



# International Trade Finance Report

The Report for International Finance, Credit, & Risk Management Professionals

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Articles, Essays, Letters to the Editor  
& Trade Finance Information  
Submissions are encouraged.  
Contact the Editor.

## U.S. Ex-Im Bank Announces Changes

WASHINGTON – Ex-Im Bank Vice Chairman Eduardo Aguirre announced three major organizational changes designed to enable the U.S. government agency to become more market-focused and customer-driven while enhancing risk management.

As part of the new organizational structure, Aguirre announced the creation of three new divisions: i) a unified Export Finance group devoted to managing transaction relationships across all Ex-Im Bank financing products, ii) an independent Credit and Risk Management group to provide consistent credit standards and oversight, and iii) a Communications group encompassing existing public affairs and marketing functions. These changes will be effective October 1, 2002.

In making the announcement, Aguirre said, “We need to raise the bar in reaching our customers and serving their needs. This kind of market-driven, results-oriented program answers the challenge put forth by President Bush in his vision for management reform. Many of our customers find our current product-based structure unnecessarily complex and confusing. These changes will provide customers with a streamlined process regardless of which product is being sought. And with our new Credit and Risk Management group, the credit standards customers must satisfy will be consistent across product types as well. Small businesses will particularly benefit from this increased con-

*continued on page 2*

## The Advocacy Center

**A former ITFR contributor is in Washington to help you**

WASHINGTON – Dan Bloom was appointed by President George W. Bush to be the Director of the Advocacy Center at the U.S. Department of Commerce. You may remember him as a former columnist and contributing author of international trade and finance policy developments for *International Trade Finance Report*. Dan recently discussed his new role at the Commerce Department and how his office can help companies compete internationally.

*Describe your new role as the Director of the Advocacy Center.*

My job is to make sure there is a level playing field for American businesses competing for exporting contracts abroad. Government regulations in other countries can often be confusing and complex. My office assists U.S. businesses that are having difficulty by coordinating the re-



**Dan Bloom**  
Director - Advocacy Center  
U.S. Depart. of Commerce

sources and authority of other U.S. government agencies so that companies have even more of a competitive edge and can better secure international government contracts.

*What are some examples of how the Advocacy Center helps U.S. businesses?*

The assistance we provide varies depending on the needs of a company.

*continued on page 4*

## SBA Enhanced ExportExpress Loan Program

WASHINGTON — New enhancements to the U.S. Small Business Administration's ExportExpress loan program will simplify export financing opportunities for small businesses and attract more lenders to participate in the program.

The recent changes to ExportExpress include the availability of the program through an additional 2,400 small and rural lenders, increased maximum loan amount from \$150,000 to \$250,000, and interest rate incentives that encourage lenders to make smaller loans more readily available to small businesses.

The program opens up to lenders that previously did not participate with SBA but that have experience in small business lend-

ing. ExportExpress offers a streamlined application process. SBA's guaranty for ExportExpress loans of \$150,000 or less is 85 percent while the guaranty on loans above that amount, up to \$250,000, is 75 percent.

"The changes to ExportExpress could not be better timed with President Bush's signing of the Trade Act of 2002 just last month," SBA Administrator Hector V. Barreto said. "The program will now be delivered through more lenders across the country and that means more small businesses will have access to export financing.

"The enhanced ExportExpress program will encourage exporting on the part of more small business and will represent a boost to international trade," the administrator em-

phasized.

The ExportExpress program is designed to finance a variety of needs of small business exporters, including: 1) participating in a foreign trade show; 2) translating product brochures or catalogues for use in overseas markets; 3) opening general lines of credit for export purposes; 3) service contracts from buyers located outside the United States; 4) financing transaction-specific requirements associated with completing actual export orders; and 5) purchasing real estate and equipment for the production of goods or services to be exported.

For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 800-U-ASK-SBA or TDD 704-344-6640, or visit the SBA's extensive Web site at <http://www.sba.gov>. ■

### Ex-Im Bank Changes from page 1

sistency and ease of access."

The first change announced is the creation of an Export Finance group, to be responsible for transaction and customer relationship oversight and business development. Jeffrey Miller, currently Group Vice President of Structured and Trade Finance will be the Export Finance group's Senior Vice President.

"The Export Finance group will have the breadth of resources to deliver all of our products globally: pre-export finance, short, medium, and long-term loans and guarantees and all our insurance products. It will also develop business domestically and internationally. This group will manage deal flow through the pipeline, from

development to disbursement. It also will specially emphasize the growth of Ex-Im Bank's small business portfolio and enhance our responsiveness to small business customers," Aguirre said.

The second major change is the creation of a Credit and Risk Management group, to be headed by a Senior Vice President to be named. This organization will provide stewardship for risk management, including credit standards and underwriting, credit review and compliance, country risk and economic analysis, and engineering and environmental analysis.

"As we focus on increasing our transaction volume and closing deals more quickly, particularly for small businesses, we must also strengthen our management of risk-on both a transaction and portfo-

lio basis. This independent division will provide consistency in evaluating reasonable assurance of repayment and the prudent use of the full faith and credit of the U.S. government," Aguirre said.

The third major change is the combination of existing public affairs and marketing divisions into a Communications group, led by a Senior Vice President to be announced soon.

"The Communications group will help us better target our information to relevant customers, stakeholders, financial markets, and industries," Aguirre said.

"I'm very excited to implement this plan as we continue to provide the excellent service I and our external stakeholders expect from Ex-Im Bank." ■

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## EDITOR'S CORNER

### Ex-Im Bank Changes

There were abundant reasons to make organizational changes at the U.S. Eximbank. The agency needed to be "more responsive" to customers, deal with a "shift" in credit risk away from sovereign to private sector risk, and the ever pervasive Congressional pressure. *No, I'm not referring to current changes announced by Ex-Im Bank Vice Chairman Eduardo Aguirre (see article p. 1), these were the arguments presented by former Chairman Kenneth Brody for the changes effective October 1995.*

One of the changes Aguirre is making is the "creation of an Export Finance group, to be responsible for transaction and customer relationship oversight and

business development." But does anyone remember the Ex-Im Bank reorganization of 1999 when one of the major changes was the breakup of the Business Development Division into several new units (Marketing, Sales, & Product Development)? The 1999 changes were also in the name of "customer responsiveness", etc.

Notwithstanding the events of Sept. 11, I know we live in a constantly changing world, and organizations are not exempt from making adaptive efforts to deal with the current market and environment. But does the change-the-groups, break-up-the-groups, combine-the-groups, and then do-the whole-process-again really increase the efficiency or effectiveness of Ex-Im Bank?...or any other organization?

### PNC Bank Goes Unmentioned

Last month our lead story was on the U.S. Ex-Im Bank's \$103 million in authorizations for telecom sales to Mexico. One was for \$80.6 million where the guaranteed lender is PEFCO and the borrower is Telefonica Moviles Mexico (TMM). In the reports we received, no mention was made of PNC Bank in Pittsburgh.

They contacted me and noted "This complex transaction was put together by PNC Bank, Pittsburgh, PA., who acted as Financial Advisor and Arranger on behalf of TMM."

PNC has ranked in *ITFR's* annual survey for years as one of Ex-Im's *Top Banks*.



## PEOPLE & ORGANIZATIONS

BALTIMORE – The **Toronto-Dominion Bank** ("TDB") has opened a new office in Baltimore (410-837-7878), specifically devoted to Export-Import Bank transactions, accounts receivable financing and letters of credit. Since the opening in July 2002, TDB has received approvals of more than 10 Exim Bank Medium term Guarantee and Insurance Transactions. The office is manned by **Dennis Trencher-VP, Suha Kocabal-VP** and **Gale Houser-Operations Manager**.

The office reports to the Houston Office of TDB which is headed by **Nicholas Renna, Frank Meckel** (Houston) and **Miguel Burelo** (Miami) complete the team.

NEW YORK – **Charles Carlson** (212-667-0515) is Global Head of Structured Export Finance at **Standard Chartered Bank**.

**Michal Hendrych** leaves the bank to pursue personal interests.

NEW YORK – **Zurich North America** and **Zurich London** Limited announced today the addition of two senior political risk and credit insurance underwriters to the Zurich Emerging Markets group, the political risk and credit insurance solutions unit of Zurich.

**David Anderson** will be based out of Zurich North America's Washington, D.C. location and **Navaid Farooq** will be lo-

cated in London and. The underwriters will be responsible for development of political risk and credit insurance solutions for infrastructure developers and financial institutions in their respective markets.

Prior to joining Zurich, David Anderson was the assistant vice president at FCIA Management Company, where he held primary responsibility for trade credit insurance for the eastern U.S. He also held the position of vice president at Citicorp's International Trade Indemnity.

Navaid Farooq was formerly associate director at Standard & Poor's, London where he worked for the Sovereign Ratings group.

## CONFERENCES & SEMINARS

Date	Place	Topic	Contact	Cost
OCT 8	New York	US Eximbank 1-Day Training (Exporters)	(202) 565-3936	\$149
OCT 10-11	Chicago	BAFT: Annual Conference on Trade Finance	(202) 452-0952	call
OCT 11	Mt. Pleasant, SC	US Eximbank: Exporter Symposium	(202) 565-3936	\$60
OCT 16	Dallas	US Eximbank: 1-Day Training (Exporters)	(202) 565-3936	\$195
NOV 4	Washington	US Eximbank: 1-Day Training (Exporters)	(202) 565-3936	\$199
NOV 4-7	New York	Euromoney: Int'l Trade and Pre-Export Finance	(212) 361 3299	\$3,850
NOV 5	Washington	US Eximbank: Credit Review & Operation (Lenders)	(202) 565-3936	\$250
NOV 12	New York	US Eximbank: Documentation Seminar (Lenders)	(202) 565-3936	\$250
NOV 13	Birmingham	US Eximbank: 1-Day Training (Exporters)	(202) 565-3936	\$159
NOV 18-22	New York	Euromoney: Export & Int'l Project Finance	(212) 361 3299	\$4,350

*Advocacy Center continued from p. 1*

Sometimes we will facilitate a meeting between a U.S. government official and the company whose contract is up for bid. Or, we may write letters from high-ranking U.S. government officials. We also work with the hundreds of commercial service officers in the U.S. and abroad on behalf of U.S. companies. We've found these methods to be very effective, and the companies are grateful because we help them to be successful. In fact, the Advocacy Center successfully completed over \$7 billion worth of transactions this year.

*What prompted the creation of the Advocacy Center?*

The Advocacy Center was created in 1993 in response to a report to Congress which indicated that U.S. businesses were losing project competitions overseas. It was clear that there was no coordinated effort to help our companies combat the aggressive and, at times, questionable practices employed by other governments and companies to win project contracts. Before the Advocacy Center was created, there was no central office that was a repository of data or that had the capacity to mobilize resources. There was no specific unit to oversee and sustain an effort to provide high-level advocacy.

