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Small business, front & center

OPIC/SBA Initiative launched, Small business center opened

Two developments this fall greatly expanded US small businesses' access to overseas markets. In September, OPIC and the U.S. Small Business Administration (SBA) announced the Small Business Initiative, formally integrating their efforts to help small businesses enter emerging markets. Two weeks later, OPIC opened its Small Business Center, to coordinate OPIC expertise for the development of small business deals through a streamlined approval process aimed at reducing costs for US companies.



OPIC President and CEO Dr. Peter Watson, left, and SBA Administrator Hector Barreto flank Congressman Donald Manzullo (R-IL), chairman of the House Small Business Committee, at the launch of the OPIC/SBA Small Business Initiative.



By the terms of the Small Business Initiative:

- ✓ OPIC and SBA will provide training on their programs to the other's personnel in order to better serve US small businesses.
- ✓ The SBA will train OPIC personnel about SBA business information centers, finance and technical assistance programs, enabling both agencies to make qualified referrals to each other.

- ✓ OPIC and SBA staff will meet regularly to share information about economic, financial and political developments, business development, and risk mitigation and management. Ad hoc working groups will be established to support initiatives such as America's Partnership for Prosperity with Mexico.
- ✓ OPIC and the SBA will make staff members available to travel in the US to participate in trade shows, conferences and seminars focusing on small businesses.

OPIC Small Business Center



For more information, call **202/336-8700.**

Small Business Center Director Gary Keel.

Congressman Donald Manzullo, chairman of the House Small Business Committee, said the initiative "represented an unprecedented step toward helping America's small businesses compete in the global marketplace. Pooling the resources of OPIC and the SBA will generate tangible opportunities for US small businesses to expand into dynamic emerging markets."

MESSAGE FROM THE PRESIDENT

The Andes and Serbia: it would be difficult to find two regions less alike in geography, culture or history.

Yet, as OPIC discovered at conferences in Lima and Belgrade, both stand poised at the entry to the global marketplace. And that is partly because they in fact share much: they are at the centers of regional trade, have common entrepreneurial capacity, common infrastructure challenges, face common threats of instability, but share a common commitment to economic reform. Those reforms, once completed, will usher in new levels of foreign investment, making the global marketplace a reality.

The Andes and southeastern Europe are not alone in their potential, or in their eagerness to adopt the free market system, and thus their willingness to undertake difficult reforms. Importantly, that willingness is not the result of an American-led sales pitch, but because the principles of the free market system argue on behalf of themselves.

The free market system operates best, and diffuses its benefits most widely, when it demonstrates efficiency. When economic structures beholden to corruption and patronage are stripped away, and when access to capital and regulatory facilitation is eased, businesses both large and small grow, whether they are owned by Amerindian or Mestizo, Serb or Croat.

With that growth comes confidence in the system itself, and with that comes renewed interest from foreign investors, who can inject capital at levels that can truly make a local economy take off. Every capital city, including Lima and Belgrade, knows examples of capital's transformative power. Keeping capital in place, so as to unleash its multiplying effect, is the trick, and that hinges on seeing reforms through to their conclusion, so that they become institutions themselves.

What OPIC saw in Lima and Belgrade was heartening. Even more so were the



Dr. Peter S. Watson

words of President Alejandro Toledo, who like his Serbian counterpart, told OPIC, "We can do this together, North American entrepreneurs and Andean entrepreneurs, and our commitment is to build a legal and judicial stability for that to happen. We have a great opportunity; let's take it."

OPIC highlights investment potential in Serbia

Successful completion of its economic reform program will encourage a new era of U.S. invest-



ment in Serbia, OPIC Executive Vice President Ross Connelly told a US-Serbia business conference in November.

"Serbia is at the heart of the new South East Europe Free Trade Area, a dynamic emerging market of 60 million people in eight countries," Connelly said. "OPIC is confident that continued adherence to economic reforms will stimulate increased levels of investment."

The two-day OPIC forum, *Succeeding in Serbia: A U.S.-Serbia Business Opportunities Conference*, enabled more than fifty American companies in the region to hear leading Serb and U.S. officials describe

reform efforts, the investment climate, and U.S. government programs available to American companies interested in investing in Serbia.

Conference participants attended panel discussions on government reforms, American investors' experience in Serbia, investment opportunities, and programs offered by OPIC, the Commerce Department and the

"We have come to Belgrade this week to point out to U.S. businesses that Serbia is serious about its economic reform program. For those companies who are willing to give the country a serious look, I submit that you will be rewarded." OPIC Executive Vice President Ross Connelly



Export-Import Bank of the United States to facilitate investment.

Vojislav Kostunica, president of the Federal Republic of Yugoslavia, and Serb Prime Minister Zoran Djindjic, both expressed appreciation for the Bush Administration's ongoing commitment to the development of democracy and free markets in Serbia.

