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Summary

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Highlights of 2004

EX-IM BANK SUPPORTS 25 PERCENT MORE EXPORTS IN FISCAL YEAR 2004

Ex-Im Bank helped support approximately \$17.8 billion in U.S. exports in fiscal year 2004, up from \$14.2 billion in the preceding year.

This level of exports supported was based on authorized financing of \$13.3 billion, up from \$10.5 billion in fiscal year 2003. The number of transactions supported rose to 3,107 from 2,714 the previous year. The number of insurance transactions increased to 2,408, up from 2,085, and the number of guarantees rose to 693, up from 627; this included 458 working capital guarantees, up from 397 in fiscal year 2003.

EX-IM BANK, IRAQIS SIGN TRADE FINANCING AGREEMENT

Ex-Im Bank, the Iraqi Ministry of Finance, and the Trade Bank of Iraq signed a framework agreement in October that replaces an agreement concluded last December between Ex-Im Bank, the Trade Bank, and the Coalition Provisional Authority, enabling Ex-Im Bank to continue to support U.S. exports for Iraqi reconstruction.

In November 2003, Ex-Im Bank approved a \$500 million short-term insurance facility to support the export of U.S. goods and services to Iraq financed by the Trade Bank. Renewal of the framework agreement allows the Trade Bank to continue to access this \$500 million facility. Under the Framework Agreement, Ex-Im Bank can support U.S. exports to Iraq through two types of insurance products: 1) bank letter of credit policies, whereby Ex-Im Bank will insure a letter of credit issued by the Trade Bank and confirmed by a commercial bank and 2) financial institution buyer credit policies, whereby Ex-Im Bank provides comprehensive coverage on short-term credits extended to the Trade Bank by an insured commercial bank.

The Trade Bank was established in July 2003 to provide trade-financing services to facilitate Iraqi reconstruction and benefit the economy of Iraq.

[Link to photo of October 5 signing](#)

EX-IM BANK HIGHLIGHTS INITIATIVES FOR INFRASTRUCTURE FINANCING FOR SOUTHEAST AND CENTRAL EUROPE

More than 100 business, banking, and local and national government leaders from nine Southeast and Central European countries met with U.S. and Western European government and banking officials in Bucharest in November to discuss ways to advance infrastructure financing.

The conference focused on financing for transportation, telecommunications, water, wastewater-treatment, health-care, energy, and other types of infrastructure projects in countries from Croatia to Albania and from Romania to Turkey. Ex-Im Bank, which has helped finance nearly \$2 billion in U.S. exports to the region during the last half-dozen years, has a long track record in infrastructure financing and features an initiative to provide financing for municipal and regional projects without national-government, or sovereign, guarantees.

EX-IM BANK, CORPORATE COUNCIL ON AFRICA SEEK TO EXPAND INFRASTRUCTURE FINANCING

<http://devwww.exim.gov/news/enewsletters/jan2005/jan2005.html>

1/4/2005

FOR AFRICA

Ex-Im Bank and the Corporate Council on Africa brought together more than 400 representatives of financial institutions, governments, and businesses from throughout Africa and the world in Johannesburg in September to strengthen U.S.-African business partnerships to help meet the continent's capital needs for infrastructure and other projects.

The conference focused on high-priority infrastructure projects, as well as financing issues related to African capital markets, small and medium-sized enterprises, agribusiness, and information technology. Ex-Im Bank supported a record 160 U.S. export transactions in 20 sub-Saharan African countries during fiscal year 2004.

EX-IM BANK-SBA PROGRAM EXPANDS EXPORT FINANCING FOR U.S. SMALL BUSINESSES

U.S. small businesses seeking to sell their products and services in foreign markets may access expanded financing support through a co-guarantee program established by Ex-Im Bank and the Small Business Administration (SBA) in April.

The program enables SBA and Ex-Im Bank to co-guarantee loans of up to \$2 million to small business exporters under SBA's Export Working Capital Program (EWCP). Borrowers will still be able to work through their existing SBA lender. Exporters and lenders wanting to know more about the program should call Ex-Im Bank's Charles Goohs at 202-565-3790 or SBA's Deborah Conrad at 410-962-4582.

