

EXPORT-IMPORT BANK OF THE UNITED STATES

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SUB-SAHARAN AFRICA ADVISORY COMMITTEE

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VIRTUAL MEETING

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TUESDAY, JUNE 16, 2020

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The Sub-Saharan Africa Advisory Committee convened via teleconference at 1:00 pm, Daniel Runde, Sub-Saharan Africa Advisory Committee Chair, presiding.

BOARD MEMBERS

KIMBERLY A. REED, CHAIRMAN  
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GARY BLUMENTHAL  
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MATTHEW KAVANAGH  
KUSUM KAVIA  
FLORIZELLE LISER  
JAMES O'BRIEN  
EJIKE OKPA  
MATTHEW STEWART  
PAUL SULLIVAN  
JOHN WORKS

ALSO PRESENT

RICK ANGIUONI, Director of Africa, Office of Board Authorized Finance,  
EXIM  
LUIS ARGUELLO, Chief Executive Officer, DemeTech  
LUKE LINDBERG, Senior Vice President, Office of External Engagement,  
EXIM

STEPHEN RENNA, Chief Banking Officer, EXIM

DAVID TRULIO, Counselor to the Chairman and Senior Vice President for  
the Program on China and Transformational Exports, EXIM

ANDREW WHITMAN, Senior Vice President, Government Affairs and  
Marketing Development, Varian Medical Systems

C-O-N-T-E-N-T-S

SAAC Welcome Remarks..... (pg. 1)  
Remarks from Chairman Reed..... (pg. 2)  
EXIM COVID Response Overview..... (pg. 5)  
EXIM in Africa Update..... (pg. 11)  
External EXIM Client Overview..... (pg. 17)  
SAAC Discussion..... (pg. 24)  
Closing Remarks and Adjournment..... (pg. 33)

## P-R-O-C-E-E-D-I-N-G-S

1:00 p.m.

DANIEL RUNDE: I'm Dan Runde. It's an honor to be here today. I chair the EXIM Bank Sub-Saharan Africa Advisory Committee, and I want to welcome you to a public meeting of the EXIM Bank Sub-Saharan Africa Advisory Committee. It's a public meeting. This is on the record. The reason we're convening this meeting today is we've been working very hard at the EXIM Bank Sub-Saharan Africa Advisory Committee, on a number of questions. How can the US EXIM Bank work in a more joined up way with other parts of the US government to achieve the vision Prosper Africa? And, really, under the able leadership of Chair Read, along with Directors Pryor and Bachus, it's really been a very strong bipartisan leadership with the EXIM Bank. And there's been a big support from both the Republicans and Democrats in Congress. And so, I think we're in a really good place with the EXIM Bank. And how do we take advantage of the strength in the EXIM Bank to create win-win opportunities between Africa and the United States which is in line with the goals of Prosper Africa. We've also, as part of the EXIM Bank Sub-Saharan Africa Advisory Committee, have been looking at what are some of the opportunities for the United States in Africa. And we published a report earlier this year, looking at ICT, agribusiness, and healthcare as big opportunities for the EXIM Bank in Africa. And so as part of the work, when we were having that meeting several months ago - this was probably in late March or early April - my colleagues on the Sub-Saharan Africa Advisory Committee, said "Dan and Board of Directors of the EXIM Bank. Oh my goodness, we're in the

middle of COVID and we're not going to talk about COVID at this meeting in April." And it was then we said, "We need to have a standalone meeting to talk about how is COVID impacting, both disrupting and creating opportunities, for the EXIM Bank as it pertains to Sub-Saharan Africa." So that is why we're convening today. We're going to have a series of speakers, both from the EXIM Bank to talk about this, but also from some EXIM Bank clients. There are a variety of ways that we, this is, our world has all been disrupted, but it's also created opportunities. So without further ado, I'm gonna turn the floor over to our very able Chair of the EXIM Bank President, and Chair of the EXIM Bank, my friend Kimberly Reed. Chair Reed?

