

# WELCOME TO THE EXPORT-IMPORT BANK OF THE UNITED STATES AFRICA UPDATE May 2008

Welcome to the *Ex-Im Bank Africa Update*, a publication of the Export-Import Bank of the United States (Ex-Im Bank).

Ex-Im Bank is an independent U.S. government agency that helps finance the export of U.S. goods and services primarily to emerging markets throughout the world by providing loan guarantees and export credit insurance.

This e-mail publication highlights the Bank's activities and continued commitment to expand trade with sub-Saharan Africa.

## **HIGHLIGHTS:**

- Africa Regional Director, John Richter, Ghana and Nigeria Trade Mission, March 2008
- Ex-Im Bank 2008 Annual Meeting, April 17<sup>th</sup> - 18<sup>th</sup> - Africa Highlights
- Sub-Saharan Africa Advisory Committee (SAAC) meeting, May 14<sup>th</sup>
- New Business Development Officer for Africa
- Recent Authorizations

## **AFRICA REGIONAL DIRECTOR, JOHN RICHTER, GHANA AND NIGERIA TRADE MISSION**

Africa Regional Director, John Richter, travelled to Ghana and Nigeria for 10 days - March 3<sup>rd</sup> to March 13<sup>th</sup> - participating in a joint trade mission with the United States Department of Agriculture (USDA) and Department of Commerce (DOC). The major objectives achieved were to:

- coordinate efforts with U.S. Foreign Commercial Services to conduct meetings with potential borrowers;

- participate in the USDA trade mission to conduct meetings with potential borrowers;
- provide preliminary review of the Ghana banking sector; and
- train Foreign Commercial Service officers on Ex-Im Bank products as recommended by SAAC and the Congressional mandate.

Both Ghana and Nigeria are exciting markets. Ghana has long served as a model for other African nations due to its free and fair elections and rule of law. Ghana offers an increasingly sophisticated market of 22 million consumers, and has qualified for Millennium Challenge Corporation (MCC) funds, available only to countries that have adopted good governance policies. In 2006 Ghana ranked among the top 10 reforming countries in the world. Its per capita output is among the highest in West Africa, and its steady economic growth over the past four years—6.2% in 2006—is expected to continue. Nigeria, the most populous country in sub-Saharan Africa at over 120 million people, continues to push economic reforms forward, while its \$121 billion GDP is growing at around 10%. Nigeria continues to move forward as seen in the stability of the Nigerian currency and the government’s commitment to economic and social reforms.

On the first half of the trip, in conjunction with DOC, John personally met with 28 Nigerian and Ghanaian companies and local representatives of American companies. He also gave a presentation to the 15 U.S. companies participating in the trade mission. New relationships were made amongst the participants making us confident in future transactions. The second half of the trip, operated jointly with USDA, brought together companies from 11 West African countries with U.S. exporters. John also met with representatives from the Ghanaian banking sector who updated him on recent banking trends and events. The USDA mission focused on dry grocery products, horticulture, food processing, beer and spirits, seafood, livestock genetics, equipment and production inputs.

## **EX-IM BANK’S ANNUAL MEETING**

While the Africa presence at Ex-Im Bank’s annual meeting has always been substantial, over 10% (almost 100) participants visited us from Africa. This number exceeded our expectations.

### *AFREXIM BANK*

Leading the list of distinguished guests was Jean-Louis Ekra, chairman and president of the African Export-Import Bank—Afrexim. Mr. Ekra and Ex-Im Bank Chairman and President Jim Lambright signed a \$40 million Special



Jean-Loius Ekra, Chairman and President of the African Export-Import Bank and Ex-Im President James Lambright

Delegated Authority (SDA) at a special signing ceremony that began the conference. In practice, the SDA will result in qualified Afrexim Bank-approved transactions that include U.S. manufactured goods and services that are Ex-Im Bank pre-approved. While Ex-Im Bank's mission is obviously to promote U.S. exports, the Bank shares Afrexim Bank's main objective to facilitate, promote and expand internal and external African trade.

### *MEETING AFRICA'S ELECTRICITY NEEDS*

Sub-Saharan Africa was featured again in a special seminar called "Meeting Africa's Electricity Needs". During the workshop, the U.S. Embassy-provided "white papers" outlining the electricity plans and projects in fourteen African countries were distributed. Discussion centered on the project finance models most commonly used to turn plans into reality.

Ex-Im Bank Regional Director for Africa John Richter moderated the session and panelists included: Shaun Beaton, senior counsel, Allen & Overy who discussed legal issues related to Nigerian Independent Power Projects (IPP); HSBC Regional Director Richard Hodder who outlined Eskom's power projects in South Africa; and Abhay Ketkar of Standard Chartered who described the Bujagali Hydro Project in Uganda.

