Bankers board to set focus on spurring international trade

By Zachary S. Fagenson

The Florida International Bankers Association has a new board of directors and a new set of goals aimed at bolstering Miami-Dade County's exports.

After the recession slowed both consumer demand and industrial production "the secondary-credit market was literally non-existent," said John Rodriguez, incoming association president and senior vice president of global financial institutions and trade services group for Wells Fargo.

To re-establish that credit and help rebuild some lost business, the association is launching an effort titled "Bridging the Gap."

Over the coming year, the initiative will include educational and networking programs bringing together banks, export-credit agencies, credit insurers, manufacturers and shippers in hopes of spurring new investments for international trade.

Before the recession "you had open account terms being offered by suppliers," Mr. Rodriguez said. "We have some estimates that banks were engaging in 20% of the export flow in terms of financing."

International trade in Miami, however, has remained strong. From 2005 to 2008 the Miami Customs District's trade surplus grew from $2.3 billion to $20 billion, according to the Jay Malina International Trade Consortium.

Although creating dialogue among the many players of the far-reaching export industry will aid in its recovery, the smaller shippers need the most help.

"Stronger export companies were able to survive but ones on the smaller end of the scale were more affected," Mr. Rodriguez said. "The large companies had their supply chains well-suited to support a downturn and from discussions with bigger players, it seems that they had enough cash reserves."

Those cash reserves, according to Lenny Feldman of Sandler, Travis & Rosenberg PA, are key to the survival of any company involved in international trade.

"I think the general answer is going to be liquidity and lending," he said. "A lot of people aren't going to banks because they can't lend, but they're going to government and quasi-government agencies."

Other ways to promote trade, he wrote in an e-mail, include drawbacks, a 99% refund on duties paid on imported merchandise that don't meet requirements or can be replaced with a domestic alternative, and trade legislation increasing the power of the departments of Homeland Security and Commerce. The bill, titled Export Control Improvements Act, would put time constraints on how long questionable materials can be detained for inspection.

Meanwhile, the bankers association is also eyeing the growing opportunities in Central and South America and Asia.

Mr. Rodriguez said it will organize meetings with high-level members of foreign banks, governments and the local banking community to discuss the risks and opportunities both here and around the world.

And as US consumers' disposable incoming continues to shrink, emerging middle classes around the world have caught the eye of manufacturers and exporters alike.

Photo courtesy of Florida International Bankers Association

John Rodriguez, incoming FIBA president, is to be a leader in bringing people together and spurring trade.

"I think you're seeing a lot of foreign investments in Latin America," Mr. Feldman noted. "You're also seeing a lot of Asian investments" in trade

Those regions "want to invest in a country that's stable."

Meanwhile, Ramon Usategui, outgoing association president and senior vice president of international banking for BankUnited, said the association would be an advocate for the banking industry regardless of the state of the economy.

"It's very important that an organization like FIBA be on the lookout for bills coming down the pipe to make sure they have no unintended consequences," he said. "We've seen with several pieces of legislation that we agree with objective but the wording would have a disastrous effect on the industry."

And while the banking industry has come under fire over the past year for its part in the recession, Mr. Usategui said its health is vital to South Florida.

"If the industry is harmed in Florida, there's a multiplier effect in that a lot of people come here because they have accounts here, they buy real estate [and] they use our tourism," he argued. "That means a lot of jobs here."