The competition for major contracts by other countries is fierce. The Advocacy Center was formed to help companies confront international trade concerns such as lack of transparency, competitive financing, market restrictions, bribery, tied aid, rule of law, other governments' policies and procedures and their competitor's advocacy endeavors. The potential loss of international business by American firms translates into lost American jobs. The Advocacy Center ensures that there is a concerted effort within our government that works on behalf of U.S. firms and their employees.

*Can you give an example of a company that your office has helped?*

Since the Advocacy Center was established, we've helped hundreds of U.S. companies in various industry sectors win thousands of government contracts around the globe. A good example is the aerospace company Air Tractor. In 2000, the Croatian Ministry of Interior selected this company to supply two fire fighting airplanes to assist in fire patrols and fire fighting missions during

Croatia's annual coastal fire season. Air Tractor faced stern foreign competition, so they contacted our office. The U.S. Ambassador at the time sent a letter to the Croatian government. The Assistant Secretary of Trade Development also advocated on their behalf and the help of the Commerce staff housed at the nearby U.S. Embassy was enlisted. As a result, Air Tractor won the contract that ultimately was valued at approximately \$2.5 million.

*How do you select projects that receive advocacy support?*

If a company comes to our office requesting advocacy, they first must complete a questionnaire. Once the questionnaire is submitted, it is reviewed by the Advocacy Center as well as Commercial Officers overseas and other staff to determine if advocacy support is in our national interest. We also look at criteria such as other U.S. competitors, foreign competitors and the support of their respective governments, decision dates, and environmental impact.

We also consider both the legitimate and questionable tactics of foreign competition. Part of the questionnaire process includes filling out an Anti-Bribery Agreement. This is to certify that a company has not engaged in any bribery of foreign officials. This is because we want to make sure that our advocacy guidelines promote equitable competitive conditions for U.S. companies so that the U.S. government is not in any manner involved in transnational bribery.

*What do you do in cases where multiple U.S. companies are competing for the same contract, but only one has asked for your help?*

We treat each request for advocacy as a business confidential communication. Although we check to see if other firms are bidding for the same project, if more than one bidder seems to offer the same benefits to the U.S. economy, then we support all of them equally.


*What is your professional background and how has it prepared you for your current position?*

Much of my professional experience has in one way or another involved solving problems. I've dealt a lot with trade and project finance as well as in marketing products overseas. Most recently, I worked as a Principal at Argonaut Enterprises, LLC where I participated in merchant banking activities and project developments that resulted in high-end housing and energy projects. Also, many of your readers may remember my work at BAFT, the Bankers Association for Financing Trade.

I think my experience in the development and delivery of large international and domestic projects blends well with the Advocacy Center's goal of helping U.S. companies work through problems they may encounter when dealing with companies and government processes abroad. ■

*For more information on the Advocacy Center, call (202) 482-3896 or send a fax to (202) 482-3508, or visit their website at <http://www.ita.doc.gov/td/advocacy>.*

**JAPAN BANK FOR INTERNATIONAL COOPERATION**

 <b>JBIC Activity</b>	August-02	
	Number	Amount
Export Loans	2	\$366,898
Import Loans	0	0
Overseas Investment Loans	9	317,268,651
Untied Direct Loans	1	158,988,993
Guarantees	1	105,992,662
<b>Total</b>	<b>13</b>	<b>\$582,617,203</b>
Equity Participations	0	0
ODA Loans	0	0
Private-Sector Finance	0	0

ODA Loans - Loans to governments, government agencies and other eligible organizations of developing countries for their economic and social development and economic stability

Private-Sector Investment Finance - Loans to and/or equity investments in corporations undertaking development projects in developing countries



## Washington Trade Notes

By Albert H. Hamilton  
Washington Senior Correspondent

In its Business Section of September 1, *The New York Times*, in a lengthy article, reported various views respecting the utility of the Export-Import Bank of the United States (Eximbank). To many, the thrust of the article was that on balance, the need for the Bank has passed. Whether to keep this small federal agency in business has been debated by various administrations, Congresses and private organizations almost since the day when it was established by Executive Order as a District of Columbia corporation (12 February 1934).

Among the many reasons advanced by those advocating change and/or elimination are the following:

1. Because of the importance of exports to the economy, Eximbank should be merged with the Overseas Private Investment Corporation and the Trade Development Agency, providing one-stop service for those interested in international trade;
2. Eximbank should be folded into the Department of Commerce's International Trade Administration to provide a coordinated approach to federal support for exports;
3. Eximbank should be a division of the Department of State, subordinate to the Under-Secretary for Economic Affairs, making trade finance a more effective tool of foreign policy;
4. Eximbank distorts trade by subsidizing corporations not needing federal help;
5. The Bank should be privatized;
6. Multiple variations on these themes.

A brief review of Eximbank's history indicates why none of these proposals is likely to be implemented. Under the 1934 Executive Order, the Bank was run by a managing director, reporting to a Board of Directors con-

sisting of the Secretaries of Commerce, State and Treasury, and the Chairman of the Board of Governors of the Federal Reserve System.

The Export-Import Bank Act of 1945, which remains the Bank's Charter, says the Bank is to have a Board of five Directors, appointed by the President with the advice and consent of the Senate, no more than three of whom may be of the same political party - i.e., a non-partisan Board. Augmenting this Board is the National Advisory Council on International Monetary and Financial Policies, consisting of the same officials as the pre-1945 Board.

Since 1934, the purpose of the agency has been "to finance and facilitate the foreign trade of the United States." This means financing exports, since it is customary in trade for sellers to extend credit. For almost 70 years, Eximbank has sought to fulfill this mandate with a variety of financial programs which today include loans to foreign buyers of U. S. equipment and services, repayment guarantees issued to lenders extending such loans, guarantees of repayment of working capital loans extended to U. S. exporters, and insurance against non-payment of credit extended to foreign buyers of U. S. commodities and products.

Eximbank, like all other federal agencies, was created in response to a perceived need. In 1934, the need was seen to be two-fold: first, to help bring orders into American factories, which would lead to hiring workers who would buy goods and so help to prime the pump of an expanding economy. Second, 17 years after the Russian Revolution, the United States acknowledged that the Soviet Union existed and could become an important market for American exporters. But no bank would lend to a government that has repudiated its external debt, and there were no private buyers in the USSR. If export credit to the Soviet Union were backed by the United States, there would be no repayment risk for the exporter.

Throughout its history, the Bank has been authorized to pay dividends on its stock, subscribed by the United States (now \$1 bil-

lion) and held by the Department of Treasury. Total dividends paid have been about equal to \$1 billion. That the stock certificate cannot be found is not important. It has been some years since any dividend was paid. The Bank quaintly lists its annual losses as "shareholder deficiencies."

In more recent years, the Congress has decided to micro-manage the Bank for its own political benefit. It has decreed that exports are more important than repayment, and to the extent that this mandate has been met, the Bank subsidizes exports. As with other national export credit agencies, the Eximbank-supported exports are tied to U. S. procurement.

One reason for the Bank is the need to address our persistent balance of payments deficit. Although exports do not help the balance of payments (getting paid for exports does) Congress has ordained that a minimum percentage of Eximbank-supported transactions be sales by small businesses. Indeed, the *New York Times* cites as an example of Bank mismanagement a case in which the Bank extended a loan to enable a billionaire to buy U. S. equipment and services. Apparently it is better to extend credit to paupers, never mind the legislative requirement that the Bank find a reasonable assurance of repayment for each transaction is supports.

That Eximbank today supports less than two percent of U. S. exports is cited as yet another reason to close its doors, especially since by far the largest user of Eximbank is the Boeing Company. Again, Boeing would not serve its shareholders were it to deliver aircraft to overseas carriers who don't pay. Most of the support for Boeing in recent years has been in the form of repayment guarantees, for which Boeing pays a fee. However, the fees paid by Boeing are business expenses and so are tax deductible to Boeing. In this sense there is an argument that the Bank provides a subsidy.

The bottom line is that as long as ex-

*continued on page 8*

**Belgium's Official Export Credit Agency**  
**Ducroire/Delcredere Country Risk Table**

1=Lowest Political Risk A=Lowest Commercial Risk August 19, 2002

Change from previous chart: ↓ ↑	Short-Term	Medium to Long-Term	Commercial		Short-Term	Medium to Long-Term	Commercial
Afghanistan	7	7	C	Dominica	4	4	B
Albania	6	7	C	Ecuador	5	7	C
Algeria	3	5	C	Egypt	2	4	B
Andorra	1	1	A	El Salvador	3	4	B
Angola	7	7	C	Equatorial Guinea	4	7	B
Anguilla (Great-Britain)	4	5	B	Eritrea	6	7	C
Antigua and Barbuda	4	7	B	Estonia	3	3	B
Argentina	7	7	C	Ethiopia	4	7	C
Armenia	4	7	C	Faeroe Islands (Denmark)	1	2	B
Aruba (Netherlands)	2	4	C	Falkland Islands (UK)	2	3	B
Australia	1	1	B	Fiji	2	3	B
Austria	1	1	A	Finland	1	1	A
Azerbaijan	4	6	C	France	1	1	A
Azores (Portugal)	1	2	B	French Guiana (France)	1	3	B
Bahamas	3	3	C	French Polynesia (France)	2	4	B
Bahrain	2	3	A	Gabon	4	6	C
Bangladesh	4	6	B	Gambia	4	7	C
Barbados	2	4	A	Georgia	6	7	C
Belarus	6	7	C	Germany	1	1	A
Belgium	1	1	A	Ghana	5	7	C
Belize	5	6	B	Gibraltar (Great-Britain)	1	2	A
Benin	4	7	C	Greece	1	3	B
Bermuda (Great-Britain)	2	3	C	Greenland (Denmark)	1	2	B
Bhutan	3	6	A	Grenada	4	4	B
BIOT (Chagos)	2	2	B	Guadeloupe (France)	1	3	C
Bolivia	4	7	C	Guam (United States)	2	3	B
Bosnia and Herzegovina	6	7	C	Guatemala	4	6	B
Botswana	1	2	A	Guinea-Bissau	4	7	C
Brazil	4	6	C	Guinea	6	7	B
Brunei	1	2	A	Guyana	4	7	B
Bulgaria	2	5	C	Haiti	6	7	C
Burkina Faso	4	7	C	Honduras	3	7	C
Burundi	7	7	C	Hong Kong (China)	1	2	B
Cambodia	6	7	C	Hungary	1	2	A
Cameroon	4	7	C	Iceland	1	2	B
Canada	1	1	A	India	1	3	B
Canary Islands (Spain)	1	2	B	Indonesia	4	6	C
Cape Verde	7	7	C	Iran	2	4	C
Cayman Islands (UK)	2	3	B	Iraq	7	7	C
Central African Republic	4	7	C	Ireland	1	1	A
Ceuta and Melilla (Spain)	2	3	B	Israel	3	3	A
Chad	4	7	C	Italy	1	1	A
Channel Islands (UK)	1	1	A	Jamaica	3	5	C
Chile	1	2	B	Japan	1	1	A
China	1	2	C	Jordan	2	6	B
Christmas Island	1	3	B	Kazakhstan	4	6	C
Colombia	2	6	C	Kenya	5	7	C
Comoros	4	7	B	Kiribati	5	5	C
Congo Brazzaville	4	7	C	Korea (North)	7	7	C
Congo	7	7	C	Korea (South)	1	2	B
Cook Islands	2	4	B	Kuwait	3	2	B
Coral Sea Islands	1	3	B	Kyrgyzstan	4	7	C
Costa Rica	4	3	B	Lao	5	7	C
Côte d'Ivoire	4	7	C	Latvia	3	4	C
Croatia	2	4	C	Lebanon	5	6	C
Cuba	7	7	C	Lesotho	3	6	C
Cyprus (Greek) (South)	3	3	B	Liberia	7	7	C
Cyprus (Turkish) (North)	6	5	C	Libya	2	7	C
Czech Republic	2	2	B	Liechtenstein	1	1	A
Denmark	1	1	A	Lithuania	3	4	C
Djibouti	5	7	B	Luxembourg	1	1	A
Dominican Republic	4	5	B	Macau	1	2	B

