

# WELCOME TO THE EXPORT-IMPORT BANK OF THE UNITED STATES AFRICA UPDATE December 2008

Welcome to the *Ex-Im Bank Africa Update*, a publication of the Export-Import Bank of the United States (Ex-Im Bank).

Ex-Im Bank is an independent U.S. government agency that helps finance the export of U.S. goods and services primarily to emerging markets throughout the world by providing loan guarantees and export credit insurance.

This e-mail publication highlights the Bank's activities and continued commitment to expand trade with sub-Saharan Africa.

## HIGHLIGHTS:

- Upcoming events
- FY 2008 sub-Saharan Africa results
- Chairman James Lambright participates in the Corporate Council on Africa's (CCA) U.S. - Africa Infrastructure Conference
- Ex-Im Bank co-sponsors a Project Finance Seminar in Cairo, Egypt and participates in the Egypt Trade & Export Finance Forum
- Business Development visits Angola and Côte d'Ivoire
- Houston, Texas event: "How to Increase Your Exports to Africa"
- October sub-Saharan Africa Advisory Committee (SAAC) Meeting
- The Transportation Division's Robert Morin speaks at the 17<sup>th</sup> annual African Aviation Finance Conference
- Nigerian government to invest \$2 billion in their electrical transmission infrastructure
- Other events, activities and meetings
- Recent authorizations

## UPCOMING EVENTS

January 12-13, 2009: Trade Finance Solutions for Exporters and Lenders

This seminar helps exporters and lenders learn about trade services they can offer their customers to raise profits and minimize commercial and political risks.

Ex-Im Bank Headquarters, Washington, DC

For more information, please visit: <http://www.exim.gov/seminars/>

April 16-17, 2009: Ex-Im Bank's Annual Conference

Omni Shoreham Hotel, Washington, DC

More information to be announced: <http://www.exim.gov/news/events.cfm>

April 27-29, 2009: U.S. and Sub-Saharan Africa: Partners in Aviation Safety and Security Conference

The U.S. Trade and Development Agency in cooperation with the U.S. Department of Transportation, the Federal Aviation Administration, the Transportation Security Administration, the U.S. Department of State, and the U.S. Commercial Service, is hosting a conference in Cape Town, South Africa. The event will bring together SSA aviation stakeholders with U.S. aviation suppliers to strengthen strategic and commercial relationships between the aviation industries of Sub-Saharan Africa and the United States. The agenda will focus on the region's upcoming investments in aviation safety and security and present key project opportunities for U.S. firms.

Cape Town, South Africa

For more information, please visit: <http://www.ustda.gov/news/>

May 19-21, 2009: Africa Seminar 2009, Department of Commerce

The Access Africa forum will be a 2-day event, consisting of four thematic elements, each designed to highlight partnership potential:

- Sector Focus: Identifying growth opportunities in Portuguese-speaking African country markets;
- Tender Opportunities: Presentations by development agencies on infrastructure procurement processes and projects in Africa;
- Export Facilitation Programs: U.S. government programs and services to promote increased business linkages with Africa; and
- Matchmaking: one-on-one business meetings and informal networking.

Lisbon, Portugal

For more information, please visit: [http://www.export.gov/eac/trade\\_events.asp](http://www.export.gov/eac/trade_events.asp)

September 29 – October 1, 2009: Corporate Council on Africa's 7<sup>th</sup> biennial U.S. - Africa Business Summit

Walter E. Washington Convention Center, Washington, DC

More information to be announced! <http://www.africancl.org/>

## **FY 2008 EX-IM BANK SUB-SAHARAN AFRICA RESULTS**

In FY 2008, Ex-Im Bank's sub-Saharan Africa portfolio had 133 credit authorizations totaling approximately \$575.5 million in 20 sub-Saharan African (SSA) countries. This includes the amount of Ex-Im Bank's Working Capital Guarantee transactions to support U.S. exports to SSA, which totaled 27 credit authorizations and approximately \$20.2 million in authorizations.

