



# Export Expansion: Trade Finance Solutions for U.S. Exporters



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# INTRODUCING OUR SPEAKERS



**Debra Franklin**  
Director



**Jon Bittner**  
Executive Director



**Alyssa Rodrigues**  
Director



**Aerek Stephens**  
Export Finance  
Manager







# Increasing Jobs at Home by Growing Exports



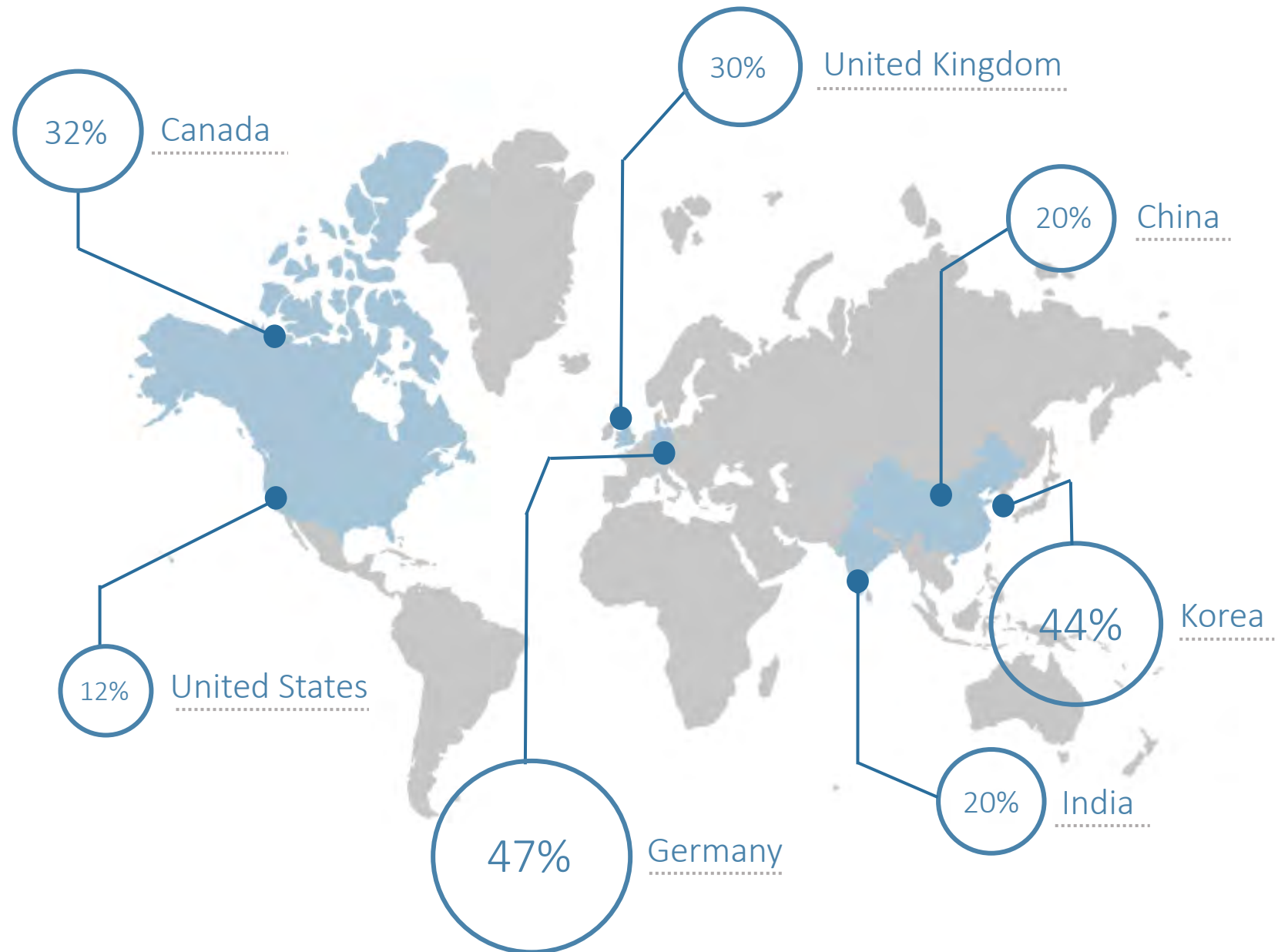


# Why Exports Matter

More than **70%** of the worlds purchasing power is **outside** of the United States.  
Competitors are **increasing** their global market share while the U.S. is underperforming.

With only 12% of our GDP generated by exports...

It's safe to say we have a lot of room for growth.



Exports of goods & services (% GDP)

Source: WorldBank 2017





## State Impact

Investing in exports means more Alaska jobs.



**37,100 Jobs**

Supported by exports from Alaska companies.



**315 Companies**

In Alaska sell to customer's all over the world.



**57 Percent**

Of Alaska's exporters are small or medium sized companies.



**\$5.0 Billion**

Goods exports from Alaska in 2019.