EX-IM BANK APPROVES NEW ENVIRONMENTAL GUIDELINES TO SUPPORT U.S. EXPORTS WHILE MAINTAINING LEADING ENVIRONMENTAL STANDARDS

Ex-Im Bank approved a new version of its Environmental Procedures and Guidelines in July that makes the Bank's guidelines consistent with the Organization for Economic Cooperation and Development (OECD) Recommendation on Common Approaches on Environment and Officially Supported Export Credits.

The revised [Procedures and Guidelines](#) provide that Ex-Im Bank will: continue to evaluate projects against international environmental guidelines as well as host country guidelines; conduct environmental impact assessments (EIAs) on a broader range of transactions; and make such EIAs publicly available for a minimum 30-day period. The guidelines were developed with input from nongovernmental organizations, exporters, and other government agencies. The Bank also approved a new version of its Nuclear Procedures and guidelines to make them consistent with the Common Approaches. The new Procedures and Guidelines enable Ex-Im Bank to continue to meet the environmental requirements of its Charter as well as its commitments under the Common Approaches. Ex-Im Bank's guidelines require that it make quantitative and qualitative assessments of projects in terms of their potential impact on air quality, water use and quality, waste management, natural hazards, ecology, involuntary resettlement, indigenous peoples, places of cultural significance, and noise.

EX-IM BANK LAUNCHES NEW FOREIGN DEALER INSURANCE

Ex-Im Bank introduced a new type of insurance policy that covers financing of exports of U.S. machinery and equipment to foreign dealers for resale to local buyers.

The insurance covers three types of dealer financing under a single off-the-shelf policy, eliminating the need for the exporter or commercial lender to obtain multiple policy types. Ex-Im Bank developed the product after extensive meetings with U.S. exporters and lenders, who had expressed the need for such a program. This dealer insurance policy provides short-term inventory financing followed by the option to refinance the short-term debt for medium-term tenors, according to market standards. For more information, contact Charles Goohs at 202-565-3790.

U.S. RATIFIES TREATY ON CROSS-BORDER FINANCING OF LARGE COMMERCIAL AIRCRAFT AND ENGINES

The United States government formally completed the process to ratify the Cape Town Convention, an international treaty that will facilitate asset-based financing and leasing of large commercial aircraft and aircraft engines, in October. Concurrently, Ex-Im Bank renewed its offer in August 2004 to reduce the Bank's exposure fee by one-third on financings of new U.S.-manufactured large commercial aircraft for buyers in countries that sign, ratify and implement the Cape Town Convention.

The offer, which applies through Sept. 30, 2005, enables eligible foreign buyers to receive an Ex-Im Bank exposure fee of as low as 2 percent. The Cape Town Convention, which was concluded in November 2001, establishes a commercially oriented, comprehensive international legal framework to protect security and leasing interests in aircraft equipment. The treaty has been signed by 28 countries, of which five countries already have ratified the treaty. The treaty entered into force on April 1, 2004, and will become effective as applied to aircraft and aircraft engines following the ratification of the aircraft protocol by eight countries.

EX-IM BANK, MARAD SIGN AGREEMENT TO FACILITATE SHIPPING, GUARANTEE WORKING CAPITAL FOR EXPORT SERVICE PROVIDERS

Ex-Im Bank and the Maritime Administration (MARAD) of the U.S. Department of Transportation agreed to provide Ex-Im Bank-guaranteed working capital loans for shipping, logistics and other companies involved in ocean freight transportation, and to update certain shipping requirements for Ex-Im Bank transactions.

Under this agreement, Ex-Im Bank is able to provide working capital loans to export service providers, which will allow them to extend credit terms to their export clients. The Bank also will increase its working capital guarantee from 90 percent to 95 percent for U.S. companies that ship on U.S. flag vessels. Ex-Im Bank and MARAD also agreed to raise the minimum threshold for Ex-Im Bank-guaranteed U.S. export transactions that must utilize U.S. flag vessels from \$10 million to \$20 million.