	Short-Term	Medium to Long-Term	Commercial		Short-Term	Medium to Long-Term	Commercial
Macedonia	5	7	C	San Marino	1	1	A
Madagascar	5 ↓	7	B	Sao Tome and Principe	7	7	C
Madeira (Portugal)	1	3	B	Saudi Arabia	2	3	B
Malawi	4	7	C	Senegal	4	6	B
Malaysia	1	2	A	Seychelles	7	7	C
Maldives	4	5	A	Sierra Leone	7	7	C
Mali	4	7	C	Singapore	1	1	A
Malta	1	3	B	Slovakia	2	3	C
Man (Isle of) (Great-Britain)	1	2	B	Slovenia	2	2	C
Mariana Islands (Northern)	2	5	B	Solomon Islands	5	7	C
Marshall Islands	5	7	C	Somalia	7	7	C
Martinique (France)	1	3	B	South Africa	4	4	B
Mauritania	5	7	C	Spain	1	1	A
Mauritius	2	3	B	Sri Lanka	4	5	B
Mayotte (France)	2	4	B	St.Helena (Great-Britain)	2	3	B
Mexico	2	3	B	St.Kitts and Nevis	4	5	C
Micronesia	4	5	B	St.Lucia	3	4	B
Moldova	6	7	C	St.Pierre and Miquelon	2	3	B
Monaco	1	1	A	St.Vincent and the Gren	4	5	B
Mongolia	4	7	C	Sudan	7	7	C
Montserrat (Great-Britain)	4	7	B	Suriname	6	7	C
Morocco	2	4	B	Swaziland	4	4	C
Mozambique	6	7	C	Sweden	1	1	A
Myanmar	5	7	C	Switzerland	1	1	A
Namibia	3	3	B	Syria	5	7	C
Nauru	5	3	B	Taiwan	1	1	A
Nepal	2	7	A	Tajikistan	6	7	C
Netherlands Antilles	3	5	C	Tanzania	3	7	C
Netherlands	1	1	A	Thailand	2	3	B
New Caledonia (France)	2	4	B	Togo	4	7	C
New Zealand	1	1	B	Tokelau (New Zealand)	5	3	B
Nicaragua	7	7	B	Tonga	4	5	B
Nigeria	5	7	C	Trinidad and Tobago	2	2	B
Niger	4	7	C	Tunisia	2	3	B
Niue (New Zealand)	4	3	B	Turkey	5	6	C
Norfolk (Australia)	2	3	B	Turkmenistan	6	7	C
Norway	1	1	A	Turks & Caicos Is. (UK)	2	3	B
Oman	2	3	B	Tuvalu	4	5	B
Pakistan	6	7	C	Uganda	3	7	C
Palau	5	5	B	Ukraine	5	7	C
Palestine	7	7	C	United Arab Emirates	2	2	B
Panama	3	4	B	United Kingdom	1	1	A
Papua New Guinea	3	5	B	United States	1	1	A
Paraguay	4	6	C	Uruguay	5 ↑	5	C
Peru	4	5	B	Uzbekistan	6	7	C
Philippines	2	4	B	Vanuatu	5	4	A
Pitcairn (Great-Britain)	2	3	B	Vatican City	1	1	A
Poland	2	2	B	Venezuela	3	5	C
Portugal	1	1	A	Viet Nam	3	5	C
Puerto Rico (United States)	2	2	B	Virgin Islands (American)	2	3	B
Qatar	2	3	A	Virgin Islands (British)	2	3	B
Reunion (France)	1	2	B	Wallis and Futuna (France)	2	4	B
Romania	3	6	C	Western Sahara	3	4	B
Russia	4	5	C	Yemen	3	6	B
Rwanda	6	7	C	Yugoslavia	6	7	C
Samoa (American)	2	2	B	Zambia	7	7	C
Samoa (Western)	5	5	B	Zimbabwe	7	7	C

\*Countries are, on the one hand, classified into seven categories (from 1 to 7) for political risk. This risk encompasses all events occurring abroad, which assume the nature of force majeure for the insured or the buyer (political events, disasters, foreign exchange shortage and government action). Category 1 coincides with the lowest premium level; premiums increase up to category 7. Classification according to the political risk varies with the credit period: short term (up to one year), medium/long terms (over one year) and an intermediary class for special transactions. The latter mainly comprise contracting works and projects with long performance periods, which, however, are payable as the performance proceeds.

Countries are, on the other hand, classified into three categories (from A to C) according to the intensity of the commercial risk. This risk – considered on a country scale – encompasses a number of cyclical, financial and institutional variables which, as they influence the macro-economic level, have an impact on all buyers within a country and influence their (re)payment capacity. Category A includes the countries presenting a feeble commercial risk, category B those where the commercial risk is deemed normal, and category C those presenting a high risk. Unlike the political risk classification, the commercial risk classification does not vary according to the credit period.

## EXIMBANK UPDATE *Export-Import Bank of the US is the US's official export credit agency*

### \$100 Million Or More In Export Financing: Mexico's Banobras

Ex-Im Bank Board Member Dan Renberg announced that the Bank will provide \$100 million or more in financing to support environmental infrastructure projects throughout Mexico. Renberg's announcement was made at conference co-hosted by Ex-Im Bank and Banco Nacional de Obras y Servicios Públicos (Banobras). The meeting was designed to help U.S. environmental exporters and leaders from nearly three dozen Mexican municipalities negotiate for and purchase infrastructure products for renewable energy, water supply and waste management.

This environmental financing is provided under the Partnership for Prosperity initiative enacted by Presidents George W. Bush and Vicente Fox. The Partnership for Prosperity is a private-public alliance designed to foster economic growth and increase the economic strength of businesses in the United States and Mexico.

### *NY Times on Eximbank from p.5*

porters, trade unions, associations and their representatives let Congress know they feel a need for this financial support, Eximbank, it will survive. Of course, as the world changes, the Bank will perforce change to make maximum use of its finite resources. In the meanwhile, expect additional articles and "exposes" to fol-

### Exporters In Minnesota And Maryland Sell Heavy Equipment To Sub-Saharan Africa

U.S. small businesses in Minnesota and Maryland will export trucks and heavy equipment for road construction to private sector buyers in Senegal and Cameroon.

Dom-Ex Inc. in Hibbing, Minn., is selling \$2.3 million of used Caterpillar trucks and new construction equipment and spare parts to Concasseur Basalte du Ndiambour in Dakar, Senegal, with the help of a \$2.1 million medium-term Ex-Im Bank guarantee. Other U.S. suppliers are Ingersoll-Rand Co. in Woodcliff Lake, N.J., and Nordberg Inc. in Milwaukee, Wis. First International Bank N.A. in Hartford, Conn., is the guaranteed lender.

Atlas Mercantile Inc. in Silver Spring, Md., is selling \$1.3 million of used Caterpillar and Mack trucks and other used equipment to Newbreed Engineering SARL in Limbe, in the southwest province of Cameroon, with the assistance of

a \$1.2 million medium-term guarantee. The guaranteed lender is Riggs Bank N.A. in Washington, D.C.

### Economic Impact Procedures

The Bank is proposing revisions to its economic impact procedures to reflect changes made to Ex-Im Bank's Charter during its reauthorization in June of 2002.

Ex-Im Bank Vice-Chairman Eduardo Aguirre stated, "Last fall, Ex-Im Bank promulgated revisions to its economic impact procedures. We wanted to make sure that the transactions the Bank supports not only help U.S. exporters increase their export sales but also do not negatively impact the domestic market. With the recent revision of our charter under the Export-Import Bank Reauthorization Act of 2002, Congress has codified parts of our existing procedures and revised some part. Ex-Im Bank is now revisiting its procedures to make sure they fully comply with the intent of Congress." ■

low up on the New York Times article and offer their own programs for closing or changing Eximbank.

Two weeks after the publication of this article, The New York Times printed two letters pointing to the importance of Eximbank to many U. S. exporters, both large and small, in an international marketplace where export credit is a vital competitive weapon.

*Albert Hamilton has spent more than 37 years in the international finance area. He headed up the rescheduling operations of the U.S. Eximbank through the Paris Club and retired from the agency with 24 years of service. He subsequently retired as VP of First Washington Associates where he worked on consulting projects for ECA's worldwide. He can be reached at 3034 Neward St., NW, Washington, DC 20008.* ■

## World Bank Approvals



(202) 473-1804

Project Documents: (202) 458-5454

Country	\$millions	Description	Date	Public Affairs Officer
Burundi	54.0	Economic Rehabilitation	08/29/02	Raymond Toye
China	150.0	Third Xinjiang Highway Project	09/05/02	Jill Wikins
China	250.0	Hubei Xiaogan-Xiangfan Highway Project	09/17/02	Miriam Van Dyck
Croatia	25.7	Real Property Registration & Cadastre Project	08/29/02	Merrell Tuck-Primdahl
Dominican Republic	42.0	Early Childhood Education Project	09/05/02	Alejandra Viveros
Latvia	20.2	Programmatic Structural Adjustment Loan (PSAL II)	09/10/02	Merrell Tuck-Primdahl
Mozambique	120.0	Economic Management & Private Sector Operation	08/29/02	Raymond Toye
Nigeria	101.0	Universal Basic Education Project	09/12/02	Raymond Toye
Peru	100.0	Programmatic Social Reform Loan	09/17/02	Alejandra Viveros
Philippines	100.0	Comprehensive & Integrated Delivery of Social Ser. Project	09/17/02	Miriam Van Dyck
Romania	18.6	Private & Public Sector Institution Building Project	09/12/02	Merrell Tuck-Primdahl
Romania	300.0	Second Private Sector Adjustment Loan (PSAL II)	09/12/02	Merrell Tuck-Primdahl
South Africa	15.0	Municipal Financial Management	09/12/02	Raymond Toye





Export Finance & Insurance Corporation  
Australia's Official Export Credit Agency

## Country Risk Summary

### Would War in Iraq Boost or Depress the World Economy?

Wagging the dog? While markets seem to be pricing a war fear premium into financial asset and oil prices, there is a school of thought that war would actually be good for the world economy. The *New York Post*, for instance, carried a headline recently, 'Go On, Mr. President, Wag the Dog'. It was alluding to the film *Wagging the Dog*, in which White House spin doctors fake a war to deflect attention from a presidential sex scandal. The *New York Post* was arguing that Mr. Bush should wag the Iraqi dog to give Wall Street a lift.

