



Building U.S.-Turkish Business Partnership: Trade & Project Financing Resources for Turkish Companies

EXPORT-IMPORT BANK
of the UNITED STATES

Jobs Through
Exports

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The Export-Import Bank of the U.S.



Ex-Im Bank Introduction

- Official export credit agency (ECA) of the US Government.
- Mission: Support US exports to promote US jobs.
- Since establishment in 1934: supported more than \$400 billion in US exports.
- In FY 2010: ExIm Bank increased authorizations by 14% to reach \$24Billion (Total Exposure - \$75 Billion)



Key Elements of Charter and Operations

- Provides financing support for the purchase of US goods and services.
- Assumes credit and country risks the private sector unable or unwilling to accept without support.
- Does not compete with private sector banks.
- Requires reasonable assurance of repayment:
 - Debt service ability
 - Adequate capitalization
- Adheres to terms of the OECD Arrangement
- Member of the Berne Union



Ex-Im Bank in Turkey

- Ex-Im Bank is open to transactions in both the public & private sectors for any tenor
- Current Exposure - \$2.1 Billion
- Turkey represents one of 9 strategic markets for ExIm Bank





Example of Export Credit Institutions (ECAs)



Canada – Export Development Canada (EDC)



France – Compagnie Francaise d'Assurance pour le Commerce Exterieur (Coface)



Germany – Euler Hermes Kreditversicherungs (Hermes)



Italy – Servizi Assicurativi del Commercio Estero (SACE)



UK – Export Guarantee Department (EGGD)



Export-Import Bank within US Government



- State Department
- gives foreign policy guidance – *U.S. Embassies*



- Commerce Department
- provides information, counseling and expertise - *FCS*



- U.S. Trade & Development Agency
- provides project planning funding and assistance



- OPIC
- provides project finance and investment insurance



- Export-Import Bank
- finances exports through various term loan, guarantee and insurance programs



Overview of Export Credit Agencies (ECAs)

Traditional Role

- correct market failures
- mitigate against risk that the private sector is unwilling or unable to assume
- ensure a level playing field



Specifics of Charter

Basic Transaction Criteria



Minimum US Content



Shipped from the US



No min or max transaction size



Limited Exclusions



Linking Programs w/ Acceptable Structure

Programs

Structure



Insurance
Direct Loans
Guarantee

Trade
Structured
Project



Trade Finance Structure

➤ Trade Finance

Balance Sheet support for transactions in which an evaluation can be made based on historical performance and potential risk – can be from a private corporation, a financial institution, or even a sovereign / municipality



Structured Finance

➤ Structured Finance

Historical balance sheet support as well a projected financial evaluation typically for larger transactions (projects) which an evaluation on both historical and future outlooks are necessary – special enhancements



Project Finance Structure

➤ Project Finance

Special Purpose Vehicle (SPV) borrower financing for greenfield or expansion project in which projected future cash flows are the repayment source and merits of the project are evaluated for risk



Notes

- Financing Structures require down payment/equity contribution of between 15%-25%
- Tenors are typically 5-7 years (possibly longer for project finance structures)
- Financing based on U.S. content (goods and service) however local cost support is available (up to 30% of contract amount)



Some Success Stories

- **Çerkezköy, Tekirdağ:** Chinook Sciences LLC, a small business located in Cranford, N.J., sold equipment and technology to build an innovative plant that recycles metal and in the process recovers gas and produces electricity. The Turkish buyer, DT Metal Geri Kazanim Teknolojileri Sanayi ve Ticaret AS, was able to make the purchase with the help of a \$10 million medium-term loan guarantee from the Export-Import Bank of the United States.
- **Samsun Region:** The Export-Import Bank of the United States (Ex-Im Bank) approved a \$104.8 million loan guarantee to support the sale by GE Energy, Houston, Tex., of power generating equipment and services for a new plant in the Samsun region of northern Turkey. Cengiz Enerji Sanayi Ve Ticaret A.S. (Cengiz Enerji) purchased two GE LMS100 aero-derivative gas turbine generator packages to build a 240 megawatt combined cycle gas-fired power project.
- **Istanbul:** The Municipality of Istanbul was able to purchase 55 high-technology firefighting vehicles with the help of a \$39 million loan guarantee from the Export-Import Bank of the United States. DMK International, LLC, a five-employee engineering services firm in Macomb, Michigan, was the primary exporter on the transaction. Two other small businesses - General Purpose Vehicles LLC, New Haven, Michigan, and Ferrara Fire Apparatus Inc., Holden, Louisiana. - were suppliers on the sale.



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