

BAFT-IFSA

ONE VOICE FOR THE INTERNATIONAL BANKING COMMUNITY

NORTH AMERICA COUNCIL

US National Export Initiative

Request for Continued Public-/Private-Sector Cooperation

BAFT-IFSA is an international financial services association whose membership includes a broad range of financial institutions throughout the global financial community. BAFT-IFSA, and the North America Council (our member banks active in the US and Canada), strongly support the National Export Initiative (NEI) and the US Administration's goals to improve conditions that directly affect the private sector's ability to export.

BAFT-IFSA remains concerned, however, about implementation of some aspects of the NEI, with particular relation to trade finance support. BAFT-IFSA believes that access to affordable trade finance is of critical importance to a sustained global economic recovery. The administration should, through the NEI and other programs, support trade finance as an instrument of growth. In order to ensure the NEI is operating at maximum efficiency, and contributing to a sustained economic recovery, we respectfully submit the following concerns and recommendations for consideration.

Areas of Concern and Recommendations:

- Coordination among the federal agencies that form the NEI is of significant importance to trade promotion. The core Trade Promotion Coordinating Committee (TPCC) departments, should organize a unified network of support for lenders and exporters to guarantee a user-friendly, fast, and efficient system for trade assistance.
- Greater transparency and education around the NEI is crucial to its success. The expansion of national and international "road shows" and a coordinated education campaign for lenders and exporters will assist in filling the information gap currently experienced by some market participants. This can include increased outreach and marketing efforts on the part of the TPCC.
- The agencies of the TPCC, along with other stakeholders, should be aware of the potential impact non-NEI related regulations may have on the effectiveness of sustained trade promotion. FDIC policy on repudiation and collateralization of letters of credit, along with sanctions legislation impacting correspondent banking relationships, could have the potential to unintentionally impede the goals of the NEI.
- The export financing programs of the federal agencies help fill gaps in trade financing otherwise provided by private sector lenders. As part of that mission, programs at these agencies, including the US Export-Import Bank (Ex-Im), the Small Business Administration (SBA), and the Overseas Private Investment Corporation (OPIC) have helped contribute to the recovery of trade finance markets during the economic crisis and are an important component of the NEI. Continued support for these programs will aid in the fulfillment of the NEI's stated goals.
- Public sector stakeholders should ensure that programs of the export financing agencies are operating at maximum efficiency. A regular dialogue with the private sector on changes or enhancements to these programs should also be instituted. This will ensure unintended consequences of program changes, or the implementation of new requirements, do not inhibit market growth.
- BAFT-IFSA believes the NEI is an important component to the revival of international trade markets. By ensuring the initiative is operating in partnership with the private sector, and contributing to the availability of trade credit, the Administration will aid in ensuring that gains made in international trade and economic recovery are not reversed.

We look forward to a fruitful and productive dialogue on the issues outlined above. For further information, questions, or concerns, please contact Dan Taylor, President and COO of BAFT-IFSA at dan.taylor@baft-ifs.com or at +1-202-663-5252.