

Small Business Export Finance Solutions in the Global Economy Workshop

Getting Started: Export Finance Building Blocks

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November 14, 2012

Objectives

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- Export Finance Building Blocks
 - Why Bankers Need to Identify Global Trends
 - Market Dynamics
 - Overview of Global Trade Cycle
 - Trade Finance Export Solutions
- Identifying Risk and Tools to Mitigate Risk
 - Identify Cross-Border Risks and Methods of Payment
 - Review Letters of Credit and Documentary Collections
- Q & A

Market Dynamics

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Why are your clients' considering exporting?

- Increased sales and profits
- Create new jobs
- U.S. competitive edge for high quality, innovative goods and services
- Increased purchasing power resulting from declining exchange rate
- Reduction in trade barriers
- Today's technology allows companies to sell to anyone, anywhere, expanding market potential

Market Dynamics

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Global: Trade Statistics - U.S.

U.S. Exports and Imports – Increase in 2011

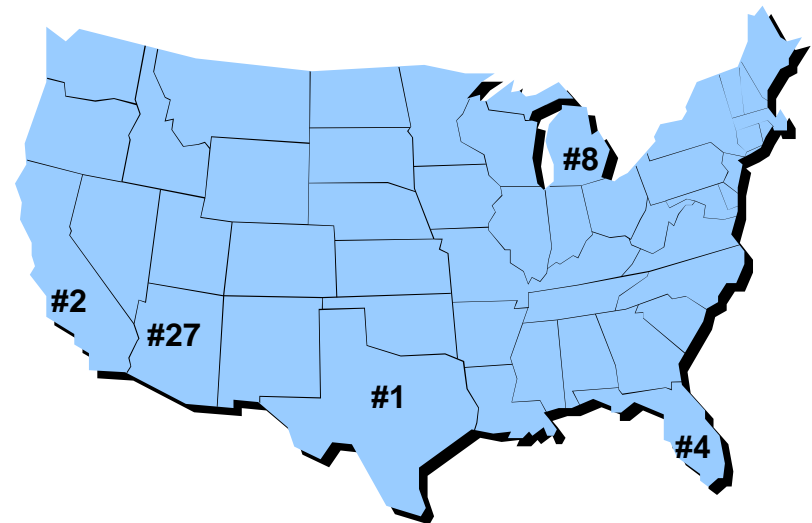
In 2011, U.S. exports and imports experienced double-digit growth -- U.S. exports increased 16% and U.S. imports increased 15%.



Source: International Trade Administration, TradeStats Express

Comerica's Footprint -- 37% of Total Exports

In 2011, Comerica's footprint represented 37% of total U.S. exports. TX is the #1 export market, followed by CA, #2, FL, #4, **MI, #8 (3% of total exports)**; and AZ, #27.



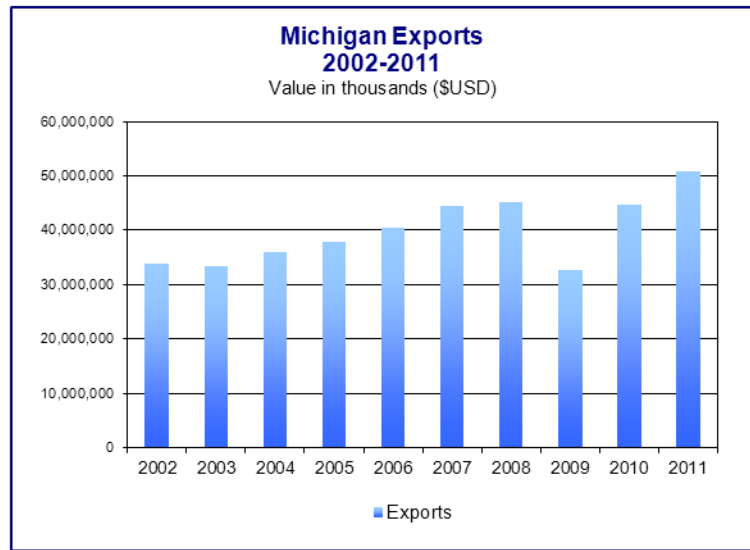
Market Dynamics

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Global: Trade Statistics - Michigan

Michigan – Exports Increase

Exports from Michigan experienced a double-digit (13%) increase in 2011, going from \$45 billion in 2010 to \$51 billion in 2011.



