

FACT SHEET:

EX-IM BANK COMPETITIVENESS REPORT

IN THE WAKE OF THE GLOBAL FINANCIAL CRISIS, COUNTRIES AROUND THE WORLD HAVE TURNED TO EXPORTS AS A MEANS TO GROW THEIR ECONOMIES AND ADD JOBS.

Ex-Im Bank's 2013 Competitiveness Report identifies the two most prominent challenges American exporters face today (Chapters 2 and 4):

- The expansion of opaque, unregulated financing by countries operating outside of the responsible rules set by the OECD Arrangement.
- The contraction of commercial banks' appetite for large-scale, long-term financing.

Unregulated OECD financing has increased dramatically, a phenomenon that poses a serious threat to U.S. competitiveness. (Chapters 2 and 4):

- For decades, global export competition was governed by responsible international rules put in place to ensure a level playing field where companies could compete on free market elements such as price and quality rather than on aggressive, market-distorting government financing.
- But the world has changed. While virtually 100 percent of official trade support operated under OECD rules fifteen years ago, today only one-third does. Thus, two-thirds of official export credit support provided in 2013 went unregulated by any international standards.
- Russia, China, and other countries increasingly offer unregulated export-related support with financing terms that threaten the growth of American jobs and export opportunities.
- In addition, China offered over \$20 billion in concessional (subsidized) lending, of which \$16 billion is tied to purchases of Chinese goods and services.

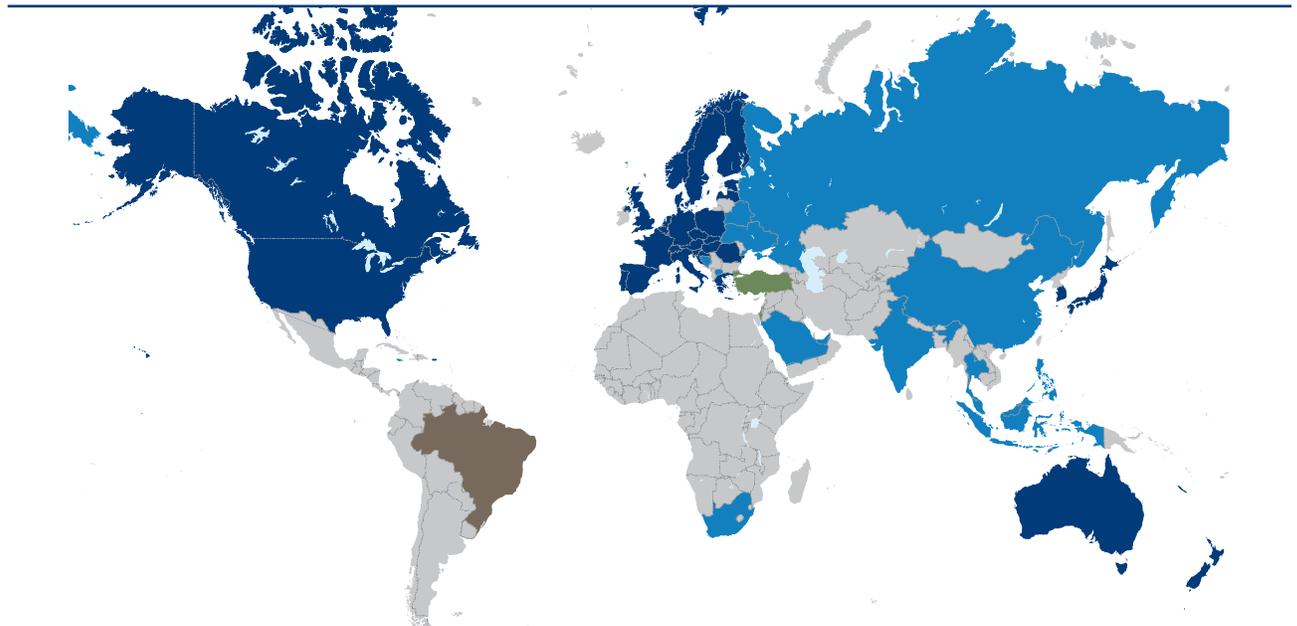
U.S. companies need export financing due to the continued effects of the financial crisis, new banking regulations, and slow global growth. (Chapters 4 and 7)

- Despite the increase in availability in short-term liquidity, commercial banks have largely withdrawn from large-scale, long-term projects which have the most significant impact on U.S. employment.
- This withdrawal has resulted in foreign export credit agencies increasingly filling the void with lending programs that are more aggressive and less transparent than Ex-Im Bank programs.

Foreign countries took steps to boost their economies by increasing their levels of export credit support. (Chapter 7)

- ▮ Recognizing these trends, countries around the world have made the practical decision to strengthen the capacity and flexibility of their export credit agencies to support their domestic exporters.
- ▮ America alone is having a political debate over whether to unilaterally disarm by rendering its export credit agency less robust, in spite of global realities.

THE WORLD OF OFFICIAL MEDIUM-AND LONG-TERM EXPORT CREDIT



OECD countries participating in the OECD General Arrangement:

- | | |
|----------------|-----------------|
| Australia | Luxembourg* |
| Austria | Netherlands |
| Belgium | New Zealand* |
| Canada | Norway |
| Croatia* | Poland |
| Czech Republic | Portugal |
| Denmark | Romania* |
| Estonia* | Slovenia |
| Finland | Slovak Republic |
| France | South Korea |
| Japan | Spain |
| Germany | Sweden |
| Greece* | Switzerland |
| Hungary | United Kingdom |
| Italy | United States |
| Latvia* | |

OECD countries not participating in the OECD General Arrangement:

- Israel Turkey

Non OECD countries participating in the Aircraft Sector Understanding (ASU) but not the OECD General Arrangement:

- Brazil (aircraft)

Non OECD countries not participating in the OECD General Arrangement:

- | | |
|-----------------------|----------------------|
| Belarus | Malaysia |
| Bosnia | Philippines |
| Brazil (non-aircraft) | Russia |
| China | Saudi Arabia |
| India | South Africa |
| Indonesia | Thailand |
| Jamaica | Ukraine |
| Macedonia | United Arab Emirates |

* Very little or no MLT activity reported