EX-IM BANK LAUNCHES FIRST BILINGUAL WEB PORTALS

Mexican companies seeking financing to purchase U.S. goods and services can now access information on Ex-Im Bank's financial products directly from a new Spanish-language Mexico portal that has been added to the agency's Web site at www.exim.gov/mexico/index-es.html.

A similar portal for Russia added to the agency's web site at: www.exim.gov/russia/index.html (in English) or www.exim.gov/russia/index-ru.html (in Russian).

These portals are the first of several country-specific, bilingual Web portals that Ex-Im Bank is adding to its Web site to assist foreign buyers and U.S. exporters in emerging markets.

EX-IM BANK SIGNS CO-FINANCING AGREEMENT WITH ITALIAN AND JAPANESE EXPORT CREDIT AGENCIES

Ex-Im Bank co-financing agreements with two other nations' export credit agencies in 2004 - Nippon Export and Investment Insurance (NEXI) of Japan and Servizi Assicurativi del Commercio Estero (SACE S.p.a.) of Italy.

The agreements enable Ex-Im Bank and NEXI to provide one-stop trade-finance services to buyers in third countries purchasing both U.S. and Japanese goods and services, and similarly for Ex-Im Bank and SACE to co-finance export transactions involving companies in both the United States and Italy. Co-financing allows Ex-Im Bank to share risk under one financing package, creating administrative efficiencies for foreign buyers. The Bank previously had concluded co-financing agreements with the Export Credits Guarantee Department (ECGD) of the United Kingdom and Export Development Corporation (EDC) of Canada.

Link to photos of signings: [SACE](#) | [NEXI](#)

Transaction of the Month

100 Years in Business, Michigan Manufacturer Taps Global Market With Ex-Im Bank Financing

Besser Industries, of Alpena, Michigan, is celebrating its 100th anniversary this year, and is also marking 20 years of using Ex-Im Bank financing to sell its concrete-products equipment in overseas markets. The company, which exports up to half of what it produces, according to Terri Rondeau, a Besser spokeswoman, is the leading supplier of equipment for producers in the block, landscape, pipe, precast, prestressed, ready-mix and aggregate segments of the concrete products industry. Although its headquarters is in the north woods of Michigan where Jesse Besser founded the company, Besser has manufacturing locations in Texas, Iowa, and California, as well as in the Netherlands and Canada. It employs more than 1,000 workers. Besser has used Ex-Im Bank loan guarantees and export credit insurance to export to Argentina, Costa Rica, Ghana, India, Israel, Mexico, Russia, Trinidad and Tobago, and Turkey.



Other Transactions

Qatar Liquefied Gas Co. Ltd. II (Qatargas II) is using a \$930 million Ex-Im Bank loan guarantee to build a liquefied natural gas (LNG) project and related offshore and onshore facilities in **Qatar**. U.S. exporters participating in the sale include **Air Products & Chemicals**, Allentown, Penn.; and **ExxonMobil Development, KBR**, and **J. Ray McDermott**, all in Houston, Tex.

[Link to Qatar Gas Photo](#)

Ex-Im Bank helped finance the sale of 200 **General Electric** locomotive kits to Kazakhstan Temir Zholy (KTZ), **Kazakhstan's** state-owned national railway company. KTZ will use the kits to refurbish 100 of its 18-year-old model 2TE10 locomotives, extending their useful lives for another 15-20 years. Ex-Im Bank also helped finance KTZ's purchase of 54 modernization kits in 2003.

Ex-Im Bank approved a \$138 million long-term loan guarantee to help Binariang Satellite Systems Sdn Bhd of Kuala Lumpur, **Malaysia**, a unit of MEASAT Global Berhad (BLOOM MGB MK), purchase a telecommunications and broadcasting satellite from **Boeing Satellite Systems Inc.** of El Segundo, California, and a number of U.S. suppliers. The guarantee will support a 48-transponder satellite that will be placed in orbit next year. It will also enable MEASAT to purchase launch insurance using the insurance broking services of Willis Inspace of Bethesda, Maryland.

