



Issue of the Month: Financing Big Projects Around the World

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There are a number of big projects internationally in which U.S. companies can benefit. The Panama Canal expansion is one of the largest and most ambitious projects in the region. In the last four years demand for Post Panamax vessels (the ones that are too large to pass through the existing locks) has increased significantly due to efficiencies gained with containerized cargo (50 percent of ships currently being ordered by the largest shipping lines are post-panamax).

The cost of the project is more than \$5,250 million. This project will entail tremendous commercial opportunities for U.S. firms, including maritime equipment; construction equipment; heavy machinery; dredging equipment and services; and engineering and architectural services.

Other large projects internationally are the Sydney Harbour Rail Tunnel in Australia, Railway Expansion in China and Northeast Asia Aviation Center in South Korea which will provide opportunities for transportation firms; Liquefied Natural Gas Storage Terminal in Singapore, that will benefit oil and gas firms and CCTV Facilities Program in China which will benefit the communication firms, these are just to name a few.

Free trade agreements have further opened markets such as Australia, Canada, Central America, Chile, Israel, Jordan, Mexico, Singapore and Panama creating more opportunities for U.S. businesses. To leverage these opportunities learn the fundamentals of trade finance to turn export opportunities into actual sales by effectively managing the risks associated with doing business internationally – the risks of timely payment.

Listed below are various government programs that provide financing options for exporters.

Programs/Resources

Department of Transportation – Office of International Transportation and Trade – (<http://www.dot.gov>) The Division promotes the overseas interests of U.S. transportation firms. Its objective ensures a global market that is safe, secure, and available to U.S. interests. The office manages international programs for the Secretary of Transportation with regard to transportation safety for all modes – aviation, rail, road and marine.

Export Import Bank – (<http://www.exim.gov/>) Export Import Bank assists in financing the export of U.S. goods and services to international markets. They assume credit and country risks that the private sector is unable or unwilling to accept.

Overseas Private Investment Corporation (OPIC) – (<http://www.opic.gov/>) OPIC financing provides medium-to long-term funding through direct loan guarantees to eligible investment projects in developing countries and emerging markets.

Small Business Administration – (<http://www.sba.gov/>) SBA provides a number of financial assistance programs for small businesses involved in exporting.