

A stack of five knitted fabric samples. From top to bottom: a white cable-knit fabric, a grey ribbed fabric, a tan cable-knit fabric, a brown cable-knit fabric, and a white ribbed fabric. The background is a dark, textured blue.

# EXPORT WITH CONFIDENCE

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Tools and Opportunities  
for the Textile and Fabric  
Industry

# A GROWING INDUSTRY

Demand for materials that meet made-in-the-USA quality is increasing, and businesses in the textile and fabric industry are taking advantage. These companies exported nearly \$9 billion in 2021, a sharp increase of 17% since the beginning of the COVID-19 pandemic in 2020.

Top buyers in 2021 included:

<i>Importers of Textiles &amp; Fabrics</i>	<i>Total Sales</i>
Mexico	\$3.07 billion
Canada	\$1.24 billion
Honduras	\$1.21 billion
Dominican Republic	\$437 million
China	\$336 million
El Salvador	\$256 million
Guatemala	\$189 million
Germany	\$172 million
Nicaragua	\$156 million
United Kingdom	\$143 million

However, despite these opportunities businesses are often faced with the same exporting challenges: offering open account terms to foreign buyers while mitigating the risk of nonpayment.

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

## 2021 Textile & Fabric Exports at a Glance:



**\$8.85B**

total export revenue



**\$5.76B**

total fabric sales



**\$1.86B**

total fiber, yarn, and thread sales



**\$1.23B**

total finished or coated textile sales



## 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 your foreign receivables through EXIM's Export Credit Insurance is a great place to start.

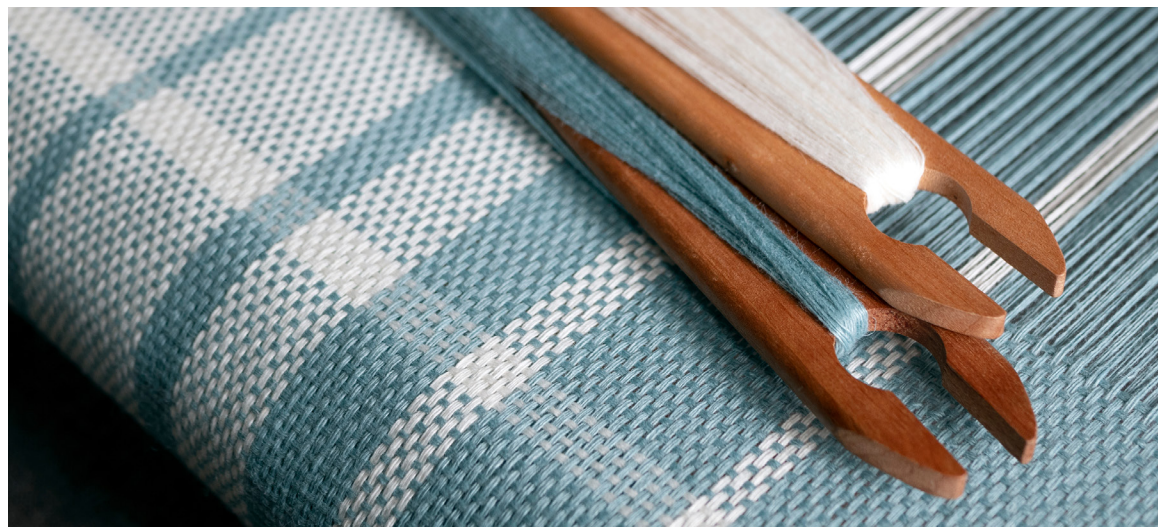
**Export Credit Insurance is an insurance policy that covers foreign receivables.**

Export Credit Insurance mitigates your nonpayment risk while empowering 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 is very appealing to foreign buyers and can be the difference between winning and losing a deal. When given more time to pay, existing customers have the financial flexibility to increase the size of their orders. Even the delivery speed of goods can be positively affected by open account credit terms since the delay associated with a letter of credit or cash in advance is avoided.

