

CalChamber Urges Congress to Approve Reauthorization for Export-Import Bank



The California Chamber of Commerce is urging Congress to reauthorize the Export-Import Bank of the United States (Ex-Im) to prevent the loss of U.S. jobs to foreign

competitors.

In the five years since Congress last reauthorized the bank's operations, Ex-Im has refunded more than \$3.4 billion to the U.S. Treasury above all costs and loss reserves, including \$700 million for the 2011 fiscal year alone.

California Impact

Since the last reauthorization, the bank has helped nearly 1,000 businesses from California, the vast majority being small businesses.

The Ex-Im Bank's temporary authorization is due to expire on May 31. Failure to reauthorize the bank's operations would seriously disadvantage

U.S. companies, both small and large, in foreign markets, potentially resulting in the loss of thousands of U.S. jobs.

The four-year reauthorization for the Ex-Im Bank also should increase its lending cap sufficiently, the CalChamber said in its letter to congressional representatives.

As the official credit agency of the United States, Ex-Im Bank's mission is to assist in financing the export of U.S. goods and services to international markets.

Small Business Help

Ex-Im Bank reports that small businesses account for 87% of its transactions. The small business transaction figures are in addition to the tens of thousands of small and medium-sized businesses that supply goods and services to large exporters.

In the 2011 fiscal year, the Ex-Im Bank provided more than \$6 billion in financing and insurance for U.S. small businesses, an increase of nearly 90% since the 2008 fiscal year.

The bank has set a goal of providing \$9 billion each year in small-business export financing and adding 5,000 new

small businesses to its portfolio by 2015.

Since its creation in 1934, Ex-Im Bank has supported more than \$456 billion of U.S. exports, primarily to developing markets worldwide.

CalChamber Position

The CalChamber, in keeping with long-standing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business.

Action Needed

The vote on reauthorizing the Ex-Im Bank is expected within the next few weeks. The CalChamber is urging members to contact their congressional representatives to ask them to approve reauthorizing the Ex-Im Bank.

A sample letter is available at www.calchambervotes.com.

Staff Contact: Susanne Stirling

California to Open New Trade and Investment Offices in China

To give California businesses an advantage in China, Governor Edmund G. Brown Jr. recently announced plans to open new trade and investment offices in China.

According to the Governor's Office, the California-China Trade and Investment Office will provide California companies with increased access to Chinese business contacts and provide Chinese investors with access to California projects that will benefit from increased investment.

Financing for the office will be provided by partners in the private sector through the Governor's Office of Business and Economic Development (GO-Biz). In addition to developing these financial partnerships, GO-Biz will work with the Chinese government to facilitate the opening of the office.

China is the world's largest exporter of goods and third largest importer, ranking



closely behind the United States and the European Union. The vast majority of China's exports to the United States go through California ports.

In 2011, China continued as California's third largest trading partner, with more than \$14.2 billion in exports. In addition, China invested \$1.5 billion in California projects in 2011, or 10% of all Chinese investment in the United States.

The announcement of the new trade offices coincided with a visit to Los Angeles by Chinese Vice President Xi Jinping. During Vice President Xi's visit, he discussed trade and investment opportuni-

ties with Governor Brown and U.S. Vice President Joe Biden. The Los Angeles visit was Vice President Xi's last stop in a four-day tour of the United States.

California has not had a formal presence in China since the previous foreign trade offices were closed in 2003. The new trade and investment offices are slated to open in Shanghai and Beijing.

Several recent economic plans drafted by governmental and private entities, including a report by Lieutenant Governor Gavin Newsom, have recommended that California expand its overseas presence to facilitate investment and trade growth during the current economic recovery.

For more information on California-China trade, visit the China Trading Partner Portal at www.calchamber.com/international.

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