



THE SPIRITS INDUSTRY

Tools & Opportunities
for U.S. Exporters

A LEADING INDUSTRY

In 1791, the U.S. was threatened by internal conflict, hostilities with England...and liquor. For three years, farmers led an armed rebellion to protest an excise tax on whiskey. Eventually, federal troops shut it down.

Fast forward to today, and the liquor industry has flourished. In 2024, the United States was one of the largest exporters of liquors in the world. The top buyers of American-made distilled spirits included:

Importers of Liquor	Total Sales
Netherlands	\$497 million
Canada	\$305 million
Panama	\$206 million
Ireland	\$173 million
United Kingdom	\$149 million
Australia	\$141 million
Spain	\$138 million
Germany	\$131 million
France	\$104 million
Brazil	\$104 million

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

2024 Spirits Industry Facts at a Glance



\$2.94B
total export value



16%
increase in exports
from 2023



\$1.49B
total liquor export
sales across Europe



\$409M
total liquor export sales
across North America

<https://www.trade.gov/data-visualization/tradestats-express-us-trade-product>

(Based on Harmonized System Code 2208)



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 international 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 international 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 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 international receivables from nonpayment
- ✓ Expands your borrowing base for improved liquidity

“Small businesses have a lot to gain by engaging in exports. However, it is always a good idea to protect oneself from as many risks as possible. Working with EXIM is a way to protect against the biggest risk: not getting paid.”

Dr. Sonat Birnecker, President and Owner of Koval Distillery

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 speed 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 international 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 global 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



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 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.