



EX-IM BANK NEWS

"The Export-Import Bank helps advance U.S. trade policy, facilitate the sale of U.S. goods and services abroad, and create jobs here at home." -- President George W. Bush

News in Brief

OECD Agrees to International Environmental Standards

Member governments of the Organization for Economic Cooperation and Development (OECD) concluded several years of negotiations with a draft agreement on common approaches for evaluating environmental impacts of projects financed by export credit agencies (ECAs). The OECD Council of Ministers will decide soon whether to formally adopt the agreement. The agreement would make the ECA environmental review process more transparent, identify minimum international standards on foreign infrastructure projects supported by ECAs, and strengthen ECAs' internal reporting requirements on environmental matters. "We are pleased with the draft recommendation," said Philip Merrill, chairman of Ex-Im Bank, which was the first ECA to adopt environmental standards, in 1995. "On two of the most important issues -- standards and transparency -- major progress was made. We hope our fellow OECD colleagues will accept it as well."

CONTINUED ON BACK

Foley Sworn In as Ex-Im First Vice President, Cleland as a Director

April Foley was sworn in as first vice president of Ex-Im Bank and will serve as vice chair, and former U.S. Senator **Max Cleland** was sworn in as a member of the Bank's board on Dec. 15 after being confirmed by the Senate Dec. 9.



April H. Foley and Max Cleland.

Foley has served as an Ex-Im Bank board member since President Bush appointed her this past April, after a career with Pepsico Inc. and Reader's Digest Association. Cleland, a former Democratic Senator from Georgia and a decorated Vietnam War veteran, has represented the people of Georgia in various elective capacities and was the youngest administrator of the Veterans' Administration.

"I will work diligently to support U.S. exports, create jobs for deserving Americans, and level the playing field with foreign competitors," Foley said.

"The picture I would like to paint over the course of my tenure on Ex-Im Bank's board is of an expanding economy that creates jobs," Cleland said. "One way to maximize the jobs created in this country is by an expansion of our exports."

Ex-Im Bank Signs Agreement to Support Trade Bank of Iraq

Ex-Im Bank joined 15 other nations' export credit agencies in Rome on Dec. 5 to sign framework agreements with the Trade Bank of Iraq and the Coalition Provisional Authority (CPA) to help finance Iraqi imports through the Trade Bank.

The Bank's board approved in November a \$500 million short-term insurance facility that will support U.S. exports to Iraq financed through the Trade Bank. Ex-Im Bank will insure letters of credit issued by the Trade Bank and confirmed by a commercial bank as well as ones issued by commercial banks on behalf of the Trade Bank.

The 16 nations that signed the agreements are providing more than \$2 billion in support of the Trade Bank as part of efforts to rebuild the country and jump-start its economy.

"Ex-Im Bank is committed to participate with other nations in Iraq's reconstruction," Ex-Im Bank Chairman **Philip Merrill** said. "Re-establishing Iraq's trade with the world is a key element in rebuilding Iraq's economy. Opening Ex-Im Bank's programs in Iraq will further this objective while fulfilling our mission to support U.S. exports and jobs."

Peter Saba, Ex-Im Bank's chief operating officer and general counsel, who signed the agreement, noted that Ex-Im Bank took the lead in developing the framework agreement in collaboration with the U.S. Department of Treasury and the CPA.

Ex-Im Bank's working capital guarantee program also can support exports to Iraq by subcontractors on U.S. government-funded reconstruction projects.

Merrill Tells Russians Expanding U.S.-Russian Trade Is a Priority

Ex-Im Bank Chairman **Philip Merrill** met with Russian government and business leaders during a six-day trip to Russia. He signed a \$50 million credit guarantee facility with VneshtorgBank to support U.S. capital goods and service exports. HSBC Bank is the guaranteed lender.

Merrill addressed the American Chamber of Commerce in Moscow and met with the Russian Ministers of Finance and Transportation. On Nov. 13, he spoke at a Harvard University symposium on U.S.-Russian investment, at which he called for greater diversification of the Russian economy. In addition, Merrill discussed Ex-Im Bank's innovative efforts to support U.S. exports to both Russia and Iraq at an emerging markets risk conference in London on Nov. 21.



Ex-Im Bank Chairman **Philip Merrill** signs credit guarantee facility with VneshtorgBank Chairman **Andrei Kostin** in Moscow on Nov. 18.