But would war boost Wall Street - and thereby Main Street, and the rest of the world economy?

Quick regime change. A lot would depend on whether regime change could be effected quickly, or whether the proverbial 'quagmire' happened.

If Saddam Hussein could be toppled quickly, a more congenial successor installed without fuss, and reaction in the Arab / Muslim world contained, the effects might on balance be positive. There would be a spike in oil prices resembling the one in August 1990 after Saddam invaded Kuwait. In financial markets, there would be a flight to quality that restricted credit to riskier borrowers and countries. But once it became plain that Saddam was a man whose time had gone, oil prices and risk premiums would quickly fall - and arguably to levels below current ones given that a global security menace had been removed.

Quagmire. A quagmire would be altogether different. Oil prices could stay higher for longer - transferring billions of dollars from the pockets of spendthrift western oil consumers to thriftier oil producers. The net effect of this income transfer would be lower spending than otherwise in a world economy already suffering from widespread excess capacity. Every major oil price shock in the past three decades has been associated with world recession - in 1973 at the time of

the Yom Kippur War, in 1979 at the time of the Shah of Persia's downfall, and in 1990 after Iraq invaded Kuwait

Some commentators argue that the military spending associated with war mobilization would offset any deflationary impulse, but it is clear from the numbers that demand would on balance be damped. For one thing, the incremental cost of the war would be much lower than the total cost, because soldiers get paid regardless of whether they're fighting, and the cost of running radar doesn't change just because it's tracking a real enemy. Besides, the sort of mobilization associated with earlier wars such as World War II, where two-thirds of all American men 18 - 34 donned uniforms, dwarfs the scale of fighting in prospect now.

Flight to safety. A prolonged period of dearer oil wouldn't be the only problem facing business and consumers. In financial markets, there might also be a flight to safety - a wholesale dumping of all but the most gilt-edged securities in response to, say, a sarin attack or the downfall of the House of Saud. In those events, all sorts of systemic risks might materialize, including a Japanese banking crisis, not to mention a renewed global downturn.

Geopolitics overshadow economics. What, then, are the chances of quick, clinical regime change? The optimists say the quagmire theorists have got it wrong. Vietnam is not the analogy. America is dealing with desert, not jungle, this time; an enemy united behind its leader only by fear; and little domestic anti-war feeling. The quagmire theorists respond that, unlike in 1990, Uncle Sam lacks allies this time, anger on Muslim streets would boil over, and further major terrorist attacks would become almost certain.

Regardless of who's right, war is undoubtedly another threat to add to a long list now skewing risks to the downside for the world economy.

A pre-emptive attack on Iraq won't inevitably play havoc with the region, especially if it is short and sharp. Still, the

forthcoming conflict - and it does look to be a question of when, not if - will put the region's stability to a severe test.

Underwriting attitude. Short-term cover for countries in this region continues to be available. We are tracking developments closely. One immediate concern in the event of war would be the potential for cargoes to be unexpectedly diverted if ships' captains either cannot or will not discharge cargoes at their intended destination. Losses from these types of claims can be high as the cargoes are usually put up for public auction at their port of discharge and realize only a small fraction of their invoice value. We are also considering the impact on countries outside the immediate region of a sustained hike in the price of oil and any flight to safety in financial markets.

### Japan - Entering Uncharted Waters

The Bank of Japan (BOJ) announced on 19 September that it would start buying shares from commercial banks. A government auction of new 10-year bonds on 20 September failed to reach full subscription for the first time since 1989.

The Tokyo sharemarket rallied immediately after the announcement of the BOJ plan, but then retracted. Meanwhile, the government bond market suffered its most severe fall in more than three years on 20 September.

The decision by the BOJ to buy bank-held shares reflects its concern that without such a drastic step, the sharemarket could slump further, thereby corroding banks' capital and solvency positions, and precipitating financial crisis. With the 30 September fiscal half-year point fast approaching - banks must mark to market their balance sheets every six months - this concern is now reaching one of its semi-annual climaxes.

For their part, the markets seem to have initially jumped to the conclusion that the share purchase plan marked the end of a period of muddling-through and

*continued on next page*

**EFIC Country Risk** from page 9

the start of more decisive financial reform. But when a speech by Prime Minister Koizumi on 19 September failed to offer any follow-through in the key area of bad loan disposal, the markets registered their disappointment.

The disappointment is warranted. Steps to accelerate the process of bad loan write-off are fundamental to restoring the banking system to health and lending to Corporate Japan again. Although banks have written off some 100 trillion yen in NPLs over the past decade, current NPLs are at a record level of 43 trillion yen. Since bank core profits are insufficient to absorb the rising tide of NPLs, banks have grown unwilling and unable to advance net credit to the rest of the economy, which has added to the deflationary spiral.

Steps by the BOJ to buy NPLs and to force defaulting lenders into liquidation are therefore needed to revive the banking sector and economy. These steps may yet come. A new anti-deflation package is due next month, and perhaps sobered by the past week's events, the government is likely to want to tackle the NPL issue.

The failure of last week's bond auction doesn't signal any funding problems for the government - it can afford the luxury of monetizing its deficit spending given the deflation in the economy. Nevertheless, the rising interest rates that are the counterpart of falling bond prices threaten to abort Japan's incipient economic recovery and deliver capital losses to banks on their extensive bondholdings.

Underwriting attitude. We assess Japanese commercial risks case-by-case, paying particular attention to profitability, cash flow and balance sheet structure. Japanese corporate credit risk continues to deteriorate with the value of debt owing by corporate bankrupts surging to 1.2 trillion yen in July, up 61% on a year before. The continuing inability or unwillingness of Japanese banks to lend to their customers places added strain on corporate cash flows.

Despite last week's action by the BOJ, we remain cautious towards risk on Japa-

nese banks, especially regional ones. Our concern revolves around lack of disclosure by some banks about bad debts and fears of more large corporate failures.

**Argentina - Sinking Economy**

Second quarter GDP contracted by 13.6% on a year before, according to data released on 19 September. The result means that GDP for the first half of this year is down 14.9% over the same period in 2001.

While the near-15% contraction in output for the first half of 2002 clearly indicates the depth of Argentina's current economic crisis, last week's GDP data also provide some indication that the economy may - finally - be finding a bottom. Quarter-on-quarter, Q2 GDP was up 0.9%, the first quarterly increase recorded since late 2000. Even if output is stabilizing, however, the economy is still a long way from resuming robust growth. The country may in fact be edging closer to a second debt default.

Since defaulting to private sector creditors late last year, Buenos Aires has managed to remain current on its obligations to the IMF and other multilateral creditors - in part because the IMF agreed earlier this month to roll over for one year a US\$2.8b loan. But a further US\$3b of multilateral debt falls due between now and March 2003. This can be rolled over only if a new IMF program is in place. But with the IMF and Buenos Aires as yet unable to reach agreement, the risk of default is rising.

Underwriting attitude. We continue to hear of delays in receiving payments on due date. We have suspended all unused cover for Argentina for the time being, as we monitor payment of existing outstandings.

**Brazil - Poll Jitters**

During trading yesterday the real fell more than 5% against the US dollar, dropping to a record low of R\$3.78. Meanwhile, the country risk premium on Brazilian sovereign bonds rose to more than 22 percentage points over US treasuries.

The sell-off has been driven by release of an opinion poll over the weekend showing leftist presidential Luiz Inácio 'Lula'

da Silva increasing his lead to 25 points over José Serra, the government candidate. The first round of Brazil's presidential elections will be held on 6 October, and the weekend's polling suggests that Lula is close to winning the contest outright. This prospect is alarming markets which have long viewed the prospect of a Lula presidency with trepidation.

The relative calm that returned to Brazil's financial markets earlier this month has proved to be short-lived. Recent developments confirm that more volatility is likely in the run-up to next month's elections, and possibly beyond, keeping the risk of financial crisis high.

Underwriting attitude. We are closely monitoring political and economic events in Brazil in the lead-up to the elections. We have become more selective in offering cover on Brazilian buyers, preferring terms of 90 days or fewer. We also prefer buyers owned or substantially controlled by multinationals or companies generating foreign exchange revenue. Our assessment also looks for continued availability of foreign currency-denominated credit lines to buyers.

**Venezuela - Downgraded**

Moody's on 20 September downgraded Venezuela's country ceiling for foreign currency bonds and notes to B3 from B2. Standard & Poor's followed on 24 September, downgrading Venezuela's long-term foreign currency rating to B-from B.

Both rating agencies cited an increase in political risk as the main factor behind the downgrade. Moody's said that a growing political challenge to the government of President Hugo Chavez from anti-Chavez factions had increased 'the risk that, at some point in the future, the government might face domestic challenges that may force it to reprioritize public sector resource allocation in a way detrimental to creditors.' Standard & Poor's noted that its downgrade was driven by 'the worsening of Venezuela's tense political stalemate and deepening economic crisis'. Political uncertainty has dogged the Chavez government since an abortive coup attempt in April. ■

## Availability Commercial Export Political Risk Insurance

REGION	Asia Pacific	Comments	Maximum Tenor Years	Payment Instrument Issued By		
				Ministry of Finance Annual rate	Government Ministry Annual rate	State Owned Banks Annual rate
Angola		Selective risks considered, particularly Sonangol related. Limited capacity.	5	3%	3%	4%
Bangladesh		Sonali Bank and Janata Bank 3 years max.	5	2.5%	-	3%
Cambodia		Ministry of Finance only. Limited appetite	3	3%	-	-
China (PRC)		Bank of China, China Agricultural Bank, China Construction Bank, China Development Bank, China Eximbank and Industrial & Commercial Bank of China 5 years max.	5	1.25%	-	2%
India		Selected state owned banks 5 years max.	5	2%	-	2.25%
Indonesia		Ministry of Finance only. Limited appetite.	3	3%	-	-
Laos		Ministry of Finance only. Limited appetite.	3	3%	-	-
Malaysia		Selected government ministries and state owned banks 5 years max.	10	1%	1.5%	1.25%
Mongolia		No terms currently available.	-	-	-	-
Myanmar (Burma)		Myanmar Foreign Trade Bank 2 years max. Limited appetite.	3	4%	-	4%
North Korea		No terms currently available.	-	-	-	-
Papua New Guinea		Government obligation (eqv. Ministry of Finance) only. Limited appetite.	3	3.5%	-	-
Pakistan		No terms currently available.	-	-	-	-
Philippines		Development Bank of the Philippines 5 years max.	7	2.25%	-	2.5%
Singapore		All risks considered.	10	0.4%	0.6%	0.5%
South Korea		All risks considered.	10	0.5%	1%	0.5%
Sri Lanka		Bank of Ceylon 3 years max.	5	2%	-	2%
Taiwan		All risks considered.	10	0.4%	1%	0.75%
Thailand		Krung Thai Bank, Thai Eximbank and selected government ministries 5 years max.	7	1.5%	2%	1.5%
Vietnam		Vietcombank and Vietinbank 5 years max.	5	1.5%	-	2%

The comments here are merely a guide and there is no implied commitment intended by any insurance company or authority for any particular capacity. The information supplied here is provided by III, 15 Minorities, London, UK. For further information contact Donald Dauernheim (305 961-6050) at Aon Trade Credit.