KIMBERLY REED: Thank you Chair Runde. And it's so great to be with all of you. And I know that this is a public meeting, so I want to thank all of the participants. I wish we could be doing this in person, but I hope that everyone is doing well and staying safe. This is the fourth public meeting of EXIM Sub-Saharan Advisory Committee since I joined EXIM along with my fellow board members, Judith Pryor and Spencer Bachus. And Dan Runde, we really, really thank you for stepping up the game on what our great Sub-Saharan Africa Advisory Committee is doing as far as advising us on, ensuring that we're providing financing to the important region in our world. We're here today to discuss how EXIM can be more effective on healthcare with respect to issues facing Africa in the wake of COVID-19. At the committee meeting on February 11th, we discussed how EXIM could bring more investment to Africa, not only in healthcare, but in information, communications technology, and the continent's agriculture sectors to

support American jobs and boost the US economy. Afterwards, this committee prepared a memorandum on the topic. These three sectors are critical to African growth, and there are areas where the United States must preserve a competitive advantage related to how many other advanced exporting nations most, most notably China are also being engaged. The Sub-Saharan Africa Advisory Committee, also convened a new subcommittee to consider how to implement these goals, chaired by North Dakota Commissioner of Agriculture Douglas Goehring, and also including SAAC members E.E. Okpa and Matthew Stewart and John Works and also our wonderful SAAC Chair Dan Runde.

Now, we can discuss healthcare in Africa in the aftermath of the pandemic. As we do so, we will continue to bear in mind the economic and social conditions of the Sub-Saharan African continent going forward. Africa has been experiencing unprecedented growth. By some estimates, GDP will reach \$29 trillion by 2050. Sub-Saharan Africa also has 10 of the fastest growing cities in the world. As its middle-class strengthens, more Africans are relocating to urban areas. These developments mean that Africa must increase its infrastructure so it can improve hospital facility capacity for patient care and equipment, and so it can build out its transportation infrastructure to make hospitals and clinics more accessible to a growing population and make sure they get the treatment and prevention they need. The continent's workforce is expected to reach 910 million people, more than the United States, India, China, and Europe combined. With a median age of 19.5 years, the future of Africa lies with its youth. As China continues its aggressive investment in Africa through its belt and

road initiative in China 2025, the United States can be a sound alternative to China's debt trap diplomacy by offering fair and reciprocal trade and investment. Today, Africa is richer, freer, has an expanding population, and is headed toward increased economic competitiveness. EXIM is poised to play an integral role in this growth. It will help bring about exciting opportunities in Africa and generate jobs in the US and Africa. At the present time, EXIM's priority is to do what we can with our resources and our tools to help bring the best healthcare possible to Africans and help them recover from the present pandemic. I look forward to hearing what the subcommittee has to report and hear the SAAC committee member views on how best to provide this help. With that, I would like to now say this that we have joining us today a very important new hire, and you will hear from him in a little bit. But Dave Trulio, we recruited him from the Department of Defense. He's on detail from there to help us stand up our new program on China and Transformational Exports. Chair Runde, I know from day one, you and I both have talked about China and how we need to be ensuring that our US businesses can do all it can. And so, I'm going to first ask Steve Renna to provide an overview on the COVID response, but then, Dave Trulio will join in to provide more details on our program on China and Transformational Exports. Thank you very much.

DANIEL RUNDE: Thanks Chair Reed. I really appreciate that. Before Mr. Renna begins, I made a mistake and not doing a roll call as required by the statutes of the Sub-Saharan Africa Advisory Committee.

So I'm going to briefly just do that, and then I'll turn the floor over to Mr. Renna if that's OK. So let me start. Gary Blumenthal?

GARY BLUMENTHAL: Here.

DANIEL RUNDE: Doug, Commissioner Goehring?

DOUGLAS GOEHRING: Here.

DANIEL RUNDE: Matthew Kavanagh?

