

Many small businesses think they are too small to compete in the world market. In fact, 97 percent of all exporters are small businesses. The federal government has loans, insurance and grant programs to help you become an exporter or expand your exporting business.

**NATIONAL EXPORT INITIATIVE**  
**competitiveness ★ growth ★ jobs**

**U.S. EXPORTS**  
 customers ★ profits ★ success

## FINANCING YOUR SMALL BUSINESS EXPORTS, FOREIGN INVESTMENTS OR PROJECTS

(Information current as of July 2010)

### Financing Your Small Business Exports

Program Description	What Can I Use it For?	How Much Can I Borrow?	How Will I Benefit?	Where Can I Get More Information?
<i>Export Development and Working Capital Loans</i> —help firms expand overseas and fund export transaction costs or financing for the export of goods or services by providing the liquidity needed to accept new orders, enter new markets and compete more effectively in the international marketplace.				
The Export Express loan program provides working capital and or fixed asset financing for companies that will begin or expand exporting.	Export transactions, including support for standby letters of credit; export development expenses, including participation at trade shows, and translating product literature.	\$250,000 maximum. Terms up to 25 years for fixed assets and up to 7 years for working capital.	Maximize flexibility to meet exporting needs.	U.S. Small Business Administration www.sba.gov
The Export Working Capital Program provides financing to support export orders or the export transaction cycle, from purchase order to final payment.	Raw materials, inventory, labor, and the resulting foreign accounts receivable; overhead costs incurred to fulfill an export sales order.	\$1.66 million with a 90% SBA guaranty provided to the lender. \$2 million under a co-guaranty agreement with the U.S. Export-Import Bank.	Frees up other lines of credit for domestic use. 100% percent financing of export-related costs.	U.S. Small Business Administration www.sba.gov
The Working Capital Guarantee Program provides a 90% guarantee to a lender that makes a loan to an exporter for the purchase and or manufacture of U.S. goods and services for export.	To purchase raw materials or finished goods to fulfill export sales orders. May be transaction-specific or revolving.	No maximum and no minimum amount; loan amount depends on the exporter's ability to service the debt as evidenced by the borrower's financial statements, tax returns and owner's personal guarantee.	Uses export inventory and foreign inventory receivables as collateral.	Export-Import Bank of the U.S. www.exim.gov
<i>Facilities Development Financing</i> —loans to acquire, construct, renovate, modernize, improve or expand facilities and equipment used in the U.S. to produce goods or services for export.				
The International Trade Loan Program provides long-term financing to support companies that are expanding because of growing export sales or have been adversely impacted by imports and need to modernize to meet foreign competition.	Fixed assets for construction, building, real estate equipment. Working capital for export transactions.	Total SBA guaranty up to \$1.75 million when combining a term loan with an Export Working Capital loan. Terms up to 25 years for fixed assets. Maximum working capital loan is limited to \$1.25 million and a three-year maturity.	Meet fixed asset and transactional financing needs with one loan program.	U.S. Small Business Administration www.sba.gov

## Financing Your Small Business Exports *(continued)*

Program Description	What Can I Use it For?	How Much Can I Borrow?	How Will I Benefit?	Where Can I Get More Information?
<i>Financing Your International Buyers</i> —Enables U.S. businesses to assist their international buyers in locating financing to purchase U.S. goods or services when financing might not otherwise be available.				
The Medium-Term Insurance or Guarantee protects exporter (insurance only) or lender (insurance or guarantee) against non-payment by a foreign buyer on U.S. made capital equipment sales and related services with repayment terms between one and five years.	Provides financing for foreign buyers—usually at U.S. interest rates.	The foreign buyer is the borrower and they must be able to service the debt they are taking on. Ex-Im Bank supports up to 100% of the transaction after a 15% required cash down payment by the buyer.	Providing buyer financing can make the difference in winning the order or having the buyer go to a competitor, either foreign or domestic.	Export-Import Bank of the U.S. <a href="http://www.exim.gov">www.exim.gov</a>
GSM-102 Credit Guarantees are extended to approved U.S. exporters using dollar-denominated, irrevocable letters of credit to pay for food and agricultural products sold to foreign buyers.	Credit guaranty is provided on financing for foreign buyers of U.S. food products thereby reducing financial risk to lenders and encouraging financing of U.S. agricultural products.	The amount available for borrowing will be determined by the involved banks. However, the amount guaranteed under the GSM program cannot exceed the amount allocated for the region or country.	Buyers, especially in emerging markets, will be able to place bigger orders if financing is provided.	U.S. Department of Agriculture, Foreign Agriculture Service <a href="http://www.fas.usda.gov">www.fas.usda.gov</a>
<i>Investment Project Finance</i> —Enables U.S. businesses to invest in developing economies; such direct foreign investments typically result in stimulating significant U.S. exports.				
Specialized financing for investments by U.S. businesses in emerging markets, whether wholly owned or joint ventures.	Financing a direct foreign investment in up to 150 developing countries.	Direct loans of \$100,000 to \$10 million are available for U.S. small business investors; guaranteed loans of up to \$250 million are available under traditional small and medium enterprise financing.	Allows for financing that might not be available commercially to expand into international markets.	Overseas Private Investment Corporation <a href="http://www.opic.gov">www.opic.gov</a>