Alaska Impact

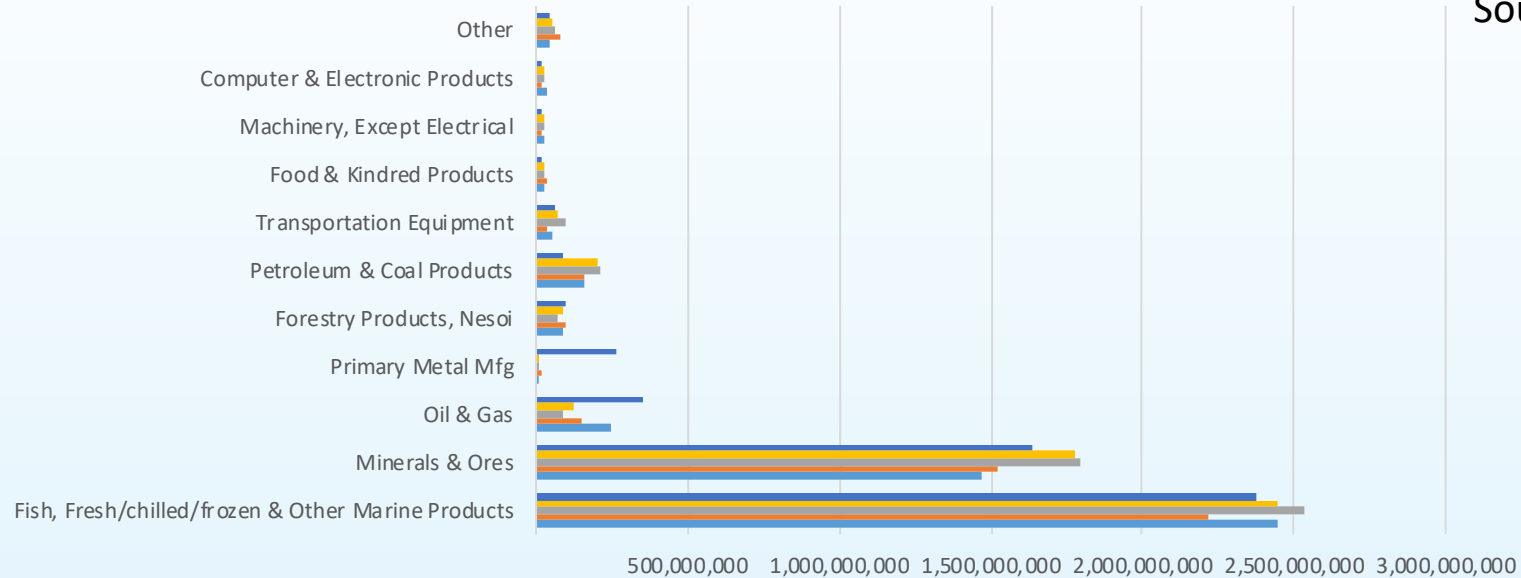
**\$5.0 Billion**

Total goods exports in 2019.



# ALASKA's TOP Exports 2019

Source: U.S. Census  
USATrade  
Census.gov



Commodity	2015	2016	2017	2018	2019
All Commodities	4,620,072,732	4,350,280,935	4,941,371,092	4,840,480,086	4,969,355,377
Fish, Fresh/chilled/frozen & Other Marine Products	2,447,232,003	2,218,000,608	2,534,099,917	2,444,124,046	2,372,973,810
Minerals & Ores	1,472,637,479	1,525,371,996	1,794,576,211	1,773,510,748	1,635,437,692
Oil & Gas	246,177,551	146,745,423	86,039,287	127,964,325	349,200,065
Primary Metal Mfg	3,684,956	14,163,496	10,785,749	10,126,965	265,861,574
Forestry Products, Neso	90,290,574	95,823,336	70,369,516	90,367,606	93,550,265
Petroleum & Coal Products	163,227,881	159,794,455	210,399,403	200,901,539	89,365,540
Transportation Equipment	55,012,077	40,277,839	94,293,194	68,378,666	58,290,695
Food & Kindred Products	30,833,190	32,020,568	28,671,821	23,379,964	22,132,620
Machinery, Except Electrical	27,208,958	19,953,177	27,671,581	22,907,290	19,682,490
Computer & Electronic Products	36,036,334	21,396,653	23,704,556	23,231,220	15,820,292

# ALASKA's TOP 2019 Export Markets

Country	2015	2016	2017	2018	2019
World Total	4,620,072,732	4,350,280,935	4,941,371,092	4,840,480,086	4,969,355,377
Korea, South	733,190,454	731,631,388	675,256,421	906,876,143	1,083,525,915
China	1,203,202,694	1,184,207,360	1,322,284,306	1,017,709,023	854,781,285
Japan	964,120,306	815,624,578	812,377,507	797,471,984	679,326,542
Canada	419,208,939	484,844,595	706,937,389	647,443,183	581,391,952
Netherlands	119,045,690	134,561,096	180,909,140	263,079,130	350,157,519
Australia	85,795,722	73,551,173	158,545,793	132,025,295	345,619,895
Germany	279,242,605	256,920,827	181,776,469	208,567,711	216,066,981
Spain	150,356,227	151,735,778	161,335,998	167,166,221	153,714,202
Belgium	49,361,509	37,354,083	60,505,467	70,391,515	124,566,341

Source: U.S. Census, USATrade, Census.gov



# | U.S. Commercial Service Overview

# Our Mission - Grow U.S. exports to increase U.S. jobs.

## How we are different:



### Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.



### Global Network

Our unmatched global network with trade experts in more than 80 countries can provide you with on-the-ground knowledge and connections.



### Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



## Let our global network work for you.

### Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

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# The world is open for your business.

Our global network of experienced trade professionals is located throughout the United States and in U.S. Embassies and Consulates worldwide. Whether you're looking to make your first export sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities and increase your bottom line.

## Our Services



### Export Counseling

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance and trade financing options.



### Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



### Business Matchmaking

- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



### Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.



## Contact Our Local Office

### **U.S. Commercial Service Alaska**

222 West 7<sup>th</sup> Avenue, Suite 524, Box 38  
Anchorage, Alaska 99513  
907.271.6237

### **Debbie Franklin**

Office Director  
[Debra.Franklin@trade.gov](mailto:Debra.Franklin@trade.gov)





Alaska Small Business  
Development Center

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UNIVERSITY *of* ALASKA ANCHORAGE

# INTERNATIONAL TRADE OPPORTUNITES

**Jon Bittner**

State Director

Alaska SBDC





# The Alaska SBDC COVID-19 Resource Center

The impact of Coronavirus disease (COVID-19) on Alaskan communities and businesses is changing daily. The Alaska SBDC is here to support and prepare small businesses in the days, weeks, and months to come. In our COVID-19 Resource Center, you will find guidance, updates, and resources to help adapt in an unpredictable situation.

**Visit:** [aksbdc.org/covid19/](https://aksbdc.org/covid19/)

- Assisting you in preparing to submit disaster relief funding or bank loan applications
- Completing financial analyses and modeling on your business
- Providing no-cost training for financial modeling, SBA programs, transitioning to online operations, and more



# Economic Recovery

## When will things go back to normal

- CNN Business's Back to Normal Index released Monday – US at 78% of normal
- National Association of Business Economists say economy won't return until 2022

## Export Trends

- July exports were \$168.1 billion
- Exports of goods increased by \$12.3 billion in July
- Automotive, Consumer, and Capital goods as well as Industrial Supplies increased
- Goods surplus in South/Central America, OPEC, Hong Kong, UK and Saudi Arabia
- Service exports recovering slower

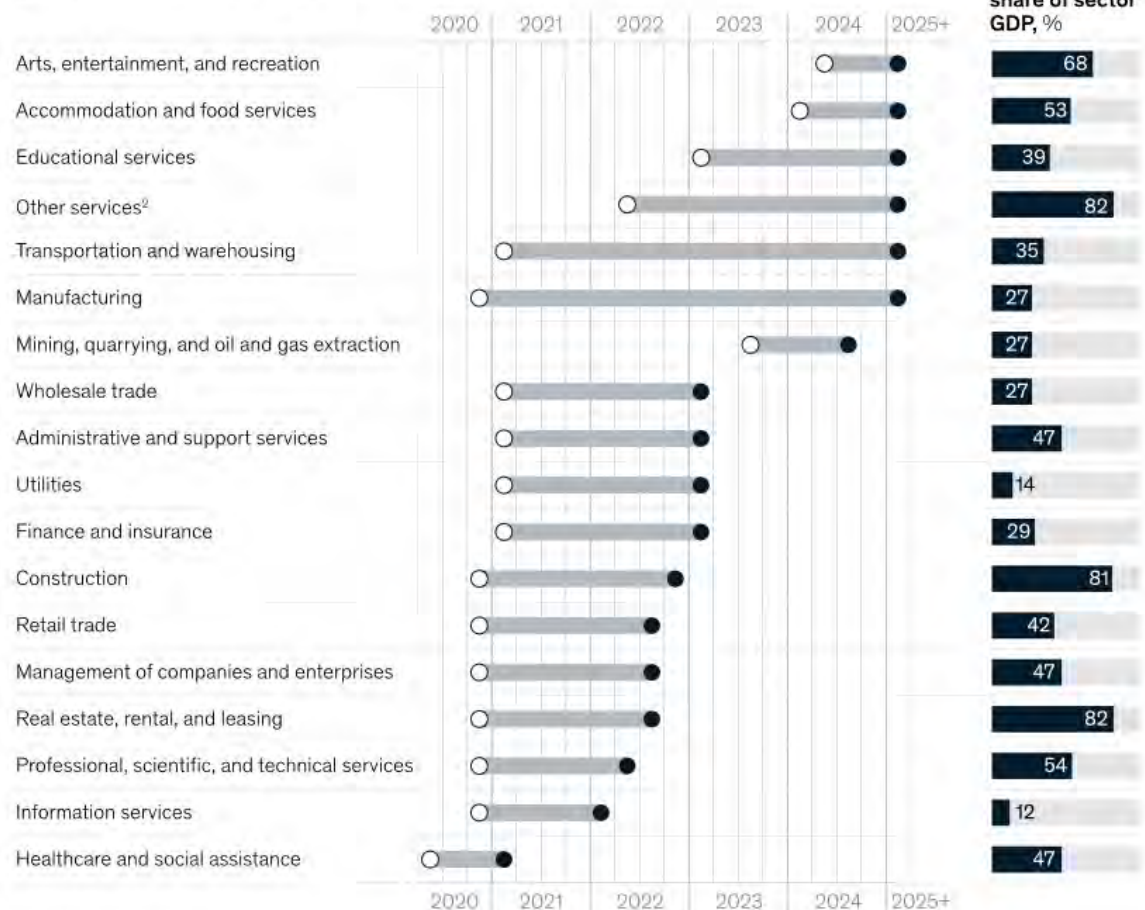


# Economic Recovery

**In a muted recovery, it could take more than five years for the most affected sectors to get back to 2019-level contributions to GDP.**

Estimated time to recover to pre-COVID-19 sector GDP<sup>1</sup>

○ Virus-contained scenario ● Muted-recovery scenario



<sup>1</sup>Data as of June 15, 2020.