MATTHEW KAVANAGH: I'm here.

DANIEL RUNDE: Kusum Kavia?

KUSUM KAVIA: Here.

DANIEL RUNDE: Florizelle Liser?

FLORIZELLE LISER: Here.

DANIEL RUNDE: Jim O'Brien?

JAMES O'BRIEN: Here

DANIEL RUNDE: E.E. Okpa? Matthew Stewart?

MATTHEW STEWART: I'm here, sorry, present.

DANIEL RUNDE: OK. Paul Sullivan?

PAUL SULLIVAN: Present.

DANIEL RUNDE: John Works?

JOHN WORKS: Here.

DANIEL RUNDE: Thank you very much. OK, I'll turn the floor over to Mr. Renna.

STEPHEN RENNA: Thanks very much, Chairman Runde, I'll go through what we've done since the beginning of the COVID economic shutdown, which I know for all of us seems like so far ago, but it's really been about four months. But we have to basically respond on two tracks to the economic shutdown. The first track was to take care of our

existing portfolio. We needed to assess the liquidity stress that our clients were facing as a result of the economic shutdown and provide various accommodations, flexibility, and forbearance as was necessary to prevent the liquidity crisis from being a solvency crisis for our clients. I'm very happy to say, with some incredible work by the EXIM team, we have managed both our short-term portfolio and our medium and long-term portfolio extremely well. We've received very few claims on faults, and we've provided flexibility that clients have told us is exactly what they needed in order to help them, whether the economic shut down, and get to the other side of economic re-engagement. The other track that we worked on in addition to managing the existing portfolio, was to make liquidity available during this period of economic shutdown in which the private banks had largely retreated from the lending field. Because they could not assess, still can't to a very large degree, assess credit risks, that they were very constrained from being able to provide liquidity to the export community.

So, there are two aspects of the export community that needed assistance. The first aspect are our domestic exporters and the liquidity stress that they're facing. And we basically modified two of our programs to address their liquidity needs. Two programs. One, our Working Capital Loan Guarantee Program. And basically what we did there is enhance our guaranteed percentage amount from 90% to 95%. And we've broadened what is considered eligible collateral for an exporter to be able to use in getting a working capital loan that would be guaranteed by EXIM. Related to that, and something we have not done

since the liquidity crisis, was to provide support to supply chain facilities of exporters. So what that means is that you have an exporter that has a supply chain of companies that are providing it goods and services so it can create the good or service that ultimately is being exported. These suppliers are holding accounts who you see from exporter with varying payment terms, to be 30 days, 60, 90, 120, whatever it is. We know, many of these suppliers are small and medium size enterprises. They were the ones on the frontline of really feeling the liquidity stress, as they had no revenue and few options from the private sector lending, and to provide liquidity, they needed to exist, literally, from month to month. So, what we've done with banks that provide supply chain facilities to exporters is provide a guarantee, much like we guarantee a working capital loan to a supply chain facility. Now, in the supply chain facility, what is a supply chain facility? So, it basically says, to the suppliers of an exporter, says, you can present your account receivable immediately to the bank, and the bank will pay you for that account receivable or some discounted amount. But we'll pay you, instead of you having to wait for the exporter to pay you. So, it provides a more immediate infusion of liquidity, and it also provides relief to the exporter from having more time to be able to meet its obligations to its supply chain. So we have recently approved a very significant supply chain facility guarantee for jet engines of receivables that GE, with its venture partner Safran, were holding on behalf of Boeing. So we've provided a lot of liquidity in supply chain there, and we're also talking with a number of companies about working capital loan

