

BUSINESS CORNER

Small Business Goes Global

(NAPSA)—A number of small U.S. companies have made it their business to reach foreign markets—and the results have been encouraging. In 2005 alone, U.S. companies exported more than \$1.2 trillion worth of goods and services. Much of that came from the 225,000-plus small American businesses that work with clients overseas.

Many of these small companies were able to increase sales and reduce their risks by using financial tools that help them compete in foreign markets. Here's a closer look:

Export Credit Insurance

The Export-Import Bank of the United States (Ex-Im Bank) is a federal government agency set up to support the sale of U.S. exports. It offers export credit insurance to help protect small firms against buyer nonpayment and to reduce political and commercial risk. The insurance also lets small firms extend credit terms to foreign customers and increases their borrowing capacity to improve cash flow.

Buyer Financing

The Bank offers buyer financing to help increase a firm's international competitiveness. The tool provides financing to companies selling to buyers that commercial banks may consider too risky to finance—but that offer a number of business opportunities.

Working Capital Guarantees

The Bank's working capital guarantees enable small- and



More than 225,000 small businesses export goods and services.

medium-sized businesses to obtain lender loans for the production of goods or services. The funds are used to fulfill export sales orders and enable companies to receive advance financing against their accounts receivable and inventory.

The financial products have helped thousands of small firms successfully work with overseas clients. For instance, a Texas company worked with Ex-Im Bank to export prefabricated houses to Nigeria and Algeria. Similarly, the Bank helped a Boston-based company establish a customer base that is now 56 percent international. In total, the Bank made about \$2.6 billion in transactions to support small businesses in 2005. For many small companies, that was the boost they needed to go global.

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