## EXIMBANK MINUTES

The recorded actions of the U.S. Export-Import Bank.

### MEETING OF THE BOARD OF DIRECTORS SUMMARY OF MINUTES AUGUST 1, 2002

Item No: 1	Republic, Santo Domingo	Lender: Toronto-Dominion Bank, Houston TX
Country: <b>Dominican Republic</b>	Dominican Rep	Project: Proprietary & Third Party Film Dist
Request For: Amendment Of Final Commitment	End User: Govt Of Dominican Republic, Santo Domingo	Product: Programming Rights, Capital Goods & Serv
Applicant: GE Capital Services Inc., Washington DC	End User: General Border Development Admin, Santo Domingo	Amount: \$20,000,000
Borrower: Govt Of Dominican Republic, Santo Domingo	Supplier: Paccar Inc, Chillicothe OH	Repayment: 3 Years
Guarantor: None	Supplier: Caterpillar Inc, Decatur IL	Decision: <i>Approved</i>
Buyer: Instituto Nac De La Vivienda, Santo Domingo Dominican Rep	Supplier: Additional Suppliers	Item No: 4
End-User: Instituto Nac De La Vivienda, Santo Domingo Dominican Rep	Lender: Caterpillar Financial Services Corp., Washington DC	Country: <b>Mexico</b> AP078176
Exporter: Emb Group Inc, Coral Gables FL	Project: Infrastructure Development & Maintenance	Request For: Final Commitment
Supplier: Aljoma Lumber Inc, Miami FL	Product: Heavy Construction Equipment	Applicant: PNC Bank National Association, Pittsburgh PA
Supplier: Emb Group Inc, Coral Gables FL	Decision: <i>Approved</i>	Borrower: Celular De Telefonía, S.A. De C.V., San Pedro Garza Garcia, Nuevo Leon 66265 Mexico
Supplier: Additional Suppliers	Item No: 3	Guarantor: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza Garcia, Mexico
Lender: GE Capital Services Inc., Washington DC	Country: <b>Mexico</b> AP078044	Guarantor: Movitel Del Noroeste, S.A. De C.V., San Pedro Garza Garcia, Mexico
Project: Multi-Site, Low Cost Housing Project	Request For: Final Commitment	Guarantor: Additional Guarantors
Product: Pre Fab Housing Units	Applicant: Toronto-Dominion Bank, Houston TX	Buyer: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza Garcia, Mexico
Decision: <i>Approved</i>	Borrower: Nuvision, S.A. De C.V., Mexico City, D.F. Cp 11000 Mexico	Buyer: Movitel Del Noroeste, S.A. De C.V., San Pedro Garza Garcia, Mexico
Item No: 2	Guarantor: Corp Interamer De Entretenimiento Sa, Mexico City D.F. C.P. 11000 Mexico	Buyer: Additional Buyers
Country: <b>Dominican Republic</b>	Guarantor: Ocesa Presenta, S.A. De C.V., Mexico City D.F.C.P. 11000 Mexico	End User: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza Garcia, Mexico
Request For: Amendment Of Final Commitment	Buyer: Nuvision, S.A. De C.V., Mexico City, D.F. Cp 11000 Mexico	End User: Movitel Del Noroeste, S.A. De C.V., San Pedro Garza Garcia, Mexico
Applicant: Caterpillar Financial Services Corp., Washington DC	End-User: Nuvision, S.A. De C.V., Mexico City, D.F. Cp 11000 Mexico	End-User: Additional End-Users
Borrower: Govt Of Dominican Republic, Santo Domingo Dominican Rep	Exporter: Various, Unknown	Exporter: Motorola, Inc., Arlington Heights IL
Guarantor: None	Supplier: Various, Unknown	Supplier: Motorola, Inc., Arlington Heights IL
Buyer: Govt Of Dominican		Supplier: Gabriel Electronics Inc, Scarborough ME

Supplier: Additional Suppliers  
 Lender: Private Export Funding Corp, New York NY  
 Project: Wireless Telephone Services  
 Product: Grounding Sys, Coaxial Cable, Conductors  
 Amount: \$83,480,527  
 Repayment: 7 Years  
 Decision: *Approved*

**MEETING OF  
 THE CREDIT COMMITTEE  
 SUMMARY OF MINUTES OF  
 AUGUST 2, 2002**

Item No: 1 *Withdrawn*

Item No: 2  
 Country: **Korea**, Republic Of AP078525  
 Request For: Final Commitment  
 Applicant: First International Bank Na, Hartford CT  
 Borrower: Yang, Pyung-Doll, Bu Chon, Kyung Gi Do 422?040 Korea, Rep Of  
 Guarantor: Yang, Pyung-Doll, Bu?Chon, Kyung?Gi?Do 422?040 Korea, Rep Of  
 Buyer: Yang, Pyung-Doll, Bu Chon, Kyung Gi Do 422?040 Korea, Rep Of  
 End-User: Baek San Textile, Siheung City, Kyeongki Do, Korea  
 Exporter: Gaston Systems, Inc., Stanley NC  
 Supplier: Gaston Systems, Inc., Stanley NC  
 Lender: First International Bank Na, Hartford CT  
 Lessor: Yang, Pyung-Doll, Bu Chon, Kyung Gi Do 422040 Korea, Rep Of  
 Lessee: Baek San Textile, Siheung City, Kyeongki Do, Korea  
 Project: Chemical Foam System  
 Product: Chemical Foam Systems Equipment  
 Decision: *Denied*

**MEETING OF  
 THE CREDIT COMMITTEE  
 SUMMARY OF MINUTES  
 AUGUST 6, 2002**

Item No: 1  
 Country: **Colombia**  
 Policy No.: MSM-236083  
 Request For: Insurance Policy (New)  
 Policy Type: Single Sale/Multiple Shipments  
 Coverage: Comprehensive/MT  
 Insured: Citibank N.A., New York, NY 10043-0001  
 Borrower: Carvajal Empaques S.A. (Carpak), Cali, Colombia  
 Guarantors: None  
 End-User: Carvajal Empaques S.A. (Carpak), Cali, Colombia  
 Exporter: Battenfeld Gloucester Engineering Co., Inc., Gloucester, MA 01931  
 Supplier: Battenfeld Gloucester Engineering Co., Inc., Gloucester, MA 01931  
 Product: Co-Extrusion Blown Film System To Be Used On Carpak's Production Line In Cali, Colombia  
 Broker: J.A. Lorenzo & Company, New York, Ny 10038-3804  
 Exim Liab: \$1-\$5  
 Decision: *Approved*

Item No: 2  
 Country: **Russia** AP078123  
 Request For: Final Commitment  
 Applicant: Alosa Company Limited, Moscow 109017 Russia  
 Borrower: Alosa Company Limited, Moscow 109017 Russia  
 Guarantor: None  
 Buyer: Alosa Company Limited, Moscow 109017 Russia  
 End-User: Alosa Company Limited, Moscow 109017 Russia  
 Exporter: Caterpillar Sarl Llc, Peoria IL  
 Exporter: Svedala Industries Inc, York PA  
 Supplier: Caterpillar Sarl Llc, Peoria IL  
 Supplier: Svedala Industries Inc, York PA

Lender: JP Morgan Chase, New York NY  
 Project: Diamond Mining  
 Product: Truck, Wheel Loader, Hydraulic Excavator  
 Amount: \$ 8,473,097  
 Repayment: 5 Years  
 Decision: *Approved*

Item No: 3  
 Country: **Russia** AP078428  
 Request For: Final Commitment  
 Applicant: Alosa Company Limited, Moscow 109017 Russia  
 Borrower: Alosa Company Limited, Moscow 109017 Russia  
 Guarantor: None  
 Buyer: Alosa Company Limited, Moscow 109017 Russia  
 End-User: Alosa Company Limited, Moscow 109017 Russia  
 Exporter: Caterpillar Inc, Peoria IL  
 Exporter: Atlas Copco Wagner Inc, Portland OR  
 Supplier: Caterpillar Inc, Peoria IL  
 Supplier: Atlas Copco Wagner Inc, Portland OR  
 Lender: Jp Morgan Chase, New York NY  
 Project: Diamond Mining  
 Product: Hydraulic Excavator And Shovel  
 Amount: \$ 5,459,571  
 Repayment: 5 Years  
 Decision: *Approved*

Item No: 4  
 Country: **Russia** AP078429  
 Request For: Final Commitment  
 Applicant: Alosa Company Limited, Moscow 109017 Russia  
 Borrower: Alosa Company Limited, Moscow 109017 Russia  
 Guarantor: None  
 Buyer: Alosa Company Limited, Moscow 109017 Russia  
 End-User: Alosa Company Limited, Moscow 109017 Russia  
 Exporter: Terex Corporation, Westport CT  
 Supplier: Terex Corporation, Westport CT  
 Lender: JP Morgan Chase, New York NY

Project: Diamond Mining  
 Product: Dump Trucks And Spare Parts  
 Amount: \$ 5,545,111  
 Repayment: 5 Years  
 Decision: *Approved*

**MEETING OF  
 THE BOARD OF DIRECTORS  
 SUMMARY OF MINUTES  
 AUGUST 8, 2002**

Item No: 1  
 Country: **Mexico** AP076928  
 Request For: Final Commitment  
 Applicant: Iberdrola Energia, S.A., Madrid 28001 Spain  
 Borrower: Iberdrola Energia Altamira, Sa De Cv, Miguel Hidalgo Section, 11700 Mexico  
 Guarantor: None  
 Buyer: Iberdrola Energia Altamira, Sa De Cv, Miguel Hidalgo Section, 11700 Mexico  
 End-User: Iberdrola Generacion, S.A., Madrid 28036 Spain  
 Exporter: General Electric Co., Schenectady NY  
 Exporter: Mayer Brown & Platt, Chicago IL  
 Exporter: Additional Exporters  
 Supplier: General Electric Co. Inc., Schenectady NY  
 Supplier: General Electric Co., Atlanta GA  
 Supplier: Additional Suppliers  
 Project: Altamira III & IV  
 Project: Altamira III&IV Combined Cycle Pwr Plant  
 Product: Gas & Steam Turbine Generators, Controls  
 Decision: *Refer To U.S. Congress*

