



INTERNATIONAL
TRADE
ADMINISTRATION

Workshop A-3

Financing Exporters & Non-Exporters in the Supply Chain

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Industry & Analysis

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U.S. Department of Commerce

- Mission: To promote job creation, economic growth, sustainable development and improved standards of living for all Americans.
- Commerce Secretary Penny Pritzker leads the Department's efforts, overseeing a \$8.8 billion budget and 47,000 employees worldwide.
- Department is organized into 12 operating agencies.
 - Bureau of Industry and Security (BIS)
 - Bureau of Economic Analysis (BEA)
 - Economics and Statistics Administration (ESA)
 - Economic Development Administration (EDA)
 - International Trade Administration (ITA)
 - Minority Business Development Agency (MBDA)
 - National Institute of Standards and Technology (NIST)
 - National Oceanic & Atmospheric Administration (NOAA)
 - National Technical Information Service (NTIS)
 - National Telecommunications and Information Administration (NTIA)
 - U.S. Census Bureau (Census)
 - U.S. Patent and Trademark Office (PTO)
- <http://www.commerce.gov>

U.S. Government Export Assistance Resources

- Available through the International Trade Administration, an Agency of the U.S. Department of Commerce
- U.S. Government's Lead Export Promotion Agency.
- Over 100 Domestic Export Assistance Centers
- Global Network of Commercial Service Offices
- Visit www.Export.gov and www.Trade.gov
- Call 1-800-USA-TRADE

International Trade Administration

ITA Overview

The International Trade Administration (ITA) supports the advancement of U.S. industry, promotes U.S. exports and foreign direct investment in the United States, and ensures fair trade through the rigorous enforcement of our trade laws and agreements.

www.Trade.gov

- ***Industry and Analysis***
 - Ø Industry, trade, and economic policy experts
 - Ø Liaison to U.S. manufacturing & services industries
- ***Global Markets***
 - Ø Export promotion – Commercial Service
 - Ø Market access – Country & regional experts
- ***Enforcement and Compliance***
 - Ø Enforcement of trade laws
 - Ø Compliance of trade agreements

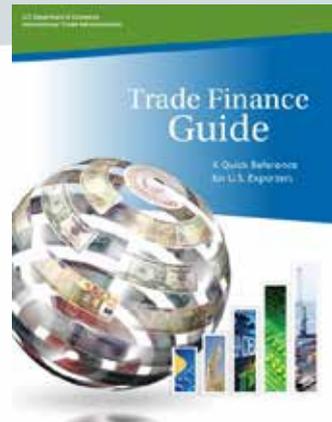
Industry & Analysis

- Industry & Analysis (I&A) is ITA's industry-based program that focuses on the domestic and international aspects of U.S. industrial competitiveness.
- Uses industry sector expertise to counsel U.S. businesses and to work with industry to evaluate the needs of manufacturers and service providers.
- Assesses the economic impact of new and existing government regulations on U.S. manufacturing competitiveness.
- Represents the interests of U.S. manufacturing and services sectors in U.S. government policy setting and regulatory programs.
- Helps negotiate and enforce industry sector trade agreements.
- Issues grants to “multipliers” and certain industry sectors.

Office of Finance and Insurance Industries

- With nearly \$90 billion in U.S. financial services exports in 2013, financial services is a critical part of U.S. economic competitiveness and access to finance is essential to achieving the goals of NEI/NEXT.
- I&A's Office of Finance and Insurance Industries (OFII) conducts policy, promotion and analysis initiatives to facilitate access to finance and secure expanded foreign market access for U.S. financial services and insurance providers.
- OFII is comprised of two teams: (1) Financial Services Team and (2) Trade and Project Finance Team.
- The Financial Services Team seeks to enhance the domestic and international competitiveness of key U.S. financial services and insurance industries.
- The Trade and Project Finance Team (1) serves as ITA's policy shop on Ex-Im Bank, Overseas Private Investment Corporation, multilateral development banks, and other official finance issues, and (2) takes the lead in U.S. Government efforts to educate SMEs and minority-owned businesses on both private and public-sector trade finance resources.

Trade Finance Guide: A Quick Reference for U.S. Exporters



- A concise, simple, and easy-to-understand guide specifically designed to help new-to-export SMEs learn quickly how to get paid from export sales in the most effective manner.
- A “60-minute” self-learning tool for SMEs: 14 two-page chapters plus an introduction, 30 pages in all.
- A user-friendly tool for commercial lenders, trade finance and credit professionals, and international trade counselors for client assistance and new customer outreach purposes.
- In May 2013, ITA published the Guide’s Spanish version to help U.S.-based Hispanic-owned SMEs enter, compete, and succeed in global markets, especially in Spanish-speaking countries, through partial funding from the California Centers for International Trade Development and in collaboration with FCIB and the Minority Business Development Agency.
- The Guide is available online at www.Export.gov/TradeFinanceGuide for easy download as a complete document or as individual chapters.

