



Helping the World Buy American

INTRO TO EXIM & CTEP

MWOB WEBINAR

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WHO WE ARE

EXIM is the official export credit agency (ECA) of the United States Government.

Mission: Supporting American jobs by facilitating the export of U.S. goods and services.

- › Fills gaps or complements private-sector lender/insurance offerings.
- › Levels the playing field for U.S. companies competing for global sales.

MINIMUM REQUIREMENTS

- › U.S. based export
- › Foreign buyer
- › Reasonable assurance of repayment

EXIM HISTORY

1930s

1934 The Export-Import Bank of Washington is established to assist in sustaining U.S. employment during the **Great Depression**.

1938 The Bank approved a \$22 million loan to China supporting U.S. exports to build the **Burma Road**.



1939 The Bank approved a \$5.5 million loan to Haiti supporting exports for the improvement of economic conditions.

1940s-1960s

1941 EXIM authorizes financing of U.S. exports for the construction of the **Pan American Highway**.



1943 EO 9380 transfers the EXIM from the **Office of Economic Warfare** to the **Foreign Economic Administration**

1945 The Export-Import Bank Act of 1945 establishes EXIM as an independent agency. Lending authority is increased.

1945 The Bank authorizes more than \$2 billion for **post-World War II reconstruction** in Europe, Asia, and Africa.

1947 EXIM is designated to administer funds for the Economic Cooperation Administration under the **Marshall Plan**.

1948 At the **Cold War's** outset, EXIM increased lending to **promote the production of strategic materials**, causing EXIM to open for business in the Middle East, Africa, and Asia.

1948-1951 EXIM activity in Latin America jumped from 14% to 63% of total disbursements, in response to political events and natural disasters.

1960 EXIM provided short-term export credit insurance through the Foreign Credit Insurance Agency for the first time, which continued until 1992 when EXIM assumed administration of its insurance products.

1962 EXIM approved a \$55 million credit to **Portugal** supporting U.S. exports to build Lisbon's Tagus River Bridge, the longest suspension bridge in Europe.



1968 "The Export-Import Bank of the United States" becomes the agency's official name under P.L. 90-267.

1980s-1990s

1982 EXIM joined other USG agencies and the IMF to provide a \$10b financial package for **Mexico**.

1984 EXIM launched working capital lender loan guarantee and short-term umbrella policy to support small business exporters.

1989 EXIM opened in the **former Soviet Union** and for the first time since WWI in Poland and Czechoslovakia.

1992 The Export Enhancement Act of 1992 directed EXIM to consider potential environmental impacts of projects and provide environmental and social impact assessments where required.

1998 EXIM provided a \$1b short-term insurance facility to support U.S. exports to South Korea during the **Asian Financial Crisis**.

2000s

2000 EXIM approved a \$300m loan guarantee financing U.S. exports to build the Chad Cameroon pipeline to transport crude oil to the Atlantic Coast.



2011 EXIM financing for sub-Saharan Africa exceeded \$1b for the first time.

2012 In the aftermath of the **global financial crisis**, EXIM reaches a historic level of nearly \$35.8b in authorizations, supporting a record \$50b of U.S. exports and an estimated 255,000 American jobs.

PRODUCTS



DEBT FINANCING

- **Loan guarantees** protect lenders against nonpayment by international buyers
- **Fixed rate direct loans** to foreign buyers if private sector financing is not available
- Structured Finance and Limited Recourse Project Finance



EXPORT CREDIT INSURANCE

- Protects American exporters from non-payment risk
- Banks often willing to increase lending if foreign receivables are insured



WORKING CAPITAL & SUPPLY CHAIN FINANCE GUARANTEES

- With private sector lenders, expands access to capital through pre-export or short-term accounts receivable financing
- Funds to purchase finished products, raw materials, and supplies + cover labor / overhead

HOW TO APPROACH EXIM



Letter of Interest

Pre-export tool that indicates EXIM willingness to consider financing for a given transaction

- Typically issued within 10 business days
- Terms & Conditions valid for 1 year (can be renewed)



Preliminary Commitment

A commitment from EXIM that the borrower's needs, as outlined in the application, generally meet EXIM's financing requirements

- Typically approved by Board of Directors



Final Commitment

- Authorization of EXIM financing
- Requires full due diligence process
- Long-term and Make More in America transactions approved by EXIM's Board of Directors

CHINA AND TRANSFORMATIONAL EXPORTS PROGRAM (CTEP)

Purpose: 2019 Congressional mandate directing EXIM to support the extensions of loans, guarantees, and insurance at rates and on terms that are fully competitive, to the extent practicable, with those provided by China, in order to:

