

Beat: Business

US COMMERCE SECRETARY SAYS AMERICAN BUSINESSES NEED THE EXPORT IMPORT BANK

PRITZKER NEGOTIATES WITH BANK PARTNERS

Paris, Washington DC, 28.07.2015, 21:52 Time

USPA NEWS - "When President Obama recently signed Trade Promotion Authority and Trade Adjustment Assistance into law, it marked a victory for bipartisanship, for common sense, and, most importantly, for American businesses and our workers. (U.S. Commerce Secretary Pritzker and Export-Import Bank CEO Hochberg).

TRADE PROMOTION AUTHORITY AND TRADE AGREEMENTS ARE CURRENTLY NEGOTIATED FOR BETTER THE SITUATION-----

By continuing to engage with trading partners throughout the world, we are ensuring that the U.S. does not cede ground in the race for economic and job growth "" and we are safeguarding American leadership when it comes to writing the rules of the road for the global economy. (U.S. Commerce Secretary Penny Pritzker and Export-Import Bank CEO Fred P.Hochberg)

"With 96 percent of the world's consumers living beyond our borders, it is critical that we break down every barrier we can for American businesses to better compete in global markets. Trade Promotion Authority and the trade agreements currently being negotiated are a major part of that effort. But for America to lead "" and for American workers to fully realise the benefits of trade, including more jobs and higher wages "" we cannot afford to make unforced errors on the global stage.

Unfortunately, just days removed from a major bipartisan step forward, we took a big step back. Authorization of the Export-Import Bank, a small government agency that exists solely to empower U.S. businesses to succeed in global markets and win jobs for American workers, was allowed to lapse on June 30 at midnight.

WHAT IS EX-IM ? IT HAS BEEN A CRITICAL TOOL FOR AMERICAN BUSINESSES RELATED TO BANKS

Private en Public Sectors in the USA has implemented the "Plan A" despite the size of the businesses involved.

Not many people know about Ex-Im, but for thousands of American businesses, the bank has been a critical tool. Last year, Ex-Im's financing, which includes products like insurance and guarantees of commercial loans, supported 164,000 U.S. jobs. At the same time, due to fees and interest paid by customers, Ex-Im generated \$675 million for taxpayers above and beyond all expenses. That's right: in addition to spurring private sector job growth, Ex-Im actually reduces the federal deficit.

While private-sector financing is "Plan A" for many U.S. businesses seeking to grow their customer base through exports, commercial banks can't take on every responsible transaction that would lead to new American jobs. That's especially true for small businesses, for complex transactions, and for sales to developing markets. For those exports, Ex-Im is "Plan B." In 2014, nearly 90 percent of Ex-Im's transactions "" more than 3,340 "" directly supported American small businesses. That does not include the vast number of small businesses that are also benefiting indirectly as suppliers to Ex-Im's larger customers.-----For

entrepreneurs in all 50 states, Ex-Im is a lifeline that allows them to confidently do business in global markets. One of those entrepreneurs is Kusum Kavia.-----Kusum is a Kenyan immigrant who started Combustion Associates in Riverside County, California, about 25 years ago. Her small business manufactures energy-efficient electric power systems. They developed a stable of quality products "" but they couldn't secure the financing needed to serve their customers in high-demand markets such as West Africa.-----

In 2009, Kusum discovered Ex-Im, and Combustion Associates has flourished ever since. Exports now account for about 80 percent of the company's sales, and as a result they've been able to hire about 50 more employees to take on good-paying jobs in California.-----Kusum was poised to finalize two major deals with Nigerian power companies over the next two weeks "" a \$50 million sale and a \$98 million sale. But without Ex-Im to finance those exports, Kusum believes that the deals will now be lost to an Asian competitor armed with competitive financing.

THE REALITY IS THAT "PLAN B" WAS TAKEN AWAY AND "PLAN C" TOOK OVER CHINA-----

According to US Commerce Secretary : "The reality is, when Ex-Im lapsed and this important "Plan B" was taken away, "Plan C" took over: China. The \$148 million in deals that Combustion will lose would have created even more quality jobs here in America; now they will likely be forfeited overseas, all because Kusum has been stripped of the opportunity to compete on a level playing field. This represents unilateral economic disarmament and makes little sense.

Today, China is home to several of the 85 agencies around the world that are fighting for sales and export-backed jobs for their countries “” just like Ex-Im. America's rivals almost always bring competitive government financing to the table when pursuing global deals. If needed, when U.S. businesses are allowed to do the same, they have the chance to compete on free market factors such as price, quality, and value. When they can't, the merits of their goods and services are often drowned out by the financing frequently provided by other countries.-----

After 81 years without controversy and the support of the last 13 U.S. presidents, demonstrated bipartisan majorities in both the House and the Senate, and a proven record of service to American companies, it is hard to believe Ex-Im authorization has been permitted to lapse. But that's exactly what has happened, all because a vocal minority in Washington has put ideology ahead of American workers and businesses.-----

Our exporting businesses, and the families who rely on them for the security of a dependable paycheck, deserve better. They deserve a government that breaks down barriers and provides the critical tools necessary to grow their businesses, bolster American economic leadership, and add new jobs here at home.“”

For more information: Commentary by Penny Pritzker, U.S. Secretary of Commerce and Fred P. Hochberg, president and CEO of the Export-Import Bank. Follow them on Twitter @PennyPritzker and @FredHochberg.

Article online:

<https://www.uspa24.com/bericht-4634/us-commerce-secretary-says-american-businesses-need-the-export-import-bank.html>

Editorial office and responsibility:

V.i.S.d.P. & Sect. 6 MDSIV (German Interstate Media Services Agreement): Rahma Sophia Rachdi

Exemption from liability:

The publisher shall assume no liability for the accuracy or completeness of the published report and is merely providing space for the submission of and access to third-party content. Liability for the content of a report lies solely with the author of such report. Rahma Sophia Rachdi

Editorial program service of General News Agency:

UPA United Press Agency LTD
483 Green Lanes
UK, London N13NV 4BS
contact (at) unitedpressagency.com
Official Federal Reg. No. 7442619