**NWX-US DEPT OF COMMERCE (US)**

**Moderator: Deborah Rivera-Nieves**

**September 27, 2018**

**1:00 pm CT**

Coordinator: Welcome and thank you for standing by. At this time, all participants are in listen only mode until the question and answer session throughout today’s conference call.

 At that time, you may press Star 1 to ask a question over the phone. Today’s conference call is being recorded. If you have any objections, you may disconnect at this time. I would now like to turn the call over to Wendy Peebles. Thank you. You may begin.

Wendy Peebles: Thank you, Operator. Good afternoon everyone. My name is Wendy Peebles. I’m the lead outreach coordinator in the Census Bureau’s international trade management division.

 For today’s Webinar, we have several agencies collaborating to discuss federal government resources for growth in global markets.

 We’d like to say we have all the bases covered as you will hear from Census, international Trade Administration, small cap business Administration and the Export-Import Bank of the United States.

 I would like to start by thanking everyone for joining today’s Webinar. We have an informative Webinar planned and I would like to go over a few items before we start.

 The Webinar is being recorded and for confidentiality reasons, we ask that during the question and answer period, that you do not disclose your company’s name or any other sensitive information.

 We will break for the Q&A portion and encourage you to send your questions through the chat feature. A few days following the Webinar, the transcript, recording and presentation will be posted to the Census Web site.

 Lastly, we value your feedback so please complete the evaluation form that will be emailed to you. Your feedback assists us in planning future Webinars. Now we’re ready to begin with the subject matter for today.

 The agenda for today is the following - okay, the first item up, we want you to find out how to access trade data – will be a Census presenter, get more buyers from International Trade Administration, find capital through the Small cap business Administration Export Assistance Center and protect against non-payment.

 Now I would like to go over the bios for each of our presenters. The first two that will speak first will be Kyle Vezina from Census. Kyle has been a survey statistician with the International Trade Indicator Macro Analysis branch since 2015.

 Currently, Kyle automates monthly processes and works on innovative projects with the economic indicator division.

 The next speaker following (Cal) will be Cody Dietrich and he is a commercial officer in the US Commercial Service of Virginia and DC. He currently manages a portfolio for business and professional services assisting clients in these industries connected with business opportunities abroad.

 He joined the Commercial Service with four years’ experience working as an international trade specialist in the International Trade Administration’s strategic partnership office and previously worked with the US Department of States, Bureau of Economic and Business Affairs in the Office of Threats Finance Countermeasures. Our first presenter is Kyle.

Kyle Vezina: Thank you, Wendy. Good afternoon. My name is Kyle Vezina and I’ll be presenting on preliminary market research with the USA trade online. I begin by providing some background on the data and then I’ll walk you through a couple of quick examples.

 Now, as a note these capitals involved fictitious companies but they illustrate it can use free US international trade data to help you begin the process of expanding globally.

 Moreover, this presentation will not be a tutorial on how to use USA trade online, but we provide ample resources at the end of this presentation and a phone number to call if you need assistance generating reports.

 Let’s begin. The US Census Bureau is the official source for US export and import statistics. I work in the macro office of Census which is responsible for compiling and disseminating US trade statistics.

 So how can this data help us? Exporters and importers can find emerging markets, evaluate existing markets or analyze their market share. A business could complete the unit price comparison to help price their products.

 You can also identify port and shipping trends and measure the impact of foreign competition. In addition, trade data impacts investment decisions and interest rates.

 In general, trade data can help you make better decisions. One way to access trade data is through USA trade online. USA trade online is the official source of international trade data.

 It is a free tool that gives users access to current and cumulative US export and import data. New data is added every month with the release of the FT900, the US International Trading Goods and Services Report.

 The data is about two months behind the calendar month. So we currently have data for July 2018, and October 5, we will disseminate August data. Just so you’re aware, if I say UTO I really mean USA trade online.

 Finally, you can access USA trade online through the foreign trade Web site or navigate directly to USAtrade.census.gov. USA trade online has a lot of helpful features.

 Some of note are you can export your customized reports to Excel and have the ability to save reports to your account. Recently, we added an upload feature that could save you a lot of time.

 With this feature, USA trade online will automatically select your codes based off of the selection set that you upload. Now that we have some background, let’s move on to the examples.

 First up is how to find emerging markets. Maybe we would like to identify product trends by company so we want to see which companies are buying more US goods, what commodities have seen the most growth in exports and how long these trends have continued.

 These are all questions we can answer using USA trade online. For this example, imagine you’re the owner of the fictitious company (Spiceco). (Spiceco) is looking to tap into new markets.

 Using USA trade online, they look at the overall trends in US key exports. They notice Canada follows the world average. They also look at other countries that may show more promising trends.

 For illustration purposes, we are using annual statistics for (tea) at the four digit harmonized system level, that’s 0902. But USA trade online also has detailed monthly data at the ten digit level.

 Here’s the output from USA trade online on (tea) exports. I pulled only the ten countries from 2013 to 2017 but you can choose as many or few countries as you like for larger time period.

