

Announcer:Ladies and gentlemen, welcome to the fortieth annual conference of the Export Import Bank of the United States. Please welcome Chairman and President of the Export Import Bank of the United States, Fred P. Hochberg.

Fred Hochberg:Good morning. What?

Audience:Good morning.

Fred Hochberg>Welcome to the 2016 Export Import Bank annual conference. Many of you who have been to my office might recognize some of the motivational posters from the 1930s, so I thought I'd share a few of them with you today.

I walked on to the Ex-Im stage seven years ago next month. The spring of 2009, credit was freezing, banks weren't lending, trade was coming to a standstill, and communities were being devastated. America was losing seven hundred thousand jobs a month on average, and then that spring, I had the honor of being appointed by President Obama to lead an agency that was focused on jobs and jobs alone.

Since then, we have seen sweeping changes in both our nation's economy and the global economy. President Obama launched the National Export Initiative from this very stage in 2010, and, today, the United States exports more goods and services than at any other time in our history. Exports totaled 1.6 trillion dollars in 2009. Five years later, they topped 2.3 trillion dollars, an all time high, in spite of strong headwinds. Those exports mean jobs, good jobs. In fact, they have contributed to the longest streak of private sector job growth in our nation's history.

That is what has made this work so fulfilling. I have had the opportunity for seven years to walk the shop floors and innovation labs where jobs are created. It has been thrilling to see entrepreneurs and business leaders putting people on the job, innovating, creating new products and services, building companies, and exporting to the rest of the world. I've, also, learned how competitive it is for you American business leaders. The global economy has rapidly become more complex and more challenging than ever, and American businesses need more tools, not fewer, to compete and create jobs. Companies like Darley in Chippewa Falls, Wisconsin have been innovating and making state of the art fire trucks since 1925. Every day they face tough competition throughout Sub-Saharan Africa, and exports of Darley directly support one hundred jobs and many more in their supply chain due to financing from Ex-Im.

Acrow Bridge is another example facing tough competition from France, Austria, the UK and China. Our financing closed sales in Cameroon and Zambia, and added over two hundred jobs across three states.

Then there's Air Tractor in Olney, Texas, with a population of thirty-two hundred. Exports, financed by Ex-Im, support a hundred thirty-five jobs, and let's be clear. In Olney, Texas, Air Tractor is a big business. Ex-Im has supported the sale of locomotives to South Africa, locomotives that hold more freight, use less fuel, and have lowered and cut CO2 emissions. They face relentless competition from China, and financing was key to making that sale. The result, one thousand jobs supported at GE, and even more in their supply chain.

Then there's First Solar, a manufacturer of some of the most innovative thin film solar modules you'll find anywhere in the world. Ex-Im was the largest source of financing of renewable energy in India in 2011, and India is ramping up their commitment to solar power, and that means more jobs here at home.

We even support the exports of pickles and ice cream to China, thanks to Jenny's and Vlastic. There's the Ridge Hospital in Accra, Ghana, which provides some of the best health care you'll find in West Africa. Then there's aerospace and satellites, where America is in the lead in terms of technology and innovation, and where we face rigorous competition from Germany, France, the UK, Canada, Russia, China. Innovative products need dependable financing solutions. Last year, Ex-Im financing supported more than thirty-five thousand jobs in aerospace, and just under half a million since 2009.

We work with large companies and small companies, all exporting, all innovating, all facing competition, and all adding jobs. In fact, thanks to our small business team, since 2009, we have partnered with more than five thousand small businesses. Some of them exported for the very first time. Some expanded into new markets, and some, as a result of their exporting prowess, are no longer small.

We've, also, financed more minority and women owned business under President Obama than the two previous administrations combined.

In total, Ex-Im has financed two hundred and thirty-five billion dollars worth of exports since President Obama was elected and took office, one and a half times more than the previous administration, and those exports supported 1.4 million jobs since 2009, and, let's face it, we're not done yet.

In 2015, we generated more than four hundred and thirty million dollars to you, the taxpayers, all in those little trucks. At the end of the fiscal year, since 2009, in fact, it's tops two billion dollars. The end of the fiscal year is a bittersweet time for our chief financial officer. All that cash leaves our account, but it does go to a good place: you, the taxpayers. You got that right.