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Andes in focus: 200 companies attend interagency conference; Peru's Toledo hails Bush support for region

More than 200 companies from the United States, Bolivia, Colombia, Ecuador and Peru attended the Andean Regional Trade and Investment Conference in October, an unprecedented effort by all trade-related agencies of the U.S. government to encourage American companies to do business in the Andes.

By marshaling the resources OPIC, the U.S. Trade and Development Agency



and the Export Import Bank of the United States, the Bush Administration fulfilled a commitment made by President Bush in March to support economic development in the Andes and increase U.S. outreach to the region, particularly by small businesses. Conference co-sponsors made a priority of enabling American and regional companies to network in order to generate joint ventures.

President Alejandro Toledo of Peru, who opened the two-day conference on Thursday, said, "President Bush is delivering results for the countries of the Andes. We can do this together, North American entrepreneurs and Andean entrepreneurs, and our commitment is to build a legal and judicial stability for that to happen. We have a great opportunity; let's take it."

OPIC Executive Vice President Ross Connelly said, "U.S. small businesses in particular represent a key element in generating opportunity in the Andes, and identifying prospects for them is a role OPIC will continue to perform. Leading by example, we hope and expect that this conference will inspire participants to explore opportunities in the region."



Ex-Im Bank Senior Vice President for the Export Finance Group Jeffrey Miller, US Trade and Development Agency Chief of Staff Carl Kress, and OPIC Executive Vice President Ross Connelly spearheaded US efforts at the Andean Regional Trade and Investment Conference; above, President Alejandro Toledo of Peru opened the conference.

Conference participants attended interactive panel discussions on opportunities in the transportation, technology, renewable energy and tourism sectors; overviews of the regional investment climate, the experience of small and medium-sized enterprises in the region, and of services offered by OPIC, TDA and Ex-Im Bank to potential investors; and a matchmaking session designed to generate projects in the Andean countries.

OPIC loan will help Ecuador



build new airport



Artist's rendering

At the Andean Regional Trade and Investment Conference, OPIC Executive Vice President Ross Connelly announced that OPIC intends to provide a loan of up to \$200 million to the construction of a new international airport in Quito, Ecuador - the agency's second major airport project in the region in the last year, following an announcement of a \$106 million OPIC loan to modernize Jorge Chavez Airport in Lima. Houston Airport System Development Corporation is the U.S. sponsor for the Quito project.

The conference co-sponsors are also involved in the Quito project: Ex-Im Bank will serve as a co-lender, and TDA funded a technical assistance study of the access road to the airport.

OPIC Vice President of Finance Robert Drumheller wrote in a recent *Project Finance* article that the International Airport Council expects that Latin America will see 325 million travelers annually by 2010 and that \$75 billion will be spent on airport infrastructure.

"Recent projects," Drumheller wrote, "demonstrate the need to develop airports as important commercial centers whose success is tied to local economies, as well as Latin American governments' commitment to preparing a conducive investment climate, and innovative financing schemes."

OPIC announces four African projects at development summit

OPIC will provide financing to four projects designed to help South Africa, Mozambique, Malawi and Ghana meet critical long-term developmental needs, OPIC President Dr. Peter Watson announced at the World Summit on Sustainable Development in Johannesburg.

In South Africa, in its first housing initiative in Africa, OPIC will provide a \$15 million loan guaranty to help build 90,000 homes for low-income families, providing shelter for up to half a million people.

In Mozambique, OPIC intends to support a project that would extend the Vilanculos Coastal Wildlife Sanctuary



OPIC financing will help the Vilanculos Wildlife Sanctuary in Mozambique, above, develop its tourism potential.

by 17,000 hectares - more than 50 percent -

and develop its tourism potential through the addition of new lodging. Also in Mozambique, a pending \$22 million OPIC loan will help contribute to the

rehabilitation of an existing rail and port system operating in the Nacala Corridor between Mozambique and Malawi. The project would enable those countries to reduce the cost of transporting petroleum and much-needed food, as well as exports.

Pending OPIC financing will enable a Texas-based company, Living Water International (LWI), to drill dozens of wells in Ghana, providing local communities with safe drinking water.

The project would essentially duplicate a current OPIC/LWI partnership in Kenya, whereby rates of waterborne diseases have dropped from 95 percent to less than five percent in communities where LWI has provided clean water. Dr. Watson said the partnership would likely extend to other African countries in the near future.

UPCOMING EVENTS

December 2-5, 2002, Mexico City, Mexico
2nd U.S.-Mexico Small-Medium Enterprise Conference
Gary Keel, Director, Small Business Center & CFO
www.export.gov

December 2-5, 2002, Miami, Florida
26th Annual Miami Conference on the Caribbean Basin
Daniel Nichols, Vice President,
Investment Development and Economic Growth
www.claa.org

January 28-29, 2002, Washington, DC
Bankers' Association for Finance and Trade
20th Annual Midwinter Strategic Conference
Dr. Peter S. Watson, President and CEO
www.baft.org

March 12-13, 2003, Paris, France
8th Annual Projects International Conference
Dr. Peter S. Watson, President and CEO
www.icbi-uk.com

