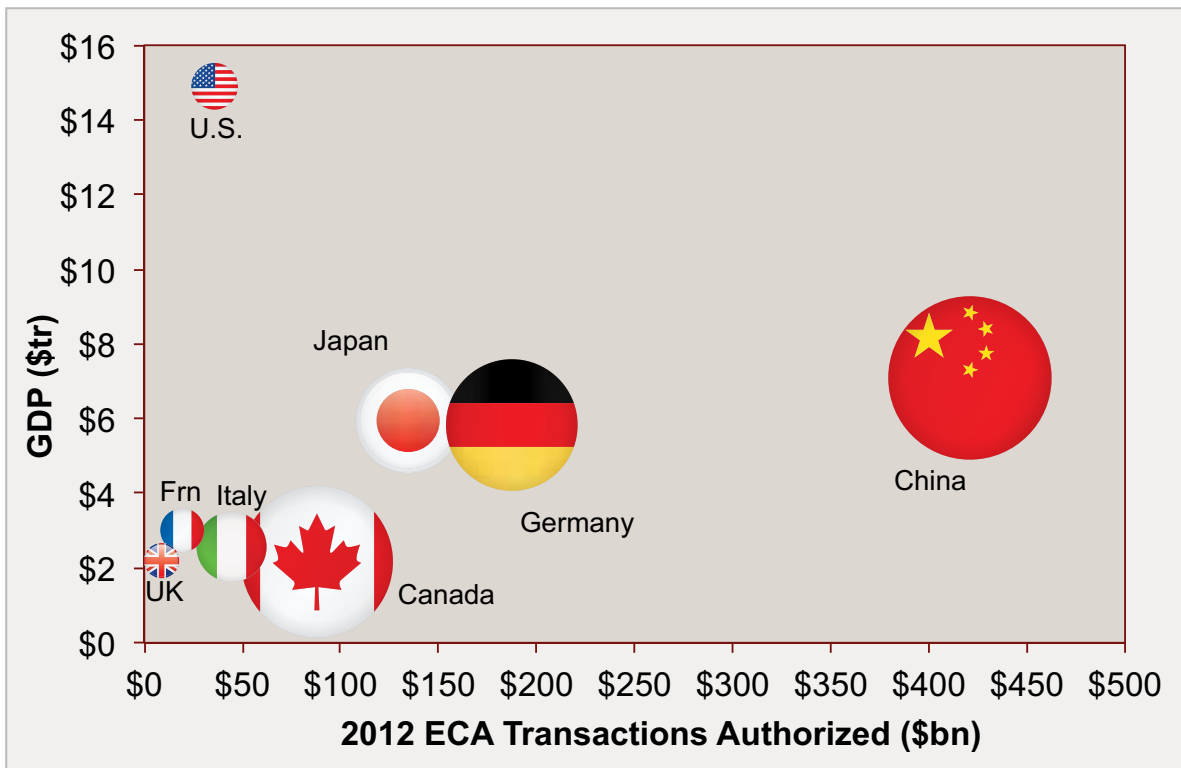
Finally, American taxpayers can cheer the fact that Ex-Im helps reduce the federal deficit by hundreds of millions of dollars. Far from being a subsidy for corporations, Ex-Im charges fees for its services that have generated billions of dollars in revenue for the U.S. Treasury. In fiscal years 2012 and 2013, Ex-Im returned \$1.1 billion to the U.S. Treasury after covering all its expenses and transferred these funds to the U.S. Treasury's General Fund.

**Miss Jenny's Pickles
Keanersville, NC**

Ex-Im Bank's Express Insurance allows us to increase revenue, create jobs, and export our pickles around the world.

-Jenny Fulton
Chief Pickle Officer
www.missjennypickles.com

The U.S. Chamber of Commerce urges Congress to support Ex-Im.



Myths & Facts

The Export-Import Bank of the United States

Myth: Ex-Im is a vehicle for corporate welfare.

Fact: Far from being a handout to corporations, Ex-Im turns a profit for the American taxpayer. In fiscal years 2012 and 2013, Ex-Im returned \$1.1 billion to the U.S. Treasury after covering all its expenses. Since 1990, Ex-Im has returned to the Treasury \$7 billion more than it has received in appropriations for program and administrative costs.

Myth: Ex-Im only helps big business.

Fact: Since 2009, small-business authorizations have accounted for more than 85% or more of Ex-Im's total authorizations. In fiscal year 2013, the Bank approved a record-high 3,413 small business authorizations — almost 90% of the total number of Ex-Im authorizations. These small business transaction figures do not include the tens of thousands of small and medium-sized businesses that supply goods and services to large exporters.

Myth: Ex-Im competes unfairly with private financial institutions.

Fact: Ex-Im covers critical gaps in financing for U.S. exports to developing countries where commercial-bank financing is unavailable or insufficient. Ex-Im also acted to fill the void when the availability of private-sector trade finance fell by 40% during the 2008-2009 financial crisis. In the aircraft sector, a new 2011 multilateral agreement doubled the fees for export credit financing, thereby addressing the concern that some export credit financing was below market rates.

Myth: Ex-Im lending puts the taxpayer at risk.

Fact: Borrowers have defaulted on less than 2% of all loans backed by Ex-Im since its inception in 1934, a default rate lower than commercial banks. The bank's default rate for fiscal year 2013 was 0.25% (one-quarter of one percent). Ex-Im loans and guarantees present very low risks because they are backed by the collateral of real goods for which a buyer has already been found and a price has been agreed.

Marlin Steel Wire Products LLC Baltimore, MD

Ex-Im Bank gave me the courage to do business in a new market and with a customer I had never heard of before. One-fourth of our 33 employees are employed as a direct result of the company's export business.

-Drew Greenblatt
President
www.marlinwire.com



Myth: Nothing bad would happen if Ex-Im disappeared.

Fact: Failure to reauthorize Ex-Im would amount to unilateral disarmament in the face of other nations' aggressive trade finance programs. For example, ECAs in Germany and France extended roughly two and a half times as much export financing — measured as a share of GDP — as Ex-Im did in 2012; ECA's in China and India provided almost three times and those in Korea ten times as much as Ex-Im. Failure to reauthorize Ex-Im will put billions of dollars in U.S. exports and tens of thousands of American jobs at risk.

Myth: Ex-Im is irrelevant to America's jobs agenda

Fact: In fiscal year 2013, Ex-Im supported the purchase of \$37.4 billion worth of exports that created or sustained approximately 205,000 U.S. jobs.

Myth: Ex-Im is controversial and unpopular.

Fact: Ex-Im enjoys very broad support in the U.S. business community, including from the U.S. Chamber of Commerce, the National Association of Manufacturers, and the Small Business Exporters Association. It also has received broad support from both Democrats and Republicans in Congress. Ex-Im was last reauthorized in 2012 with strong bipartisan support: The House of Representatives approved the bill by a vote of 330-93 on May 9, and the Senate followed suit with a 78-20 vote on May 15.

**Patton Electronics Co Inc.
Gaithersburg, MD**

We started exporting in the 1990s and now sell to over 120 countries. The Ex-Im Bank enables us to export to this many markets, as it provides loan guarantees and insurance on our receivables.

-Bobby Patton
President & CEO
www.patton.com



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1615 H Street, NW
Washington, DC 20062