

## AIRCRAFT FINANCE

Ex-Im Bank supports U.S. exports of new and used commercial and general aviation aircraft with its loan guarantee and insurance products. Coverage is available for both large and small commercial aircraft. In sovereign-guaranteed large aircraft transactions, Ex-Im Bank may also cover spare parts, ground equipment, training costs, and transaction expenses.

## PROJECT FINANCE

Project financing is considered by Ex-Im Bank in sub-Saharan Africa. The project finance program helps U.S. exporters compete in industries such as private power, telecommunications, and other infrastructure sectors.

Limited recourse (project) and structured financing are two options that offer maximum flexibility for project sponsors and help U.S. exporters compete globally in natural resource and infrastructure sectors.

Ex-Im Bank's limited recourse project finance is an arrangement in which Ex-Im Bank lends to newly created project companies and looks to the project's future cash flows as our source of repayment instead of relying directly on foreign governments, financial institutions or established corporations for repayment of the debt. This financing arrangement is especially appropriate where hard currency revenues can be captured offshore or long-term off-take contracts insure project cash flows. Ex-Im Bank will work with project developers or equity participants to develop a structure that can be sustained throughout the project's operations.

Through "structured finance," Ex-Im Bank can consider existing companies overseas as potential borrowers based on their creditworthiness as reflected on their balance sheet and other sources of collateral or security enhancements.

## WORKING CAPITAL GUARANTEE

Ex-Im Bank's Working Capital Guarantee encourages U.S. commercial lenders to make working capital loans to U.S. exporters by providing a 90 percent guarantee. An Ex-Im Bank guaranteed working capital loan can cover multiple export sales or individual contracts. There is no maximum dollar limit on these loans.

## AFRICA UPDATE NEWSLETTER

### WHAT IS IT?

Ex-Im Bank has a marketing outreach program with E-mail Africa providing quarterly updates on Africa. This newsletter highlights Ex-Im Bank's activities in Africa, including new initiatives, programs, upcoming Ex-Im Bank trips to the region, training sessions, special events and information on recently authorized transactions.

Simply register at [www.exim.gov/signup.cfm](http://www.exim.gov/signup.cfm). You can also visit our Africa web portal at [www.exim.gov/africa](http://www.exim.gov/africa), where you can find more information about our other initiatives in Africa.

### EXPORT-IMPORT BANK *of the* UNITED STATES

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BRO-AFR-05  
February 10, 2009



# SUB-SAHARAN AFRICA



EXPORT-IMPORT BANK  
*of the* UNITED STATES

# Ex-Im Bank Finances Opportunity

The Export-Import Bank of the United States (Ex-Im Bank) provides U.S. exporters with the financing tools they need to successfully compete for business in sub-Saharan Africa. Ex-Im Bank support protects against foreign political and commercial risk, and gives U.S. exporters the ability to offer competitive financing to their buyers through export credit insurance and loan guarantees.

## EXPORT CREDIT INSURANCE

Export credit insurance supports the export of U.S. goods and services, including raw materials and finished goods. Ex-Im Bank insurance covers the risk of buyer nonpayment for certain commercial and political risks, such as bankruptcy, default, war, or the inconvertibility of currency. This product can replace cash-in-advance, costly letters of credit, and other documentary sales. With our insurance, Ex-Im Bank assumes the risk of nonpayment at an affordable premium. By limiting their risk, U.S. exporters can sell to more international buyers and compete vigorously in international markets. These policies also allow an exporter to provide qualifying international buyers with advantageous terms of credit. In today's competitive global marketplace, U.S. exporters may be able to increase sales by providing open "account" credit terms to their African buyers. Short-term insurance policies support the export of U.S. goods and services with repayment terms of up to one year and coverage up to 95 percent of the U.S. contract value. Medium-term insurance policies support the export of U.S. goods and services with repayment terms of up to seven years and coverage up to 100 percent of the financed amount.

