

# THE CARIB-AMERICA TRADER

Member:

World Trade Centers Association

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## The Carib-America Trader is the official trade information bulletin of Carib America Enterprises of Florida, Inc.

*The Carib-America Trader* will be published on a quarterly basis and will offer CAEFI constituents up-to-date information and opportunities in **TRADE, COMMERCE AND INVESTMENTS.**

It will keep them current on activities anywhere in the world and will offer them the opportunity to capitalize on such information, opportunities and activities. Finally, it will assist them in increasing their share of the import/export business.

CAEFI will prepare and mail a questionnaire regarding import/export products and services. Companies will be asked to send representatives to a meeting designed to meet other businessmen and women involved in international trade activities.

They will address common concerns relative to doing business in the City of Miami, Dade County, the State of Florida and the United States of America and explore the possible establishment of an umbrella organization to solve common problems that may affect or inhibit business operations for "Blacks".

*This initial issue of THE CARIB-AMERICA TRADER will give its readers an idea of what CAEFI will offer regarding International Trade, Commerce and Investment data.*

*The information will fall into two major categories:*

### Offers to Buy

*Products and services that companies throughout the world are interested in purchasing.*

### Offers to Sell

*Products and services that companies throughout the world are interested in selling.*

The information will be presented in general terms but, upon request, CAEFI will provide the names, addresses and contacts of the companies which are interested in buying and selling the products and services in which our readers have shown specific interest.

In addition, CAEFI will be able to provide all the necessary data on products and services (i.e., quotations, delivery, terms and conditions of sale, etc.) from any supplier, anywhere in the world.

Moreover, for companies with products and services for sale, CAEFI has the facilities to distribute the offers to prospective buyers in 56 countries and conversely, for these companies in the market to purchase specific products, CAEFI has the facilities to advertise for suppliers in 56 countries.



# INTERESTED IN KNOWING ABOUT THE FEDERAL GOVERNMENT'S ASSISTANCE PROGRAMS FOR THE DEVELOPMENT OF INTERNATIONAL TRADE?

*The following is a reproduction of FACT SHEET No.42 issued by the Office of Public Communications of the U.S. Government:*

## **International Trade Assistance** U. S. Small Business Administration

The United States Small Business Administration offers aid to current and potential small or minority exporters through two major programs, financial assistance and business development assistance, in accordance with the provisions of Public Law 96-481.

Persons interested in obtaining more information on these programs should contact the nearest SBA office.

To be eligible for these programs, firms must meet SBA size standards for that industry in which it is principally engaged.

## **Financial Assistance**

Financial Assistance programs are administered by the financing staff of each SBA District and Branch Office.

To be eligible for an SBA loan, the applicant must first attempt to secure private bank financing, invest a reasonable amount of his or her capital in the business, and demonstrate that the loan can be repaid from the future earnings of the business. For eligible borrowers, SBA will guarantee up to 90 percent of a private lending institution's loan.\*

The specific type of loan program to be used depends primarily upon the purposes for which the funds will be used and the maturity necessary to insure repayment. A borrower may use several different types of loan guarantees simultaneously, as long as

the total SBA guaranteed portion does not exceed the Agency's \$500,000 statutory loan guarantee limit.

## **Regular Business Loan Program**

Exporters may obtain funds for fixed asset acquisition necessary for business startup or expansion and for other general working capital purposes through SBA's regular 7(a) business loan guarantee program. Loan guarantee for fixed asset acquisition has a maximum maturity of 25 years. Guarantees for general purpose, term, working capital loans are usually limited to a maximum maturity of 7 years. Export Trading Companies (ETC's) can also qualify for SBA's business loan guaranty program, provided that they are small, for-profit ETC's and have no bank equity participation.

## **Small Business Investment Company (SBIC) Financing**

If an exporting company requires additional equity capital or amounts of term working capital in excess of SBA's \$500,000 statutory maximum, a Small Business Investment Company, approved and licensed by the SBA, may be able to provide the necessary funding, depending upon whether or not the SBIC's investment strategy includes such activities. (Unlike SBA, SBIC's may invest in Export Trading Companies in which banks have equity participation provided that other SBIC requirements are met.)