Collaboration with the Minority Business Development Agency (MBDA)

- MBDA is an agency within the U.S. Department of Commerce, which promotes the growth and global competitiveness of the minority business community through its nationwide network of 41 business centers.
- OFII actively collaborates with MBDA to help increase access to capital and financing for U.S. minority-owned businesses interested in entering and succeeding in global markets.
- In 2012, OFII took the lead in facilitating the development of an MBDA-Ex-Im Bank Global Outreach Alliance designed to expand export opportunities for U.S. minority-owned business while increasing their participation in Ex-Im Bank's financing programs.
- Also in 2013, OFII worked with MBDA in publishing the Spanish language version of the Trade Finance Guide to help U.S.-based Hispanic-owned SMEs enter, compete, and succeed in global markets, especially in Spanish-speaking countries.

Minority Businesses Lead the Nation in Exporting

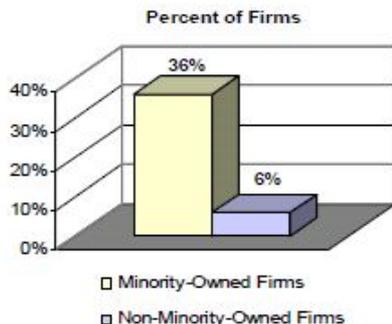
- According to MBDA, 5.8 million minority-owned businesses added \$1 trillion in economic output to the U.S. economy.
- The economy of the U.S. minority population is greater than the economies of the United Kingdom (\$2.1 trillion), Russia (\$2.1 trillion), and France (\$2.1 trillion).
- Minority-owned businesses:
 - Ø are more likely to export compared to non-minority-owned businesses.
 - Ø export to 41 countries, according to data from the U.S. Export Import Bank from 1992 and 2009 (includes high growth and emerging markets such as China, Brazil, India & Turkey).
 - Ø have strong export capabilities across industries. Top sectors include wholesale trade; professional, scientific & technical services; and finance and insurance.
- The U.S. minority population continued to grow at a rapid pace, indicating that by 2042 minorities will represent the majority of the U.S. population (Census Bureau).

Minority-Owned Firms Add \$1 Trillion in Economic Output to U.S. Economy

Minority-Owned Firms (2007)	Annual Gross Receipts (2007)	U.S. Minority Population Buying Power (2009)
5.8 Million Firms	\$1 Trillion	\$2.5 Trillion

- The economy of the U.S. minority population is greater than the economies of the United Kingdom (\$2.1 trillion), Russia (\$2.1 trillion) and France (\$2.1 trillion).

Minority-Owned Firms Conduct Business in a Language Other than English



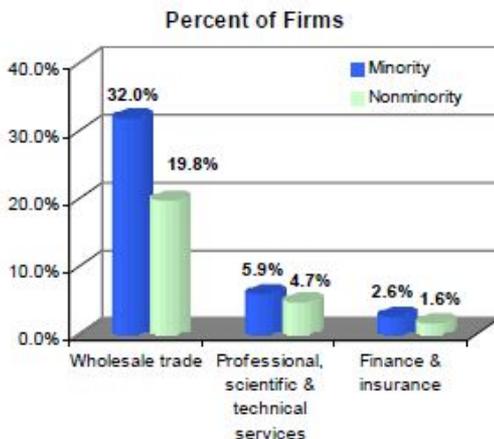
- Minority-owned firms are six times more likely (36% of firms) to conduct business in a language other than English compared to non-minority-owned firms (6% of firms).

Minority-Owned Firms Are More Likely To Export than Non-Minority Firms

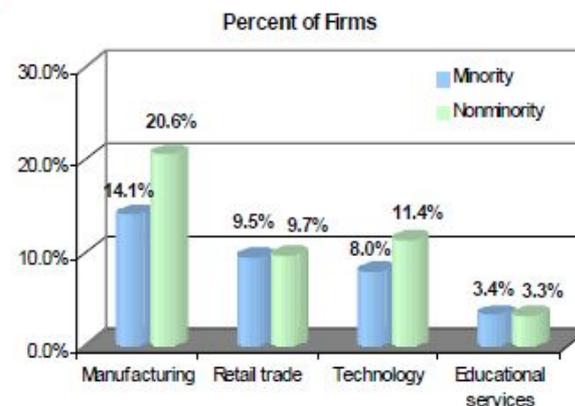


- Minority-owned firms are more likely to export compared to non-minority-owned firms regardless of firm size.
- Among firms generating 50% to 100% of their annual \$1 million plus sales through exports, minority-owned firms were four times (4.2%) as likely to export compared to non-minority firms (1%).

