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IN THIS ISSUE

OPIC agreements herald partnership & projects in Africa

Message from the President

U.S. small business uses OPIC loan to establish air service between U.S. and Afghanistan

Central America in focus:

■ U.S. small businesses upgrade nutrition and tourism potential in region

Secretary of State Powell applauds OPIC

OPIC insurance enables flour mill in Angola to restart, alleviating food shortage

UPCOMING EVENTS

see back page

OPIC agreements herald partnership & projects in Africa



OPIC President and CEO Dr. Peter Watson addressing the Corporate Council on Africa's fourth US-Africa Business Summit.

The Corporate Council on Africa's fourth US-Africa Business Summit witnessed the signing of three agreements between OPIC and east African countries eager to improve their infrastructure through increased levels of OPIC-supported U.S. private sector investment.

U.S. Secretary of State Colin L. Powell (*see remarks, page three*) witnessed the June 27 signing of a statement of common objectives between OPIC and a consor-

tium working to rehabilitate an existing rail and port system that would enable Malawi, Mozambique and Zambia to reduce the cost of transporting petroleum and much-needed food.

The project, called the Nacala Port and Railway Initiative, aims to rehabilitate the Nacala railway corridor between Mozambique and Malawi, and refurbish the deep-water port of Nacala in Mozambique.



From left, U.S. Secretary of State Colin Powell, Vice President Justin Malewezi of Malawi, President Joaquim Chissano of Mozambique, President Levy Mwanawasa of Zambia and Dr. Watson.

Two days earlier, OPIC and the Government of Kenya concluded two memoranda of understanding (MOUs) pledging their cooperation in developing Kenya's housing industry and its rural economy.

OPIC and Kenya will work to develop Kenya's housing market, according to the first MOU, by encouraging U.S. investment in the sector and undertaking to increase the availability of low-cost mortgages. The second pledges cooperation in stimulating the economy in the Yala Swamp region of Nyanza Province.



Kenyan Minister of Roads, Public Works and Housing Raila Odinga, left, and Kenyan Minister of Trade and Industry Dr. Mukhisa Kituyi flank Dr. Watson after signing MOUs.

MESSAGE FROM THE PRESIDENT

"OPIC has done a wonderful job with programs to meet Africa's hunger for productive investment. Since October 2001 alone, OPIC has approved over three-quarters of a billion dollars for projects in sub-Saharan Africa to combat the scourge of HIV/AIDS, to provide decent housing for low-income Africans, to give African children access to clean, life-giving water, and to help farmers grow and market their crops."

Secretary of State Colin Powell, in his assessment of OPIC at the recent U.S.-Africa Business Summit, confirmed not only the Bush Administration's record of delivering on its commitment to the continent, but the growing willingness of U.S. investors to take advantage of the dynamic emerging market that is Africa.

Credit for much of this encouraging trend is owed to African nations' efforts to mitigate another of Secretary

Powell's assessments: that "capital is a coward. It goes where risk is understood, and successful risk reaps rewards."

The Secretary gave as an example the agreement signed at the summit between OPIC and a consortium planning to undertake a project to provide Malawi, Mozambique, and Zambia with access to the sea. Once completed, the port-and-railroad project will bring better food and more fuel, at better prices, to the people of these three nations, while linking them to new markets for their products.

As he noted, "the prerequisite for this project was peace. A decade ago, war raged across these three countries, and this railway could not have been built. OPIC's agreement was signed only because the leaders and people of these three nations showed the courage and wisdom to turn their backs on conflict and move forward with development."



Dr. Peter S. Watson

As African countries continue to consolidate stability and democracy - an act of courage itself - OPIC will work with U.S. companies to generate the investment that that will no doubt follow.

U.S. small business uses OPIC loan to establish air service between U.S. and Afghanistan

OPIC financing will enable a U.S. small business to establish direct air service between the United States and Afghanistan. The service will reduce flight time between the U.S. and Afghanistan from about 40 hours to approximately 15.

OPIC will provide a \$2.1 million loan to The Berkeley Group to establish semiweekly air service between Washington, D.C. and Kabul, with a scheduled stop in Geneva, Switzerland, and a refueling stop in Turkey. World Airways will serve as the airline operator. The project will provide the only service directly between the U.S. and Afghanistan, and the only nonstop service between Geneva and Washington.



The Berkeley Group will use a \$2.1 million OPIC loan to establish the only direct air service between the U.S. and Afghanistan, reducing flight time by nearly two thirds.

The project will help satisfy demand for the service among U.S. and European governmental and nongovernmental workers. It will also respond to a demand for cargo service, which was estimated for the project by a Swiss-Dutch study at 30 tons per week between Europe and Afghanistan alone.

"Establishing direct air service from the United States will help Afghanistan begin its reconstruction, not least by facilitating passenger and cargo traffic from the U.S. and Europe into the country, thereby stimulating economic development," OPIC President Dr. Peter Watson said.

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Central America in focus:

U.S. small businesses upgrade region's nutrition & tourism industry, with OPIC help

Guatemala, Nicaragua and other countries in Central America will benefit from OPIC support for two U.S. small businesses, including a project that will provide up to one million children daily with an affordable, nutritious drink that will enable the region to address malnutrition and other health conditions.

