



# 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

### Ex-Im Prepared To Back Malden Mills

Malden Mills, the Massachusetts manufacturer of Polartec, received a preliminary commitment for a revolving loan guarantee of up to \$20 million from Ex-Im Bank. The company, which employs 1,200 people and exports half of its output, hopes to add about 100 workers if the guarantee is approved.

### Bank Declines To Back Peru's Camisea Project

Ex-Im Bank's board of directors denied on a split 2-1 vote an application for an approximately \$200 million loan guarantee to support U.S. exports for Peru's Camisea gas development project. "This decision is situation specific and does not reflect the Bank's overall interest in financing U.S. exports for energy projects throughout the world," Ex-Im Bank Chairman Philip Merrill said.

CONTINUED ON BACK



Ex-Im Bank Chairman **Philip Merrill** (left) and the Honorable **Nguyen Tam Chien**, ambassador of the Socialist Republic of Vietnam to the United States, at an August 15th ceremony in Washington signing financing agreements between Vietnam Airlines and Ex-Im Bank for a Boeing 777-200ER aircraft powered by Pratt and Whitney engines.

### Ex-Im Bank Backs U.S. Effort to Expand Exports to Arab World

When Ex-Im Bank Chairman **Philip Merrill** and the Bank's Acting Chief Operating Officer and General Counsel **Peter Saba** address the U.S.-Arab Economic Forum in Detroit on Sept. 29 and 30, they will be participating in an important effort to more closely link the economic fortunes of 290 million Americans and 280 million Arabs in 22 countries.

The United States exported about \$16.5 billion in goods in 2002 to the Arab world -- 2 percent of its total global exports. Saudi Arabia, the United Arab Emirates, and Egypt accounted for two-thirds of that total. The Arab world extends from the Maghreb to the Persian Gulf to the Sahara Desert.

While Ex-Im Bank is taking historic steps to support efforts to rebuild Iraq, the Bank has not ignored the rest of the Arab world. The Bank has authorized \$4.4 billion in financing for U.S. exports to the region since 1998, and has nearly \$5 billion in exposure in the Arab world. Ex-Im Bank has supported U.S. exports of commercial aircraft to Air Algeria and Royal Air Maroc, helped finance a desalination plant and a lube oil blending plant in Egypt, supported the sale of a medical waste management facility for Kuwait, and backed exports of frozen foods and medical equipment to the United Arab Emirates.

### Ex-Im Program To Support Iraq Trade Bank Goes to Congress

Ex-Im Bank's board of directors voted to notify Congress of a proposed facility that would provide the Bank's short-term export credit insurance to cover up to \$500 million in transactions with the new Trade Bank of Iraq. The notification triggers a 35-day waiting period before the board can take final action on the proposed facility.

"This will be another solid step forward in helping the Iraqi people rebuild their country after years of dictatorship and neglect," **Philip Merrill**, Ex-Im Bank's chairman said. "Under the program, Ex-Im Bank financing would be available for U.S. exporters seeking to provide the goods and services necessary to help Iraq embark on the road to a secure, just, and prosperous future."

Ex-Im Bank's new program -- which is also subject to finalization of a framework agreement involving Ex-Im Bank, the Trade Bank, and the Coalition Provisional Authority (CPA) -- would provide coverage for transactions authorized by the CPA, Iraq's current administrative authority. The CPA established the Trade Bank on July 17 to support Iraqi reconstruction through trade-finance services. It will support Iraqi imports funded through the Development Fund for Iraq (DFI), which is administered by the CPA and funded under U.N. Security Council Resolution 1483 by proceeds from Iraqi oil exports.

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Ex-Im Bank's program is anticipated to be available soon after the Trade Bank begins operating, and may be a model for other export credit

agencies. The program would be administered under the Bank's internal delegated authority guidelines. Transactions in excess of existing individual delegated authority would be brought to the Bank's board for approval. Ex-Im Bank will insure irrevocable letters of credit issued by the Trade Bank through Ex-Im Bank's letter of credit policies as well as repayment obligations of the Trade Bank in connection with short-term credits extended by an eligible bank through Ex-Im Bank's financial institution buyer credit policies.