## 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 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 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:*

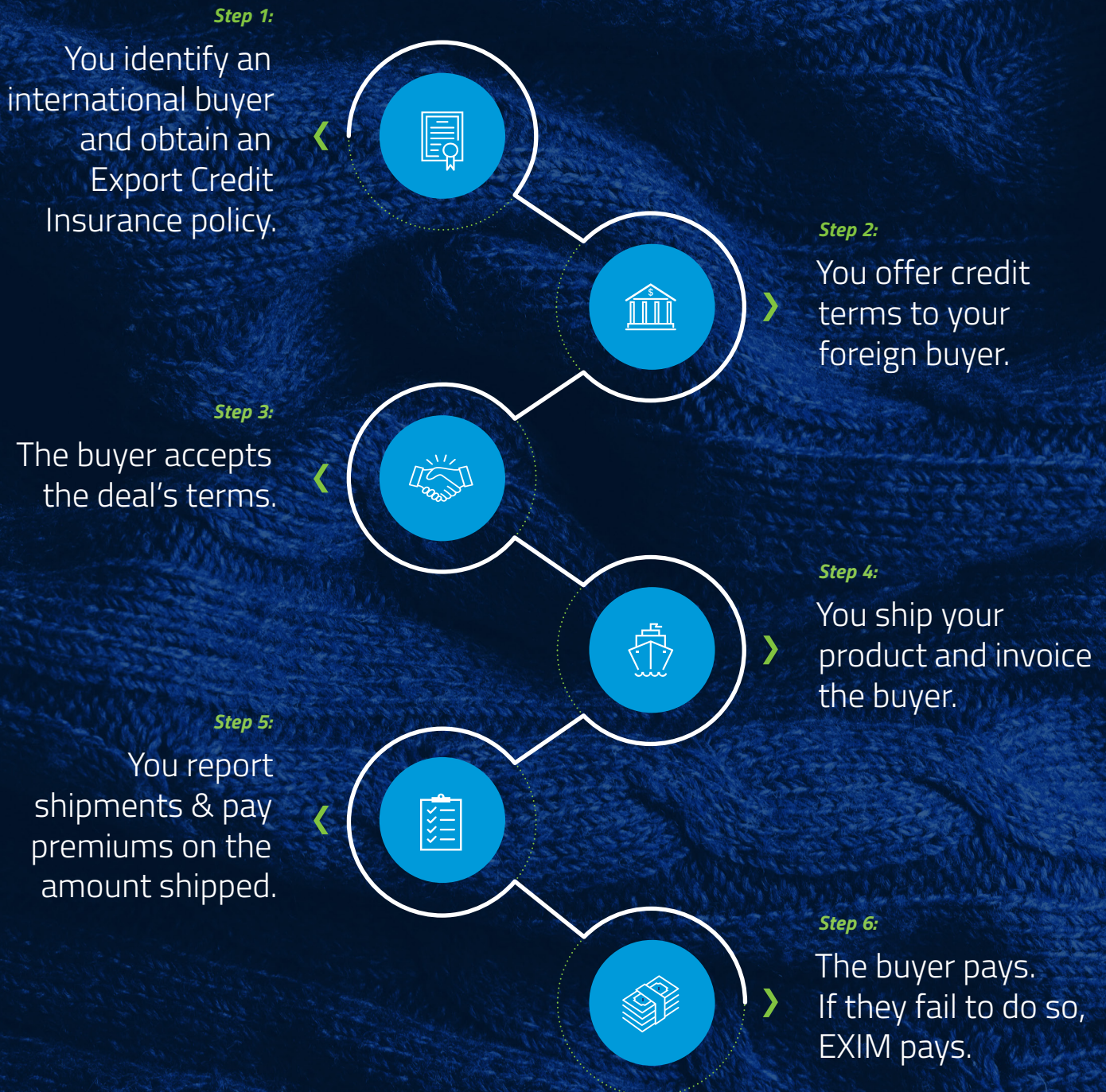
- ✔ Insolvency
- ✔ Bankruptcy
- ✔ Protracted Default

### *Political Risks:*

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



# HOW DOES EXPORT CREDIT INSURANCE WORK?



# 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.