 I also selected percent growth from 2013 to 2017, but you can modify that to your needs. You can see here that (tea) exports have been increasing over time.

 As mentioned on the last slide, Canada follows this trend but it doesn’t have as big of a percent growth as other countries. As a business, instead of competing in Canada which might already be saturated with exports of tea, you could consider some of the smaller markets that have higher growth.

 This is a pretty quick example since I pulled the data ahead of time, but now that we have narrowed our list of potential markets, I suggest reaching out after the presentation to my co-presenter, Cody, for help in finding buyers.

 Our next example is determining your market share. As a business, you might want to gauge how well you’re doing. Maybe you want to see how much of the current market you service.

 You can ask yourself as your market share been increasing or decreasing in recent months? Also, I your efforts being effective? In this example, imagine you work for a fictitious gaming company, (Cribbage, Inc.).

 From your records, in 2016, you exported $2.5 million worth of playing cards to the United Kingdom. The following year, you exported $1.5 million worth of playing cards to the United Kingdom.

 From USA trade online, US playing card exports to the United Kingdom totaled $24.8 million and $40 million respectively. Doing a simple calculation, (Cribbage, Inc.) determined of market share in the United Kingdom had decreased from 10% to 4% in just one year.

 Knowledge of market share can drive allocations of resources and rewards. (Cribbage Inc.) can use this knowledge to make decisions about how it does business.

 Let’s look at output from USA trade online on US exports of playing cards. From here we can see that world trade exports are increasing and so are US exports to the United Kingdom.

 On the last slide, we determined (Cribbage)’s market share has decreased. This company might want to do more research to determine if their efforts are being effective.

 They may want to consider changing marketing, pricing or offering promotions. As another reminder, this example has 2017 data but USA trade online has data currently up to July 2018.

 That concludes our preliminary market research example. On the next slide, I have a list of resources on using USA trade online. As I mentioned at the beginning, there are various resources to help you generate reports in USA trade online.

 We have tutorials, previous Webinars, I help section and analysts ready to walk you through generating reports. To speak to an analyst regarding USA trade online, you can call the helpline and choose option four. Now I would like to join the presentation to Cody with ITA.

Cody Dietrich: Hi. And this is Cody Dietrich with the US Commercial Service. I work out of the Rosslyn Arlington, Virginia office and particularly cover assistance with companies in Virginia and Washington, DC, however, our organization has like offices in almost every metropolitan area across the United States.

 So you can reach out to me and I can connect you with your local office or, if you’re in Virginia, DC, I’m happy to have a counseling session with you as well.

 So I appreciate this opportunity to talk about how the US Commercial Service is helping US companies find business opportunities overseas. And we’re doing that through the global network that I started talking about.

 We have these assistance centers in Arlington, Virginia or other major metropolitan areas across the United States. And we provide free counseling to US companies that are in the business of exporting.

 And so what we do is US companies that have a business plan and they’re ready to export, we’ll have a meeting with some and the meetings begin with filling out of a company questionnaire.

 This helps us better understand the company and see what their organization is like, their business plan, how they’re being managed and one other business opportunities overseas.

 So we take that information and identify how we can assist him. And in our initial conference meetings with them, we look at some resource guides that are produced by the Department of Commerce, our industry analysts at our headquarters.

 In one of the key reports that are produced is a Country Commercial Guide. And that is a breakdown by foreign country at what are some of the market opportunities, where are US companies being successful in the different markets around the world?

 Also with that is our top markets reports which look at an industry by industry basis. So we’re looking at aerospace or automotive or other types of business services and identifying what - looking at the industry that this US company is involved with.

 And helping them identify where our market opportunities in different countries and - that are associated with the industry that they represent and where can they find those business opportunities overseas?

 So after we’ve had these initial conversations with a company representative to identify target markets with - related to their industries, we identify what are the next best steps to help them gain market share overseas?

 And so they, you know, they have the opportunity to go overseas and meet with our commercial sections that are located in our US embassies and consulates overseas and that those representatives overseas can also give free counseling advice on an overview of market opportunities in the different industries that are advantageous to US companies to explore with her exports.

 Now, if the US company would like to go beyond general counseling about market opportunities and would like assistance from our commercial sections overseas to work specifically on their behalf to help them find business opportunities or evaluate the market, then we do have some fee-based services that we provide to US companies.

 And these are based on an effort to recover the cost of staff hours used to help a specific US company. And so some of the services, principally, they usually begin with what we call an initial market.

 This is where the locally employed staff at the embassy or consulate will do a research report for the company and evaluate the business plan of the company and see how competitive those prices are to the local market.

 The end result of that initial market check is essentially a positive or negative evaluation of whether or not the company’s products will have, you know, are priced appropriately to be successful in the market, taking into account things like tariffs and taxes and distribution costs that they will have to pay to get their product in the market.

 So they can do that to make a determination if this is a good market for them or if they should explore other markets. And so if this does turn out to be a favorable market based on their business structure and prices, we can do other matchmaking services to help them find business opportunities overseas.