Minority-Owned Firms Have Strong Export Capabilities across Industries

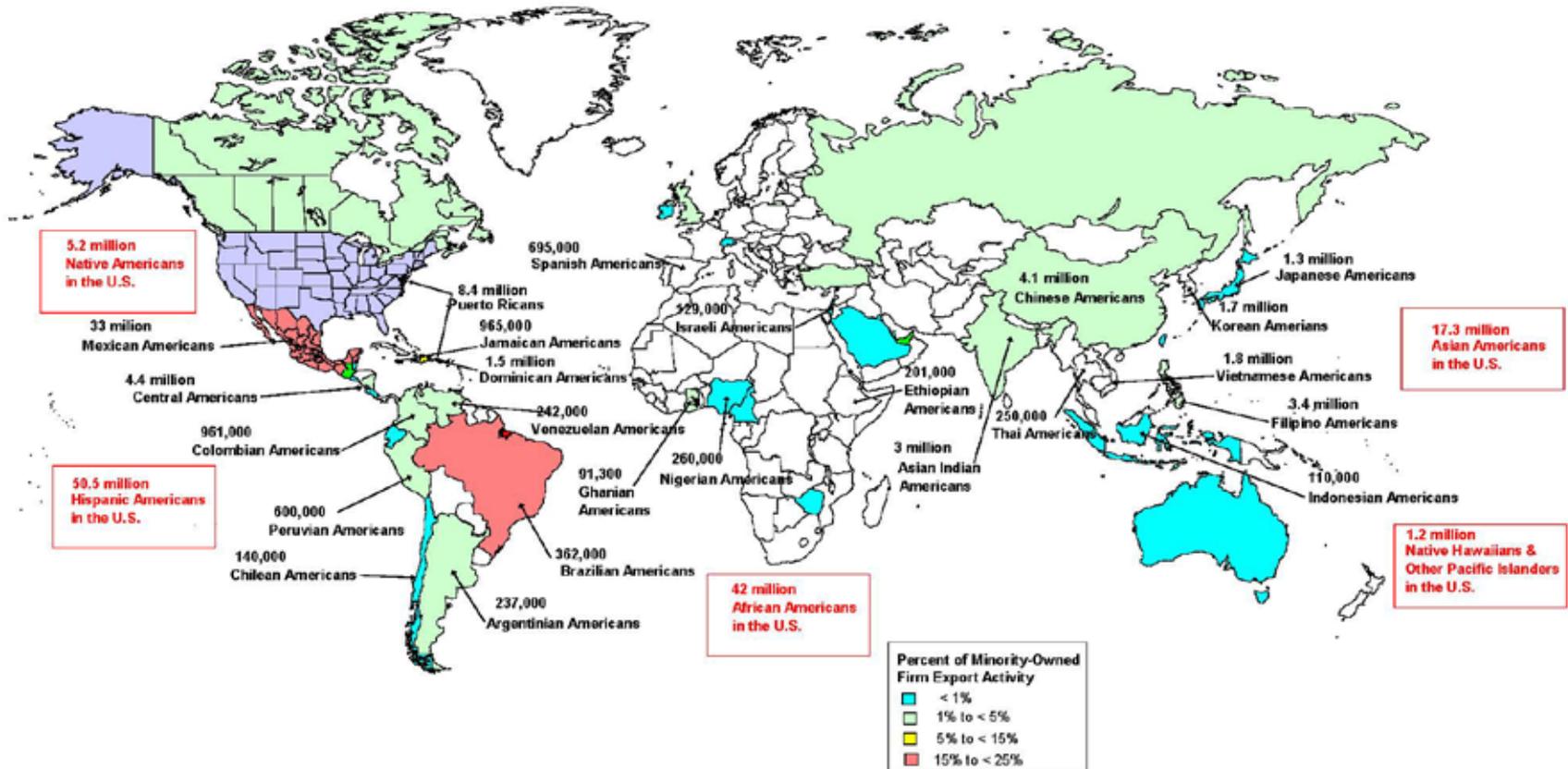


- Minority-owned firms in Wholesale Trade; Professional, Scientific & Technical Services; and Finance and Insurance were more likely to export compared to non-minority firms in those same industries.
- Other top minority-owned firms' exporting sectors include Manufacturing, Retail Trade, Technology and Educational Services.



U.S. Minority-Owned Firms Enhance U.S. Global Competitive Advantage

U.S. Minority Population for Selected Ethnicities (Census, 2010)
 Minority-Owned Business Export Activity (Export Import Bank, 1992-2009)



- Minority-owned firms' export activity spanned 41 countries, according to data from the U.S. Export Import Bank on export activity between 1992 and 2009. These data are not comprehensive of all minority-owned firms' export activity.
- **Minority-owned firms exported to China, Brazil, India, Colombia, Turkey, Saudi Arabia and Indonesia** -- high growth and emerging markets identified under the President's National Export Initiative, which calls for doubling U.S. exports in five years.
- The U.S. minority population continued to grow at a rapid pace. By 2042 minorities will represent the majority of the U.S. population.

Global Connect: Trade Finance Seminar Series



- **Educate more SMEs and minority-owned businesses on both private sector and U.S. government trade finance resources.**
 - Global Connect: Arizona Trade Finance Seminar, Phoenix, AZ (February 21, 2014)
 - Global Connect: Arlington Trade Finance Seminar, Arlington, VA (June 30, 2014)
 - Global Connect: Texas Trade Finance Seminar, San Antonio, TX (February 20, 2015)
- **Offered in support of the advancement of U.S. Hispanic and other minority-owned businesses in global markets.**
- **Presented and organized in partnership with both private and public-sector partners.**
 - U.S. Government Agencies – ITA, MBDA, Ex-Im Bank, SBA, and USDA
 - Commercial Lenders and Insurers
 - Trade Associations, Educational Institutions, and Minority Business Support Organizations



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