

Success Story: Global Export Marketing Co. Ltd.

Overcoming Financing Limitations to Increase Sales

The Challenge:

Global Focus Limits Borrowing Base

As a melting pot country, cuisine in the United States has always represented a unique combination of tastes influenced by many cultures around the world. Morty Fazal recognized the high demand abroad for American flavors in 1988, but also saw that companies faced logistical challenges to export their brands. Fazal founded the Global Export Marketing Company Ltd. (or GEMCO) with the goal of being a leading provider of shelf-stable American-made food products, including condiments, peanut butter, canned items, and more. It started as a distributor for other companies and, after it created its own brand of products, became an exporter as well.

However, because GEMCO's business was 99% foreign sales, it had a problem: traditional bank financing was unavailable. The company was then unable to grow due to funding obstacles.

The Solution:

Finding a Delegated Authority Lender

In 2008, GEMCO requested a \$5.5 million revolving credit facility from M&T Bank to address its funding problems. Although typically lenders are unwilling to use export-related assets as a borrowing base, GEMCO was in luck: M&T Bank is a delegated authority lender for EXIM, and thus knew to recommend a Working Capital Loan Guarantee. This guarantee provides an assurance that EXIM will pay the exporter's debt if they cannot, giving the lender the confidence it needs to extend financing. By working with EXIM and M&T Bank, GEMCO was able to successfully obtain the credit it needed.



New York, NY



Exports to Middle East, Africa



Uses the Working Capital
Loan Guarantee



*The Result:***Rapid International Expansion**

Since it secured its financing in 2008, GEMCO's international growth has been astronomical. The company now boasts:

- ✓ An increase from \$10 million to nearly \$115 million in annual foreign sales
- ✓ A footprint that has expanded to 60 countries in Africa, the Middle East, Europe, and Asia
- ✓ 180 new food manufacturing jobs



"GEMCO, with EXIM Bank's support, has turned what was perceived to be barriers to some companies, to indeed become opportunities for growth for GEMCO's brands and for our partners' brands."

Zahira Fazal, Corporate Secretary of GEMCO

**Make Your Own Success Story:**

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