## Insuring Your Small Business Exports

Program Description	What Can I Use it For?	How Much Can I Insure?	How Will I Benefit?	Where Can I Get More Information
<i>Insurance</i> —Insurance can mitigate the risk of U.S. businesses selling or investing overseas.				
Insures the exporter's risk against non-payment by the foreign buyer due to commercial and political reasons such as insolvency, bankruptcy, protracted default, war, revolution and insurrection.	Allows the exporter to offer competitive, open account terms to buyers to increase their market share; previously ineligible foreign receivables may now be added into the exporter's borrowing base with their lender.	Exporters can choose to cover an entire export portfolio or one buyer at a time. Coverage is between 90% and 98%; rates depend on policy type and length of the credit term being extended to the foreign buyer.	Protects the exporter against buyer non-payment—a risk protection tool. Allows the exporter to offer buyers open account terms—a marketing tool. Allows the exporter to add insured foreign accounts receivable to its borrowing base—a financing tool.	Export-Import Bank of the U.S. <a href="http://www.exim.gov">www.exim.gov</a>
Insurance covers investment in new ventures or expansions of existing enterprises with developmental benefits to protect foreign benefits.	Insures U.S. investors, contractors, exporters and financial institutions against political risk, currency inconvertibility and expropriation.	Policies up to \$250 million can be issued per project.	Having political risk insurance can make the difference between making or not making an investment decision in a difficult market.	Overseas Private Investment Corporation <a href="http://www.opic.gov">www.opic.gov</a>

# Grants and Contract Opportunities that Support U.S. Small Business Exports

Program Description	What Can I Use it For?	How Much is Available?	How Will I Benefit?	Where Can I Get More Information?
<i>Feasibility Studies and Technical Assistance</i> —Grants that assist in the evaluation of technical, financial, environmental and legal concerns for infrastructure development projects in emerging markets.				
U.S. companies conduct detailed analysis for overseas project sponsors to determine if a project is viable and worthy of implementation.	Infrastructure development projects in emerging economies focused primarily on energy, transportation, ICT, and the environment.	\$100,000 - \$1 million per grant	Expand international project portfolio. Potential opportunities to serve as prime contractor or sub-contract with prime contractors and host country sponsors.	The U.S. Trade and Development Agency <a href="http://www.ustda.gov">www.ustda.gov</a>
<i>Definitional Missions</i> —Direct contract opportunities with the U.S. Trade and Development Agency. USTDA hires small businesses to conduct due diligence on potential projects in developing and middle-income countries that may qualify for USTDA grant funding. Contractors are required to travel to the specified host country to research the technical and financial aspects of specific infrastructure projects.				
Detailed technical reports addressed to USTDA that are part of the agency's due diligence review process.	Increase international exposure and technical expertise in emerging economies.	\$30,000-\$100,000 and involves a visit to one or more countries to evaluate potential projects for USTDA funding.	Develop business and expand international contacts. Potential opportunities for follow-on work with host country project sponsors.	The U.S. Trade and Development Agency <a href="http://www.ustda.gov">www.ustda.gov</a>
<i>Desk Studies</i> —Direct contract opportunities with the U.S. Trade and Development Agency. USTDA hires small businesses to conduct due diligence on potential projects in developing and middle-income countries that may qualify for USTDA grant funding. Contractors review the early stage project planning, including the development of the scope and budget of an activity that must be addressed before an investment decision can be made. No travel is required.				
A discrete analysis of well-defined project proposals. A desk study reviews and evaluates all aspects of a project proposal, including the terms of reference and budget, and recommends whether USTDA should provide funding for the project.	Provides preliminary assessments of the economic viability of proposed projects and determines whether they meet USTDA's funding criteria.	\$2,500 to \$10,000	Expand international network and gain exposure to companies operating in emerging economies.	The U.S. Trade and Development Agency <a href="http://www.ustda.gov">www.ustda.gov</a>

