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OPIC Conference on Investment in Middle East a Success

The OPIC-sponsored and organized *Access to Opportunity in the Middle East* investment conference attracted more than 250 participants from 23 countries, representing U.S. and regional businesses, leading financial institutions and international organizations. The successful three-day conference was officially opened by OPIC's President and CEO Robert Mosbacher Jr., Jordanian Prime Minister Nader al-Dahabi and American Ambassador to Jordan David Hale.

Held at the Dead Sea, Jordan, the international conference was designed to facilitate increased U.S. private sector investment in the broader Middle East region by demonstrating its growing potential across a host of industries and countries.

"Conditions are ripe for a new level of U.S. private sector investment in the broader Middle East. Private sector investment and expertise can usher in a more dynamic era of growth, and one that offers a number of advantages compared to most of the world," Mosbacher said.

OPIC organized Access to Opportunity in the Middle East to enable greater numbers of American companies to tap the great potential of this market, in the hope their investment capital and expertise could facilitate new economic growth and development in the region.



Audience members ask questions during Access to Opportunity investment conference.

For participants, the conference offered a unique opportunity to hear from leading investment experts, U.S. businesses currently investing in the broader Middle East, financial institutions operating in the region, and U.S. government officials.



Sessions highlighted the investment climate in various sectors including infrastructure, energy, tourism, information technology, housing; private equity; and access to credit for small, medium-sized and micro-businesses.

Geographically, the conference focused on OPIC-eligible countries and areas in the broader Middle East region, including Afghanistan, Bahrain, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, West Bank and Gaza, and Yemen.

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U.S. Small Business Uses Second OPIC Loan to Expand Business in Afghanistan

A U.S. small business that used a loan from OPIC in 2003 to successfully expand its cashmere wool export operation in Afghanistan will use a second OPIC loan to provide greater liquidity to its Afghan suppliers, enabling the company to generate greater cashmere exports to Europe and local employment in Afghanistan.

American Wool-Cashmere Inc. of Takoma Park, Maryland, will use a

\$10 million OPIC loan facility both to purchase Afghan cashmere wool and to advance funds to contracted partners in order to expand their ability to purchase the wool from farmers and middle men in Afghanistan.

The wool is seasonally sheared from goats that are owned by small farmers, who then sell it in unprocessed form to middle men or directly to suppliers that work with American Wool-Cashmere.

The suppliers in turn hire large numbers of workers to remove by hand the coarse surface wool. Although the employment is seasonal, it lasts five to seven months, and follows the country's harsh winters.

In 2003, OPIC provided a \$3 million loan to American Wool-Cashmere, which was successfully repaid, together with all accrued interest, ahead of schedule—demonstrating that American investment in Afghanistan can yield positive results.

American Wool is owned by Nesar Nusraty, an Afghan-American entrepreneur who came to the United States as a teenager and established a carpet and drapery-cleaning business. ■

Afghanistan is one of the world's major producers of cashmere wool, behind only China and Mongolia, but its production levels are sub-optimal. Projects such as this one, which improve the efficiency of the industry, could enable Afghanistan to double its cashmere wool production annually.

Conference CONTINUED FROM PAGE 1

According to a November 2006 report by Abraaj Capital, an investment firm specializing in the region, it is estimated that infrastructure investment required for the region over the next decade will exceed \$630 billion. This has led regional governments to encourage more private sector investment by reforming investment laws and undertaking privatization programs. As a result, investment opportunities for the private sector abound in such sectors as telecommunications, power/utilities, manufacturing, housing and other infrastructure.

Over the course of OPIC's 37-year history, the agency has committed more than \$6.3 billion in financing and political risk insurance to 442 projects in the countries represented at the conference. OPIC is currently providing \$1.9 billion in financing and insurance to projects in the broader Middle East.