Source: International Trade Administration, TradeStats Express

Note: Import data is not available by state

Exports – Top Trading Partners

The top 10 trading partners for Michigan are:
(2011 figures in thousands, USD)

■ Canada	23,374,092
■ Mexico	8,963,849
■ China	2,686,514
■ Germany	1,798,899
■ Japan	1,337,832
■ Saudi Arabia	1,160,280
■ South Korea	976,428
■ Brazil	755,934
■ Australia	702,464
■ United Kingdom	700,210

Market Dynamics

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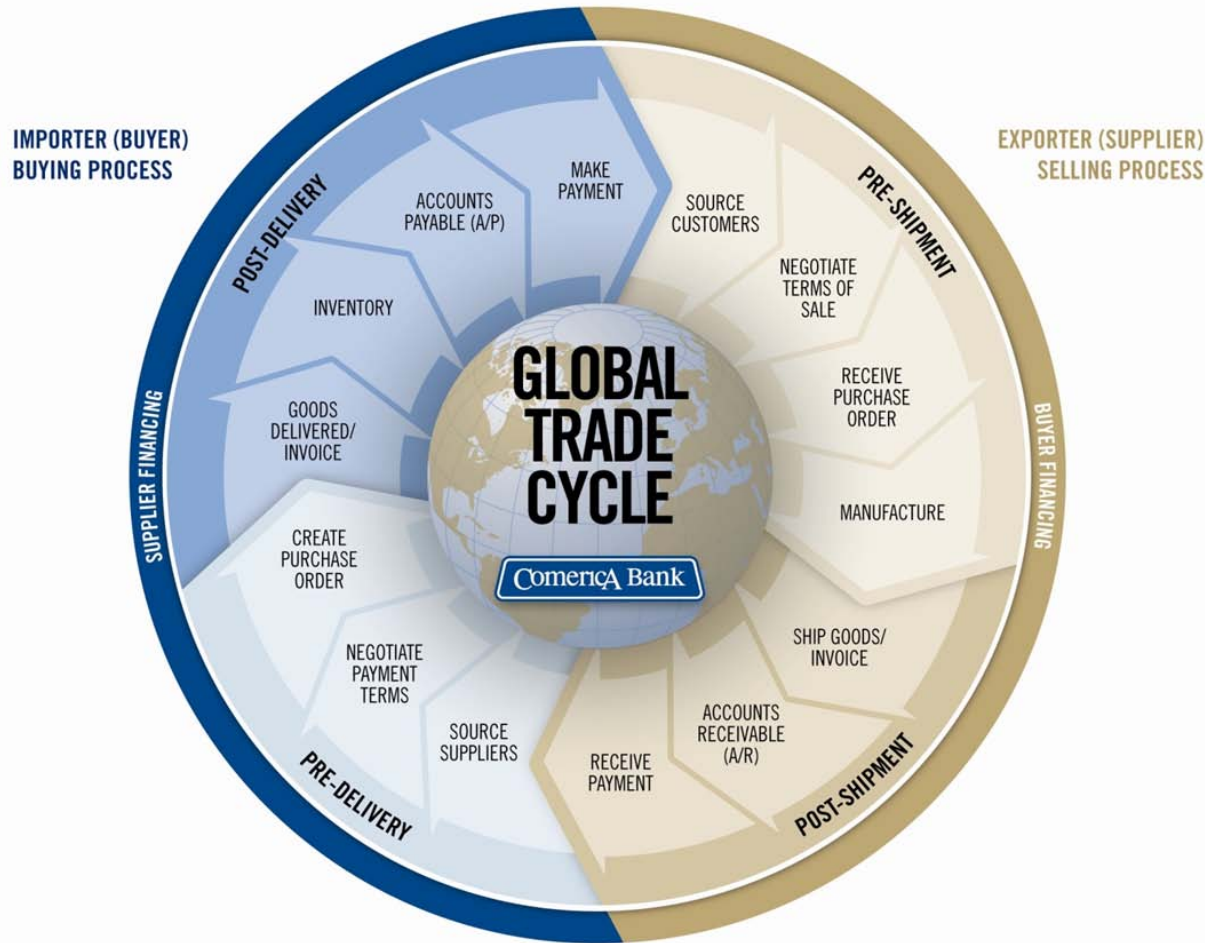
Company

- Global Trends
- Primary Goals
 - To optimize working capital
 - To mitigate key risks
 - To reduce costs
 - To simplify the trade process