An **Indian** company is developing a \$5.5 billion, state-of-the-art wireless communications network with Lucent technology thanks to a \$500 million long-term loan guarantee from Ex-Im Bank. The guarantee will enable **Lucent Technologies** of Murray Hill, N.J., and 10 other U.S. high-tech companies to sell telecommunications equipment to Reliance Infocomm Limited (RIL) of Navi Mumbai, so that it can develop India's first nationwide CDMA network. An affiliate of Citibank N.A. of New York is the guaranteed lender.

Ex-Im Bank approved a \$400 million long-term loan guarantee to support the sale of equipment and services by **Nabors Industries Inc., Houston, Tex.**, and 166 other U.S. suppliers to Petroleos Mexicanos (PEMEX) for the New Pidiregas Projects (NPP). NPP is made up of 23 natural gas and crude oil exploration and production sites located offshore in the Bay of Campeche off the northern coast of the Yucatan, and onshore in northern Veracruz and northwestern Tabasco. The goal of the projects is to increase **Mexico's** production capacity to 4 million barrels of oil and 7 billion cubic feet of gas per day by 2006.

Ex-Im Bank approved an \$86.8 million loan guarantee to help **General Motors Electro-Motive Division (GM-EMD)**, of LaGrange, Illinois and London, Ontario, sell a large number of locomotive upgrade kits and related parts to the **Turkish** State Railways. Because approximately 15 percent of the contract price involves components produced at GM-EMD's Ontario facility, Ex-Im Bank will receive a counter guarantee from Export Development Canada, the export credit agency of Canada, for the Canadian portion of the contract price. Toronto-Dominion Bank, of Houston, Texas, will be the guaranteed lender.

Ex-Im Bank approved a \$15.9 million credit guarantee facility to support the sale of U.S. equipment and services to Petro-Tech Peruana S.A. of Lima, **Peru**, for oil and gas exploration and development off Peru's northern coast. Banco Santander Central Hispano, New York, N.Y., is the Ex-Im Bank-guaranteed lender that is providing the medium-term line of credit to Petro-Tech. Petro-Tech, a wholly owned subsidiary of **Petro-Tech International Inc.**, a Delaware-incorporated company located in Houston, will procure the goods and services from a variety of U.S. companies to support ongoing operations as well as expansion and exploratory activities.

Ex-Im Bank approved nearly \$60 million in financing to support the export of 10 model S-76C+ helicopters and spare parts by **Sikorsky Aircraft Corporation** of Stratford, Conn., to Lider Taxi Aereo of Belo Horizonte, Brazil. Ex-Im Bank is providing a direct loan to the Lider Group to support the transaction. Lider Taxi, a leading provider of offshore helicopter services in **Brazil**, will use the helicopters to fulfill five-year service contracts with Petrobras and other customers to support offshore oil and gas exploration and operations. The helicopters will

also be used for passenger and cargo transportation within Brazil.

Upcoming Events

Ex-Im Bank 2005 Annual Conference

Mark your calendar. Ex-Im Bank's 2005 Annual Conference will be held in Washington, D.C., on April 14-15 at the Omni-Shoreham Hotel.

Ex-Im Bank Seminars

Ex-Im Bank conducts 1- and 3-day training seminars for anyone interested in learning more about Ex-Im Bank programs. Seminars are held monthly at Ex-Im Bank's headquarters at 811 Vermont Avenue, N.W., Washington, D.C. 20571. To learn more about Ex-Im Bank's seminars and upcoming dates, visit: <http://www.exim.gov/news/seminars/allsch.html> or call (202) 565-3912.