 So these can be anything from just simply identifying partners were the company needs - the US company needs to find business, legal representation overseas or possibly is just interested in finding a list of distributors.

 We can do that for them. If they want to take it a step further, we can offer our gold key service which is an effort by the commercial section overseas to arrange business meetings.

 And these are one-on-one meetings between a US company representative and potential buyers that have been prescreened by the embassy. And what they are is one-on-one meetings to - for the US company to pitch their product or service or the type of business partnership they’re looking to engage with.

 And the commercial section at the embassy will accompany you to those meetings. And beyond just setting up the meetings, they’ll participate and help you arrange transportation or translation if there’s language barriers between the two different countries.

 We also have other services - other fee-based services, one being single company promotion. And this is for companies that have identified the target markets that they’re interested in getting into.

 They have representation on the ground. They have the distribution logistics set up but they need help promoting their product to relevant target audiences. So with this service, the commercial section will help the company set up an event and then send out invitations to government representatives and local business partners and other buyers in the market.

 And invite them on an invitation with the embassy logo on those invitations, inviting them to this event, promoting the event on embassy Web sites and other communication material and bring the relevant parties into a conference, seminar type of event where US companies have the opportunity to pitch their business plan to a targeted audience.

 Another common service we provide is what’s called an profile can do is overseas profile. So, often, US company has identified a business partner in country that they would like to work with your distribution, legal representation or some other type of partnership.

 But they may not fully know the corner there agreeing to sign up with. So when an international company profile can do is the commercial section overseas can do the due diligence investigation into that local partner to have an open conversation with them about their business practices, their finances, their other partners that they have in country, and collect some references on that company.

 And what they do is produce a report and we can return it back to the US company saying, you know, based on open conversation, here’s what we have been able to determine about the company you are looking to do business with.

 This is a great attribute to company’s obligation to perform due diligence on any partner they’re working with overseas, but we always cautioned that it’s not the only thing that you need to do with regard to due diligence.

 You are still obligated to do further investigations to make sure that you’re working with a viable company. But again, this is a great attribute to that due diligence practice within your company.

 Other opportunities that we offer are different trade events. So if – there are a multitude of seminars, events or conferences that are going on in the United States.

 And so we call these International Buyer Programs where we will - the commercial section overseas who identify foreign buyers and invite them to come to events in the United States that are promoting various industries or goods being sold by US companies.

 And what the US Commercial Service in the United States, like myself, will do, is help local US companies have one-on-one meetings with foreign buyers attending the events.

 Separately, for events that are occurring overseas, have what’s called trade (fair) certification, where large seminars, conferences, events that are going on overseas, the US Commercial Service will certify those in saying that we are supporting this event and encourage US companies to attend these events.

 And then while - during the conduct of these events, the US commercial section from the embassy will help US companies attending the event meet with appropriate buyers in country.

 Other trade event we have is called Trade Missions. These are where a group of US companies have been recruited by the US Commercial Service, and this is open to all US companies to apply.

 We will recruit US companies to go on a trade mission overseas and then our collective group of US companies will go on various meetings organized by the embassy to meet with government officials, business representatives, and local buyers in the market that are relevant to a specific industry associated with this trade mission.

 One other service I would like to touch on is what we call commercial diplomacy or advocacy. This is where, if the US company is bidding on a foreign government tender where other countries have - their domestic are also bidding on government tender, the US commercial service can help coordinate US government assistance to help advocate on behalf of a US company to that foreign government.

 And advocating for the US - or advocating that foreign buyer, foreign government purchased the product or service being sold by the US company. And we can do this in multiple means, either through a letter of endorsement by the US ambassador in country or during the senior government meeting to that foreign country.

 We’ll incorporate talking points into meetings with their Minister of commerce or whoever the appropriate audience is and just talking to them, advocating on behalf of a US company to win procurement that is currently open.

 And that is a no-cost service because it’s one of the things that only the US commercial service at the embassy can do, is advocate of behalf of the US company to a foreign government.

 So we do not charge a service for that. So if any of the services that I mentioned are of interest to you, on the screen there, you have my contact information. I’m happy to take any questions and talk with you further about these services.

 Again, the intent is to help you find business opportunities overseas. So that concludes my presentation.

Wendy Peebles: Okay, great. Thank you, Kyle and Cody, for your presentations. At this time, we will begin addressing questions from the chat feature.

 One question that came in for Kyle, the participant that has joined in says great trade data and research is offered by the Census Bureau. How much does this cost?

Kyle Vezina: Yes, thank you, Wendy. That’s a good question. USA trade online is free. We also have a trade API, if that’s more your speed. And the foreign trade Web site has a lot of premade charts and tables that are all free.

 So the examples that we went through using USA trade online, those are free for you. We also have data products and customized reports that cost. So maybe you want to work with the whole database of export/import codes, and we have a catalog on our Web site that details the prices.

 So with either of those, if you’re unsure of which product or which resource you would want to use or what’s best for you, you can always give us a call or email and we can work with you to determine how you want to get your data.