It should be noted that in FY 2007, U.S. exports to SSA were \$14.4 billion, and Ex-Im Bank covered \$434 million, or 3 percent of the exports. In FY 2008, exports to SSA are expected to reach \$16.4 billion, and Ex-Im Bank covered \$575 million, or 3.5 percent of the exports. Worldwide, Ex-Im Bank historically covers approximately 1.0 percent of U.S. exports.

## **CHAIRMAN LAMBRIGHT PARTICIPATES IN THE CORPORATE COUNCIL ON AFRICA'S (CCA) U.S. - AFRICA INFRASTRUCTURE CONFERENCE**

On October 8<sup>th</sup>, Ex-Im Bank Chairman and President James Lambright participated in a plenary session called "Financing: Dynamic Financing Options" at CCA's U.S. - Africa Infrastructure Conference. Chairman Lambright discussed Ex-Im Bank's efforts in Africa, specifically as it relates to infrastructure. He noted that Ex-Im Bank has highlighted the power sector in SSA as seen in past workshops and seminars in 2008. Chairman Lambright also discussed the successes and limitations of working in SSA and steps Ex-Im Bank is taking to assist U.S. exporters given the current financial situation.

## **EX-IM BANK CO-SPONSORS A PROJECT FINANCE SEMINAR IN CAIRO, EGYPT AND PARTICIPATES IN THE EGYPT TRADE & EXPORT FINANCE FORUM**

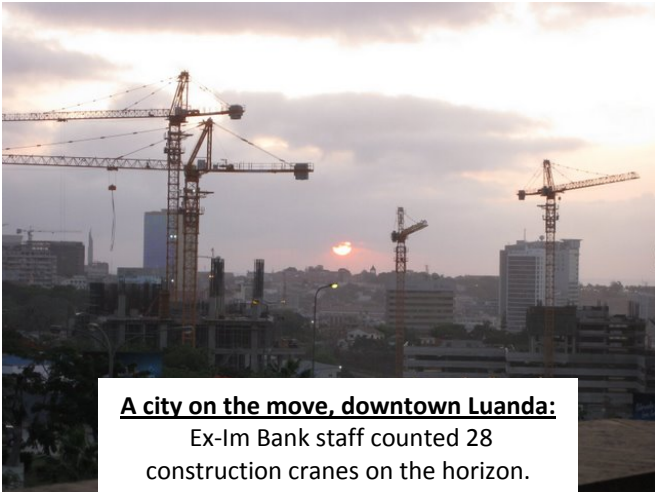
On November 10<sup>th</sup>, the Egypt Trade & Export Finance Forum held in Cairo by *Global Trade Review* featured leading players in trade and export financing sharing insights and perspectives into the North African market. Director Joe Grandmaison used the opportunity to position Ex-Im Bank within the changing dynamics of the world economy and highlighted the potential of Ex-Im Bank and export credit agencies to have increasing relevance within a currently unstable global economy.

On November 12<sup>th</sup>, Ex-Im Bank organized an Egypt – U.S. Trade Finance Conference co-sponsored by the American Chamber of Commerce in Egypt and the U.S. Foreign Commercial Service. This conference provided Egyptian and U.S. companies as well as local government officials and commercial banks with information necessary to access U.S. government export finance and investment programs. Panel discussions focused on U.S. government trade finance and regional export credit agencies including the Overseas Private Investment Corporation (OPIC), the U.S. Trade and Development Agency (USTDA) and

Ex-Im Bank. It included a panel on private-sector perspectives to project finance which followed a program of structured trade and project finance provided by Kamil Cook, Ex-Im Bank Deputy General Counsel, and Hala El-Mohandes, Ex-Im Bank Director, Project Finance division. Over 300 participants were present for the keynote address by Dr. Yousef Boutros-Ghali, Minister of Finance for Egypt. Noting a lag in timing with regard to the impact of the global economic crisis, Minister Boutros-Ghali observed that the developing world was also vulnerable. He noted that problems in the international financial sector traditionally take some time to be felt in the real economy of Egypt. Also speaking at the conference were Director Joe Grandmaison, U.S. Ambassador to Egypt Margaret Scobey and Amcham President Omar Mohanna.