## U.S. SMALL BUSINESS ADMINISTRATION

offers loan guaranty programs that enable the small business exporter to obtain working capital to finance pre- and post- shipment needs, increase global competitiveness, enhance their ability to export a product or service and financing for acquisition of long-term fixed assets.

## EXPORT-IMPORT BANK OF THE U.S.

the official export credit agency of the United States, assists in financing the export of U.S. goods and services to international markets. Ex-Im Bank does not compete with private sector lenders but provides export financing products that fill gaps in trade financing.

## THE FOREIGN AGRICULTURAL SERVICE OF THE U.S. DEPARTMENT OF AGRICULTURE

improves foreign market access for U.S. products, builds new markets and improves the competitive position of U.S. agriculture in the global marketplace.

## OVERSEAS PRIVATE INVESTMENT CORPORATION

helps U.S. businesses invest overseas, fosters economic development in new and emerging markets and complements the private sector in managing risks associated with foreign direct investment.

## U.S. TRADE AND DEVELOPMENT AGENCY

funds various forms of technical assistance, investment analysis, training, reverse trade missions and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

# WHERE WILL YOUR NEXT CUSTOMER COME FROM?

Entrepreneurs wanting to grow or expand their businesses need to look outside the box by looking outside the U.S. borders. While 96 percent of the world's customers reside outside the United States, most U.S. companies never think of foreign markets and do not realize that foreign sales opportunities are now well within reach.

U. S. businesses benefit from a competitive advantage for producing high-quality, innovative goods and services; providing responsive customer service; and employing sound business practices. Exporting requires commitment, but the return on your investment can be substantial.

## Why Export?

- Increase sales and profit
- Lower costs for transportation and communications
- Reduction in trade barriers
- Reduce dependence on domestic market alone
- Extend sales potential and shelf-life of existing products
- Stabilize seasonal market and sales fluctuations

In addition to financial assistance, the federal government has a vast array of programs and services to help you become an exporter or expand your exporting business.

## U.S. Government Programs and Services that Support Exporting

### U.S. Export Assistance Centers

United States Export Assistance Centers, located nationwide, provide one-stop trade promotion, financing and export assistance programs. The SBA, the U.S. Commercial Service and the Export-Import Bank of the U.S. work together to support small businesses interested in exporting.

### Global Access to Business Opportunities

The U.S. government provides firms with unparalleled global access to business opportunities through its global network of trade professionals across the United States and in most countries, including in-market promotion of their products and services, business matchmaking, advocacy support and commercial diplomacy efforts.

### Export Training and Education

Small business owners and their sales, marketing, finance or logistic employees can take advantage of online or in-class programs at the beginning or advanced exporter level.

### Trade Expertise to Succeed in Markets Around the World

Trade professionals have expertise across every major industry sector and every key global market. U.S. firms can tap these resources to obtain objective, first-hand knowledge of market conditions and opportunities as well as authoritative, competent advice on how to proceed.

### Customized Business Solutions

#### Maximize the Return on Trade Investment

Trade professionals work one-to-one with customers to help them assess their trade potential, understand their needs, and provide the right mix of U.S. government capabilities to achieve their exporting goals.

## Export Information Resources

At [www.export.gov](http://www.export.gov) you'll find resources from across the U.S. government including market research, trade leads and information about export finance.

The Trade Information Center, 1-800-USA-TRADE, is staffed by international trade specialists who provide information about government export programs; the export process; market research, statistics and trade leads; trade events and activities; public and private export financing; and referrals to federal, state and local resources.