

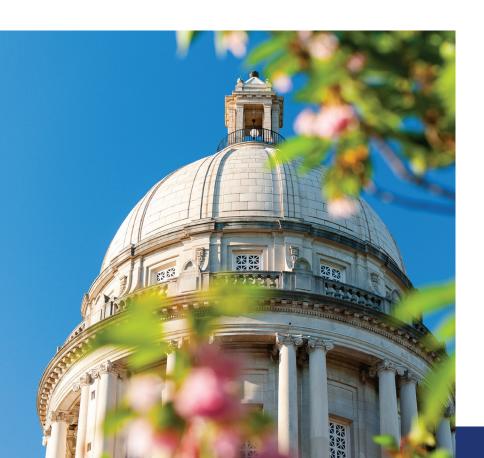


# **GROWING REVENUE**

With 95% of the world's consumers located outside the United States, Kentucky companies can grow their business by exporting their U.S.A.-made goods and services around the globe. Record-setting U.S. export levels underscore the vast opportunity. In 2023, U.S. exports of goods and services increased 1.1%, to \$3.05 trillion, according to the U.S. Census Bureau and the Bureau of Economic Analysis, at the U.S. Department of Commerce. You can be part of this revenue stream with EXIM's assistance.

Kentucky's Top 5 Export Markets for Goods in 2023:

Countries	Total Sales
Canada	\$9.2 billion
United Kingdom	\$3.8 billion
Mexico	\$3.7 billion
France	\$3.7 billion
China	\$2.9 billion



# **STATE EXPORTS AT A GLANCE**



\$40.2B





3,845 Kentucky companies exported goods in 2021



80% were small- and medium-sized enterprises



# **TOP INDUSTRIES**

Transportation Equipment Chemicals Computers & Electronics Machinery (Except Electrical) Miscellaneous Manufactures

> ¹www.trade.gov/data-visualization/ state-economy-and-trade-factsheets

2www.bea.gov/news/blog/2024-03-07/2023trade-gap-7798-billion#



# 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 international 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 invoices 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 little recourse for a U.S.-based company and the financial impact 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 international receivables in your borrowing base when those receivables are insured, giving you access to additional financing and improving cash flow.

"I am from Asia; I know that the Asian carp is one of the four types in this family of fish in Asian countries, and the market is huge. EXIM's **Export Credit Insurance** has been very helpful in meeting my goals."

#### **Angie Yu**

President Two Rivers Fisheries Wickliffe, KY



# What's Stopping Your Business

—— from —

**EXPORTING?** 

Risk of Buyer Nonpayment

You Need:



## **Export Credit** Insurance (ECI)

EXIM helps small business exporters mitigate financial risks to achieve success.



Protects & insures international accounts receivable



Covers up to 95% of invoice value



Can apply to single or multiple international buyers

#### With ECI You Can:



Offer open account credit terms & win new sales contracts



Borrow against insured international accounts receivable



Expand your products to global markets

#### Access to **Cash Flow**

You Need:



## **Working Capital** Loan Guarantee (WCLG)

EXIM helps you secure a loan by providing your commercial lender with a guarantee.



Guarantees 90% of loan to the lender



Supports advances against export-related inventory & accounts receivable

#### With WCLG You Can: -



Use cash for materials, labor, & production



Borrow against work-inprogress for more capital



Lower collateral rates for performance & bid bonds [25% vs.100%]







# 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

Polices 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:



#### Talk to an Expert

EXIM specialists are ready and waiting in your area to give you a free consultation:

grow.exim.gov/consultationrequest



## **Learn Exporting Basics**

The Basic Guide to Exporting, a free eBook, provides valuable insight and guidance to get you started:

grow.exim.gov/export-guide



#### **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



#### Unlock Your Business's Cash Flow

Learn how EXIM works with your lender to provide access to working capital:

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.