## BUYER FINANCING

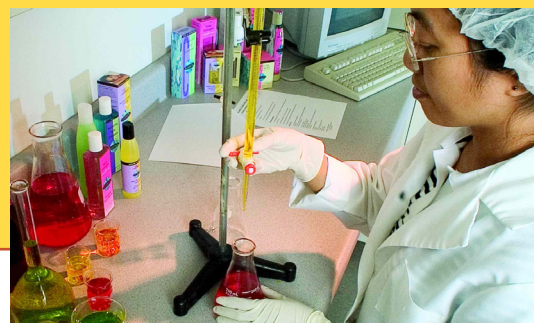
Ex-Im Bank guarantees the repayment of medium-term bank loans extended by commercial lenders to creditworthy African buyers to finance the purchase of U.S. capital goods and services. Ex-Im Bank's loan guarantees cover 85 percent of the U.S. contract value. With Ex-Im Bank's loan guarantee, African buyers are able to obtain competitive term financing from lenders when financing is otherwise not available or there are no economically viable interest rates on terms over one-to-two years. In turn, exporters receive payment at the time of shipment. With this payment guarantee, U.S. companies have more confidence to compete for sales in new markets worldwide.

## USED AND REFURBISHED EQUIPMENT GUARANTEE

Financing also supports U.S. equipment that has been previously owned or placed into service. Ex-Im Bank backing for used equipment is subject to certain criteria which can be found on Ex-Im Bank's web site at [www.exim.gov/products/policies/used equip.cfm](http://www.exim.gov/products/policies/used equip.cfm).

### Bluefield Associates

Through the use of an Ex-Im Bank multi-buyer, small business insurance policy, Bluefield Associates of Ontario, California, was able to sell \$100,000 of cosmetics and toiletries to S.H. Amon Enterprises Co., Ltd. of Tanzania.



### Delta Technology Corporation

Ex-Im Bank approved a request from Delta Technology Corporation of Houston, Texas, to support the sale of two electronic color peanut sorters to P-Farms Agente BK of Hartswater, South Africa in the amount of \$151,063. With the use of Ex-Im Bank's single sale, multiple shipment insurance policy, the exporter, Delta Technology Corp., was able to directly finance this transaction over a two year period.



## EX-IM BANK'S INITIATIVES

### MEDICAL, ENVIRONMENTAL, AND TRANSPORTATION SECURITY INITIATIVES

Ex-Im Bank has special programs that provide enhanced support for medical equipment exports, environmentally beneficial exports, and exports related to international transportation security. The benefits include extended repayment terms and coverage of local costs for up to 30 percent of the U.S. contract value.

### BACKING FOR RAND AND CFA DENOMINATED LOANS

U.S. exporters will find it easier to sell their products in West and Southern Africa because African companies can now arrange Rand and CFA denominated loans guaranteed by Ex-Im Bank. The Rand and the CFA have been added to the list of major pre-approved currencies for inclusion in Ex-Im Bank's Foreign Currency Guarantee Program.

### AFRICAN GROWTH AND OPPORTUNITY ACT AND EX-IM BANK (AGOA)

The African Growth and Opportunity Act (AGOA) provides certain sub-Saharan African countries duty-free and/or quota-free U.S. market access. To take advantage of this opportunity, new sub-Saharan African manufacturers will need to increase production capacity. Ex-Im Bank is ready to help African manufacturers expand their businesses by financing U.S. exports of manufacturing equipment and services.

### Meggitto Ventures Limited

Ex-Im Bank approved a \$2.3 million medium-term, comprehensive guarantee to support the sale of new and used textile equipment to Meggitto Ventures Limited in Lagos, Nigeria. The increase in production resulting from the newly acquired equipment will be dedicated primarily to the manufacturing of t-shirts, of which a majority will be exported to the United States under AGOA. There are multiple U.S. exporters and suppliers for this transaction; however, a majority of the items are being exported and or supplied by Southern Textile LLC of Charlotte, North Carolina. This transaction is being guaranteed by Oceanic Bank International, Nigeria under the recently established Ex-Im Bank Nigerian Banking Facility.