Congressional Update

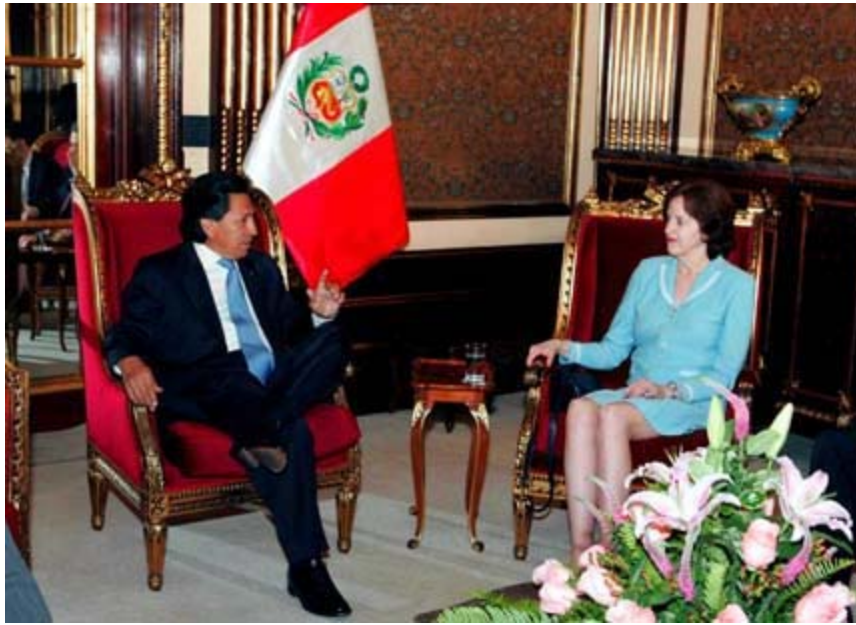
President Bush signed the Consolidated Appropriations Act, FY 2005 on December 8, providing \$59.8 million for Ex-Im Bank's program budget and \$73.2 million for the Bank's administrative budget. This appropriation of funds, in addition to carryover from funds previously appropriated to the Bank, provide more than adequate financing to meet expected demand.

Ex-Im Bank People



From left: On October 5, 2004, Mr. Hussein Al-Uzri, President of the Trade Bank of Iraq, Mr. Adil Abdul-Mahdi, Iraqi Minister of Finance, and Mr. Philip Merrill, Chairman of Ex-Im Bank, signed an agreement allowing for future exports of U.S. goods and services to Iraq.

Ex-Im Bank Vice Chair April Foley (right) met with Peru's President Alejandro Toledo in Lima in December.



Ex-Im Bank Board Member Joseph Grandmaison addressed Middle Eastern and U.S. finance and business leaders at Ex-Im Bank on April 28 for a daylong roundtable on increasing export financing to the Middle East. The eight countries represented have \$145 billion in infrastructure needs during the next five years, Grandmaison said.



Linda Mysliwy Conlin was sworn in as a member of Ex-Im Bank's board of directors on April 26 by Bank Chairman Philip Merrill. Conlin -- who joins Merrill, Vice Chair April Foley, and board members Joseph Grandmaison, and Max Cleland -- had served as Assistant Secretary of Commerce for Trade



Ex-Im Bank's 70th Anniversary Marked:

Left to right: Max Cleland, Ex-Im board member; April Foley, Ex-Im vice chair; Philip Merrill, Ex-Im chairman; and Rep. Doug Bereuter (R-Neb.) at Ex-Im Bank's 70th anniversary celebration at the Bank's headquarters on February 24. In the 70 years since President Franklin Roosevelt established Ex-Im Bank, the Bank has helped support nearly half a trillion dollars of U.S. exports, supporting millions of U.S. jobs and contributing to global economic development.



Ex-Im Bank Senior Vice President and Head of Export Finance Jeffrey Miller (left) and Ex-Im Bank Executive Vice President Jim Lambright (center) look on as Romanian Minister of Public Finances Mihai Tanasescu delivers a keynote address at Ex-Im Bank's Southeast and Central Europe Infrastructure Conference in Bucharest, Romania on Nov. 16, 2004.



Piper P. Starr, coordinator of special projects in the Policy Group at the Export-Import Bank of the United States (Ex-Im Bank), has been elected vice president of the Berne Union. The Berne Union is an international organization of public and private export credit agencies and companies dedicated to promoting sound credit principles in international trade and investment.

Environmental practitioners



representing export credit agencies (ECAs) in Europe, Japan, and elsewhere joined Ex-Im Bank professionals and officials of the World Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank at Ex-Im Bank on September 20 and 21 to discuss the application of international environmental guidelines. Export Development of Canada assisted in hosting the working session, which drew nearly 60 attendees. Jim Mahoney (center), Ex-Im Bank Vice President for Engineering and Environment, looks on as Bruce Rich, international program director for the Environmental Defense Fund, addresses the conference.

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