Conference speakers included Rodney J. Eichler, executive vice president and general manager of Apache Egypt Companies, Mark Woodruff, executive



His Excellency Eng. Nader al-Dahabi, Prime Minister of Jordan, speaking at the official Access to Opportunity investment conference opening.

vice president of the AES Corporation, Leslie Janka, president of Raytheon Arabian Systems Company, and Jan Plantagie, regional manager of the Middle East for Standard & Poor's. Other speakers included senior executives from Cisco Systems, Foursan Group, FreightDesk Technologies, General Systems International, McDonald's Corporation, Millennium Solar, Nexant Inc., Stanley Consultants, the United

Nations Conference on Trade and Development, the International Finance Corporation, and the International Telecommunications Union.

The keynote luncheon speaker was David Jackson, CEO of Istithmar World Capital, a private equity investment house headquartered in Dubai. *Private Equity International* magazine named Jackson one of "50 Global Movers" of 2007. ■

OPIC Announces New Support in Palestine for Political Risk Insurance and School Growth

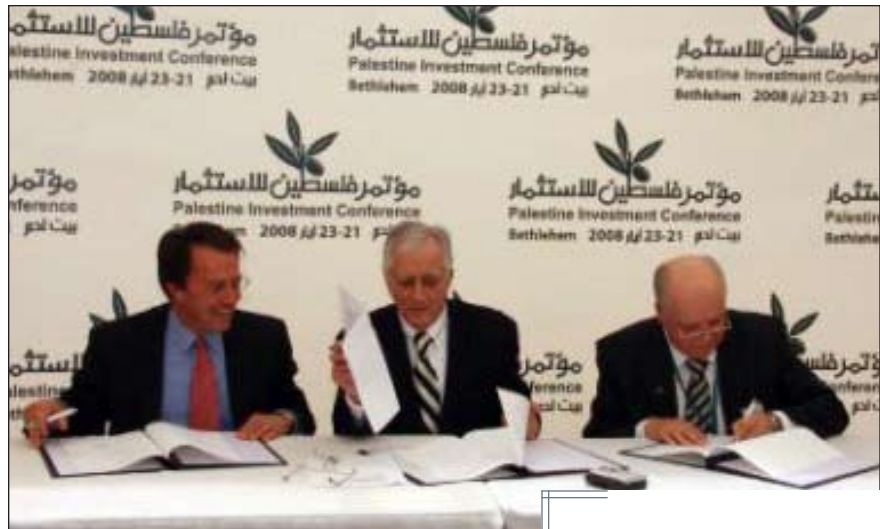
On the heels of OPIC's international investment conference in Jordan, the agency signed agreements to provide signed agreements to provide OPIC support for two new projects in Palestine.

The first project will open the door for OPIC to provide support to a new Palestinian public-private facility that will provide political risk insurance to Palestinian export-related businesses and local and foreign investors.

The Palestinian Political Risk Insurance Project (PPRI) will establish a facility funded by public and private capital that will include OPIC and the Middle East Investment Initiative (MEII), an independent nonprofit organization initiated by the Aspen Institute. PPRI will provide affordable political risk insurance covering trade disruption and asset damage resulting from political violence.

Specifically, PPRI trade disruption coverage will indemnify Palestinian exporters for penalties and fees incurred in the event of an inability to deliver their products to their ultimate destination because of border or checkpoint closings or delays. Exporters will be able to purchase PPRI coverage at affordable rates to cover the cost of goods being shipped or assets at risk, enabling them to resume or expand exports, thereby generating additional business and promoting job creation.

Initially, OPIC will partner in the facility with MEII, to reinsure the Palestinian Authority's National Insurance Company (NIC) for \$5 million in political risk insurance that the NIC is



Aziz Abdel Jawwad, GM of the National Insurance Company, signing agreement on political risk insurance with Robert Mosbacher, Jr., President & CEO OPIC

providing to small businesses. MEII will provide essential technical assistance including marketing, monitoring and underwriting guidance. Ultimately, the PPRI's capacity is expected to grow to \$20 million.

The second agreement will enable OPIC to support the establishment of an endowment for a renowned Quaker school near Ramallah, benefiting a diverse student body that includes many poor Palestinian children.