Item No: 2 *Withdrawn*

Item No: 3  
 Country: **China** (Taiwan) AP078629  
 Request For: Final Commitment  
 Applicant: Eva Airways Corp, Taipei 104 China (Taiwan)

Borrower: SPV/Eva Airways, Taipei 104 China (Taiwan)  
 Guarantor: None  
 Buyer: SPV/Eva Airways, Taipei 104 China (Taiwan)  
 End-User: Eva Airways Corp, Taipei 104 China (Taiwan)  
 Exporter: Boeing Company, The, Chicago IL  
 Supplier: General Electric Co. Inc, Cincinnati OH  
 Supplier: Boeing Company, The, Seattle WA  
 Lender: Citibank International Plc, London, London Wc2r1ls United Kingdom  
 Lessor: SPV/Eva Airways, Taipei 104 China (Taiwan)  
 Lessee: Eva Airways Corp, Taipei 104 China (Taiwan)  
 Cofin ECA: None  
 Project: Air Transportation  
 Product: Aircraft  
 Decision: *Refer To U.S. Congress*

Item No: 4  
 Country: **Korea**, Republic Of AP078785  
 Request For: Final Commitment  
 Applicant: ING Capital Llc, New York NY  
 Borrower: SPV/Korea Air Lines, Seoul Korea, Rep Of  
 Guarantor: Korean Air Lines Co. Ltd., Seoul Korea, Rep Of  
 Buyer: SPV/Korea Air Lines, Seoul Korea, Rep Of  
 End-User: Korean Air Lines Co. Ltd., Seoul Korea, Rep Of  
 Exporter: Boeing Company, The, Chicago IL  
 Supplier: Boeing Company, The, Chicago IL  
 Supplier: United Technologies Corp, East Hartford CT  
 Lender: ING Capital Llc, New York NY  
 Lessor: SPV/Korea Air Lines, Seoul Korea, Rep Of  
 Lessee: Korean Air Lease & Finance Co., Ltd., Dublin 2 Ireland  
 Cofin ECA: None  
 Project: Air Transportation

Product: Aircraft  
 Decision: *Refer To U.S. Congress*

**MEETING OF  
 THE CREDIT COMMITTEE  
 SUMMARY OF MINUTES  
 AUGUST 13, 2002**

Item No: 1  
 Country: **Ghana**  
 Policy No. MSM-238485  
 Decision: *Held*

Item No: 2  
 Country: **Nicaragua**  
 Policy No.: MTR-239442  
 Request For: Policy (New)  
 Policy Type: Repetitive Sales  
 Coverage: Comprehensive/MT  
 Insured: Allfirst Bank, Baltimore, MD 21203-3396  
 Buyer: Monte Rosa, S.A., Managua, Nicaragua  
 Guarantor: None  
 End-User: Monte Rosa, S.A., Managua, Nicaragua  
 Exporters: Deere & Company, Inc., Moline IL 61265-8098; Western States 9machine Company, Inc, Hamilton OH 45011-1998; And Additional Exporters & Suppliers  
 Broker: International Risk Consultants, Inc., Columbus, OH  
 Product: Equipment To Be Used In The Buyer's Sugar Mill And Cane Farming Operations  
 Exim Liab: \$1 - \$5  
 Decision: *Approved*

Item No: 3  
 Country: **Turkey** AP078064  
 Request For: Final Commitment  
 Applicant: Allfirst Bank, Baltimore MD  
 Borrower: Asyafin Turizm Proje Insaat Taahhut, Istanbul, Uskudar 81190 Turkey  
 Guarantor: Aydin Orme Sanayi Ve Ticaret A.S., Istanbul, Turkey

Guarantor: Aydin, Ayhan, Istanbul Turkey  
 Guarantor: Additional Guarantors  
 Buyer: Asyafin Turizm Proje Insaat Taahhut, Istanbul, Uskudar 81190 Turkey  
 End-User: Asyafin Turizm Proje Insaat Taahhut, Istanbul, Uskudar 81190 Turkey  
 Exporter: World Brands, Inc., Jacksonville FL  
 Exporter: Caterpillar Inc, Peoria IL  
 Supplier: Caterpillar Inc, Peoria IL  
 Supplier: Century Furniture Industries, Hickory NC  
 Supplier: Additional Suppliers  
 Lender: Allfirst Bank, Baltimore MD  
 Project: Thermal Spring Holiday Village  
 Project: Tourism/Resort Development  
 Product: Furniture, Diesel Power Generators  
 Amount: \$3,790,490  
 Repayment: 5 Years  
 Decision: *Approved*

**MEETING OF  
 THE BOARD OF DIRECTORS  
 SUMMARY OF MINUTES  
 AUGUST 15, 2002**

Item No: 1  
 Country: **Luxembourg** AP078706  
 Request For: Final Commitment  
 Applicant: Cargolux Airlines International Sa, Findel 1110 Luxembourg  
 Borrower: SPV/Cargolux Airlines International Sa, Luxembourg Luxembourg  
 Guarantor: None  
 Buyer: SPV/Cargolux Airlines International Sa, Luxembourg Luxembourg  
 End-User: Cargolux Airlines International Sa, Findel 1110 Luxembourg  
 Exporter: Boeing Company, The, Chicago IL  
 Supplier: Boeing Company, The, Chicago IL

Suppler: Rolls Royce Ltd, London, United Kingdom  
 Lender: ING Capital Llc, New York NY  
 Lessor: SPV/Cargolux Airlines International Sa, Luxembourg Luxembourg  
 Lessee: Cargolux Airlines International Sa, Findel 1110 Luxembourg  
 Cofin ECA: Export Credits Guarantee Dept (ECGD), London, United Kingdom  
 Project: Air Transportation  
 Product: Aircraft  
 Amount: \$113,311,000  
 Repayment: 12 Years  
 Decision: *Approved*

Item No: 2  
 Country: **Thailand** AP078043  
 Request For: Final Commitment  
 Applicant: Thai Airways International Public Co Ltd, Chatuchak, Bangkok Thailand  
 Borrower: SPV/Thai Airways International Ltd, Bangkok 10900, Bkk Thailand  
 Guarantor: None  
 Buyer: SPV/Thai Airways International Ltd, Bangkok 10900, Bkk Thailand  
 End-User: Thai Airways International Public Co Ltd, Chatuchak, Bangkok Thailand  
 Exporter: Boeing Company, The, Everett WA  
 Supplier: Boeing Company, The, Everett WA  
 Supplier: General Electric Company Inc, Cincinnati OH  
 Lender: Standard Chartered Bank, New York NY  
 Lessor: SPV/Thai Airways International Ltd, Bangkok 10900, Bkk Thailand  
 Lessee: Thai Airways International Public Co Ltd, Chatuchak, Bangkok Thailand  
 Project: Air Transportation  
 Product: Aircraft

Decision: *Referred To U.S. Congress*  
 Item No: 3  
 Country: **Mexico** AP078176  
 Request For: Request By PEFECO For Ex-Im Bank Approval Of Its Participation In The Proposed Financing.  
 Applicant: PNC Bank National Association, Pittsburgh PA  
 Borrower: Celular De Telefonía, S.A. De C.V., San Pedro Garza García, Nuevo Leon 66265 Mexico  
 Guarantor: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza García, Mexico  
 Guarantor: Movitel Del Noroeste, Sa De Cv, San Pedro Garza García, Nuevo Leon 66265 Mexico  
 Guarantor: And Additional Guarantors  
 Buyer: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza García, Mexico  
 Buyer: Movitel Del Noroeste, Sa De Cv, San Pedro Garza García, Nuevo Leon 66265 Mexico  
 Buyer: And Additional Buyers  
 End-User: Telefonía Celular Del Norte, Sa De Cv, San Pedro Garza García, Mexico  
 End-User: Movitel Del Noroeste, Sa De Cv, San Pedro Garza García, Nuevo Leon 66265 Mexico  
 End-User: And Additional End-Users  
 Exporter: Motorola, Inc., Arlington Heights IL  
 Supplier: Motorola, Inc., Arlington Heights IL  
 Supplier: Gabriel Electronics Inc, Scarborough ME  
 Supplier: Additional Suppliers  
 Lender: Private Export Funding Corp, New York NY  
 Project: Wireless Telephone Services  
 Product: Grounding Sys, Coaxial

Decision: Cable, Conductors  
*Approved PEFCO Participation*

Item No: 4  
Country: **Turkey** AP077421  
Request For: Final Commitment  
Applicant: Jpmorgan Chase Bank, Brooklyn NY  
Borrower: Eregli Demir Ve Celik Fabrikalari, Kzb, Ankara Turkey  
Guarantor: Turkiye Is Bankasi, Foreign Dept, Ankara Turkey  
Buyer: Eregli Demir Ve Celik Fabrikalari, Kzb, Ankara Turkey  
End-User: Eregli Demir Ve Celik Fabrikalari, Kzb, Ankara Turkey  
Exporter: Delta Brands Inc, Irving TX  
Supplier: Delta Brands Inc, Irving TX  
Supplier: Abtrex Industries Inc, South Bend IN  
Supplier: Additional Suppliers  
Lender: Jpmorgan Chase Bank, Brooklyn NY  
Project: Erdemir  
Project: Steel Pickling Line Project  
Product: Engrg Design, Constr Mgmt & Procur Svc  
Decision: *Denied*

**MEETING OF  
THE CREDIT COMMITTEE  
SUMMARY OF MINUTES  
AUGUST 20, 2002**

Item No: 1  
Country: **Cameroon** AP078721  
Request For: Final Commitment  
Applicant: Riggs Bank N.A., Washington DC  
Borrower: Newbreed Engineering Sarl, Limbe, South West Province Cameroon  
Guarantor: Martin, Tabe, Bota-Limbe Cameroon  
Buyer: Newbreed Engineering Sarl, Limbe, South West Province Cameroon

End-User: Newbreed Engineering Sarl, Limbe, South West Province Cameroon  
Exporter: Atlas Mercantile Inc, Silver Spring MD  
Supplier: Atlas Mercantile Inc, Silver Spring MD  
Lender: Riggs Bank N.A., Washington DC  
Project: Civil Engineering & Construction  
Product: Used Caterpillar Trucks & Related Equip  
Amount: \$ 1,264,647  
Repayment: 5 Years  
Decision: *Approved*