<sup>2</sup>Excluding public administration.

Source: Oxford Economics; McKinsey analysis; McKinsey Global Institute analysis



# How can SBDC Help?

## Business Advising

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- Free and confidential
- SBDC Advisors are all certified SBA Foreign Trade Specialists
- Partnerships with the SBA, University of Alaska, State of Alaska, Export-Import Bank and others

## In-Person and Online Training

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- Nearly 100 classes from financing to marketing and beyond
- Many available online, on-demand
- Don't see what you need? Let us know!

## Market Research and Tools

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- SBDC provides several market and economic data sets
- Access free business, marketing and financial tools
- Variety of other online resources and reports





# SBA Export Loans

## Export Express Loan

- Export express lenders can underwrite loan without prior approval from SBA, allows for quick turnaround
- Offers financing up to \$500,000
- Funds can be used for anything that increases a company's ability to export

## Export Working Capital Program

- Short-term working capital needs of small exporters
- Up to \$5 million (turnaround in 5-10 business days)
- Can be structured as a Foreign Purchase Order line of credit to support direct and indirect export sales

## International Trade Loan

- Help small businesses enter foreign markets
- Up to \$5 million
- SBA maximum guarantee of up to 90% on total loan



Alaska Small Business  
Development Center

*UNIVERSITY of ALASKA ANCHORAGE*

**THANK YOU!**

**Jon Bittner**

(907) 529-1103

[JON.BITTNER@AKSBDC.ORG](mailto:JON.BITTNER@AKSBDC.ORG)



A service of the University of Alaska,  
Business Enterprise Institute

# Alaska MEP: Here for Manufacturers

Alyssa Rodrigues, PhD



# Who We Are:

## Helping Advance Manufacturing in Alaska:

- Quality
- Productivity
- Competitiveness

## We offer:

- One-on-One Technical Assistance
- Webinars
- On-Demand Training

## Part of:

- National Institute of Standards and Technology (NIST) MEP National Network
- UAA Business Enterprise Institute





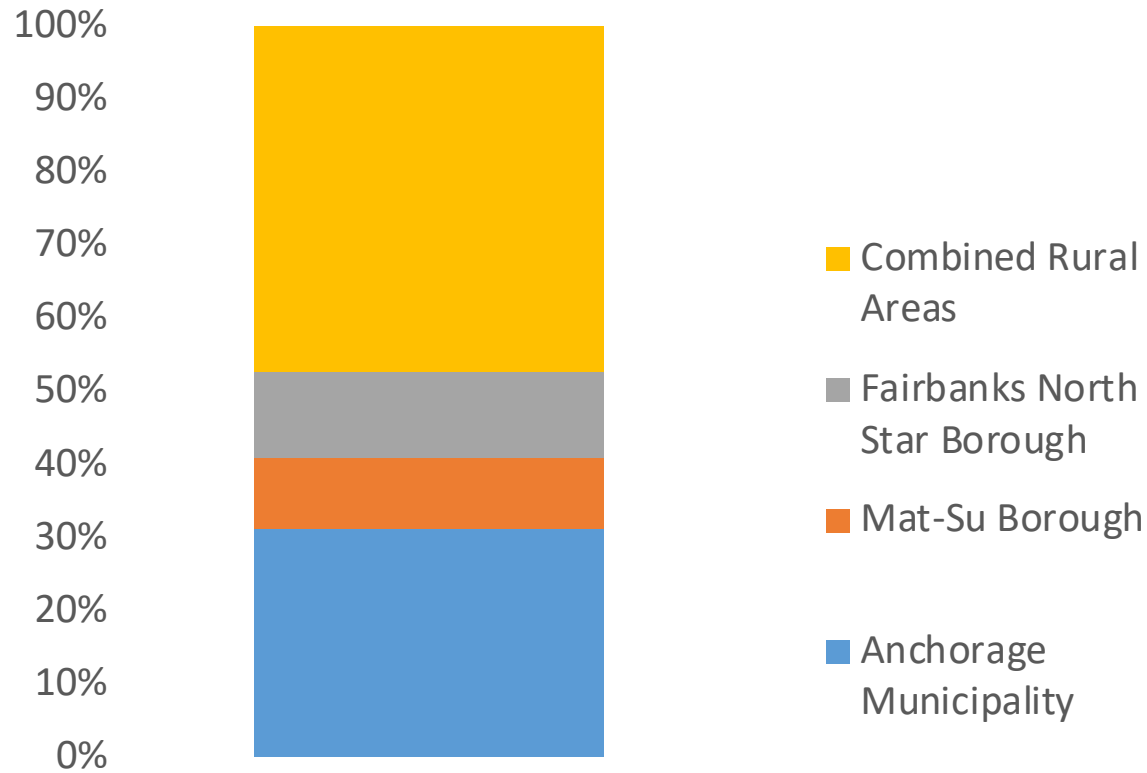
# Growing Alaska's Manufacturing Sector

- Economic diversity and resilience
- Manufacturers of any size
- Manufacturing issues big or small
- Partners are helping to sustain and grow manufacturing