# Ex-Im Bank Transaction of the Month

## Brooklyn, N.Y., Micro-Electronics Firm to Expand Asian Sales With Ex-Im Bank Insurance

### From Cell Phones to Farm Machinery

#### IN AUGUST--

**Mobile phone equipment for Algeria:** Ex-Im Bank approved a five-year, \$9 million guarantee to support exports of mobile phone equipment by G.M. Selby & Associates, of Miami, Fla., to Algeria. . . **Farm equipment for Russia:** Ex-Im Bank approved a two-year, \$1 million guarantee to support exports of combines and other farm equipment by Deere & Co., of Moline, Ill., to Russia. . . **Aircraft to Uzbekistan:** Ex-Im Bank approved a guarantee to support the sale of commercial aircraft by Boeing Co., of Everett, Wash., to Uzbekistan.

### Ex-Im VP James Mahoney Cited for Volunteerism

Ex-Im Bank Vice President for Engineering and Environment James Mahoney received the Bank's Award for Outstanding Volunteerism for his service through his church and the Knights of Columbus on behalf of the needy of Howard County, Md., the mentally handicapped, and inmates of a nearby prison.



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**H**arvey Kaylie, the president of Mini-Circuits, of Brooklyn, N.Y., first learned about Ex-Im Bank on a recent flight from Asia, when the passenger seated next to him -- an official of Canada's export credit agency -- told him about the Canadian agency's U.S. counterpart.

Kaylie, who founded Mini-Circuits in 1968, contacted Ex-Im Bank's New York regional office in May to explore how the Bank could help his signal-processing components business expand its sales in Asia. The company applied and was approved in July by Ex-Im Bank's Trade Finance and Insurance Division for four \$500,000 short-term insurance policies to sell its components to buyers in China.

"Ex-Im Bank's New York office was tremendous in putting these deals together for us," Marc Sweet, Mini-Circuits' controller, said. "We are hoping to grow our business in Asia, and we're willing to take a



certain amount of risk, but we'd like to sleep at night. It's wonderful the government is doing something like this. It's been very user-friendly, not requiring much record-keeping."

Mini-Circuits manufactures and sells more than 2,000 signal-processing components for use in the telecommunications, computer, and aerospace industries. With more than 500 employees and several U.S. and overseas offices, Mini-Circuits sells to buyers in Asia, Europe, and elsewhere.

## Develop African Aviation, Urges Ex-Im Director Grandmaison



Ex-Im Bank board member **Joseph Grandmaison** (left) with Capt. **Edward Boyo**, publisher of Aviation and Allied Business Publications, at the Aviation and Allied Business Leadership Conference in Johannesburg, South Africa, on August 12.

**E**x-Im Bank board member **Joseph Grandmaison**, in an August 12 speech to the Aviation and Allied Business Leadership Conference in Johannesburg, compared the economic importance of further developing Africa's aviation sector to the United States' commitment in the 1950s to constructing a national highway system. "Today in Africa, air corridors are actually the vehicle for job creation," Grandmaison said. "While Africa obviously will continue to further its road system, in today's world, especially given the size of the continent, it is the aviation sector that becomes the driving force for economic development, whether within a

a particular country, regionally, and most importantly beyond Africa into Europe and America."

Grandmaison also announced a new Ex-Im Bank initiative to help countries purchase the necessary transportation security equipment for the aviation or maritime sectors. Under the program, Ex-Im Bank will provide maximum allowable repayment terms under OECD guidelines and the Bank's Country Limitation Schedule. The Bank will finance eligible local costs associated with meeting transportation security needs. Grandmaison also visited Cameroon, Equatorial Guinea, and Gabon to promote U.S. exports.



Ex-Im Bank Chief Financial Officer **Jim Hess** (right) is honored by Bank Chairman **Philip Merrill** for 40 years of government service. Hess -- who, as CFO, has overseen Ex-Im Bank's financial and asset management operations, including financial reporting, since 1992 -- has served Ex-Im Bank since 1966.