Item No: 2  
Country: **Senegal** AP078839  
Request For: Final Commitment  
Applicant: First International Bank Na, Hartford CT  
Borrower: Concasseur Basalte Du Ndiambour, Dakar Bp 3101 Senegal  
Guarantor: Diop, El Hadj Bathie, Dakar Senegal  
Buyer: Concasseur Basalte Du Ndiambour, Dakar Bp 3101 Senegal  
End-User: Concasseur Basalte Du Ndiambour, Dakar Bp 3101 Senegal  
Exporter: Dom-Ex Inc, Hibbing MN  
Supplier: Dom-Ex Inc, Hibbing MN  
Supplier: Ingersoll-Rand Company, Woodcliff Lake NJ

Supplier: Nordberg Inc, Milwaukee WI  
Lender: First International Bank Na, Hartford CT  
Project: Rock Crushing & Road Construction  
Product: Used Caterpillar Trucks & Related Equip  
Amount: \$ 2,123,063  
Repayment: 5 Years  
Decision: *Approved*

Item No: 3  
Country: **Mexico**  
Request For: Final Commitment  
Applicant: First International Bank Na, Hartford CT

Borrower: Agricola Del Mar Bcs, S.A. De C.V., Culiacan, Sinaloa, 80100 Mexico  
Guarantor: Grupo Batiz Cgh, S.A. De C.V., Culiacan, Sinaloa 80100 Mexico  
Guarantor: Greenver, S.A. De C.V., Culiacan, Sinaloa 80100 Mexico  
Guarantor: Additional Guarantors  
Buyer: Agricola Del Mar Bcs, S.A. De C.V., Culiacan, Sinaloa, 80100 Mexico  
End-User: Agricola Del Mar Bcs, S.A. De C.V., Culiacan, Sinaloa, 80100 Mexico  
Exporter: Empire Tractor Company, Santa Ana CA  
Exporter: Metl-Span I, Ltd, Lewisville TX  
Exporter: Additional Exporters  
Supplier: Neftafin Irrigation Inc, Fresno CA  
Supplier: Empire Tractor Company, Santa Ana CA  
Supplier: Additional Suppliers  
Lender: First International Bank Na, Hartford CA  
Project: Agricultural Production  
Product: Drip Irrigation  
Amount: \$1,770,860  
Repayment: 5 Years  
Decision: *Approved*

Item No: 4  
Country: **Mexico** AP078744  
Request For: Final Commitment  
Applicant: Toronto-Dominion Bank, Houston TX  
Borrower: American Parts De Mexico S.A De C.V., Torreon, Coah 27020 Mexico  
Guarantor: Banuet Cervantes, Guillermo P, En La Ciudad De Torreon Coahuila Cp 27000 Mexico  
Guarantor: Garcia Ortiz, Jose Ubaldo, Domicilio En Calle Pedregal De La Cima Mexico  
Buyer: American Parts De Mexico S.A De C.V.,



**MEETING OF  
THE CREDIT COMMITTEE  
SUMMARY OF MINUTES  
AUGUST 23, 2002**

Torreon, Coah 27020  
Mexico  
End-User: American Parts De  
Mexico S.A De C.V.,  
Torreon, Coah 27020  
Mexico  
Exporter: Texon Industries, Inc.,  
El Paso TX  
Supplier: ETCO Inc., Warwick RI  
Supplier: Artos Engineering Co,  
Waukesha WI  
Supplier: Additional Suppliers  
Lender: Toronto-Dominion Bank,  
Houston TX  
Project: Automotive Parts  
Rebuilding  
Product: Repackaging, Molding &  
Mat. Handling Equip  
Amount: \$ 3,531,074  
Repayment: 5 Years  
Decision: *Approved*

Item No: 5  
Country: **Peru** AP078080  
Request For: Final Commitment  
Applicant: Standard Chartered Bank,  
New York NY  
Borrower: Ferreyros Y Cia Sa  
Enrique, Lima, Lima Peru  
Guarantor: None  
Buyer: Ferreyros Y Cia Sa  
Enrique, Lima, Lima Peru  
End-User: Ferreyros Y Cia Sa  
Enrique, Lima, Lima Peru  
Exporter: Caterpillar Inc, Peoria IL  
Exporter: Ingersoll-Rand Company,  
Miami FL  
Supplier: Caterpillar Inc, Peoria IL  
Supplier: Ingersoll-Rand Company,  
Miami FL  
Lender: Standard Chartered Bank,  
New York NY  
Project: Heavy Construction  
Equipment Rental  
Product: Various U.S. Goods &  
Services  
Amount: \$10,470,000  
Repayment: 3 Years  
Decision: *Approved*

Item No: 1  
Country: **Philippines** AP078722  
Request For: Final Commitment  
Applicant: First International Bank  
Na, Hartford CT  
Borrower: Lao, Vincent T., Davao  
City, Panacan Buhangin  
District Philippines  
Guarantor: Lao, Vincent T., Davao  
City, Panacan Buhangin  
District Philippines  
Buyer: Lao, Vincent T., Davao  
City, Panacan Buhangin  
District Philippines  
End-User: Lao, Vincent T., Davao  
City, Panacan Buhangin  
District Philippines  
Exporter: Dankim Trading  
Company, Yonkers NY  
Supplier: Caterpillar Americas Co,  
Peoria IL  
Supplier: Cedarapids Inc, Cedar  
Rapids IA  
Supplier: Additional Suppliers  
Lender: First International Bank  
Na, Hartford CT  
Project: Cat Excavator & Other  
Construction Eqpmt  
Product: Belt Conveyor Set  
Amount: \$ 1,152,294  
Repayment: 5 Years  
Decision: *Approved*

Item No: 2  
Country: **Turkey** AP078770  
Request For: Final Commitment  
Applicant: First International Bank  
Na, Hartford CT  
Borrower: Botek Bogazici Teknik  
Musavirlik A.S., Istanbul  
80670 Turkey  
Guarantor: Gelgin, Yildirim, Istanbul  
Turkey  
Guarantor: Gelgin, Levent, Istanbul  
Turkey  
Buyer: Botek Bogazici Teknik  
Musavirlik A.S., Istanbul  
80670 Turkey  
End-User: Botek Bogazici Teknik  
Musavirlik A.S., Istanbul

80670 Turkey  
Exporter: Hexaport International  
Ltd, Weare NH  
Supplier: Hexaport International  
Ltd, Weare NH  
Lender: First International Bank  
Na, Hartford CT  
Project: Omerli Housing Project  
Project: Home Construction  
Product: Pre-Engineered  
Residential Homes  
Amount: \$ 1,022,972  
Repayment: 5 Years  
Decision: *Approved*

Item No: 3  
Country: **Russia** AP078253  
Request For: Amendment Of Final  
Commitment  
Applicant: Societe Generale,  
New York NY  
Borrower: JSC  
Samaraoblagropromsnab,  
Samara 443068 Russia  
Guarantor: Vneshtorgbank Rossiya,  
Moscow, Russia  
Buyer: JSC  
Samaraoblagropromsnab,  
Samara 443068 Russia  
End-User: Various Russian Buyers,  
Unknown Russia  
End-User: Regional Machinery-  
Technology Station,  
Samara Russia  
Exporter: Case Corporation,  
Racine WI  
Supplier: Case Corporation,  
Racine WI  
Supplier: New Holland North  
America, Grand Island NE  
Supplier: Additional Suppliers  
Lender: Societe Generale,  
New York NY  
Lessor: JSC  
Samaraoblagropromsnab,  
Samara 443068 Russia  
Lessee: Various Russian Buyers,  
Unknown Russia  
Lessee: Regional Machinery-  
Technology Station,  
Samara Russia  
Project: Agricultural Harvesting  
Product: Tractor  
Decision: *Approved*

Item No: 4  
 Country: **Dominican Republic**  
 AP078723  
 Request For: Final Commitment  
 Applicant: Plus International  
 Financial Corp, Miami FL  
 Borrower: Agro Industrial Mariarosa  
 C. Por A., Moca  
 Dominican Rep  
 Guarantor: Alba, Rolando,  
 Providencia Efpailat  
 Dominican Rep  
 Buyer: Agro Industrial Mariarosa  
 C. Por A., Moca  
 Dominican Rep  
 End-User: Agro Industrial Mariarosa  
 C. Por A., Moca  
 Dominican Rep  
 Exporter: Poultry & Industrial  
 Suppliers Inc., Miami FL  
 Supplier: CTB Inc, Milford IN  
 Lender: Plus International  
 Financial Corp, Miami FL  
 Project: Poultry Production  
 Product: Poultry Time Cages  
 Amount: \$907,631  
 Repayment: 5 Years  
 Decision: *Approved*

Item No: 5  
 Country: **Ghana**  
 Policy No.: MSM-238485  
 Request For: Insurance Policy (New)  
 Policy Type: Single Sale, Multiple  
 Shipments  
 Coverage: Comprehensive/MT  
 Insured: Webster Bank, Hartford,  
 CT 06103-3494  
 Buyer: Kingdom Transport  
 Services Ltd., Accra,

Country: **Ghana**  
 Guarantor: Mr. Felix Kwame Semavor  
 End-User: Kingdom Transport  
 Services Ltd., Accra,  
 Ghana  
 Exporter: Equator Ltd., Glastonbury,  
 CT 06033-4450  
 Supplier: Blue Bird Corporation,  
 Macon, GA 31210-1752  
 Broker: Damman Insurance  
 Services, Westport, CT  
 06881  
 Product: New Bluebird Buses And  
 Spare Parts  
 Exim Liab: \$1 - \$5  
 Decision: *Approved*

**MEETING OF  
 THE BOARD OF DIRECTORS  
 AGENDA  
 AUGUST 29, 2002**

I. Non-Confidential Items:  
 Open: None  
 Closed:  
 Item No: 1  
 Subject: Minutes Of August 8,  
 2002, Board Meeting To  
 Be Approved  
 Item No: 2  
 Subject: Minutes Of August 15,  
 2002, Board Meeting To  
 Be Approved  
Structured Finance Division  
 Item No: 3

Country: **Mexico - AP077441**  
 Buyer: Gasoductos De  
 Tamaulipas S. De R.L. De  
 C.V.  
 Products: Gas Turbine  
 Compressors

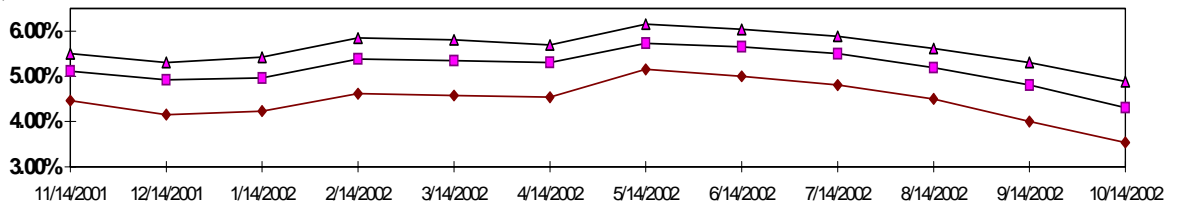
II. Classified Items: None

**MEETING OF  
 THE BOARD OF DIRECTORS  
 AGENDA  
 SEPTEMBER 12, 2002**

I: Non-Classified Items:  
 Open:  
 Item No: 1  
 Subject: Office Of The General  
 Counsel Resoutions  
 Regarding Banobras  
 Closed:  
 Insurance Division  
 Item No: 2  
 Subject: Multibuyer Export Credit  
 Insurance Policy - ESC  
 237925  
 Insured: USEC, Inc./Deb/United  
 States Enrichment  
 Corporation  
 Products: Products: Enriched  
 Uranium  
 Structured Finance Division  
 Pending Congressional Review