Directly neutralize competing subsidies provided by China through official export credit, tied aid or blended finance, or

Advance the comparative leadership of the U.S. with respect to China in strategic areas (see below)

- AI • Biotech • Biomedical • Wireless Communications • Quantum Computing
- Renewable Energy, Storage, & Energy Efficiency • Semiconductors • Fintech
- Water Treatment & Sanitation • High Performance Computing

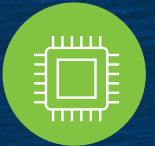
CTEP (CONTINUED)



MANDATE'S PURPOSE



Ensure the foreign buyer makes their decision on the quality of the good and/or service rather than on the financing that supports the deal



Increase Exports in 10 transformational export areas



Reserve no less than \$27 billion lending capacity for CTEP

BENEFITS



FLEXIBLE RATES, TERMS, & CONDITIONS



COUNTRY LIMITATION SCHEDULE EXCEPTIONS



TAILORED CONTENT POLICY



The Make More in America Initiative

EXIM's medium-term and long-term financing solutions now available for domestic projects - with a focus on reshoring supply chains and revitalizing domestic manufacturing

Benefits:

- › No U.S. content requirement. Instead, 25% export nexus
- › More flexible structure (e.g., repayment terms)
- › Every 5.3 jobs are eligible for up to \$1 million in support – i.e., every job year (job number x loan tenor) eligible for \$189,242 in financing

Examples of Eligible Projects:

- › U.S. company exports 25% of U.S. production
 - Export nexus of 15% for small business, transformational export areas and climate-related transactions
- › Company sells 50% of production to a company who exports 30% of their production

Contact: Domestic.Finance@exim.gov

CASE STUDY: AQUATECH MMIA

- In August 2023, EXIM approved a \$4.7 million dollar **direct loan** to Aquatech, a small, minority-owned, business in Canonsburg, Pennsylvania.
- It was the first transaction authorized under EXIM’s Make More in America (MMIA) initiative and will support the modernization and expansion of Aquatech’s existing Applied Testing & Development Laboratories in Pennsylvania and Wisconsin.
- In the words of Aquatech’s Executive Chairman, Venkee Sharma, “This financing enables Aquatech to better support Critical Minerals (Lithium) and Electric Vehicle supply chains in the U.S. and globally, demonstrating the power of public-private coordination to strengthen American manufacturing competitiveness.”
- A CTEP Determination, in addition to the exporter’s small business categorization, qualified this MMIA transaction for a 15% export nexus, lower than the standard 25% required for MMIA transactions.

CASE STUDY: SUN AFRICA

- In June 2023, EXIM approved a \$907 million **direct loan** to the Ministry of Energy and Water of the Republic of Angola to support the construction of two photovoltaic (PV) solar energy power plants in Angola.
- The project will generate more than 500 MW of renewable power; provide access to clean energy resources across Angola; help Angola meet its climate commitments; and support exports of U.S. solar panel mounting systems, connectors, switches, sensors, and other equipment.
- A CTEP Determination qualified the transaction for a 95% financed amount and a 5% cash payment (vice the normal 85% financed amount and 15% cash payment).
- Also, CTEP's China competition determination helped qualify EXIM's support as meeting the additionality standard.

CASE STUDY: 5G IN COSTA RICA

- In June 2023, EXIM approved a **preliminary commitment** to demonstrate EXIM's willingness to finance a \$300 million credit to the Government of Costa Rica's Instituto Costarricense de Electricidad & Subsidiaries (ICE) for procuring equipment and supporting materials and services from trusted vendors to deploy a fifth generation (5G) network across Costa Rica.
- A preliminary commitment is a non-binding offer of EXIM financing, subject to the award of the export contract and EXIM's additional review of an application for a final commitment.
- CTEP supported the use of the December 2020 transformational export area content policy, as clarified by the Board in January 2023 for 5G transactions.

ADDITIONAL INFORMATION



FINANCING AVAILABLE

- \$135 billion total lending capacity
- No minimums or maximums
- No company too small or too big



COUNTRY LIMITATION

SCHEDULE

- EXIM operates in most countries (~180 countries)
- Restrictions may apply based on political or economic conditions and are highlighted in EXIM's Country Limitation Schedule (CLS)



RESTRICTIONS

- No military or defense-related products or obligors (dual use exceptions may apply)
- U.S. flag shipping requirement
- U.S. content policy

Q&A

Thank You!

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CTEP info | <https://www.exim.gov/about/special-initiatives/ctep>

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