

# WELCOME TO THE EXPORT-IMPORT BANK OF THE UNITED STATES AFRICA UPDATE May 2009

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:

- Upcoming Events
- Ex-Im Bank Announces a New \$120 Million Angolan Bank Facility
- Ex-Im Bank's 2009 Annual Conference
- March sub-Saharan Africa Advisory Committee (SAAC) Meeting

*Ex-Im Bank issued a report after the meeting consolidating the featured panel's remarks on the International Financial Crisis. This report is available for download from Ex-Im Bank's Africa website, <http://www.exim.gov/africa/>, under the publications section.*

- March Business Development Trip to Kenya and South Africa
- Business Development Participates in the 2009 Offshore Technology Conference (OTC) in Houston
- Short-Term Africa Initiative Renewal
- Upcoming Travel
- Recent Transactions

## UPCOMING EVENTS

June 3, 2009: SAAC Meeting at 9:30 AM

Ex-Im Bank Headquarters, 811 Vermont Ave. NW, Washington, DC 20571

Special Note: If attending, please RSVP [barbara.ransom@exim.gov](mailto:barbara.ransom@exim.gov) or (202) 565 - 3525 as soon as possible. Seating is limited. Photo ID is required.

June 30 - Bankers Association for Trade and Finance (BAFT)  
July 1, 2009 2<sup>nd</sup> Africa Bank-to-Bank Forum: Sustaining Trade Finance Through Challenging Times

The objective of the forum is to bring together senior African bankers to inform them on some of the more significant developments in the region as well as to share best practices.

Location: Nairobi Serena Hotel, Kenya

For more information, please visit: [http://www.baft.org/events/event\\_1575.html](http://www.baft.org/events/event_1575.html) or contact Deborah Smith at [deborahs@saba.com](mailto:deborahs@saba.com).

July 13-14, 2009: Trade Finance Solutions for Exporters and Lenders

This seminar helps exporters and lenders learn about trade services they can offer their customers to raise profits and minimize commercial and political risks.

Ex-Im Bank Headquarters, 811 Vermont Ave. NW, Washington, DC 20571

For more information, please visit: <http://www.exim.gov/seminars/>

September 29 - Corporate Council on Africa's 7<sup>th</sup> Biennial U.S. - Africa Business Summit  
October 1, 2009:

The 7th Biennial U.S.-Africa Business Summit sponsored by the Corporate Council on Africa (CCA) will be held from September 29<sup>th</sup> through October 1<sup>st</sup> at the Walter E. Washington Convention Center in Washington, DC. Planned plenary sessions include "Lessons Learned from the Global Financial Crisis" with a special session on the impact on Africa's extractive industries; "Infrastructure: A Road Map for Trans African Transportation"; as well as on the great need for power; the "African Agricultural Value Chains"; health care; and navigating bilateral, regional and global trade agreements in turbulent times. More than 2,000 of the world's top business leaders are expected to attend.

Walter E. Washington Convention Center, Washington, DC

For more information and to register for the summit visit <http://www.africacncl.org/>

## **EX-IM BANK ANNOUNCES A NEW \$120 MILLION ANGOLAN BANK FACILITY**

U.S. exporters will realize significant savings in processing time connected with their sales to Angolan buyers thanks to a newly-authorized \$120 million facility involving Ex-Im Bank and four Angolan banks.

The facility authorized April 2, 2009, by Ex-Im Bank's board of directors provides Special Delegated Authority for short- and medium-term private sector transactions covering four banks: Banco Africano de Investimentos (BAI); Banco Espirito Santo Angola (BESA); Banco de Fomento Angola (BFA); and, Banco de Poupança e Crédito (BPC). The \$120 million will be allocated equally among the four banks.

"We see tremendous sales opportunities for American exporters, particularly for companies selling products and services aimed at oil and gas services, infrastructure development and agriculture," said J. Joseph Grandmaison, member of Ex-Im Bank's board of directors. "This facility will enhance our exporters' ability to more quickly capitalize on these opportunities."

U.S. Ambassador to Angola Dan Mozena said the action by Ex-Im Bank "reflects the continuing confidence of the United States in Angola's bright future."