**Eximbank (CIRR) Lending Rates**

Semiannual Repayment Term	Treasury Rate Basis	Monthly Period Ending											
		11/14/01	12/14/01	01/14/02	02/14/02	03/14/02	04/14/02	05/14/02	06/14/02	07/14/02	08/14/02	09/14/02	10/14/02
to 10	3 year + 1%	4.45%	4.14%	4.22%	4.62%	4.56%	4.55%	5.14%	5.01%	4.80%	4.49%	4.01%	3.52%
11-17	5 year + 1%	5.12%	4.91%	4.97%	5.39%	5.34%	5.30%	5.74%	5.65%	5.49%	5.19%	4.81%	4.29%
18+	7 year + 1%	5.51%	5.31%	5.42%	5.86%	5.79%	5.71%	6.14%	6.02%	5.90%	5.60%	5.30%	4.88%



Item No: 3  
 Country: **Mexico** AP076928  
 Expiry: 09/11/02  
 Buyer: Lberdrola Energia, S.A.  
 Products: Gas & Steam Turbine  
 Generators, Controls

Transportation Division

Pending Congressional Review

Item No: 4  
 Country: **China** AP078629  
 Expiry: 09/11/02  
 Buyer: SPV/Eva Airways  
 End-User: Eva Airways Corp.  
 Products: Aircraft

Pending Congressional Review

Item No: 5  
 Country: **Republic Of Korea**  
 AP078785  
 Expiry: 09/11/02  
 Buyer: SPV/Korea Air Lines  
 End-User: Korea Air Lines Co.  
 Products: Aircraft

Structured Finance Division

Item No: 6  
 Country: **China** AP078352  
 Buyer: CNOOC & Shell  
 Petrochemicals Company  
 Ltd.  
 Products: Project Management,  
 Engineering &  
 Construction Services

II. Classified Items: None

**Monthly Summary of Export Credit Guarantee Activity**  
**Commodity Credit Corporation (CCC)**  
**GSM-102 Program**

Country 8/03/02	Allocations FY 2002	Applications Received	Balance (\$millions)
Algeria	150.00	51.30	98.70
Azerbaijan	5.00	0.00	5.00
Baltic Region	15.00	0.00	15.00
Bulgaria	7.00	0.00	7.00
Caribbean Region	350.00	247.70	102.30
Central America Region	400.00	309.50	90.50
Central Europe Region	10.00	0.00	10.00
China/Hong Kong Region	300.00	189.50	110.50
Dominican Republic	25.00	0.00	25.00
East Africa	5.00	0.00	5.00
Egypt	100.00	0.00	100.00
India	25.00	0.00	25.00
Jordan	40.00	19.10	20.90
Kazakhstan	10.00	2.30	7.70
Korea	850.00	308.60	541.40
Lebanon	10.00	4.40	5.60
Malaysia	30.00	0.00	30.00
Mexico	500.00	229.70	270.30
Morocco	10.00	0.00	10.00
Nigeria	10.00	4.20	5.80
Philippines	100.00	11.70	88.30
Poland	25.00	0.00	25.00
Romania	25.00	0.00	25.00
Russia	20.00	0.00	20.00
South America Region	600.00	458.40	141.60
Southeast Asia Region	190.00	163.70	26.30
Southeast Europe Region	25.00	0.00	25.00
Southern Africa Region	50.00	0.00	50.00
Sri Lanka	35.00	0.00	35.00
Thailand	100.00	0.00	100.00
Tunisia	30.00	0.00	30.00
Turkey	465.00	372.70	92.30
West Africa Region	14.00	1.20	12.80
<b>Total:</b>	<b>4,531.00</b>	<b>2,374.10</b>	<b>2,156.90</b>
Total (8/03/01):	4,253.00	2,496.30	1,756.70

Source: US. Department of Agriculture. The statistics reflect only exporter applications which have been entered into the computer system. At any given time, many applications are in process and are not yet in the system. Furthermore, an application does not become a written guarantee until all conditions are met under the GSM-102 program. Countries included within regions:

Andean Region: Bolivia, Chile, Colombia, Ecuador, Peru, Venezuela  
 Baltic: Estonia, Latvia, Lithuania  
 Caucasus Region: Azerbaijan, Georgia, Armenia  
 Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama  
 Central Europe: Czech Republic, Hungary, Slovakia  
 East Africa: Kenya, Uganda, Tanzania  
 East Caribbean: Barbados, Grenada, Guyana, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago  
 South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay, Venezuela  
 Southeast Asia: Indonesia, Malaysia, Philippines, Singapore, Korea, Thailand  
 Southeast Europe: Bosnia, Croatia and Slovenia  
 Southern Africa: Angola, Botswana, Burundi, Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe  
 West Africa: Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Cote D'Ivoire, Cape Verde, Gabon, Gambia, Ghana, Guinea-Bissau, Guinea (Conakry), Liberia, Mali, Mauritania, Nigeria, Senegal, Sierra Leone, Togo  
 West Caribbean: Haiti, Jamaica

▶ indicative discount to yield rates (%)



Country	Tenor (years)	All-in Rate (US\$)	Country	Tenor (years)	All-in Rate (US\$)
Algeria	0.5 - 5.0	3.8050 - 9.2660	Macedonia	0.5 - 3.0	6.8050 - 11.0130
Argentina	0.5 - 1.0	* - *	Malaysia	0.5 - 5.0	2.8050 - 7.7660
Bahrain	0.5 - 5.0	2.5550 - 6.0160	Malawi	0.5 - 1.0	6.8050 - 7.9030
Bangladesh	0.5 - 2.0	5.8050 - 9.3900	Mauritius	0.5 - 2.0	3.8050 - 5.1530
Bolivia	0.5 - 2.0	4.5550 - 7.7650	Mexico	0.5 - 7.0	2.4300 - 7.2660
Bosnia-Herzegovina	0.5 - 1.0	* - *	Morocco	0.5 - 7.0	2.5550 - 6.2660
Botswana	0.5 - 3.0	3.8050 - 7.0130	Mozambique	0.5 - 1.0	3.8050 - 5.9030
Brazil	0.5 - 5.0	* - *	Namibia	0.5 - 3.0	2.5550 - 7.0130
Bulgaria	0.5 - 5.0	4.3050 - 8.7660	Nigeria	0.5 - 1.0	6.8050 - 7.9030
Chile	0.5 - 7.0	2.4300 - 6.6410	Oman	0.5 - 5.0	2.5550 - 6.2660
China	0.5 - 5.0	2.8050 - 7.2660	Panama	0.5 - 3.0	2.9300 - 7.6380
Colombia	0.5 - 3.0	3.3050 - 7.2630	Peru	0.5 - 3.0	5.5631 - 8.5130
Costa Rica	0.5 - 2.0	4.0550 - 9.5160	Philippines	0.5 - 3.0	3.0550 - 6.5130
Croatia	0.5 - 5.0	2.8050 - 6.7660	Poland	0.5 - 5.0	2.5550 - 6.0160
Cyprus	0.5 - 5.0	2.8050 - 6.2660	Qatar	0.5 - 5.0	2.5550 - 6.0160
Czech Republic	0.5 - 5.0	2.5550 - 6.2660	Romania	0.5 - 5.0	3.8050 - 9.2660
Dominican Republic	0.5 - 3.0	5.4300 - 10.5130	Russia	0.5 - 3.0	4.0550 - 7.5130
Ecuador	0.5 - 1.0	6.3050 - 7.9030	Senegal	0.5 - 1.0	4.8050 - 8.4380
Egypt	0.5 - 5.0	2.5550 - 7.2660	South Africa	0.5 - 7.0	2.5550 - 7.7660
El Salvador	0.5 - 5.0	2.9300 - 10.0160	South Korea	0.5 - 5.0	2.5550 - 6.7660
Estonia	0.5 - 5.0	2.8050 - 7.0160	Saudi Arabia	0.5 - 7.0	2.5550 - 6.5160
Ghana	0.5 - 2.0	4.8050 - 8.8900	Slovakia	0.5 - 5.0	2.8050 - 7.0160
Greece	0.5 - 5.0	2.5550 - 5.7660	Slovenia	0.5 - 5.0	2.5550 - 6.2660
Guatemala	0.5 - 2.0	5.1800 - 9.1400	Sri Lanka	0.5 - 3.0	4.0550 - 7.5130
Honduras	0.5 - 1.0	6.3050 - 8.9030	Swaziland	0.5 - 2.0	3.0550 - 6.8900
Hungary	0.5 - 5.0	2.5550 - 6.2660	Taiwan	0.5 - 5.0	2.5550 - 6.2660
India	0.5 - 5.0	2.5550 - 7.2660	Tanzania	0.5 - 1.0	3.8050 - 4.9030
Indonesia	0.5 - 2.0	3.5550 - 7.8900	Thailand	0.5 - 5.0	2.8050 - 6.7660
Iran	0.5 - 5.0	3.5550 - 8.5160	Trinidad & Tobago	0.5 - 2.0	3.8050 - 6.1400
Israel	0.5 - 5.0	3.3050 - 7.7660	Tunisia	0.5 - 5.0	2.5550 - 6.2660
Jordan	0.5 - 5.0	2.8050 - 7.2660	Turkey	0.5 - 5.0	4.8050 - 11.2660
Kazakstan	0.5 - 3.0	5.3050 - 9.0130	U.A.E	0.5 - 7.0	2.5550 - 6.5160
Kenya	0.5 - 1.0	4.8050 - 6.9030	Uganda	0.5 - 1.0	3.8050 - 5.9030
Kuwait	0.5 - 5.0	2.5550 - 6.2660	Ukraine	0.5 - 1.0	* - *
Latvia	0.5 - 3.0	3.0550 - 6.4380	Uruguay	0.5 - 2.0	* - *
Lebanon	0.5 - 2.0	4.5550 - 6.8900	Venezuela	0.5 - 1.0	5.3050 - *
Lithuania	0.5 - 5.0	2.8050 - 7.2660	Zambia	0.5 - 1.0	* - *

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The indications are for six months and the maximum maturities at which Standard Bank London Ltd currently considers purchasing transactions and assume six monthly repayments for maturities over one year. They are based on the accompanying US\$ London Interbank Offered Rates. The indicative rates are given on the basis of discount to yield and apply to immediately available business. These rates are only indicative and appear courtesy of Standard Bank London. \*Price on application. Any queries should go to Standard Bank and not *International Trade Finance Report*.