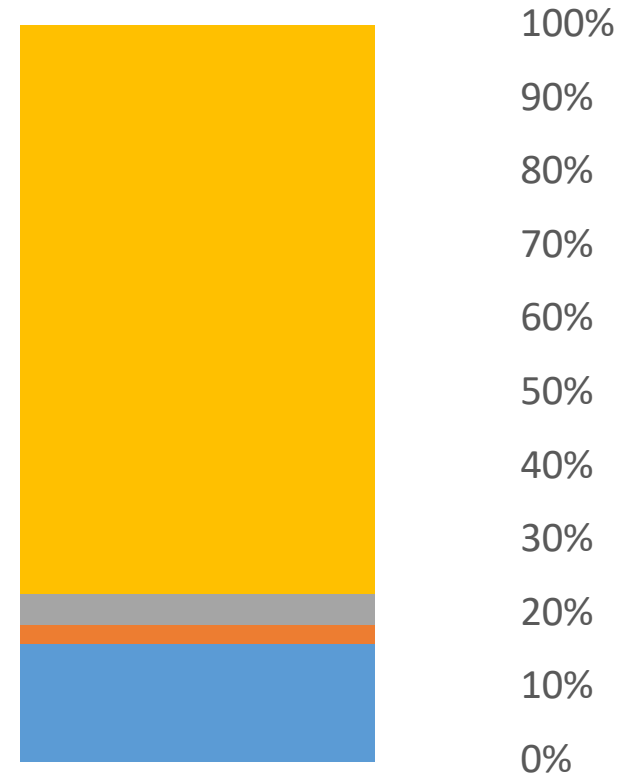


# Half of the Business are Urban, But Only ¼ of the Jobs

Percent of Manufacturing Businesses



Percent of Manufacturing Jobs



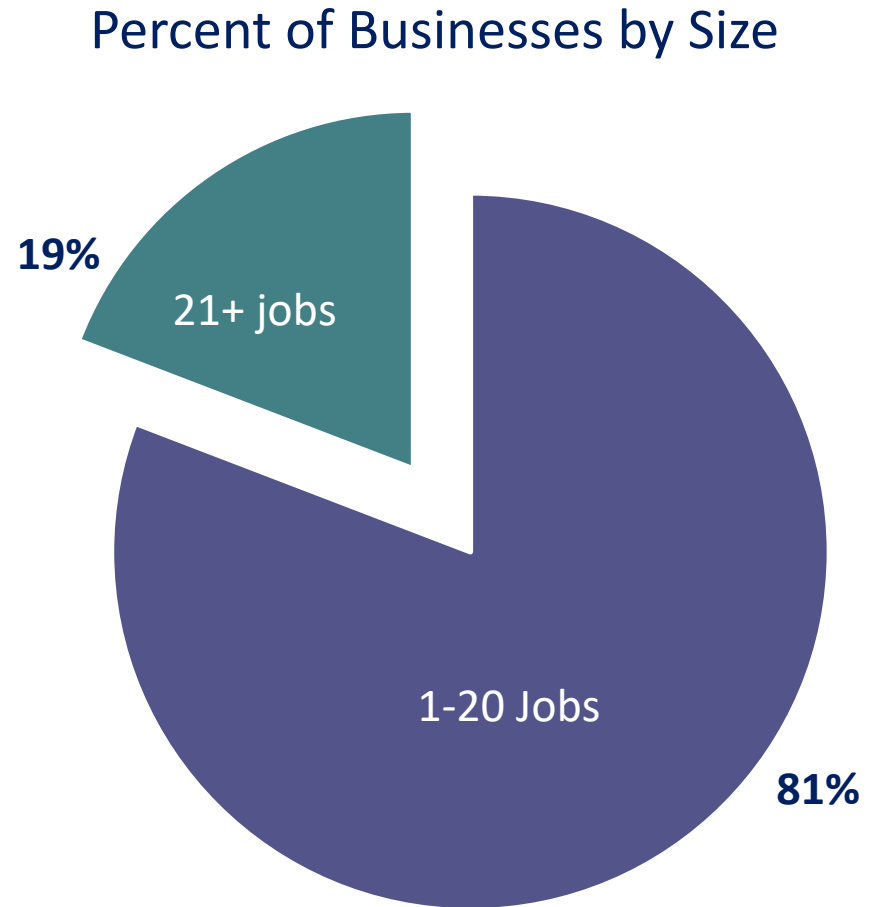
# Alaska Manufacturers:



