

## **PEW ANALYSIS SHOWS MORE THAN 60 PERCENT OF EXPORT-IMPORT BANK LOAN GUARANTEES BENEFITED SINGLE COMPANY**

*BOEING RECEIVED NEARLY \$10 BILLION OVER TWO YEAR PERIOD*

Washington— The Export-Import Bank (Ex-Im)—the official government agency subsidizing U.S. exports of goods and services—provided nearly two-thirds of its long-term loan guarantees over the last two years to a single corporate entity, according to analysis released today by Pew’s Subsidyscope project. In FY2007 and FY2008 combined, Ex-Im issued \$15.3 billion in long-term loan guarantees. Of that total, almost \$10 billion, or an average of 65 percent, went toward the purchase of commercial aircraft made by the Boeing Company, the world’s largest manufacturer of commercial jetliners and military aircraft combined.

According to its charter, Ex-Im contributes to the employment of U.S. workers through the provision of direct loans, loan guarantees, working capital guarantees, and export credit insurance to finance and promote U.S. exports abroad. The greatest portion of Ex-Im’s financial commitments, however are tied up in long-term loan guarantees, where Boeing is the largest beneficiary by far.

“The Export-Import Bank helps many American companies be more competitive in the international marketplace,” said Marcus Peacock, director of Subsidyscope. “But it is interesting to see such significant support going to a profitable private enterprise.”

In FY2008, Ex-Im issued long-term guarantees on \$8.1 billion in loans made by banks in 23 countries. Of this amount, nearly \$5.5 billion, or 67 percent, supported the sale of Boeing airplanes in nations such as Brazil, Canada, Ireland and the United Arab Emirates, the four largest recipients. In FY2007, loans for Boeing aircraft accounted for \$4.5 billion, or 62 percent, of \$7.2 billion in long-term guarantees. Boeing reports that sales to foreign customers accounted for about 40 percent of the company’s revenues in 2008.

Ex-Im says its financing programs are used primarily to aid U.S. exporters in instances where they face a foreign competitor that is receiving subsidized financing by a foreign government, or when private sector financing is unavailable. The U.S. and the European Union (EU) are currently seeking resolution in two separate disputes involving accusations of illegal federal subsidies to Boeing by federal agencies, and similar accusations that the EU illegally subsidized Boeing’s primary rival, Airbus. However, the U.S. and EU have remained in agreement on the use of export credits, like Ex-Im loan guarantees, for large commercial aircraft, and the EU did not reference Ex-Im in its complaint against Boeing.

Many industrialized nations use export credit agencies like Ex-Im—which finances less than one percent of U.S. exports each year—to boost their domestic exports and remain competitive internationally.

The dataset and analysis was released as part of Subsidyscope’s broader look at all federal spending on subsidy programs in the transportation sector, including rail, aviation, highways and maritime. Subsequent analyses will look at other sectors such as energy, healthcare, non-profits and housing. Subsidyscope’s goal is to make data on federal spending and subsidies more transparent and accessible to the public, the media and policymakers and does not take a position on the value of any subsidy.

The Pew Economic Policy Group is a division of The Pew Charitable Trusts and promotes policies and practices that strengthen the U.S. economy. Pew applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life. [www.pewtrusts.org](http://www.pewtrusts.org)