"This credit facility will provide Angola's private sector expedited access to top quality American goods and services, including sectors beyond oil and gas. This is especially timely as Angola continues its massive reconstruction program so more Angolans can share in the country's tremendous natural wealth," Ambassador Mozena said.

Ambassador Mozena urged Angolan businesses to explore the benefits available under this facility, noting that Bank officials have said that they are prepared to consider increasing the amounts available to the Angolan banks.

U.S. businesses interested in more information about export finance for sales to Angola may contact Ex-Im Bank Africa Business Development Officer Ben Todd at [ben.todd@exim.gov](mailto:ben.todd@exim.gov).

Angolan businesses interested in taking advantage of financing using this new facility may contact one of the four Angolan banks named above or the U.S. Embassy in Luanda Economic/Commercial Section: [econusembassyluanda@yahoo.com](mailto:econusembassyluanda@yahoo.com).

## **EX-IM BANK'S 2009 ANNUAL CONFERENCE**

Africa played a large role again at our April 16<sup>th</sup> and 17<sup>th</sup> Annual Conference. For another year in a row we were surprised by the turnout of Africans at the annual conference – those who traveled from Africa to attend were well represented!

The Africa panel on the morning of the 16<sup>th</sup> was one of the most well attended of the conference. With Director Grandmaison moderating, representatives from five African embassies (Angola, Ghana, Kenya, Nigeria and South Africa) discussed commercial opportunities in their respective countries, fielded questions from the audience, and distributed materials for the audience. The interest in these countries was matched by the special Africa section at our trade show area. Each mission had a table in the Africa section where they had a chance to discuss commercial opportunities one-on-one with banks and U.S.

exporters. Judging by the foot traffic at those booths and the feedback from the participants, the Africa section was a success. See the attached description at the end of this newsletter by *Global Trade Review-GTR* ([www.gtreview.com](http://www.gtreview.com)) of Ex-Im Bank's annual conference detailing the success of Africa participation.

Later in the day, Kusum Kavia of Combustion Associates Inc. (CAI) in Corona, California, received an award as the 2009 Small Business Exporter of the Year for sub-Saharan Africa. Using an Ex-Im Bank insurance policy, CAI is expanding its global business and workforce through a multimillion-dollar sale of eight 10-megawatt electric-power generating systems to the government of Benin. To fulfill the contract, the minority- and woman-owned company has nearly doubled its workforce from 35 to 65 employees. Mukund Kavia and his wife, Kusum Kavia, CAI vice president, were born in Kenya, grew up in England, and emigrated to the United States, founding CAI in Corona 21 years ago. Beginning as environmental consultants, they moved on to manufacturing and installing skid-mounted electrical power producing equipment and auxiliary systems. EcoBank Benin and EcoBank Nigeria assisted in the facilitation of this transaction.

Similar to last year and under the leadership of the sub-Saharan African Advisory Committee (SAAC) Chairman Wayne Ramus, members of Ex-Im Bank's SAAC informally met with African attendees at the annual meeting. Ex-Im Bank again received their advice on how more U.S. companies can be motivated to pay attention to the ever-growing African marketplace. Also, numerous suggestions were made on possible changes at Ex-Im Bank that could result in additional business.

### **MARCH 2009 SUB-SAHARAN AFRICA ADVISORY COMMITTEE (SAAC) MEETING**

On March 25, 2009, Ex-Im Bank's main conference room was standing room only for the sub-Saharan Advisory Committee's featured panel, "Impact in Africa of the International Financial Crisis" that started off the meeting. With Chairman Wayne Ramus moderating, the distinguished speakers included Harry G. Broadman, Managing Director and Chief Economist, Albright Capital Management LLC; John Chambers, Managing Director and Chairman, Sovereign Rating Committee, Standard & Poor's; and Ambassador Phillip Carter III, Acting Assistant Secretary of State for African Affairs.

Ex-Im Bank issued a report after the meeting consolidating the featured panel's remarks. This report is available for download from Ex-Im Bank's Africa website, <http://www.exim.gov/africa/>, under the publications section.

### **BUSINESS DEVELOPMENT TRIP TO KENYA AND SOUTH AFRICA**

Ray Ellis, vice president of the Strategic Initiatives Division, visited Africa this past March speaking at the Exporta Conference in Cape Town and exploring new possibilities in Kenya, which is now open long-term.