**ALASKA TOOL CO.**



# Most Manufacturers are Small

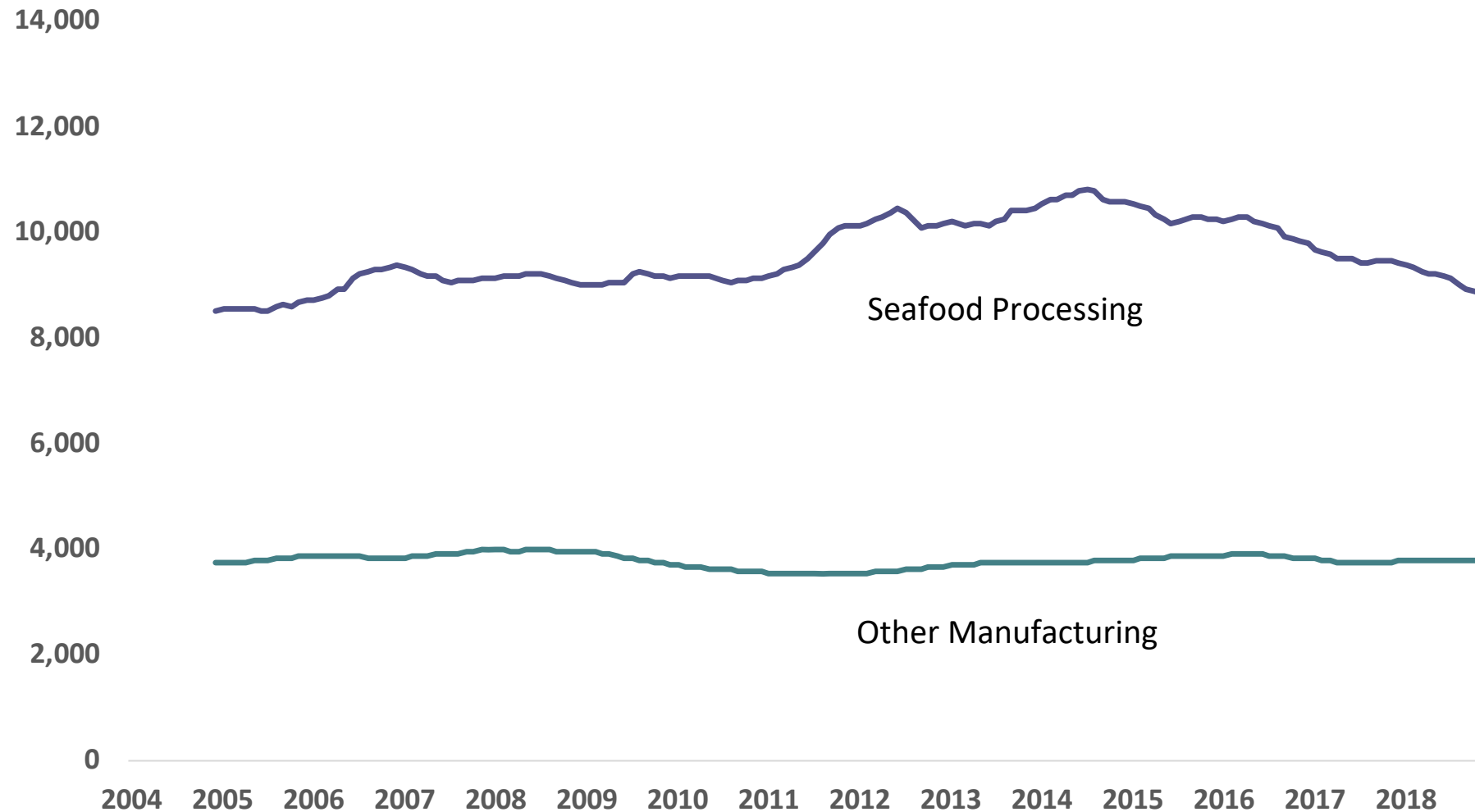




# Manufacturing Jobs Across Alaska (2019)



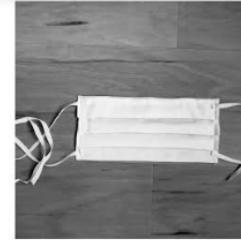
# Trends in Statewide Manufacturing



Source: AK Dept of Labor and Workforce Development, Research and Analysis Section

# Coordinating PPE Production:

- Over 10,000 masks
- 25 gallons of hand sanitizer
- 375 face shields
- 2,000 Tyvek coveralls
- 700 gowns
- Giving Came First!







## Manufacturing Your Online Market

In response to the challenges brought on by COVID-19, the Alaska MEP is excited to launch our **brand new marketing workshop** designed to get you online and connected with clients in three easy steps.

1



### **Build E-Commerce Site**

Access to step by step video instructions on how to build or make updates to your existing e-commerce website.

2



### **Marketing 101**

Access to a four-part webinar series that covers all the need to know marketing basics to help you have a successful launch online.

3



### **Marketing Professional**

Receive a one-hour consultation to discuss your specific business questions with a marketing professional.

# Alaska MEP:

Here for Manufacturers



**Alyssa Rodrigues**

*Cell:* 907-230-8673

avshanks01@Alaska.edu

[www.Alaska-MEP.com](http://www.Alaska-MEP.com)





# Export Expansion: Trade Finance Solutions for U.S. Exporter

# WHO IS EXIM BANK?

EXIM is an independent agency of the U.S. Government.