We've, also, reduced our expenses, and, today, we run the bank for thirty percent less than in 2009. Let me just repeat that. We did more work in seven years than at any other time in the bank's history, and we did it at a lower cost. Our default rate, which we report to Congress every ninety days, stands at 0.248 percent. That's less than one quarter of one percent, and, together, we reauthorized the bank twice.

Today, we are leaner and better prepared to meet ... Actually, let me pause for a second. The first time was a very simple, nice signing ceremony. The second time ... This is a cartoon from the New Yorker. As you can see, it was a little more complicated. Just a little more complicated.

Today, we are leaner. We're better prepared to meet the future needs of the US exporters. Our team is smarter, more knowledgeable, has greater expertise than at any other time in our eighty-two year history. We're public servants. Public servants who know the value of your dollar, who have business savvy, and financial expertise. We're here, all of us at Ex-Im, to serve you, our customers, our taxpayers, and our country. We launched Express Insurance. We've tapped into capital markets, finding new and more effective ways to support US exports and US jobs. One thing is for sure. The demand for innovative thinking and innovative solutions in the global economy will only increase in the years to come.

I have full confidence that the Ex-Im team is ready to meet those challenges, so I'd like to take a moment and ask all members of our team, don't be shy, to stand and be acknowledged. Let them stand, and let's give them a round of applause. Relax, the rest are at the office making sure we work on our deals, so we're not taking a day off.

In addition, we have worked with a first rate group of directors. [Vishon Keon 00:09:42], Diane Farrell, Sean Mulvaney, Pat Louie, Larry Walter, and John McAdams, all of whom have completed their terms. That just leaves Vice Chair Felton and me as the sole members of our board.

Let me take a moment to acknowledge our Vice Chair. Wanda has been steadfast in her commitment to the bank. She joined Ex-Im right out of college. Then, following a successful thirty year career in the private sector, was nominated twice by President Obama to be the Vice Chair. She has harnessed her extensive experience in Sub-Saharan Africa, putting a sharp focus on our work there. She has been at my side most of my time here. She's someone I rely on, someone I admire, so let's give Wanda Felton a round of applause as well.

There's only one hitch. She and I can't do this alone. No, really, legally, we cannot do this alone. Back in January, President Obama nominated Mark McWatters to join Vice Chair Felton and me, so we can once again have a quorum and be fully operational. Our country demands that, and our workers demand that.

Let's look to the future. I remain optimistic on all fronts. Even at today's reduced global growth rates, the global economy will add the equivalent GDP of another Japan or Germany in 2016, in '17, and beyond. That is a lot of growth. That is a lot of demand. Since January, I have traveled to ten cities across our country, and another ten around the world, to let exporters and buyers alike know that Ex-Im stands ready to support US jobs in the evermore competitive world we now inhabit. I've been to Singapore, to India, to Bangladesh, to Egypt, and Saudi Arabia, to name a few, and I've seen firsthand opportunities in power, rail, aerospace, telecommunications, opportunities for your goods and services. Goods and services that give countries and their citizens the tools and infrastructure to lead and build a better life.

I even see opportunities in the decline of oil and commodity prices. This dramatic change is transforming economies, both producers and consumers. In short, countries are being forced to rethink, retool, and reform. They're eliminating subsidies. They're becoming more market oriented. They're more aggressively rooting out corruption. They're changing their bankruptcy law, their tax laws, state owned enterprises. They're freeing up capital controls, exchange rates, liberalizing energy policies. They're addressing health care, education, and infrastructure development with new vigor and new purpose. They're making it easier to do business. They're cutting red tape. They're nurturing small businesses. They're trying to build their economies and empower a growing middle class. These efforts are paying off. We are building more a robust and sustainable global economy, and these changes are in large part being driven by the same growing middle class. More and more people are better informed. They want change. They want a better life.