## **BUSINESS DEVELOPMENT VISITS ANGOLA AND CÔTE D'IVOIRE**

At the request of U.S. Ambassador Dan Mozena, John Richter, Regional Director for Africa, and Benjamin Todd, Business Development Officer for Africa, visited Angola from November 17<sup>th</sup> to the 19<sup>th</sup> to identify



potential business opportunities and determine if local banks were interested in developing a relationship with Ex-Im Bank. Ex-Im Bank recently became on-cover in the medium term in Angola. This economy is one of the fastest growing in the world. According to a report by the Finance Ministry, Angola's economy is to expand by 11.8 percent in 2009 buoyed by the non-oil industry. The construction and manufacturing sectors are expected to expand 15.5 percent next year and create 320,000 jobs. The IMF confirms this by noting that Angola's economy will expand 16 percent in 2008, the fastest in sub-Saharan Africa.

The four banks and numerous businesses visited were eager to begin and expand relations with Ex-Im Bank, and staff is currently working on following through on their interest and developing the Angolan market.

From November 20<sup>th</sup> to the 21<sup>st</sup>, John Richter and Benjamin Todd visited Côte d'Ivoire. On the 20<sup>th</sup>, the U.S. Embassy organized two seminars in Abidjan – one session included the local banks in Côte d'Ivoire and the other was for the local business community. All were well attended.

On the 21<sup>st</sup>, Ex-Im Bank participated in the African Export-Import Bank's (Afrexim Bank) seminar. The entire morning session was dedicated to Ex-Im Bank. This included a welcoming statement by John Richter to the 105 African bankers in attendance and a presentation of the products available from Ex-Im Bank by Benjamin Todd. Also, Afrexim Bank provided an overview of the role of international banks in funding deals with Ex-Im Bank. Mr. Benjamin Akuete of M&T Bank in Baltimore, MD talked about the structure of export credit agency financing.

Numerous inquiries and follow-ups have resulted from the seminar's success.

## **HOUSTON, TEXAS EVENT: “HOW TO INCREASE YOUR EXPORTS TO AFRICA”**

On September 11<sup>th</sup>, the Ex-Im Bank sub-Saharan African Advisory Committee (SAAC) hosted a seminar co-sponsored by EquipXP, Electrolux, the Houston International Trade and Development Council, Sovereign Bank, Standard Bank and Ex-Im Bank. This event had 55 participants including businesses from the region as well as banks and insurance brokers. A broad review of the Ex-Im Bank financial products and our interest in Africa was provided by headquarters staff. John Richter, Regional Director of Africa, and Benjamin Todd, Business Development Officer, Africa, described Ex-Im Bank’s products and activity in Africa. SAAC members Mark Chiaviello (Standard Bank), Dennis Dubois (Sovereign Bank), Angela Rankin (Electrolux) and Vernon Darko (EquipXP) provided case studies and insights on how Ex-Im Bank works with their companies in the African market. SAAC member Bert Ubamadu (Fairmont Capital Strategy Group LLC) attended as well and fielded a variety of questions. Despite the impending hurricane truncating the event and causing last minute changes, the event was well attended and received high regards from the members of SAAC and participants.

In Houston John Richter and Benjamin Todd met with several companies interested in exporting to Africa. Already, follow-up from these events has Ex-Im Bank excited about future transactions.

## **OCTOBER SUB-SAHARAN AFRICA ADVISORY COMMITTEE (SAAC) MEETING**

On October 8<sup>th</sup>, Ex-Im Bank held its periodic SAAC meeting at Ex-Im Bank headquarters. Jeff Abramson, Vice President of Trade, Finance and Insurance, gave an update on the progress made in implementing the Medium Term Delegated Authority Program and discussed changes in the local cost policy and end-user financing. Piper Starr, Vice President of Policy and Planning, gave an overview of Ex-Im Bank’s Annual Competitiveness report, and copies were handed out to the SAAC members. The report covered competitiveness from the perspective of risk and cover policy, foreign currency lending, content and public policy. The report can be downloaded from Ex-Im Bank’s website at <http://www.exim.gov/about/reports/compet/index.cfm>.