While in South Africa, Ray met with a number of businesses and banks including Transnet, PetroSA and the Development Bank of South Africa (DBSA).

Ray then headed to Kenya and held an "Ex-Im 101" event with Kenyan buyers and banks that was well attended. We have already seen several leads as a result. He also talked with the Minister of Finance,

KenGen and several banks explaining Ex-Im Bank's role in assisting Kenyan buyers, especially given the current financial environment.

## **BUSINESS DEVELOPMENT PARTICIPATES IN THE 2009 OFFSHORE TECHNOLOGY CONFERENCE (OTC) IN HOUSTON**

Regional Director for Africa, Rick Angiuoni, traveled to Houston, Texas in early May for the Offshore Technology Conference (OTC). The OTC is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection. Delegations from many countries were present and on the final day of the conference, Rick was able to address the Nigerian delegation on financing supported by Ex-Im Bank programs. As part of the presentation, a new financing product was introduced to assist indigenous Nigerian oil services subcontractors. This new product, developed in conjunction with U.S. Trade and Development Agency (USTDA) and Ex-Im Bank's Structured Finance Division, would allow local Nigerian companies to purchase and finance U.S. equipment to perform contract services to major oil companies. The structure contemplates an offshore collateral mechanism and the securitization of contract revenues to mitigate repayment risk.

## **SHORT-TERM AFRICA INITIATIVE RENEWAL**

Ex-Im Bank's Board of Directors renewed the \$100 million Short-Term Africa Initiative (formerly the Short-Term Insurance Pilot Program) to support short-term exports to many sub-Saharan Africa countries, including a number of countries where Ex-Im Bank support would not otherwise be available.

The Short-Term Africa Initiative assists businesses in sub-Saharan Africa in purchasing U.S.-made goods and services, including spare parts, raw materials and agricultural commodities. Under this program, Ex-Im Bank can insure short-term export credit transactions involving various payment terms, including open account terms.

## **UPCOMING TRAVEL**

In June, Ex-Im Bank's business development team expects to be in Lagos, Nigeria; Johannesburg, South Africa; and Luanda, Angola meeting with buyers, banks and government officials.

## **SELECTED RECENT AUTHORIZATIONS**

### **Cape Verde**

- Ex-Im Bank issued a medium-term guarantee to Espirito Santo Bank for the purchase of \$2 million worth of heavy construction equipment. The buyer, Tecnicil - Sociendade de Imobiliaria e Construcoes, S.A., sourced the equipment from a number of exporters including Bigge Crane and Rigging, Co. from San Leandro, CA; Cifa U.S. LLC from Franksville, WI; and Grove U.S. LLC from Shady Grove, PA.

## Kenya

- With an Ex-Im Bank Medium Term Guarantee, ATRAFIN, LLC acted as a lender for a \$10 million heavy equipment transaction with Spencon LTD. Peoria, IL based Caterpillar exported the equipment.

## Nigeria

- EquipXP, LLC from Houston, TX, exported \$10 million worth of used and new construction equipment to Servetek Engineering, LTD. PEFCO acted as the lender and the transaction was guaranteed by Skye Bank of Nigeria.

## Various

- The Connell Company of New Jersey continues to take advantage of their Comprehensive Short-Term Multi-buyer Policy and have exported over \$2 million of mining equipment this calendar year to buyers in Ghana, Tanzania, Senegal, Zambia and Mali.

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 [eximafrika@exim.gov](mailto:eximafrika@exim.gov).

Please share this publication with your associates, or suggest they subscribe online at:  
<http://www.exim.gov/lists/subscribe.cfm>.

## US Ex-Im readies to fight downturn, GTR (Global Trade Review), May 7, 2009

*Global Trade Review-GTR -- [www.gtreview.com](http://www.gtreview.com) (excerpt)*

In mid-April, the Export-Import Bank of the United States (US Ex-Im) held its annual conference in Washington DC, celebrating its 75th anniversary, and sending out the clear message that export finance is the key part of any economic recovery strategy. Philip de Leon reports.

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The other topics of this year's agenda reflected what the bank considers as promising markets, such as Sub-Saharan Africa. Small business exporters, clean technology, India, Colombia and five African countries (Angola, Ghana, Kenya, Nigeria and South Africa) were the topic of panel discussions.