## **Export Revolving Line of Credit Program**

To help more small businesses export their products and services abroad, SBA has established the Export Revolving Line of Credit Loan program (ERLC). Any number of

withdrawals and repayments can be made as long as the dollar limit of the credit is not exceeded and the disbursements are made within the stated maturity period.

*Use of Proceeds:* Proceeds can be used only for financing labor and materials needed for manufacturing or wholesaling for export, and to penetrate or develop foreign markets. Professional export marketing advice or services, foreign business travel, or participating in trade shows are examples of eligible expenses to develop foreign markets. Funds may not be used to pay existing obligations or to purchase fixed assets. Other SBA programs may be used for these needs.

*Amount of Loan:* Through this program, SBA can guarantee up to 90 percent of a bank line of credit to a small business exporter.\* An applicant may have other SBA loans in addition to an ERLC, as long as the total outstanding balance of all such loans does not exceed \$500,000 for SBA's share.

*Eligibility:* Applicants must qualify as "small" under SBA's size standards and meet the other eligibility criteria applicable to all SBA loans. In addition, an applicant must have been in business (not necessarily in exporting) for at least 12 full months prior to filing an application. This 12-month requirement for Export Revolving Line of Credit Loans may be waived by the SBA regional office if the management of the applicant has sufficient export trade experience or other management ability to warrant an exception to the general rule.

*Maturity:* The maturity of an ERLC is based on an applicant's business cycle but cannot exceed 18 months, including all extensions. No provision exists for renewals, but borrowers can reapply for a new line upon expiration of an existing line of credit. A new line may not be used to pay off an existing line of credit.

**Interest Rates:** The rate of interest that may be charged by the lender will be the same as for other SBA guaranty loans. Interest normally may extend up to 2-1/4 percent over prime rate.

Note: On loan amounts over \$155,000, the maximum guarantee is 85 percent.

**Fees:** Guaranty fees must be paid to SBA as follows:

(a) For maturities of 12 months or less, the fee is 1/4 of 1 percent of the guarantee portion of the loan.

(b) For maturities exceeding 12 months, the fee is 2 percent of the guaranteed portion of the loan, but may be charged to the borrower upon approval of the ERCL by SBA. The lender may also charge the borrower a commitment fee equal to 1/4 of 1 percent of the loan amount, or a \$200 minimum. This fee cannot be charged until SBA approves the ERLC. The normal fees permitted on all SBA loans may also be assessed on ERLC loans.

**Collateral:** Such collateral as prudent lending practices dictate will be required, including appropriate personal guaranties. Collateral may include accounts receivable, inventories, assignment of contract proceeds and bank letters of credit. Only collateral that is located in the United States, its territories and possessions, or other assets under the jurisdiction of U.S. Courts will be acceptable.

**Special Program Requirements:**

Cash-flow projection depicting monthly activity and cash balances is a vital tool in determining cash needs and for monitoring borrower progress after disbursement. This cash-flow projection must be submitted with the application covering anticipated activity during the term of the ERLC. Monthly progress reports are to be submitted by the borrower to the lender. Discrepancies between the projected cash-flow and the progress report will provide an early warning of problems to the lender so that appropriate preventative servicing actions can be taken.

## Eximbank-SBA Joint Guaranty Program

SBA and the Export-Import Bank of the U.S. signed, on August 30, 1984, a Memorandum of Understanding that provides for a program of co-guarantees to small business exporters and export trading companies. The co-guarantees shall extend to loans in principal amounts ranging from \$200,000 to \$1,000,000 on a per borrower basis and shall cover 85 percent of the loan amount. The terms and conditions of co-guarantees, except where otherwise provided, will be determined by SBA rules and regulations for ERLC loans.

Proceeds can be used only to finance labor and materials needed for manufacturing or wholesaling for export, and to penetrate or develop foreign markets. Professional export marketing advice or services, foreign business travel, or participating in trade shows are examples of eligible expenses to develop foreign markets. Funds may not be used to pay existing obligations or to purchase fixed assets. Other SBA programs may be used for these needs.

**Application Process:** ERLC and Eximbank-SBA loans are available only under SBA's guaranty plan. A prospective applicant should review the export financing needs of the business with their bank of account. If the bank is unable or unwilling to make the loan directly, the possibilities of a guaranty from the SBA should be explored. The participation of a private lender is necessary to obtain an ERLC, Eximbank-SBA co-guarantee or regular 7(a) SBA-guaranteed business loan.