At the request of SAAC and Director Grandmaison, Boram Lee, Program Assistant at Ex-Im Bank, produced an analysis of export credit agency activity in sub-Saharan Africa (SSA) vis-à-vis Ex-Im Bank. The report found an improved credit-worthiness in the SSA market as demonstrated by steadily increasing export credit activity in the region. Ex-Im Bank provided a greater amount of authorizations compared to other export credit agencies in the medium-term. Findings of the report are available upon request by contacting [ExImAfrica@exim.gov](mailto:ExImAfrica@exim.gov).

## **TRANSPORTATION DIVISION’S ROBERT MORIN SPEAKS AT THE 17TH ANNUAL AFRICAN AVIATION FINANCE CONFERENCE**

Robert Morin, Vice-President of Ex-Im Bank’s Transportation Division, spoke at the 17th Annual African Aviation Finance Conference in Addis Ababa, Ethiopia on November 20th. In his remarks, Morin stated that during the past 15 years, Ex-Im Bank has provided almost \$4 billion in financing to support the export of approximately 100 Boeing aircraft to Africa, including supporting aircraft to airlines and leasing companies in Algeria, Angola, Ethiopia, Kenya, Malawi, Morocco, Namibia, Nigeria, Senegal, South Africa and Tunisia.

Morin also mentioned that during the past 15 years, Ex-Im Bank has provided almost \$60 billion in aircraft financing to the world's airlines and leasing companies to support their acquisition of over 1,000 Boeing aircraft. Accordingly, Ex-Im Bank's aircraft financing support for African airlines and leasing companies represented approximately 10 percent of the total number of aircraft financed by Ex-Im Bank during this period. Furthermore, during the past 15 years, Ex-Im Bank has not lost a penny on its African aircraft portfolio and has collected over \$100 million in exposure fees.

## **NIGERIAN GOVERNMENT TO INVEST \$2 BILLION IN THEIR ELECTRICAL TRANSMISSION INFRASTRUCTURE**

Following President Yar'Adua's inauguration this past May, increasing electricity supplies became a major goal of his administration with his seven point agenda including a focus on energy generation. Towards these efforts the National Assembly approved the federal government's portion of \$2.4 billion of the required \$5.3 billion for Nigeria's short-term power strategic plan.

The funds will be used to rehabilitate the electricity grid and begin the completion of the national independent power projects (NIPP). The price tag for increasing electricity supply to 16,000 MW will cost an estimated \$20 billion minimum according to the Ministry of Energy for Power and will require public-private partnerships or some type of joint venture to accomplish.

This news reminds us of Ex-Im Bank's three-day Nigerian Independent Power Project (IPP) Financial Seminar last June in Abuja, Nigeria. The seminar stressed the enormous opportunities in the Nigerian power sector and provided participants with the tools necessary to start IPP projects. Ex-Im Bank continues to highlight Nigeria's power sector and wants to see U.S. businesses involved in its much needed expansion.

## **OTHER EVENTS, ACTIVITIES AND MEETINGS:**

- **GHANAIAN DELEGATION VISITS OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC):** On October 10<sup>th</sup>, Benjamin Todd, Business Development Officer for Africa, met with a delegation of local government officials from Ghana at OPIC. The morning session focused on regional projects within Ghana and how both OPIC and Ex-Im Bank can assist with financing. The meeting was coordinated by the African Connections group and 23 national and local government officials from a variety of Ghanaian districts were represented.
- **U.S. TRADE AND DEVELOPMENT AGENCY'S (USTDA) AFRICAN HIGHWAY CONSTRUCTION AND PLANNING PANEL:** On October 27<sup>th</sup>, Benjamin Todd participated in an African Highways Construction and Planning Delegation panel. The delegations from Burkina Faso, Ghana, Mozambique and Tanzania were comprised of senior African public and private sector officials from the road and highway sectors. These countries have received over \$1 billion in funding for their transportation infrastructure programs through Compact Agreements with the Millennium Challenge Corporation (MCC).
- **A BENINESE AND SENEGALESE DELEGATION VISITS EX-IM BANK:** On November 7<sup>th</sup>, John Richter and Benjamin Todd presented Ex-Im Bank's policies and products to a large delegation from Benin and Senegal. The U.S. Foreign Commercial Services in Dakar, Senegal organized the event which