guarantee facilities and also more supply chain facilities. In addition, immediate liquidity, infusion methods. We know that, as the economies are starting to re-engage around the world, there still is going to be a gap in financing availability. The credit markets are not going to jump back in for some time, as they were prior to the COVID shutdown. So, there's going to be liquidity gaps that we are positioning ourselves to provide foreign buyers that are interested in buying foreign and buying US goods, providing them with the liquidity they need in the immediate term until the credit markets catch up or are able to basically step in and provide financing they normally do. We're doing this in the form of a bridge loan facility, which is essentially just what it sounds like. We are normally not a short-term lender, we provide more medium- and long-term tenors, to what we support. But in this case, we will provide short-term bridge loan lending until the capital markets return, the private lending markets return, and can take the foreign buyer out of the short-term bridge loan. Another product that we modified was basically our pre-export payment products. And this is for very large capital goods that require when a foreign buyer wants to buy a capital good, like rail, or satellites or airplane that they are required to make deposits while the good that is being purchased is being assembled. This is something that's, normally with short-term loans, credit. Obviously, these are not available as they were prior to the crisis. We're also providing the mechanism to help foreign buyers meet these pre-export payments, free delivery, export payments, until, again, the private

markets return. So with that, I'll suspended and see if there are any questions.

DANIEL RUNDE: Okay, very good. Thanks, Steve. We're gonna turn to my friend, Dave Trulio. It was a real get for the EXIM Bank to get David Trulio to come over from the Defense Department. He's Counselor to the Chair and he's also Senior Vice President for the program on China and Transformational Exports. He's had a great career at the intersection of business and government. Dave, I'm going to turn the floor over to you.

DAVID TRULIO: Well, thanks so much, Dan. I really appreciate it. So I just want to make sure first that everybody can hear me OK. Is that right?

DANIEL RUNDE: Yes, loud and clear.

DAVID TRULIO: Well, thank you, Chairman Runde and distinguished members of the team here. Again, David Trulio, Senior Vice President, and really excited to be here with you today. In short, I'm responsible for working with stakeholders and the EXIM team to rapidly stand up and lead the congressionally directed program that Chairman Reed referenced in her, in her comments. And simply put, the program on China and Transformational Exports' purpose is to support the extension of loans, guarantees, and insurance at rates and on terms and other conditions to the extent practicable that are fully competitive with the rates, terms and other conditions established by the People's Republic of China. And as explicitly stated in the bipartisan legislation, the new program is intended to directly neutralize export subsidies for competing goods and services, and so,

it's a really exciting opportunity. I'll elaborate just a little bit more. Congress intended the program to advance what it called the comparative leadership of the United States with respect to China. And the program supports US innovation, employment and technological standards backed exports to countries around the world. And there's a specific statutorily called out focus on 10 crucial industries. Those include renewable energy, energy efficiency, and energy storage, water treatment and sanitation, as well as biotechnology and biomedical sciences, artificial intelligence, semiconductors, high performance computing. So you get a sense of how sweeping this is, but it's also really key technologies that are crucial to the future of our economic and, in many cases, our national security and have tremendous implications for our countries where we do business. An additional crucial contextual note is that the law charges EXIM with the goal of reserving no less than 20% of our total financing authority or support to the program. And as, as you can appreciate, that's a huge number that amounts to \$27 billion. So the opportunity, and the scale is quite large. Now, as you can appreciate, with this mandate, that there didn't come a readymade address thing of a number of the underlying legal and policy issues. So, we're working hard to address those as we're developing goals and metrics. But what I really want to emphasize here with you today, and to anybody who's listening, is that it's really crucial that we never take our eye off the ball that our ultimate goal is to achieve tangible results in the form of completed deals that help specific businesses, here in the United States, generate exports, support US jobs and have the additional impact in

countries in Africa and around the world, and having a positive impact on the local communities where those end products or services are destined. So, it's really important that we identify potential deals early. Steve and members of his team are very articulate about that and also really emphasize how getting in early and shaping potential deals is crucial to think openly about how we can further develop our mission of supporting American jobs and how might we do things differently. We have a track record of success and challenges, but certainly success as an organization. How do we do things differently to live up to this? This powerful mandate? So I'm going to pause there and I'm very much looking forward to the discussion comments and questions. Thank you.