Wendy Peebles: Okay, great. Next question, how do you locally engaged staff at the embassy and consulate that potential buyers, as part of the gold key service?

Cody Dietrich: Yes, I can take this question. So with the locally engaged staff will do if they either have enduring relationships with the business community so they’re familiar with principal buyers in the market and they worked with them over several years.

 And so they have an enduring, positive relationship and are introducing those two US companies on gold key services. If it’s a new company that they have worked with before, they will go out and meet with those companies and talk to them about their business practices, finances and other reference - and check references that they have.

 This is all done before they introduce foreign buyers to US companies on these gold key services.

Wendy Peebles: Okay, next question, I’ll read it. It says - I believe this is for you, as well, Cody. It says I would like assistance in exporting and financing the marketing of animal feed ingredients to a market.

 The caller says I know very well that, I guess, the US uses 20 million tons of animal feed and 12 million tons of grain per year. But US share can be increased significantly. But I talk to about this?

Cody Dietrich: Right, and so that would be our -principally our sister organization called the Foreign Agricultural Service. And so they handle any kind of feed or agricultural type product.

 And - but they have a similar service to us. Likewise, they have representatives at the embassy or consulate. And if you’re looking to find buyers in country, they can set up meetings for you with potential buyers, potential business partners in country.

 And, so, yes, a simple search of the foreign agricultural service and, likewise, they have different offices and contact information that you can contact them and request the similar services that we offer.

Wendy Peebles: Okay, next question is regarding the ICP. It says should be contact regarding the ICP’s fee schedule by country?

Cody Dietrich: Okay, so it’s - if you’re looking for in the price for that for the international company profile, these are found on our Web site at Export.gov. And so the difference is if you’re in a small, medium or large size company, it is, I believe, $750 for a small and then $1500 for medium-sized company in $2000 for a larger size company.

 And the idea behind that is, you know, we charge appropriate to the size of the company because larger companies have bigger partners they’re trying to find in country. And they are going to need - it’s going to be a more in-depth review of their potential business partner.

 So, again, yes, you can find that - those price charts online at www.Export.gov. And, you know, if you can’t find it there, please give me an email at Cody.Dietrich@trade.gov.

Wendy Peebles: Okay, the next question, (Reese), how do we find the best government contact for us to help us work through the process and product? I’m located in Fremont, California. I’m close to San Jose and Oakland.

Cody Dietrich: Right - when you go - if you’re looking to find your local US Export Assistance Center, if you go on to www.Export.gov, there will - you can enter in your zip code and it will direct you to your local US Export Assistance Center.

Wendy Peebles: Okay, next question, why be able to get a complete listing based on the product I’m selling as well as cost?

Cody Dietrich: Yes, so the company listing, that would fall into our international partner search. And so if you have identified that you’re interested in finding automotive, you know, card distributors in India, and you’re looking to find distributors in India through the international partner search, again, that’s a fee-based service where the locally employed staff well go out and look for relevant distributors, talk with them to see if they would be interested in distributing your product into their market.

 And then they would return back to the US company a list of potential partners that they can work with and country. So, that’s the international partners search. If you wanted in country meeting set up, then that is our goal key service where we set up those one-on-one meetings.

Wendy Peebles: Okay, I think we have time for maybe one or two more. This is a question for Cody involving advocacy and foreign tender. Does the US Commercial Service have a list of these tenders and can we narrow it down to a specific industry?

Cody Dietrich: So, no, we don’t maintain a list of open tenders offered by or governments. It’s - the practice is that a US company will identify a tender that they would like - it is open and they would like to go after from a foreign government.

 And then they request advocacy. They send an email to myself or the relevant US export assistance office saying this is the tender we want to go after and we would request advocacy to help our bid, to help advocate on behalf of our bid.

 So, we don’t - yes, each country, each government has a government Web site where they list their open procurements. Most people are familiar with the US government has fed biz ops where you can find US government open tenders.

 Each country maintains their own. But to answer your question, no, we do not have any open list of current tenders available by different governments. We do maintain something like that with the World Bank Project or Africa development bank projects.

 Again, those are on the respective bank Web sites. So it’s on the US company to identify those to find opportunities for themselves.

Wendy Peebles: Okay, great. Next question is for Cody. It reads, does US trade online provide any assistance with understanding tariffs and custom fees? I’m sorry. This question is for (Kyle). My apologies.

(Kyle Vacena): Thank you. Yes for USA turn online it doesn’t provide assistance with understanding tariffs and custom fees but I would suggest USITC. I think that would be a good place to start as they are the ones who deal with the import coding and import tariffs.

 I can – if you look at the contact information you can send your question to the email that has @census and I can try forwarding you to another source.

Wendy Peebles: Okay great. At this time we will continue with the remaining two presentations and I’ll begin by reading their bios. The first one is Bill Houck. He’s with the SBA Export Assistance Center and Bill Houck has 30 years international trade finance, trade credit insurance and international corporate credit risk management experience.

