MORE U.S. FIRMS EYING OVERSEAS MOVES GIVEN EXIM LAPSE: AIA

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More **U.S. companies** are considering moving plants overseas given concerns about the shutdown of the U.S. Export-Import Bank, the largest U.S. aerospace trade group said Friday, a day after General Electric Co (GE.N) announced plans to build a $400 million turboprop engine plant in Europe.

David Melcher, president of the Aerospace Industries Association, said he expected similar announcements from Boeing Co (BA.N) and other companies, which are already losing business due to lack of access to U.S. trade credits.

"Any company that has traditionally depended on EXIM financing as part of their strategy to sell internationally will start to hedge their bets with thoughts of moving their business overseas where they can get that support from a different government," Melcher told Reuters in an interview.

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Melcher said AIA, which lobbies Congress on behalf of its member companies, was actively engaged in the fight to resurrect EXIM after its charter expired at the end of June.

GE, Boeing and others argue that a campaign by conservative Republicans against the bank is damaging U.S. competitiveness. Boeing, EXIM's biggest beneficiary, this week said it had lost a second satellite deal because of the issue.

EXIM opponents say the bank represents "corporate welfare" and puts U.S. taxpayers at risk. Supporters argue that it actually brings in money for federal coffers, and levels the playing field for U.S. firms when they compete against rivals that have access to trade credits from other countries.

Citing its lack of access to U.S. export financing, GE this week said it would open a new turboprop engine plant in Europe, and would shift up to 500 U.S. power turbine manufacturing jobs to Europe and China.

Boeing Chairman Jim McNerney in July said his company was looking at moving operations to other countries, but no specific plans have yet been announced.

Melcher said the news from GE and Boeing "may just be the tip of the iceberg because they're big enough to do it quickly."

He said many smaller companies that benefited from trade credits offered by **EXIM** were also facing lost orders.

Melcher said he remained confident that Congress would ultimately revive the bank. He said enough lawmakers supported the measure, if only House Speaker John Boehner would allow the measure to be brought for a vote.

"There will be a small faction of disgruntled conservative Republican who won't like it, but they ... they won't be the majority in a vote," he said.

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