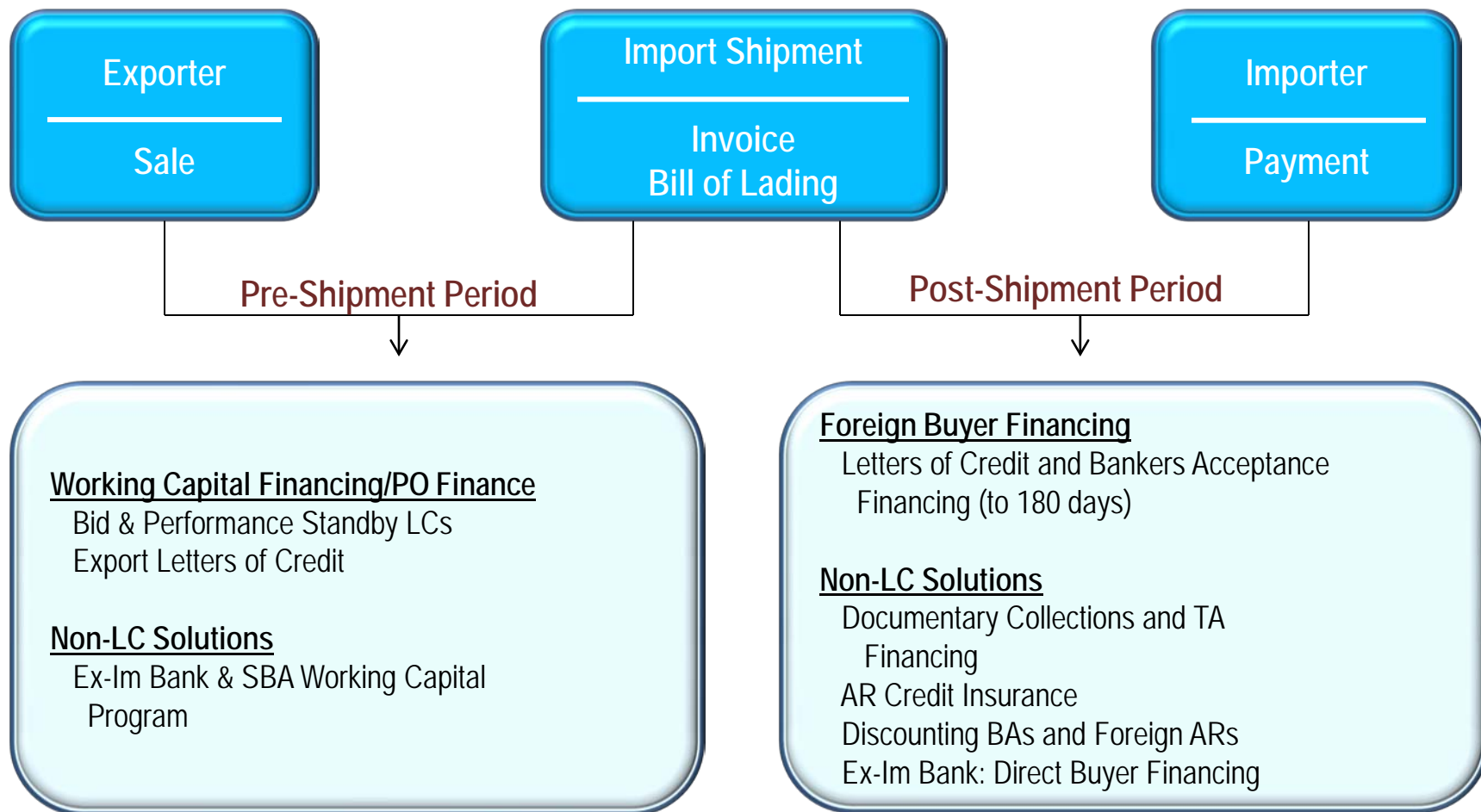
Global Trade Cycle Solutions

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Trade Cycle Financing Export Finance Timeline

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Trade Finance Export Solutions

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State of Michigan – Export Assistance Michigan Economic Development Corp (MEDC) State Trade and Export Promotion (STEP) Program

- Reimbursement to SME-size companies up to 50% of expenses (max of \$12,000) to develop or expand export-related activities
 - Overseas trade mission participation
 - International trade shows
 - Foreign market sales trips
 - U.S. Dept. of Commerce services
 - Website and/or marketing material translation services
 - Agent, distributor and/or customer searches
 - Foreign market research

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Export-Import Bank Michigan Assistance 2011 - 2012

- 110 total exporters including 84 small business
- \$6,581,486,639 export sales supported
- \$676,886,763 disbursements
- \$648,947,787 total authorizations
- Top 3 export destinations: Mexico, Canada, Saudi Arabia

www.exim.gov

Source: www.exim.gov

Trade Finance Export Solutions

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- Credit Products
- Transactional Products
- Rules and Regulations