 He’s held management positions with the Export-Import Bank of the United States and private sector concerns specializing in asset-based lending, corporate credit card risk management and global capital market originations.

 Bill is currently SBA’s Office of International Trade Regional Manager for the Mid-Atlantic region based out of the Northern Virginia Export Assistance Center in Arlington, Virginia.

 Last but lot – but not least our presenter Stephen Maroon from the EXIM Bank has marketing management experience and perspective from both the private and public sectors.

 He is Director of Marketing for the Export-Import Bank after serving in the same capacity at the Peace Corps. His private sector experience includes brand management with Procter & Gamble, Marketing Consultant and serving as Board member of American Marketing Association. Bill?

Bill Houck: Good afternoon everybody and for those on the West Coast good morning. Yes Bill Houck. I’m the Regional Manager for the Office of International Trade of the Small Business Administration located at the US Export Assistance Center in Arlington, Virginia.

 There are over 100 US Export Assistance Centers around the country, about 20 or so where we are collocated with the two other partners that share a USEAC or US Export Assistance Center and that would be Cody, the, you know, the US Commercial Service as the lead organization and the Export-Import Bank of the United States.

 The reason why we – the three of us work together so closely along with our state economic development partners and small business development centers is as you can see, you know, you’re working with Census and the US Commercial Service to determine what markets to go after and to find new buyers.

 When you’re in – when a company’s in that initial stage of exporting they soon find out that working capital comes into play, so SBA is there to fill that working capital gap for fall – small business exporters.

 And then it’ll – we’ll follow with Steve at EXIM Bank but real briefly they’re there to help protect against nonpayment and also have working capital capabilities for businesses.

 But for SBA and probably many people on the call or on the Webinar the top program you see there, the Export Express Program, is probably the most flexible and the most applicable to folks listening in because as you’re working with – as you’re going through Census, as you’re working with US Commercial Service or your state economic development partners you may find that your Web site isn’t properly tuned to the global marketplace, or you may find that you need additional market research by a third party that’s going to cost you something.

 The Export Express Program – the beauty of that program is any export-related activity can be financed, and I should say these are bank loans meaning SBA provides loan guarantees to banks to lend to small businesses.

 So your – companies need to remember these are bank loans. You work with your bank to acquire the loan. The bank then uses SBA to secure the loan through a 90% guarantee, so you would have to qualify for a bank loan to take advantage or for the bank to take advantage of our three programs or any SBA loan guarantee program.

 But going back to the Export Express that’s extremely flexible because you may find that you don’t want to use your own cash to go overseas to – for a two- or three-week trip to go on five different Gold Key Services.

 It may cost $15,000 so you could work with your bank to finance that trip and any other – any export development activity under the Export Express Program.

 I encourage companies once they’re starting to have conversations with US Commercial Service to look at their working capital capabilities, because they need to understand these programs are there before they go overseas.

 I would also encourage companies to fully understand the – how export credit insurance works before they go overseas so that they know all the tools that are available to them so they’re competitive as possible.

 The Export Express Program can also cover receivables transactions. It can cover purchase of inventory. If you need to hire somebody permanent working capital for hiring; plant and equipment that you can finance if you need to broaden capacity so up to ten years.

 And if you need to build out or acquire a – an additional site you could do it under the Export Express Program and get up to 25-year financing. So the beauty of that Export Express Program is you can do absolutely everything under that one program.

 The only limitation is that the bank loses its 90% guarantee at $350,000. And I’m not exaggerating that once a company uses a – your – once they’re systematically using, you know, the state economic development folks to find opportunities or the US Commercial Service - once they systematically start taking advantage of those services and they know they have access to working capital and they are aggressively using credit insurance to meet competition $350,000 can get eaten up pretty quickly, meaning that a company will graduate to the next program, the Export Working Capital Guarantee Program, to finance a larger pool of receivables/inventory/purchase order financing.

 It’s not uncommon for a company to see pretty sustainable revenue growth. Again once they’re systematically using the Commercial Service and credit insurance and working capital they can see sustainable revenue growth, and I’ve seen this over the years I’ve been doing this anywhere from 5% to 15%, sometimes 20% revenue growth.

 So the Export Working Capital Guarantee Program is to service that growth, give the company a – much more room to go after larger transactions/increase order size/be more competitive through purchase order financing.

 And in my area in the Mid-Atlantic obviously a lot of defense contractors. They’re going over – they’re going after overseas contract – government contracts, cyber security, healthcare IT, things like that, infrastructure type of projects.

 Many of the governments require bid bonding so they can do bid bonding under the – both the Export Express and the Export Working Capital Guarantee Program, which is – and that – it’s a very valuable tool because you’re – you only have to get – dedicate 25% cash collateral to do that bid bonding.

 I can answer questions – more in-depth questions on that if you have any but it’s for that next level of exporting so that you have much more room to grow.

 And then finally, we have our international trade loan. This is the – this is that – probably that next step in the evolution of a company exporting is that they are now five/six/seven years into their exporting.