The panel discussion on opportunities in Africa was lively, and the speakers paid particular attention to Angola, Ghana, Kenya, Nigeria and South Africa. These five countries alone represent about 75% of all US exports to Sub-Saharan Africa.

The economic minister at the embassy of South Africa, Lerato Mataboge and James Kiiru of the embassy of Kenya, addressed delegates on a number of investment projects that had been approved by government economic development agencies and industries and that require US funding, partnerships, technology transfer and/or US goods and services. Some of these projects were of small sizes such as a US\$5mn bottling plant in Gauteng, South Africa.

Talking with Mataboge after the conference, she said she was encouraged by the conference as, despite the global economic situation, there is heightened interest in Africa as expressed by US companies and entities.

She told GTR: "There is recognition that Africa, with over 980 million consumers, represents a large market for US goods and services and the continent has consistently offered the highest returns on investments. What the continent requires is trade-enabling infrastructure, not only to facilitate the movement of goods and services, but also to create infrastructure that will reduce the cost of doing business in our respective economies.

"It is through partnerships with developed economies and in investing in industrial capacity enhancing sectors on the African continent that we can fully realise Africa's economic growth and development."

The economic/commercial minister at the embassy of Nigeria, Gregory Odon, also spoke on the advantages of doing business in Nigeria, and following the conference he told GTR that: "International investors who indulge in unwarranted stigmatisation and characterisation of Nigeria are engaging in unfair trade tactics of monopolising the Nigerian investment space for themselves by scaring away prospective competitors.

"The best way of judging the returns on your investment or evaluating the investment potentials of Nigeria is to find out yourself, not from fellow investors. No country has a monopoly of crooks or criminals, and therefore Nigeria should never be singled out on the basis of a few undesirable elements that the government has done a lot to prosecute."

He further added: “We in Nigeria are tired of making excuses for our national problems. Rather we think that all challenges in Nigeria present economic strategic opportunities. Whether it is in the infrastructure, agriculture, mining or power sectors, all Nigeria’s challenges present healthy and lucrative investment opportunities. We invite all investors to convert retreat into advance and reap the bountiful returns that await them.”

Like his counterparts, he concluded: “On the whole, the conference offered us in Africa a platform to dispel most of the misconceptions and mischaracterisation of Africa in the west. We require more of these scenarios to educate the international investment community of the huge, untapped potentials of our continent as the last economic frontier of the 21st century.”

Francis Addo, commercial minister at the embassy of Ghana mentioned that: “According to the World Bank Report 2008, Ghana has become the best place to do business in West Africa.”

Kiiru, from the Kenyan embassy, expressed his regret that: “Africa’s market share for both exports and imports in the US remains quite insignificant at only 3% and despite the huge potential provided by African Growth and Opportunity Act (Agoa) [an act signed in 2000 aimed at providing African countries incentives to open up their economies and improve access to US markets]” and that “US companies are losing a lot of business to other countries, especially China”.

However, US Ex-Im is making progress in supporting trade with Sub-Saharan Africa. In the fiscal year of 2008, the bank authorised more than US\$555.3mn in export credit insurance and guarantees, and US\$20.2mn in working capital guarantees.

Continuing its efforts to be more engaged in this challenging but promising market, US Ex-Im announced in April 2009 its approval of a US\$120mn credit facility covering four Angolan banks: Banco Africano de Investimentos (BAI); Banco Espirito Santo Angola (Besa); Banco de Fomento Angola (BFA); and Banco De Poupanca e Crédito (BPC).

The facility will provide special delegated authority (SDA) for short and medium-term private sector transactions. In practical terms, the credit facility will allow these four banks to provide their clients an expedited review process and shortened approval timeframe by US Ex-Im.

Short-term financing is defined by US Ex-Im as any transaction with a repayment term of 360 days or less US Ex-Im’s short-term exposure to the Angolan bank will be no more than US\$25mn. Medium-term financing is defined as any transaction that has a maximum financed amount (excluding exposure fee or premium) of US\$10mn or less and has a repayment term that is not in excess of five years.

“The announcement of the US\$120mn bank facility between the US Ex-Im and four Angolan banks further confirmed our confidence in our business prospects in Angola,” said US Ex-Im’s Grandmaison

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