SVB Financial Group

Kent, Wash. Small Business Breaks Into New Markets, Expands Workforce, With Help From Ex-Im Bank, Silicon Valley Bank

A Kent, Wash., small business has launched foreign sales in 28 markets "and counting" — generating at least a dozen new export-related jobs last year alone — with the help of a valuable financing product from the Export-Import Bank of the United States (Ex-Im Bank).

OMAX Corp., a maker of abrasive-jet machine tools, uses an Ex-Im Bank- guaranteed working capital line of credit to support export sales.

"We increased our work force over 35% last year — and a third or more of those jobs were added because of foreign sales," reports OMAX Chief Financial Officer Jim O'Connor. "The Ex-Im Bank-guaranteed financing enables us to maintain our cash flow while pursuing foreign sales. We've opened 28 foreign markets and counting — by the end of this calendar year we expect to be in well over 40 countries!"

"One of Ex-Im Bank's most critical priorities is to reach out to more small businesses like OMAX with financing tools that enable them to add jobs at home by competing in foreign markets," said John A. Emens, Ex-Im Bank vice president, Small Business, and deputy head of Export Finance.

O'Connor said exports to Europe, Asia, Latin America, Australia and New Zealand have grown to become a significant part of OMAX's sales — with growth from foreign sales even outpacing domestic sales growth last year. He added that the Ex-Im Bank-guaranteed financing enables OMAX to offer foreign buyers more competitive credit.

Silicon Valley Bank (SVB), Santa Clara, Calif., is the guaranteed lender on the transaction. A long-time Ex-Im Bank partner, SVB received Ex-Im Bank's 2005 Small Business Bank of the Year Award for its leadership role in helping small businesses enter the international marketplace. As an Ex-Im Bank Delegated Authority Lender, SVB can provide Ex-Im Bank-guaranteed financing on an expedited basis. Long a leader in the use of Ex-Im Bank's products, SVB utilized nearly $115 million in Ex-Im Bank authorizations to provide financing for export transactions that supported over 1,500 U.S. small business jobs in fiscal year 2005.

Ex-Im Bank this year marks its 71st year of helping finance the sale of U.S. exports, primarily to emerging markets throughout the world, by providing loan guarantees, export credit insurance, and direct loans. In fiscal year 2005 Ex-Im Bank authorized nearly $14 billion in transactions supporting almost $17.9 billion in U.S. exports. This represented 3,128 transactions, of which 2,617, or over 80%, directly benefited small businesses. For more information on the Export-Import Bank of the U.S. visit http://www.exim.gov.