 You know, exports now have gone from 5% of revenue all the way up to 40% of revenue. They need to hire people. They need to build a whole new facility.

 They need more equipment. They need to retool. They need fixed asset financing or permanent working capital to take them to that whole next level, which will help them take advantage which would – then they could take advantage of EXIM Bank’s working capital program, which can service loans over $5 million.

 SBA is limited to $5 million for any one borrower – total exposure for any one borrower. So the international trade loan is there to provide ten-year financing through a bank loan for permanent working capital, plant and equipment up to useful life of the equipment and 25 – up to 25-year financing for the purchase of a new facility or build out.

 So, you know, most banks are only going to be giving you 5 to 7 years for equipment and many will stop at 15 years for real estate, so this gives you a much longer amortization to keep your debt service costs down.

 So we’re there to help for that first dollar, to go on your first trip to the point where you’re doubling capacity and hiring and adding new equipment. We encourage companies to have a detailed business plan in place before they start talking to the US Commercial Service. Both SBA and export.gov/the US Commercial Service have business plan tools.

 You’re encouraged to use those because they’re designed specifically for an – designing an export business so they’re required - and a plan is required for both the Export Express and the international trade loan so feel free to use that link there to check out our business planner tool.

 I believe there’s – it’s – there’s maybe some links that are out of date but it’s still a good guideline. And just to – as a segue onto Steve’s presentation again the whole combination really works.

 So you’ve got the US Commercial Service there to tee up our opportunities, SB is there to help finance opportunities and EXIM Bank is there to help protect against nonpayment.

 Using those three services – it’s not uncommon for a company to get it – their first export order in six months versus maybe two years if they were to do it by themselves. So I will pass the baton on to Steve for EXIM Bank.

Stephen Maroon: Great. Thank you Bill. I appreciate that introduction. Good afternoon and good morning to those in the West Coast as Bill said. I’m the cleanup batter. You’ve already heard about obtaining trade data, finding buyers and accessing working capital from the SBA.

 This is a great Webinar because you’re exposed to all resources that the government has to offer for selling your products overseas. I’m going to discuss something that’s dear to all of us: money, in particular getting paid for your product or service.

 Just imagine you work hard for months for a $2 million company and you finally make a $300,000 sale to a small buyer in a country in Asia. The buyer receives the goods and then refuses to pay after your request over four months.

 What are you going to do? Are you going to spend thousands of dollars for a lawyer and hope you get paid? Certainly can’t send in the Marines. All joking aside collecting funds is a very serious issue for companies and especially small ones.

 A giant loss can truly cripple a business and its cash flow. Fortunately, there’s a solution to this dilemma that protects companies from nonpayment by foreign buyers and also mitigates the risk of selling overseas.

 Many American companies are exporting with confidence by partnering with the Export-Import Bank of the United States. We call it EXIM for short. We’re a small US government agency that can provide the support necessary to enable your business to win international sales in more than 180 countries, even emerging markets as well as frontier markets.

 EXIM started back in 1934 with President Roosevelt. The mission is very basic: US jobs through growth in US exports. EXIM certainly has delivered over the years.

 Since 2009 EXIM supported over $250 billion in exports and supported more than 1.4 million jobs. It’s good to know that no deal is too small or too large. I saw one the other day for just a few hundred dollars.

 EXIM supports businesses of all size whether you’re a Fortune 500 corporation or a small mom and pop business or a husband and wife team. In fact, small businesses comprise 91% of EXIM’s total transactions.

 Let me repeat: 91% small business. Importantly, and this is good to know, EXIM does not compete with the private sector. If a small business cannot secure financing support from the private sector EXIM comes to bat.

 We have two primary products. One is export credit insurance which I’ll be discussing at this Webinar and secondly, we have a working capital lender loan guarantee which can be used to fulfill your sales orders, very similar to SBA but typically EXIM handles the larger working capital orders.

 The other nice feature we have of our working capital product is it covers bid and performance bonds so you don’t have to put up so much money for bid and performance bonds, and we could help you with that if you just send us an email at the end of the presentation.

 Getting paid is the number one concern for US exporters according to research. As stated earlier if the foreign buyers don’t pay there’s little recourse for the seller, and sometimes your financial hit could be significant.

 Consequently, many businesses are kind of wary of entering new markets let alone offering credit terms to buyers. This is why a lot of people are turning to EXIM Bank and using their export credit insurance.

 It protects your foreign accounts receivables that are generated by the sale of a good or a service to international customers. The nice feature about the insurance is it covers up to 95% of your sales invoice against nonpayment due to either commercial or political risk.

 Now commercial issues include bankruptcy while political risk could be something like war or even insurgency. Besides nonpayment protection export credit insurance also improves your competitiveness in the US – in the world market.

 Many Americans unfortunately resort to cash in advance to avoid nonpayment risk. Meanwhile a lot of countries especially in Europe are very familiar with offering open account credit terms, so they attract many more buyers and sometimes win their sales because they offer open account terms.