***Mission:*** Maintain and create U.S. jobs by supporting the growth of U.S. exports.

- › Established in 1934
- › Headquartered in Washington, D.C.
- › 12 Regional Offices nationwide
- › Support for all U.S.-based companies who export

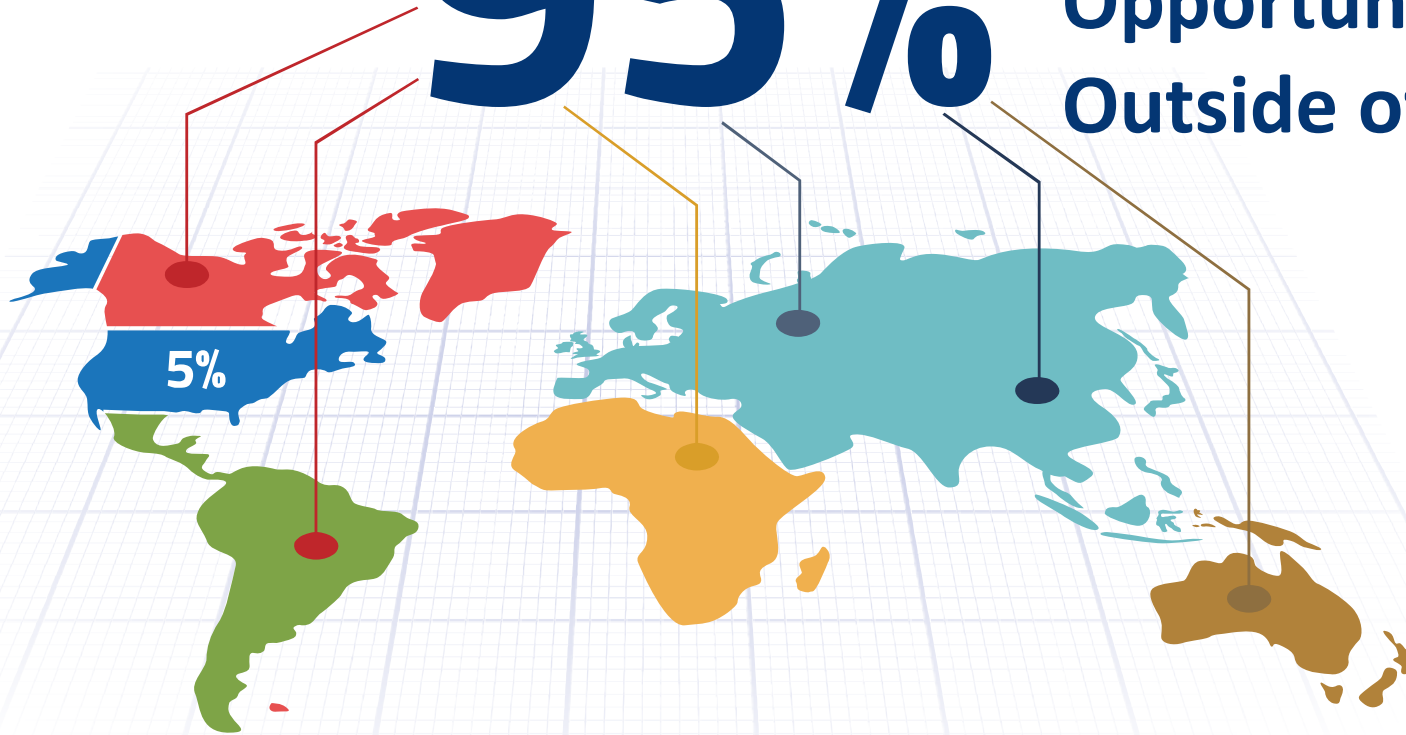


# INTERNATIONAL EXPORTING



95%

Of Sales  
Opportunities Are  
Outside of the US





# Why Do Only 1% of Companies Export?

Fear of the Unknown ..... *RISK!*



# OUR FINANCING MAKES THE DIFFERENCE



- ✓ Minimize risk
- ✓ Level the playing field
- ✓ Supplement commercial financing





# EXIM SUPPORTS SMALL BUSINESS!



## FY 2019

- EXIM authorized **\$8.2 billion of loan guarantees**, export credit insurance, and direct loans in support of U.S. export sales.
- U.S. export sales backed by EXIM in FY 2019 supported an **estimated 34,000 U.S. jobs**.
- In FY 2019, EXIM's small business authorizations totaled nearly **\$2.3 billion, representing 27.5 % of total authorizations**. Transactions that directly **benefited small business exporters** were more than **89% of total transactions**.
- EXIM authorized **\$440.6 million for minority- and women-owned businesses in FY 2019**.



# EXIM BANK FINANCING COVERS THE SPECTRUM



*Pre-Export  
Financing*

*Post-Export  
Financing*



**Working Capital  
Guarantees**

**Insurance Guarantees  
Direct Loans**

# HOW CAN EXIM PRODUCTS ASSIST YOU?



## You Need:



Funds to Fulfill Orders



Risk Protection  
Extension of Credit  
Access to capital



Buyer Financing

## Your Solution:

Working Capital Guarantee

Receivable Insurance

Medium and Long Term  
Insurance and Loan Guarantee

# WORKING CAPITAL GUARANTEE (WCG)

**Provides lenders with a 90% guarantee to extend short-term loans allowing exporters to purchase inventory, pay for labor, overhead, etc.**

- Advance rates are larger than lenders typically offer:
  - Up to 90% against export accounts receivable
  - Up to 75% against exportable inventory (including work-in-process)
- Also covers standby of credit



# EXPORT CREDIT INSURANCE – BENEFITS



## Risk Protection

Protects against buyer nonpayment due to commercial risks and political risks.