OPIC will provide a \$6 million loan to RiceX, a bio-tech company based in El Dorado Hills, California, for the establishment of a plant in Nicaragua able to provide a rice-based nutri-



address cardiovascular health, diabetes, cancer, and other health conditions.

After providing RiceX Solubles to Guatemalan children for a year, a study showed that 100

RiceX, a California bio-tech company, will use a \$6 million OPIC loan to provide a nutritious drink made from rice bran to up to one million children daily in Nicaragua, Guatemala, Honduras and El Salvador.



percent of children with acute malnutrition improved to normal or 'low-risk' malnutrition.

tional drink to children in Nicaragua, Honduras, Guatemala and El Salvador - countries which demonstrate significant need and the necessary rice production. The drink will be sold commercially to pre-school lunch programs and to regional companies for use in diabetes and cholesterol treatments.

The cost of providing the drink would be less than six cents daily per individual.

RiceX has developed equipment and processes which convert rice bran - the outer portion of the rice kernel - into highly nutritious, easily-digested foods.



An OPIC loan will enable a U.S. small business to upgrade a hotel in the Guatemalan colonial city of Antigua, a popular tourist destination.

OPIC will provide the loan to Casas Encantadas Holdings Ltd. for the acquisition, and upgrade of an existing eight-room hotel in the Spanish colonial city of Antigua.

Antigua is designated a Cultural Heritage Site by UNESCO because of its

unique and well-preserved historical character.

Another RiceX product, RiceX Solubles, provides nutrients that can be used to

Secretary Powell applauds OPIC

Below are excerpts from U.S. Secretary of State Colin Powell's June 27 address to the Corporate Council on Africa's U.S.-Africa Business Summit.

"OPIC has done a wonderful job with programs to meet Africa's hunger for productive investment. Since October 2001 alone, OPIC has approved over three-quarters of a billion dollars for projects in sub-Saharan Africa to combat the scourge of HIV/AIDS, to provide decent housing for low-income Africans, to give African children access to clean, life-giving water, and to help farmers grow and market their crops.

"For example, OPIC recently agreed to provide a \$15 million guarantee to help build 90,000 homes for low-income families in



South Africa. These homes will provide good roofs over the heads of up to half a million people. That's half a million men, women, and children who will be able to go to sleep at night thinking ahead to the future with hope, not worrying where they will find shelter the next day.

"Sierra Leone, which is just emerging from a brutal civil war, now has a \$25 million investment guaranty to restart a mineral sands mine. This project will put over 900 people to work - 900 people who will be able to put bread on their tables.

"Just last Tuesday, Kenya agreed to memoranda of understanding for developing its housing industry and its rural economy."

OPIC insurance enables flour mill in **Angola** to **restart**, alleviating food shortage

OPIC political risk insurance has enabled a U.S. business to rehabilitate a flour mill in Angola, more than tripling its production capacity and thereby helping that country address a scarcity of domestically-produced food.

OPIC will provide \$6 million in insurance to Seaboard Overseas Ltd., a sub-

siary of Seaboard Corporation of Shawnee Mission, Kansas, for the rehabilitation and operation of a flour mill formerly known as Moagem Herois De Kangamba, located in Viana, nine miles east of the capital of Luanda. The mill will produce and market wheat flour

and wheat bran for animal feed

at a rate of 200 metric tons per day (MTD), compared to its 1999 capacity of 65 MTD.

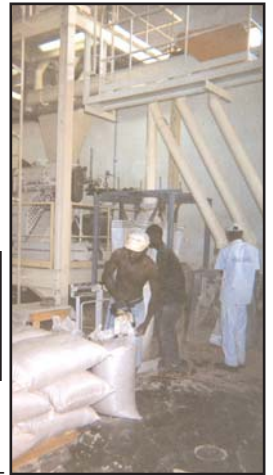
OPIC President and CEO Dr. Peter Watson said the project would help to alleviate scarcity in the Angolan domestic wheat flour market, mak-

ing bread in particular more affordable to Angolans.

"By providing a staple food item

Seaboard Overseas Ltd. is using \$6 million in OPIC political risk insurance to rehabilitate a flour mill near Luanda in Angola, more than tripling its production capacity.

at a reduced cost, as well as jobs for local residents, this project will directly benefit the Angolan population and economy," Dr. Watson said.



UPCOMING EVENTS

July 28-29, 2003, Miami, Florida
Center for Business Intelligence 4th Annual Latin America Power Projects Conference
Nancy Rivera, Project Finance Manager
www.cbinet.com/events/PB326.index.html

September 16-19, 2003, San Diego, California
District Export Council's 2003 National District Export Council Conference
www.2003deconference.com

September 24, 2003, St. Petersburg, Russia
OPIC-sponsored Investment Conference
More details to follow
www.opic.gov; krobe@opic.gov

November 17-19, Bucharest, Romania
OPIC-sponsored Investment Conference
More details to follow
www.opic.gov; krobe@opic.gov