 Let’s face it. The global business is intense. Many buyers are now expecting credit terms and US companies that are unable to extend credit may lose out on valuable opportunities.

 You know, here’s an example. Let’s say you go to Sears and buy a washing machine. You’d rather pay over six months typically, you know, $50 a month versus paying $600 to $700 immediately.

 So you could see more people are tending to buy from a company that offers terms rather than requires the cash right up front. Could you just imagine even buying your house or car with financing up front?

 Now let’s look at the other side from a buyer’s point of view. Let’s say you sold a company in Nigeria 20 pianos for let’s say $3 million. Just imagine if that company had to pay you $3 million/wait for you to make the product which would be a few months/wait for it to be shipped overseas.

 Then it sits in the Nigerian showroom for a year or more. Who knows? Just imagine the impact on their cash flow. Three million dollars they gave almost in – a year or two in advance.

 They need terms desperately and that’s where EXIM Bank can come in and help you. EXIM Bank can support your business. You can give account credit terms from 30 to 180 days and with ag products you could – bulk products you can even go to a year.

 So this is a powerful marketing tool not just to protect against nonpayment, but to also help you give that competitive edge to win more deals overseas. One final note on this is you can cover your entire portfolio or can just cover your single buyer.

 Finally, as we look towards the bottom of the EXIM Bank slide, EXIM Bank can also help with your working capital. With added – with the insurance that you get from EXIM Bank you can assign your EXIM secured foreign receivables to your lender.

 As you know lenders are surely not fond of risk. With EXIM insurance your foreign accounts receivables are backed by the full faith and credit of the United States government, hence, lenders feel more comfortable advancing funds.

 These funds can improve your company’s liquidity and ease your cash flow restraints. So this all sounds good. You’re probably wondering about the cost.

 Well first I want to let you know that there’s no application fee, there’s no upfront premium and no deductible for small businesses. Basically you pay as you ship and here’s the good news.

 So let’s say $100 of foreign receivables that are covered – it only costs you about 65 cents. So let’s say for example you have a $30,000 order. EXIM will cover 95% of it so that’s $28,000.

 Your cost is only $195 for that $28,000 coverage. That certainly gives you peace of mind and you could sure sleep better at night. Another important benefit is with EXIM you can get free advice and assistance to complete your application.

 You can get this assistance from one of our many regional office directors throughout the country or you can work with an EXIM qualified insurance broker.

 So let me summarize by saying export credit insurance is a powerful tool that can help your company enter new markets and even increase sales with existing markets and existing buyers.

 We get – offer nonpayment protection. We allow you to offer open account credit terms to your buyers and we even have working capital financing. So you look at the bottom of the slide there and you could see my colleague, Elizabeth Thomas.

 She’s a key contact for you. You can either send her an email or you can call her at that number. Thank you.

Wendy Peebles: Okay great. We want to certainly thank all our presenters. We do have about five or ten minutes though or so remaining to address any questions that you have.

 And one question is – just want to let you know if your question is not answered today we do have a slide that we’ll put up that has the contact information for all of our presenters.

 So if your question is not answered today please feel free to email those individuals with your questions, but we are prepared to go maybe five or – minutes or so after 3:00 pm if you have time. The first one is would there be help for projects in Puerto Rico? Anybody?

Stephen Maroon: Well for EXIM Bank Puerto Rico is a US company so we could definitely help provide working capital or export credit insurance for any of the sales coming from Puerto Rico to an international country, so EXIM Bank can help exporters in Puerto Rico.

Wendy Peebles: Okay this is a question for SBA. What are fees for SBA’s progams being discussed?

Bill Houck: Most are - working capital programs are for one year or less so the – to the borrower it’s 25 basis points or .0025 of the guaranteed portion. Obviously the bank will charge fees associated with doing the work that they do to put the loan in place and there’s interest that they charge for the loan.

 But in general for export working capital the general fee is 25 basis points or .0025 of the guaranteed portion.

Wendy Peebles: Okay next question involves Export Express. Can the foreign end user apply for this loan?

Bill Houck: No that would be a buyer credit and Steve can cover that.

Stephen Maroon: Yes. We can – we, you know we talked about export credit insurance and we can cover terms up to six months so that is no problem. The exporter can give free terms or they can even charge a few percent.

Bill Houck: Yes and all – this is Bill. And also EXIM Bank does have buyer credit programs so if you’re – if the question is relating to the buyer getting financing there are options there as well through EXIM Bank.

Stephen Maroon: Yes and some of those – if it’s capital goods we can provide financing from one to five years so that’s available as well to someone selling a tractor or some large appliance beyond one year.

 We can support the buyer. In particular we provide a lender loan guarantee to the lender to support the loan going to the buyer.

Wendy Peebles: Okay next question. What is bit bonding?

Bill Houck: Excuse me. I’ve – I – if I didn’t pronounce that, bid bond, B-I-D, bid bonding. Just going after – just like going after a US contract a municipality or a state will require a bid bond, which is a – it’s basically evidence of financial wherewithal.