Now, make no mistake, this is very hard to do, and the pace of change will vary country by country, and it's going to take extraordinary leadership to bring about the reforms many people seek, but that's because people demand choices in politics and in the marketplace. They know they have options, on where to live, on how to live, about educating their children, and these are options they want to exercise, and you can play a part in meeting those needs. Not only in selling goods and services, but in working together, because when we build things together, we form deeper and more sustainable ties to people in other countries.

They want to do business with you. They want to work with you. They want to buy from you. They want to learn from you.

Our conference today brings together business leaders and people from forty different countries. I hope you to get to meet them, to learn from them, and to do business with them. Together, we can support more jobs here at home, and we can make the world a better place, but if I leave you with one thought in this final conference of my term as president and chairman of Ex-Im Bank, let it be this: Don't just go home. Keep looking for that opportunity and for that next sale, and stay engaged. I know all of you put a lot of time and effort, I would venture to say three hundred sixty-five days a year, thinking and focusing on tax rates and regulations that impact your business. That engagement is ongoing and rigorous. I'm suggesting you put that same effort, that same passion into creating an environment and a dialogue around global engagement, trade and exports. It is vital to your business. It is vital to your growth and success, and it's vital to our economy.

I believe in trade. You engage in trade. Your employees rely on trade. I believe that Ex-Im, along with the trade deals being considered, the Trans-Pacific Partnership, the trans-Atlantic Trade and Investment Partnership, all three are tools that will make America more competitive in the world's largest markets, and support more jobs here at home. Twenty years ago, there were perhaps a dozen such agreements. Today, there are more than six hundred. We can't afford to be on the sidelines. We need every tool at our disposal, but let's face it, the national conversation isn't there, and we have to change that. If we don't, we risk losing opportunities. We risk losing jobs. We isolate ourselves, only to watch the world change around us.

We still have a lot to learn about the gig economy, the service economy, the sharing economy, how all of those will shape the global economy, and, in turn, job growth. We can't afford to be sidelined. Darley can't afford it. Acrow Bridges can't afford it. Jenny's can't afford it, and you can't afford it. For Ex-Im Bank to continue to be your tool to reduce risk and unleash opportunity, we need your continued engagement. Ex-Im and the entire trade agenda, need the engagement of your employees and your supply chain.

Every time an employee walks into a Boeing assembly plant, the first thing she sees, the first thing every employee sees, are the painted tail fins of planes destined for overseas. It's not just Boeing. When I visited AZZ in Mississippi, the factory's lunch room had a wall of flags with all their customers from around the world. It was a simple and very strong reminder to all their workers when they take a break from their hard work, that this small factory in Jackson is part of the global economy. You can do that, too.

Ex-Im needs all of these voices. Last year, President Obama signed into law Ex-Im's reauthorization through 2019, and that's because of your efforts to make your voices heard in communities and here in Washington. Why don't you give yourselves a round of applause for that?

Now, 2019 isn't that far off, and we have no time to lose. As Chairman and leader of the extraordinary Ex-Im team, I'm very proud of our contributions to the US economy, and it's been thrilling to work alongside of entrepreneurs and business leaders as they create and innovate products and services to put more Americans to work, to export to the world beyond our shores, backed by our financing.

I've, also, learned about the new challenges we face in this increasingly fast paced and competitive global economy. It's tougher. It requires more smarts, expertise, agility and ingenuity. I, also, know that, as Americans, we're up to the task. I know that because of you: our exporters, our customers, our team, and American workers.

I have learned so much from all of you. I believe in our work, and we all still have a lot of work ahead of us. Our country really depends on us, so, again, don't just go home. Go embrace the world, and create lots of good jobs.

This final conference of the Obama Administration is my last chance to address all of you as Chairman of Ex-Im Bank. It has been an enormous honor and privilege to serve in this administration, and to serve you. In fact, without any question, it has been the best job of my life, and as the son of an immigrant, who built a global business and created thousands of American jobs, I'm very proud of what we've all come here to do, and, as my mother would always say, "Only in America could I make this happen."

Thank you, and thank you giving me this honor and this privilege.

We've got a full, jam packed two days. We're going to start with Gillian Tett and a first rate panel. We're going to bring up the chairs, and we're going to get started in about two minutes. Thank you again. See you in a moment.