

EX-IM BANK PROVIDES LIFELINE TO TIMBER EXPORTER



ANGLO AMERICAN HARDWOODS, WHOSE SHIPMENTS TO DISTRIBUTORS AND FURNITURE MANUFACTURERS IN EUROPE, ASIA, AND THE MIDDLE EAST AVERAGE \$30,000 IN VALUE, HAS A \$3 MILLION LINE OF CREDIT WITH A PRIVATE BANK, AND EX-IM INSURES ANYTHING BEYOND THAT SHOULD THE BUSINESS FALL UPON HARD TIMES.

Graham Hill knows how competitive the timber industry is—and how suddenly it can nosedive. Just before the onset of the 2008-2009 recession, the international distributorship he founded in 1994, Anglo American Hardwoods, had seven employees and was doing just under \$30 million in sales of hardwood and softwood rough lumber and cut stock from U.S. and Canadian forests. The company at that time projected \$50 million in sales in 2012. Today, however, Anglo American does about \$15 million in annual sales. “There’s been tremendous attrition,” Hill summarizes.

But Hill, a United Kingdom native who has worked around the world in the timber industry since 1973 and emigrated to the United States in 1987, goes to work everyday with the peace of mind of knowing that in the event of a economic catastrophe, his business is protected by the U.S. Export-Import (Ex-Im) Bank.

Anglo American Hardwoods, whose shipments to distributors and furniture manufacturers in Europe, Asia, and the Middle East average \$30,000 in value, has a \$3 million line of credit with a private bank, and Ex-Im insures anything beyond that should the business fall upon hard times. Hill is quick to note that the Ex-Im policy “is not a freebie,”—Anglo American Hardwoods pays 1% of the credit line—and that the company has never filed a claim. Anglo American Hardwoods renewed its Ex-Im policy in July, marking 11 years of doing business with the bank.

Hill quickly grows impatient with those who favor closing Ex-Im, which will happen if Congress fails to vote for its reauthorization. “It disgusts me when I hear the bank being portrayed as a vehicle of corporate cronyism,” he says. “It’s anything but that. It increases jobs, supports small businesses, and helps level trade imbalances.” In addition, Hill says, without Ex-Im, small U.S. exporters would be at a distinct disadvantage to their international competitors who have access to more generous export financing institutions in their countries.

Hill goes so far as to say that Ex-Im’s closure “would probably put me out of business.” A private local bank would not be willing to extend Anglo American Hardwoods the line of credit it needs, and even if it did, Hill says, the bank “would tell me who I could and couldn’t sell to, and the premiums would be cost-prohibitive.”