 So if it’s a $10 million contract the foreign govern may require evidence of the exporter or the contractor’s ability to perform through a bid bond of 10% or $1 million.

 It – there is bid bonding here in the United States through bonding companies. Overseas bonding in the form that I’m talking about would be done through a standby letter of credit where you would go with your, you know, with your bank and get a $1 million loan and where they – and then they would issue a standby letter of credit in favor of the foreign customer, government or contractor.

 And in – and under SBA you’d only need to come up with 25% cash collateral versus 100% if you did it conventionally. So a bid bond is basically evidence of financial wherewithal to go after a contract.

Wendy Peebles: Next question. Can these funds be used for participating in trade shows centered on international trade?

Bill Houck: Yes. Any export-related activity can be funded under the Export Express. I will add seeing that we have a minute or two depending on where you’re located we just announced the 2019 State Trade Expansion Program grant program.

 Forty-seven states applied for grant money where the ones that are awarded to each state economic development office – those funds can be used to offset the cost of going on specific trade missions that they are sponsoring or going on ad hoc trade missions of your own.

 And most states will cover up to $7500 or 75% and this is reimbursable so you first need to expend the cash and then submit receipts, but through the Export Express you can fund any export-related activity.

 And under our State Trade Expansion Program you work with your state to get STEP grant money to go on trade missions/trade shows/overseas efforts to, you know, find new opportunities so there are two different ways you can fund those.

Wendy Peebles: Is any nonpayment risk insurance available if sale is to a foreign military but is commercial goods not arms?

Stephen Maroon: That’s a good question. This is Steve with EXIM Bank. In general we don’t cover military items particularly like guns/tanks/military equipment, but there are some exceptions so I encourage you to contact us and our engineering department will go over it.

 For example, we’ll support a helicopter that’s used to – for medical reasons or sometimes medical supplies are covered but we do not cover weapons in general.

 But I encourage you to send a – send that question to Elizabeth Thomas and we’ll have it answered for you.

Wendy Peebles: Next question. We manufacture bio-based lubricants made from vegetable oil instead of petroleum lubricants, and because our products are rather new there are no appropriate ACS number for our product. Where can we get some help?

(Kyle Vacena): Okay this is (Kyle) with Census. In the earlier slide we had an international trade help line. So now if you’re dealing with export codes there’s classification assistance and that would be Option 2 of the international trade help line.

 There’s also an email there and they have analysts that work on specific HS chapters and help you with the – classifying your product. So the call center number is 1-800-549-0595 and if you’re looking for a - export classification assistance you want to do Option 2.

 It’s – if it’s for importing you want to go with the USITC, United States International Trade Commission.

Wendy Peebles: Okay I think we have time for maybe one more question and this one is – it reads, “Do you have to be making a certain amount of money before US Commercial Service will work with you and if so how much?”

Cody Dietrich: Hi this is Cody. So no we don’t have a minimum requirement. You know, we work with US companies or US persons that are looking to export overseas.

 Keep in mind that we were doing like an international partner search. The commercial section overseas is going to introduce you to that potential foreign buyer so they – they’re going to reference your, you know, your bio/your credentials.

 So if you have been in business for – you just started. You don’t have any history of doing business. It’s difficult for them to introduce you to foreign partners.

 So it’s not a disqualifier but we typically look for or encourage companies that have about three to five years of working experience in the United States to build up a reputation and establish creditworthiness before we can be successful at representing you overseas to potential business partners.

Wendy Peebles: Okay and one final question just came in. This will be the last one and this is for you Cody. Would the US Commercial Service help with a possible local content procurement constraint in a foreign country?

Cody Dietrich: So how we could help you is help you find business partners in see – overseas. You know, if it’s a discriminating practice that US companies can’t use and there’s an, you know, it’s preventing US companies from doing business in-country, we could take that issue to the foreign government and the US Commercial diplomat in-country could address that issue on your behalf to the foreign government who’s requiring that obligation and see if we can come to a favorable resolution.

 So we – so in that scenario we can advocate on your behalf. It’s not formal advocacy but we’re presenting a problem that you’ve identified to the foreign governments on your behalf, and that’s a no cost service so that’s probably the best we could do if…

Wendy Peebles: Okay great. Certainly wanted to thank everyone for their questions and for all our presenters. Like to say that we’ve covered all the bases and certainly like to thank all our presenters in today’s Webinar.

 We had (Kyle Vacena) from Census, Cody Dietrich, International Trade Administration, Bill Houck, Small Business Administration Export Assistance Center, and Stephen Maroon, Export-Import Bank of the United States.

 These agencies have provided valuable information for helping exporters accelerate business opportunities abroad. We value as - customers and have provided this information of various resources for exporting companies for expanding your businesses.

 So once again we’d like to thank you and we ask that you please complete the evaluation and provide your feedback because this helps us in planning for future Webinar content. Thank you and this completes our Webinar for today.

Coordinator: That concludes today’s conference. Thank you for participating. You may disconnect at this time. Speakers please allow a moment of silence and stand by for your post-conference.

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