Ex-Im Bank Transaction of the Month

Merrill Addresses U.S. Chamber Board

Ex-Im Bank Chairman Philip Merrill told the U.S. Chamber of Commerce's board of directors that U.S. wealth creation in the last 40 years has been "without historic parallel," but the United States should increase investment in math and science education to maintain the country's competitiveness.

"The central fact of the 21st century is the enormous size of the U.S. economy compared with everyone else," Merrill said. "Contrast this with the dominant political fact of the 20th century - the growth of huge military forces in the hands of totalitarian states that were willing to use them. This is a kind of tectonic shift that has been recognized more by other countries than by Americans." He added that "one country that does understand the importance of economic growth is China."

Ex-Im Under CR Through January

Ex-Im Bank will continue to be funded under a continuing resolution through Jan. 31, 2004, as Congress has not yet passed the foreign operations appropriations bill.



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Grenadian Elementary School Built With Georgia Company's Expertise, Ex-Im Bank's Financing

School children in the Caribbean nation of Grenada will have a new two-story elementary school that is being designed by **Armentrout Roebuck Matheny Consulting Group** of Athens, Ga., thanks to an Ex-Im Bank loan guarantee.

The school construction became an emergency priority of Grenada's government after the existing school building, located in the northern coastal village of Sauteurs, was condemned due to severe corrosion discovered throughout the facility's structural steel framing. The school's proximity to the sea and the corrosive salt air were determined to be the causes of the damage to the uncoated steel members.

Armentrout project manager David Roebuck said, "Ex-Im Bank and SouthTrust Bank worked closely with our firm to find a solution to the financing challenges presented by the project. We came up with an innovative game plan and Ex-Im and SouthTrust made it work."



The new school will serve 700 students and consist of two main buildings designed by Armentrout architects and structural and civil engineers.

Because the project was unforeseen and not included in the Education Ministry's capital budget,

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CONSULTING GROUP, P. C.
ENGINEERS-ARCHITECTS-CONSTRUCTION MANAGERS



the only feasible funding option was a complete financing package with favorable loan terms and a quick approval process. Armentrout, SouthTrust, and Ex-Im Bank developed an innovative lending approach that provided 100 percent financing and maximized the use of U.S.-produced materials and services that could be financed by Ex-Im Bank.

Armentrout provides a range of architectural services, from facility design and adaptive re-use of historic buildings to modifying existing structures.

Ex-Im Acts on Baku-Tbilisi-Ceyhan Pipeline Support

Ex-Im Bank voted to notify Congress of a proposed \$160 million long-term guarantee to support the export of U.S. equipment and services for construction of the Baku-Tbilisi-Ceyhan pipeline. This triggers a statutory 35-day waiting period before the Bank's board can take final action.

The 1,094-mile pipeline has a capacity of 1 million barrels per day, and will transport crude oil from the Sangachal terminal near Baku, Azerbaijan, through Azerbaijan, Georgia and Turkey, to an export terminal at Ceyhan, Turkey, on the Mediterranean. The pipeline will be the main export route for oil to be produced from the Azeri, Chirag and Gunashli offshore fields in Azerbaijan (the ACG Field), as well as other potential oil fields in the Caspian region.

In addition to Ex-Im Bank's support, financing for the \$3.4 billion project involves six other export credit agencies, the International Finance Corporation, the European Bank for Reconstruction and Development, the U.S. Overseas Private Investment Corporation, and four arranging commercial banks.

Foley on Turkey Foreign Investment Panel at State Department

Ex-Im Bank board member **April Foley** participated in high-level discussions at the State Department with U.S. and Turkish leaders on Dec. 2 on supporting foreign investment into Turkey.

Foley praised Turkey's recent economic progress, highlighted recent Ex-Im Bank support for private power projects in Turkey, and urged U.S.-Turkish cooperation in supporting Iraqi rebuilding. She also encouraged the Turkish government to continue to make progress with economic reform and privatization efforts, while ensuring that contractual commitments on older projects are honored.

Foley noted that Ex-Im Bank has supported 18 privately sponsored power projects in Turkey, valued at more than \$1.6 billion -- more than the total supported by any other export credit agency.

"Turkey is a growing, market-based democracy in a strategic part of the world, with a dynamic, capable people and a government committed to reform," she said. "There are challenges ahead, but we want to work with Turkey."