

CAFTA-DR

SUCCESS STORY:

Philips Medical Systems Export, Inc. of Pembroke Pines, FL was approved in August, 2007 for a \$339,810 medium-term insurance policy to support the export of new medical equipment to Unión Médica del Norte, of Santiago, Dominican Republic. Unión Médica del Norte will use this imaging, diagnostic, and monitoring equipment to provide accurate diagnostics and high quality care to patients. Established in 1995, Unión Médica del Norte is considered a leading medical center in the northern part of the Dominican Republic.

5. Aircraft Finance

Ex-Im Bank supports buyers of U.S. new and used commercial and general aviation aircraft through loan guarantees and insurance for both large and small commercial aircraft. In sovereign-guaranteed large aircraft transactions, Ex-Im Bank may also finance spare parts, ground equipment, training costs, and transaction expenses.

6. 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 guar-

antee. An Ex-Im Bank guaranteed working capital loan covers multiple export sales or individual contracts. There is no maximum dollar limit on these loans.

7. Project Finance

Ex-Im Bank is able to consider project financing in CAFTA-DR countries. Ex-Im Bank's Project Finance program helps U.S. exporters compete in industries such as private power, telecommunications, and other infrastructure sectors.

Additionally, for smaller projects under \$30 million, Ex-Im Bank will consider performing the necessary financial and legal analysis at no cost to the U.S. exporter or buyer. By substantially reducing transaction costs, Ex-Im Bank enables the U.S. exporter to offer a more comprehensive financing package to buyers during the construction period.

8. Environmental, Medical and Transportation Security Initiatives

Ex-Im Bank has special programs that provide enhanced support for medical equipment exports, exports that benefit the environment, and exports related to international transportation security. The benefits include: extended repayment terms (15- years for renewable energy and water treatment projects), coverage of local costs for up to 30 percent of the U.S. contract value, and capitalization of interest during construction.



EXPORT-IMPORT BANK *of the* UNITED STATES

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EXPORT-IMPORT BANK
of the UNITED STATES



EX-IM BANK AND CAFTA-DR Focus on the Dominican Republic and Costa Rica



The countries of the CAFTA-DR region have been, and continue to be, an important and strategic export market for Ex-Im Bank and U.S. exporters. The CAFTA-DR region is the third largest export market in Latin America and the 14th largest market in the world for U.S. exports, which surpassed \$22 billion in the region in 2007. More than 80% of U.S. exports of industrial and consumer products to Central America have become duty free since the signing of the CAFTA-DR Free Trade Agreement in 2005. The gradual removal of remaining trade barriers, along with attractive financing from the Export-Import Bank of the U.S., will ensure that buyers in the CAFTA-DR countries will have continuous access to U.S. goods and services at competitive prices. Our regional portfolio continues to expand each year, with outstanding financing in the region totaling approximately \$750 million at the end of FY 2007.

U.S. Exporters: Obtain the Necessary Tools to Increase Exports to CAFTA-DR Countries

Ex-Im Bank provides U.S. exporters with the financing tools they need to successfully compete for business in Central America. Ex-Im Bank support gives protection against international political and commercial risk, and gives U.S. exporters the ability to offer competitive financing to their Central American buyers through export credit insurance and loan guarantees.

In its 74 year history, Ex-Im Bank has supported more than \$400 billion of U.S. exports in over 150 countries worldwide.



Central American Buyers: Buy more U.S. Goods and Services with Competitive Financing

Ex-Im Bank is the official export credit agency of the United States and supports the purchase of U.S. goods and services by credit-worthy buyers that may have difficulty obtaining credit through traditional financing sources.

Success Story: In June of 2008, Cap Cana, S.A, a land development company and resort in the Dominican Republic, purchased a \$6.5 million 3-year insurance policy for the import of heavy duty electrical cable, transformers and other electrical equipment from Okonite Company, Inc. of Ramsey, New Jersey. Cap Cana, S.A. will use this purchase to install electricity throughout its project property. The Cap Cana project is one of the largest tourism projects in the Caribbean, with property spanning 25 million square miles, 5.5 km of virgin beaches, and a total project value of \$1.5 billion. Cap Cana has used Ex-Im Bank financing since 2000, and with this transaction, increased its total financing with Ex-Im Bank to \$13.7 million.



1. SHORT-TERM (up to one year repayment and 95% risk coverage) Export Credit Insurance

Export credit insurance enables U.S. exporters to offer U.S. dollar credit directly to Central American buyers. The application must come from a U.S. exporter. Export credit insurance supports the export of U.S. goods and services, including raw materials, semi-manufactured, and finished goods.

Benefits:

- Open account credit is an attractive substitute to letters of credit and bank financing
- Lower interest charges, as credit is often arranged directly through the U.S. exporter or a lender
- Available for purchases of bulk commodities, consumer goods, spare parts, etc.

2. MEDIUM-TERM (up to five years repayment and under \$10 million) Export Credit Insurance and Guarantees of Commercial Loans

Ex-Im Bank medium-term insurance and loan guarantees support purchases by Central American buyers of U.S. goods and services. The buyer is required to make a down payment of at least 15%. Ex-Im Bank then covers 100% of nonpayment due to commercial or political risk.

Benefits:

- Quick turnaround
- Covers both capital goods and services
- Lower financing costs with negotiated interest rates

3. LONG-TERM (up to 10 years repayment or over \$10 million) Guarantees of Commercial Loans

With Ex-Im Bank's cover, buyers of U.S. goods and services are able to obtain attractive financing terms. This is critical for U.S. exporters to achieve export success in the Central American marketplace.

Benefits:

- Available in foreign currencies, to include the CAFTA-DR currencies
- Negotiable interest rates
- Extended repayment terms
- Flexibility in grace period or repayment of principal and interest



Success Story: In March, 2008, Ex-Im Bank approved a \$5 million revolving line of credit for Corporación Pipasa, S.A. of San Jose, Costa Rica, through an agreement with PNC Bank of Pittsburgh, PA. The facility allows Pipasa to import bulk agricultural products from the Alliance Grain Cooperative and ADM of the U.S., to be used as feed for poultry. Pipasa, established in 1969, is the largest producer of poultry products in Central America and the Caribbean, with clients such as Kentucky Fried Chicken, McDonald's, and Burger King. Pipasa has been an Ex-Im Bank customer since 2000, and this is its third credit facility under Ex-Im Bank financing.

4. Used and Refurbished Equipment Guarantees

Ex-Im Bank will extend financing to support U.S. exports of equipment that has been previously owned or placed into service. Ex-Im Bank support for used equipment is subject to certain criteria that can be found on Ex-Im Bank's Web site (www.exim.gov).