## Sales Tool

Allows exporter to offer competitive credit terms to foreign buyers, generally up to 180 days, some products may qualify for 360 day terms.



## Financing Aid

Obtain additional financing. Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender.





# SMALL BUSINESS EXPRESS INSURANCE: KEY FEATURES



- › 95% coverage for nonpayment due to commercial insolvency/bankruptcy/default) and political (war, revolution, “transfer risk”) risks
- › Insuring existing buyers is optional
- › **No deductible! No application fee!**
- › EXIM pre-approves all credit limits requested and obtains credit information on your buyers at no additional cost to you
- › 5 business day buyer approval turnaround on credit limits of \$500,000 or less (longer turnaround on higher amounts)
- › **No minimum sales volume or premium ... pay only on the gross invoice value of what you ship, when you ship!**

# SMALL BUSINESS EXPRESS INSURANCE: RATES



Rates are charged according to the length of the credit term you extend and the buyer type: for a sale to a private sector buyer on terms up to 60 days open account - \$0.65 per \$100 of the gross invoice value:

- › On a \$25,000 sale, that's only \$162.50 in premium!
- › If you use insurance with a **working capital guarantee from either EXIM OR the SBA**, you get a **25% rate reduction on your premiums!**



# WE SUPPORT A VARIETY OF INDUSTRIES



Manufacturing



Construction Equipment



Medical Equipment



Mining



Power-generation



Aircraft & Avionics



Services



Renewable Energy



Agribusiness



Wholesale/Retail



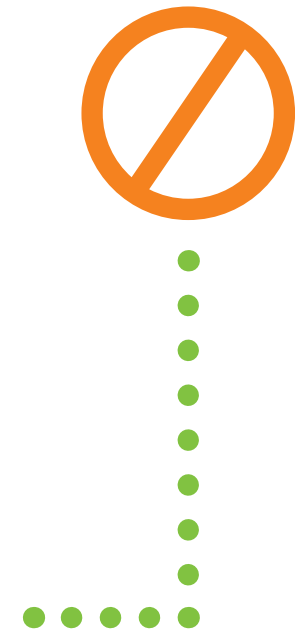
Oil & Gas

# PUBLIC POLICY (CHARTER RESTRICTIONS)



## Just a few:

- › No Military or Defense-related products or obligors (*exceptions apply*)
- › U.S. Content (*Standard-Term: 50+%; Medium-Term: 85% U.S.*)
- › Restricted Countries (*Country Limitation Schedule*)
- › Economic impact
- › Shipping
- › Additionality





# CALL EXIM, IF YOU...



- › Have a **foreign buyer that wants credit terms.**
- › Export routinely but **your growth in foreign sales is limited because of risks of non-payment.**
- › Are **losing export opportunities** because you will only accept a Letter of Credit (L/C) or cash pre-pay.
- › Are **encountering cash flow problems due to increased foreign sales.**
- › Have a **buyer that needs several years** to pay for capital equipment.





# ADDITIONAL RESOURCES



Additional resources and assistance in applying for EXIM products are available from:

› **Insurance Brokers**

*Broker Locator:*

[www.exim.gov/tools-for-exporters/  
broker-and-lender-locator](http://www.exim.gov/tools-for-exporters/broker-and-lender-locator)

› **Delegated Lenders**

*Working Capital:*

[www.exim.gov/tools-for-exporters/repp](http://www.exim.gov/tools-for-exporters/repp)

› **Regional Export Promotion Program  
(REPP) Members**

*REPP Locator:*

[www.exim.gov/tools-for-exporters/repp](http://www.exim.gov/tools-for-exporters/repp)

› **U.S. Export Assistance Centers  
(USDOC & SBA)**

[www.export.gov](http://www.export.gov)



# STAY CONNECTED WITH EXIM



## › **LinkedIn**

[www.linkedin.com/company/eximbankus/](http://www.linkedin.com/company/eximbankus/)

## › **Twitter**

[www.twitter.com/eximbankus](http://www.twitter.com/eximbankus)

## › **EXIM Blog**

[www.grow.exim.gov/blog](http://www.grow.exim.gov/blog)

## › **Teleconference Calls**

[www.exim.gov/news/stakeholder-conference-calls](http://www.exim.gov/news/stakeholder-conference-calls)



# WESTERN REGION RD'S



› **Sandra Donzella**  
*Deputy Managing Director*

[Sandra.Donzella@exim.gov](mailto:Sandra.Donzella@exim.gov)  
Office: (858)-467-7035

› **Paul Duncan**  
*Regional Director*

[Paul.Duncan@exim.gov](mailto:Paul.Duncan@exim.gov)  
Office: (949)-660-0633

› **Gregory Moore**  
*Regional Director*

[Gregory.Moore@exim.gov](mailto:Gregory.Moore@exim.gov)  
Office: (949)-224-4245





EXPORT-IMPORT BANK  
OF THE UNITED STATES



**Aerek N. Stephens**  
*Export Finance Manager*

202-565-3913  
[aerek.stephens@exim.gov](mailto:aerek.stephens@exim.gov)





Questions?



# Export Expansion: Trade Finance Solutions for U.S. Exporters



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