For loans under \$200,000 that are for revolving credit lines and for loans above \$200,000 (up to \$500,000) that are not revolving credit lines, financing is available only through SBA. Eximbank does not participate in these loans.

## Business Development Assistance

Business Development programs are administered by the Business Development Office staff of each SBA District and Branch Office. An individual program of business development assistance can be designed to meet the specific needs of the small business owner who is entering export markets for the first time, or has had previous experience in international trade and is considering expanding into additional markets.

The program can include: (1) one-on-one counseling by SCORE or ACE volunteers with international trade experience, (2) counseling through collegiate Small Business Institute or Small Business Development Center programs, (3) assistance from professional international trade management consulting firms, (4) referral to other public or private sector organizations offering more in-depth international trade programs and services, (5) initial consultation with an international trade attorney, (6) international trade and export marketing publications, and (7) business management training.

Export training programs are co-sponsored by SBA District Offices with the Department of Commerce (DOC) and others interested in international trade. Emphasis is placed on the practical application of successful exporting procedures to small business.

The SBA publishes some brochures on international trade, including "Market Overseas with U.S. Government Help" (MA7.003), which describes international trade services available from the Federal Government, and "Is Exporting for You?", which focuses on ten points to help small business firms decide to make the commitment to export. Other SBA publications are available.

## Export Information System (XIS) Data Reports

Available for over 2700 Standard International Trade Classifications (SITC) product categories, the XIS Data Reports provide a list of the 25 largest importing markets for the small business owner's product, the 10 best markets for U. S. exporters of that product, the trends within those markets and the major sources of foreign competition. Data Reports also identify the major products being imported by selected countries. (Data Reports are based on United Nations data). This infor-

mation will help a business to decide whether or not to export aid, if so, which markets to research further, using DOC market information as well as other more specific marketing services.

## Legal Assistance

Under an agreement between the Federal Bar Association and the SBA, a free initial consultation with an attorney to discuss international trade questions can be arranged for small businesses by any local SBA office. Firms considered for this coun-

seling are those which have a good potential for successful exporting or overseas investment and have questions that are generally of a legal nature (i.e., contract negotiation, agent/distributor agreements, export licensing requirements, credit collection procedures, documentation, etc.). Assistance concerning commercial bank or Eximbank financing may also be available.

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**The following is a list of products and services that companies throughout the world are interested in buying or selling.**

### OFFERS TO SELL

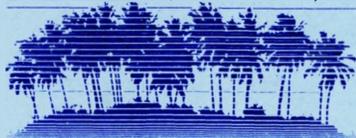
101175	Distributors for exclusive hand tufted Woolen Rugs
101173	Dried Veggies/Fruits, Chilies, Spices
101172	Canned Corn Beef
101171	Brand Name Computer Tape & Data
101167	Bright Yellow Sulphur
101164	Radio Remote Control for various kinds of Cranes
101163	Condoms
101162	Faucets, Automatic
101161	Faucets, Fan Heater
101161	Reclaim Rubber
101157	American Northern Hardwoods
101155	Beautiful Waterfront Property
101152	Car Parts
101151	New Zealand Green

101147	Shell Mussels
	Hotel & Inflight Supplies, such as Shaving Cream
101146	Ferro-Silicon, Coke, Phosphate Rock, Tin
101144	Dye Tools, Machinery, Tooling, Houseware, Lighting
101143	Dental Plaster, Automobile Spare Parts
101142	All kinds of Glass Decorations, Wind Chimes
101139	Top Quality Photo Albums & Ball Point Pens
101138	Microcomputers and Peripherals
101136	Pure Vegetable Soap: Marie M Cosmetics, France
101133	Laboratory Furniture, Never Used, Bargain Price

### OFFERS TO BUY

101176	Machinery & Equipment for Cotton Products
101174	Chemical Products
101169	Powder Milk
101168	White Sulphite Paper
101160	Sardines
101159	Panty Hose/Mens & Womens Underwear
101158	Textile Dyes
101156	Seeking Manufacturers for Scissors
101153	Vandium Slags
101150	Power Plant Tenders
101137	All Medical Equipment, Nuclear Medicine
101131	Nylon & Propex III Fabric, Webbing, Nylon Tape
101134	Iron Ore, Steel, Scrap, Cables

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