



THE
**PLASTICS
INDUSTRY**

Tools & Opportunities
for U.S. Exporters

A GROWING INDUSTRY

The United States ranks third globally in plastic production, generating [\\$28.4 billion in export revenue in 2023](#). Plastics play an extensive role in various aspects of life, from household items to industrial applications, gradually supplanting traditional materials like wood, stone, and leather. Projections estimate a continued surge in global plastic usage of [1.2 billion metric tons by 2060](#).

Top importers of U.S. plastics in 2023 included:

<i>Importers of Plastic Products</i>	<i>Total Sales</i>
Mexico	\$9.5 billion
Canada	\$8.2 billion
China	\$1.3 billion
Germany	\$768 million
United Kingdom	\$644 million

Despite these opportunities, businesses are often faced with the same exporting challenges: offering open account credit terms to international buyers and making sure they get paid on the foreign receivables generated from these transactions.

With the help of Export Credit Insurance, many small businesses have the support they need to compete globally.



Plastics Industry Facts at a Glance



\$28.4B

total plastic goods exported in 2023



\$4.1B

plastics exported from the top state of Texas



14,366

U.S. business entities produce plastic products

www.trade.gov/data-visualization/tradestats-express-us-trade-product

www.statista.com/statistics/281126/global-plastics-production-share-of-various-countries-and-regions/



WHAT'S STOPPING YOU FROM EXPORTING?

Imagine this: your U.S. business has identified an international buyer for its product, you have agreed on pricing, and your buyer wants open account credit terms. How will your company manage the risk of nonpayment by your foreign buyer? Insuring the receivables generated by international sales with EXIM's Export Credit Insurance is a great place to start.

Export Credit Insurance is an insurance policy that covers foreign receivables.

Export Credit Insurance mitigates the risk of nonpayment and empowers you to meet, or beat, your competitors by offering attractive credit terms. Your business can use open account credit terms to win new customers and increase sales to existing buyers.

Another benefit to insuring foreign receivables is that lenders will often accept them as collateral, expanding your borrowing base and improving cash flow.

Export Credit Insurance:

- ✔ Increases your ability to compete in international markets
- ✔ Protects your foreign receivables from nonpayment
- ✔ Expands your borrowing base for improved liquidity



BENEFITS INCLUDE:

Increased Sales

Every business wants to be more competitive. Providing open account credit terms can be the difference between winning and losing a deal. With more time to pay, customers have the financial flexibility to increase the size of their orders. Open account credit terms speeds up the delivery of goods by avoiding delays associated with a letter of credit or cash in advance.

Risk Prevention

The challenge for exporters, particularly small businesses, is clear. Selling to international buyers on open account credit terms can be risky. If the buyers don't pay, there is very little recourse for the U.S.-based company and the financial hit can be significant. Export credit insurance mitigates the risk of nonpayment by insuring foreign receivables.

Cash Management

When your business needs cash to fulfill orders or pay for operations you often look to your local lender. These lenders are more likely to include foreign receivables and inventory in your borrowing base when those receivables are insured, giving you access to additional financing and improving cash flow.

What does Export Credit Insurance Cover?

Commercial Risks:

- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted Default

Political Risks:

- ✓ War, Revolution, Insurrection
- ✓ Currency Transfer Risk
- ✓ Cancellation of an Import or Export License



EXPORTER SPOTLIGHT

Jeco Plastics

Jeco Plastics Products, LLC, a leading developer and producer of custom plastic pallets, faced a pivotal moment when domestic markets began to shrink, prompting CEO Craig Carson to explore exporting. Two key obstacles emerged: mitigating the risk of buyer nonpayment and securing working capital for fulfilling new export orders.

Since 1998, Jeco Plastic Products has relied on EXIM's Export Credit Insurance to safeguard against nonpayment by international buyers, enabling the company to offer open account credit terms and boost sales. This confidence has also allowed Jeco to enhance its borrowing capacity by leveraging EXIM-backed foreign accounts receivable with its lender.

"As a smaller company, Jeco values greatly the assistance of EXIM, and we are proud of the effect our export success has upon our employees and the community."

Craig Carson
CEO of JECO Plastic Products, LLC

Alliance Rubber Company

Alliance Rubber Company, renowned for its innovative promotional products and packaging solutions, recognized the global potential early on. Despite the significant resource commitment required, they embarked on a global expansion journey. Their strategic initiatives included a Gold Key program with the U.S. Commercial Service, hiring Spanish-speaking sales reps, and investing in advertising and client outreach. Additionally, they rely on EXIM's Export Credit Insurance for added security.

