



# EXPORT TOOLS & OPPORTUNITIES

— *for* —

# MICHIGAN EXPORTERS



# GROWING REVENUE

With 95% of the world’s consumers located outside the United States, Michigan 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<sup>1</sup>. You can be part of this revenue stream with EXIM’s assistance.

Michigan’s Top 5 Export Markets for Goods in 2023:

Countries	Total Sales
Canada	\$25.7 billion
Mexico	\$14.9 billion
China	\$2.4 billion
Germany	\$2.0 billion
Japan	\$1.6 billion



## STATE EXPORTS AT A GLANCE<sup>2</sup>



**\$64.9B**

total goods exported in 2023



**12,226**

Michigan companies exported goods in 2021



**90%**

were small- and medium-sized enterprises



## TOP INDUSTRIES

- Transportation Equipment
- Machinery (Except Electrical)
- Chemicals
- Electrical Equipment
- Computer & Electronics

<sup>1</sup> [www.trade.gov/data-visualization/state-economy-and-trade-factsheets](http://www.trade.gov/data-visualization/state-economy-and-trade-factsheets)

<sup>2</sup> [www.bea.gov/news/blog/2024-03-07/2023-trade-gap-7798-billion#](https://www.bea.gov/news/blog/2024-03-07/2023-trade-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.

“Exporters can put themselves in a position for success by understanding and utilizing the variety of resources available to them.”

**Richard Foy**

Regional Director at EXIM



# 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-in-progress for more capital



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

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.

**Start Your Journey:**  
[grow.exim.gov/consultationrequest](http://grow.exim.gov/consultationrequest)



# 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:



## Talk to an Expert

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

[grow.exim.gov/consultationrequest](https://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](https://grow.exim.gov/export-financing-faqs)



## 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](https://grow.exim.gov/export-guide)



## Unlock Your Business's Cash Flow

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

[grow.exim.gov/wclg-guide](https://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.