Through the memorandum of understanding (MOU), OPIC agreed to consider providing a loan to the Friends School in Ramallah-El Bireh, a school operated under the guidance of the Friends United Meeting, a non-profit organization based in Indiana.

Potentially, if exporters using the PPRI coverage grow by only ten percent annually, the program could facilitate more than \$400 million in exports from Palestinian businesses.

The school will use the OPIC financing to develop a commercial real estate property on its campus, from which office space will be leased to local and international entities conducting business in the West Bank, such as non-governmental organizations, multilateral and bilateral governmental organizations, as well as private companies. Income from the property will be used to support the school's budget and build its first strategic operating endowment.

"The Friends School in Ramallah-El Bireh has for more than a century produced leaders of Palestinian society, providing high-quality education to a diverse student body that includes many poor children. By establishing a commercial development that will also support local and international organizations working in the region, this project will ensure the school's continued excellence," said OPIC President and CEO Robert Mosbacher Jr. ■

"The Friends School of Ramallah-El Bireh is very pleased to be working with OPIC on the development and financing of this very important investment. We believe this partnership will allow us to take our school to the next level as we pursue our mission of serving Palestinian students, families and the wider community, and generating leaders for years to come." —Joyce Ajlouny, School Director

What's NEWs at OPIC

OPIC Participates in AGOA Forum

Robert Mosbacher, Jr., OPIC President and CEO recently served as the keynote luncheon speaker at the Seventh African Growth and Opportunity Act (AGOA) Forum held in Washington DC, July 14-16.

The theme of the 2008 Forum was *Mobilizing Private Investment for Trade and Growth*, and the purpose of the event was to create a business climate that encourages private investment and helps mobilize capital to finance investment in Africa.

About AGOA

The African Growth and Opportunity Act (AGOA) was signed into law on May 18, 2000 as Title 1 of The Trade and Development Act of 2000. The Act is a progressive U.S. trade and investment policy toward the continent that is reducing barriers to trade, increasing diversified exports, creating jobs and expanding opportunities for Africans to build better lives. Specifically, AGOA provides trade preferences to designated countries that are making progress in economic, legal and human rights reforms.

For more information, visit www.agoa.gov. ■

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The screenshot shows the AGOA.gov website. At the top, there is a navigation bar with links for AGOA FORUM, AGOA LEGISLATION, ELIGIBILITY, TRADE LINKS, RESOURCES, and FAQ. A search bar is also present. The main content area is divided into several sections: 'African Growth and Opportunity Act (AGOA)' with a photo of a man in a white shirt; 'AGOA NEWS' with several news items including 'AGOA Private Sector Forum to be held on July 16, 2008', 'The seventh AGOA Forum will be held in Washington, DC, July 14-16, 2008', and 'President Bush signs the Africa Investment Incentive Act of 2006'; and 'About AGOA' with a brief history of the act.

Upcoming Event

*The Corporate Council on Africa
U.S.–Africa Infrastructure Conference;
October 6-8, 2008, Washington, D.C.*

Several representatives from OPIC, including OPIC President and CEO Robert Mosbacher, Jr., Vice President of Small and Medium Enterprise Finance James Polan, and Director of Private Equity Barbara Brereton will participate in the 3rd annual 2008 U.S.–Africa Infrastructure Conference: "Connecting the Continent." The Corporate Council on Africa will host the three-day

business forum, which will feature the latest investment opportunities in some of Africa's key growth sectors such as information communication technology, transportation, energy, and security. Participants will learn about infrastructure development investment and financing opportunities in Africa; network with key African and U.S. private sector and government representatives; and meet potential business partners. For more information and to register, visit www.africacncl.org. ■

The poster features a background of a green circuit board with gold traces. The text reads: 'U.S.-AFRICA INFRASTRUCTURE CONFERENCE', 'Connecting the Continent', 'ICT - TRANSPORTATION - ENERGY - SECURITY', 'SAVE THE DATE', 'October 6-8, 2008 | Grand Hyatt | Washington, D.C.', and 'THE CORPORATE COUNCIL ON AFRICA'. At the bottom, it says 'For more information visit www.africacncl.org'.