### *AVAILABLE ON REQUEST: "POWER PROJECTS IN AFRICA"*

If your interests are in the power sector and you would like a copy of the document, "Power Projects in Africa," prepared for and distributed at Ex-Im Bank's annual meeting last month, please e-mail [barbara.ransom@exim.gov](mailto:barbara.ransom@exim.gov) and a copy will be mailed to you. A downloadable version is also under the "Publications" section of our website, [www.exim.gov/africa](http://www.exim.gov/africa).

### *FOCUS GROUP WITH AFRICAN ATTENDEES*

Under the leadership of Chairman Dennis Dubois, several members of the Bank's sub-Saharan Africa Advisory Committee informally met with African attendees at the annual meeting. The purpose was to receive their advice on how more U.S. companies can be motivated to pay attention to the ever-growing African marketplace as well as to what suggestions they may have on possible changes at the Bank itself that will result in additional business.

## SUB-SAHARAN AFRICA ADVISORY COMMITTEE MEETING

The next meeting of Ex-Im Bank's sub-Saharan Africa Advisory Committee will take place on Wednesday, May 14<sup>th</sup> beginning at 9:30 a.m. at the Bank - 811 Vermont Avenue, NW, Washington, DC.

The meeting's agenda will include the changing economic factors in Angola and Ghana, the Millennium Challenge grant to Tanzania, the on-going focus on Nigerian independent power projects; the Bank's City/State partnerships; discussion on how the Bank's foreign dealer finance initiative can be revitalized; and the recently established medium-term delegated authority initiative.

The meeting is open to the public, and attendees are urged to contact Barbara Ransom at [barbara.ransom@exim.gov](mailto:barbara.ransom@exim.gov) should they plan on attending in order to facilitate access to the building.

## NEW BUSINESS DEVELOPMENT OFFICER

Please join us in welcoming Benjamin Todd to the Africa team. He is replacing Ricardo Michel as Business Development Officer for Africa. Ricardo has moved to the Project/Structured Finance Division of the Bank and will be missed by us. Ben comes to us from the U.S. Federal Aviation Administration (FAA) where he worked in the budget and finance office. Prior to the FAA, Ben was a Peace Corps volunteer in Lesotho and directed a community and technology project in Hartford, Connecticut. Ben has a Master of Science degree in Public Policy and Management from Carnegie Mellon University in Pittsburgh and a Bachelor of Arts in Economics from Trinity College in Hartford. Ben can be reached at [ben.todd@exim.gov](mailto:ben.todd@exim.gov) or (202) 565-3916. Welcome aboard Ben!

## RECENT AUTHORIZATIONS:

- Ex-Im authorized a Multi-Buyer Working Capital Loan Guarantee for Kazar International of San Francisco for \$877,500. This authorization allows Kazar International to facilitate its machinery and equipment export operations to many countries, including **Senegal** and **Mauritania**.
- Jacaranda Plant and Machinery Hire Company of **Zambia** imported an STX 480 horsepower tractor supplied by CNH America LLC of Racine, Wisconsin. Ex-Im Bank guaranteed the \$285,332 transaction through its Medium-Term Loan Guarantee product.

- The Pioneer Equipment Company of Jacksonville, Florida exported \$3,030,762 worth of new and refurbished rock crushing equipment to Japaul Oil & Maritime Services, PLC in **Nigeria**. Assured through Ex-Im Bank's Medium-Term Loan Guarantee policy, Sovereign Bank lent the money to Japaul Oil & Maritime Services' bank, Intercontinental Bank PLC of Nigeria, the guarantor.
- Ex-Im Bank guaranteed a medium-term loan for \$321,499 to purchase communication broadcasting equipment. Electronics Research, Inc of Chandler, Indiana and BSW of Washington, DC exported the equipment to Megalectrics, LTD of **Nigeria**. M&T Bank lent the money to Megalectrics with Diamond Bank, PLC of Nigeria as the guarantor.
- Ex-Im Bank guaranteed a long-term loan that involved over sixteen suppliers. The \$19,634,327 transaction allowed the suppliers to export an aluminum can manufacturing facility to GZ Industries of **Nigeria**. Fidelity Bank, Nigeria, provided a local bank guarantee to HSBC's loan.

We invite you to visit the enhanced Africa Portal directly at [www.exim.gov/africa](http://www.exim.gov/africa). In addition, you may link to this portal from Ex-Im Bank's main website at [www.exim.gov](http://www.exim.gov).

If you have any questions, please e-mail them to [eximafrica@exim.gov](mailto:eximafrica@exim.gov).

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