consisted of prospective buyers of heavy trucks for transportation between Cotonou, Benin and neighboring countries.

- **EX-IM BANK CONTRIBUTES TO A PRINCE GEORGE COUNTY, VIRGINIA, EXPORTING TO AFRICA EVENT:** On November 10<sup>th</sup>, Benjamin Todd participated in an export financing panel at the “Brewing up Business with Africa” event sponsored in part by the Prince George County Economic Development Corporation. A number of domestic, international and African banks and businesses were in attendance for Ex-Bank’s presentation on its products and policies.
- **EX-IM BANK PARTICIPATES WITH OPIC ON USTDA’S EAST AFRICAN COMMUNITY POLICY DIALOGUE:** On November 17<sup>th</sup>, Michael Forgione, Vice President of Industry Sector Development, presented Ex-Im Bank’s policies and products at an East African Community (EAC) Policy Dialogue in Washington, D.C. In attendance were Ministerial delegations from Five EAC countries – Burundi, Kenya, Rwanda, Tanzania and Uganda. The visit endeavored to promote greater regional interconnection and expose the delegation to U.S. agencies that may provide support for EAC goals in the transportation sector. Also discussed were best practices and lessons learned as well as meetings with suppliers in the transportation sector.

## RECENT AUTHORIZATIONS

### Angola:

- Ex-Im Bank issued a working capital guarantee in the amount of \$300,000 to Danmar Industries Inc., a compressor distribution, fabrication and service firm based in Houston, Texas. The loan allowed them to provide compressors and pumps to Angola. Omnibank, N.A. was the official lender.

### Ghana:

- Health Products Corporation used an Ex-Im Bank Short-Term Multi-Buyer Insurance Policy to export \$50,000 worth of medicinal and botanical items to Cedar Point Chemist Limited in Ghana.

### South Africa:

- Softscape Inc. received a loan from Silicon Valley Bank of \$750,000 under Ex-Im Bank’s working capital guarantee. By extending their credit, Softscape Inc. was able to finance the sale of management software to South Africa.
- \$400,000 worth of storage battery manufacturing equipment was exported to South Africa using Ex-Im Bank’s Short-Term Multi-Buyer Insurance Policy. Crown Battery Manufacturing of Ohio was the exporter and Joy Mining Machinery was the buyer.

### Nigeria:

- Using Ex-Im Bank’s medium-term insurance policy, RZB Finance LLC insured the sale of newspaper printing press equipment worth \$2.8 million. This deal allowed Vanguard Media Ltd. of Nigeria to

purchase the equipment from Webleader International Inc. Fidelity Bank in Nigeria guaranteed the transaction.

Various:

- Bluefield Associates continues to use Ex-Im Bank's Short-Term Multi-Buyer Insurance Policy to export cosmetics and toiletries to sub-Saharan Africa. Most recently, Bluefield Associates exported \$750,000 worth of products to Soniag Company Limited in Ghana, Flora Truworths Ltd. in Nigeria, Diplomat Investment in Nigeria, Promo Import in Senegal and S. H. Amon Enterprises Co Ltd. in Tanzania.

We invite you to visit the enhanced Africa Portal directly at [www.exim.gov/africa](http://www.exim.gov/africa).  
In addition, you may link to this portal from Ex-Im Bank's main website at [www.exim.gov](http://www.exim.gov).

If you have any questions, please e-mail them to [eximafrica@exim.gov](mailto:eximafrica@exim.gov).

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