With adjusted strategies and clear goals, Alliance significantly increased revenue from international sales. Since joining EXIM in 2007, they've exported over \$22 million across 2,400 SKUs, showcasing the immense growth achievable in international markets.

With EXIM's Support, Alliance Rubber:

- ✓ Exports to more than 60 countries
- ✓ Increased international sales by 24% in 3 years
- ✓ Uses export success to fund payroll for employees



HOW DOES EXPORT CREDIT INSURANCE WORK?

Step 1:

You identify an international buyer and obtain an Export Credit Insurance policy.



Step 2:

You offer credit terms to your foreign buyer.



Step 3:

The buyer accepts the deal's terms.



Step 4:

You ship your product and invoice the buyer.



Step 5:

You report shipments & pay premiums on the amount shipped.



Step 6:

The buyer pays. If they fail to do so, EXIM pays.



WHAT POLICY OPTIONS ARE OFFERED?

Express Insurance

Most attractive to small businesses with limited or no prior export experience.

Features Include:

- ✔ 95% coverage
- ✔ No deductible
- ✔ Pay-as-you-go premiums
- ✔ Streamlined application

Multi-Buyer Insurance

Options to cover all or part of your export portfolio.

Features Include:

- ✔ 95% coverage
- ✔ No deductible
- ✔ Pay-as-you-go premiums

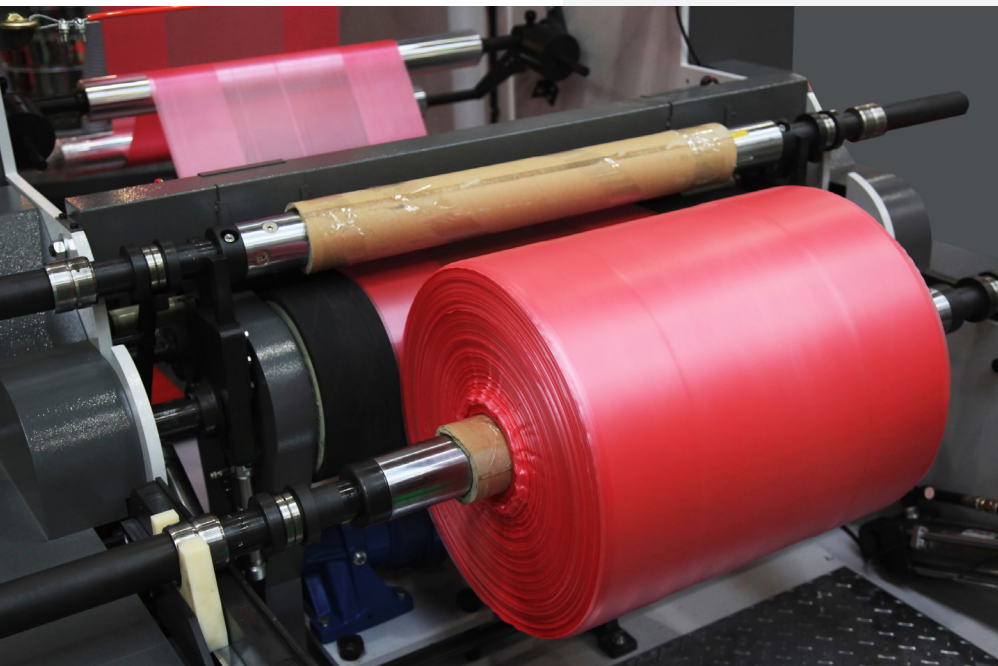
Single-Buyer Insurance

Covers one buyer for a predetermined period of time and dollar amount.

Features Include:

- ✔ 90% coverage
- ✔ No deductible
- ✔ Individual policies for each deal
- ✔ Policies to cover all the deals from a single buyer

TIP: With Single-Buyer Insurance, you can have multiple policies for the same buyer covering different deals.



WHAT'S NEXT?

EXIM is here to support you on your exporting journey. We offer a wide range of financing tools for your company's unique needs, as well as free consultations, educational material, exporter resources, and more. You can:



Get Started

Request a free consultation with an EXIM specialist in your area to determine your eligibility.

grow.exim.gov/consultationrequest



Get Helpful Advice

Do you have questions about account terms and financing for exporters? Our experts are here to help:

grow.exim.gov/export-financing-faqs



Learn Exporting Basics

Learn the basic fundamentals of trade finance and turn export opportunities into sales.

grow.exim.gov/export-guide



Guide to Working Capital Loan Guarantee

Find out how EXIM can unlock your cash flow by working with your lender.

grow.exim.gov/wclg-guide



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.