DANIEL RUNDE: Thanks. Thanks, Dave. Now, we're going to hear from EXIM Bank's person responsible for covering the Africa portfolio, Rick Angiuoni. Rick, I'm going to turn the floor over to you.

RICK ANGIUONI: Hi. Can you hear me?

DANIEL RUNDE: Yes.

RICK ANGIUONI: OK, great. Well, thank you, Chairman Reed, Chairman Runde, Director Pryor, Director Bachus, members of the Committee. Thank you for your service. It's my pleasure to share some comments with you and some slides. I believe that my colleague, Brittany, provided you a deck. And I will not be able to read every slide, because there are about 15-20 slides, but I'd like to focus on a few important slides. And I like to focus, basically, only on three things. The first thing is that, excuse me, the first thing is that America, I really believe that America cares. What do I mean by

America cares? Number one, you will know from one of the slides that America is the largest bilateral donor to Africa with over \$10 billion of official development assistance. We also care about that sustainability and why do we care about sustainability? Because very simply, that sustainable debt creates wealth, and unsustainable debt does not. And we also care about risk dependence, and what do I mean by that? Something that I'd like to define as like countrywide when you look at Africa, China relationship, you will know that about 30% of African exports go to China, 20% of Africa's imports are from China and over 20% of external debt is also China. This risk dependence we have seen as a result of this pandemic, can also be very precarious for some nations. The other thing that I'd like to focus on is that I believe, and we believe at EXIM that America can make a difference. Firstly, we have great leadership, Chairman Reed, her commitment, her enthusiasm is really inspiring, OK. And secondly very importantly, we have great exporters. Our exporters are leaders in various factors including healthcare and various other sectors and some of the companies you will hear from them like Varian and DemeTech and so on and so on. The other thing that I'd like to focus on is opportunities for US exporters. Something that I've repeated over and over and over - the level of US exports to Sub-Saharan Africa, nominal, like less than 1% of our global exports. So we have to figure out and we're continually spend time on how to get more US exporters to export to Africa. And I can assure you that we are working on answers, and we're doing that with Prosper Africa, OK.

So having addressed that, I'm going to cover a few slides. You have the slides. Feel free to reach out to me if you have any questions. But I do like to cover you know a snapshot of what we have done; I want to mention a little bit about exports, I want to speak a little bit about that. Obviously, healthcare and the opportunities. OK. So, firstly, one of the first slides, even though we're speaking about COVID. It is fortunate that Africa has not been severely impacted as other regions, from a case standpoint. But financially Africa can be significantly impacted. But, of course, we also know that Africa is not a stranger to suffering, as we have seen for many calamities over the years. But one thing for sure, is that America, as well will, as always step up. You will note in the slide, the list of EXIM authorizations, I put a date there, March 11, 2020. And, of course, we all know what that date is. That date is obviously the day when WHO officially announced COVID as a pandemic. And as a result of that, obviously, when we speak about Africa, a number of institutions like the World Bank, IMF, and even McKinsey think about the forecasts about what would be the impact on the African economy and the Sub-Saharan African economy. And according to the World Bank, Sub-Saharan could see a contraction anywhere between 2 and 5%. And according to McKinsey, that could be as much as \$200 billion in GDP decline. So now, I'd like to give you an idea about what EXIM Bank has done. That's my slide number six. What EXIM Bank has done to May 2020, and I'm pleased to tell you that EXIM Bank has approved over almost 90 transactions, many of them with small business. And we have authorized \$130 million. That represents about 7% of the Bank's authorization

from \$1.7 billion, which, based on historical averages sits above EXIM Bank's historical average of authorizations which is for Sub-Saharan Africa generally ranges around 4 to 5%. And in terms of exposure, I'm also pleased to tell you that a \$7.8 billion, this is approximately 60% of the bank's global exposure of \$47 billion, and that is at historic high. OK. In terms of transactions that we have approved, we have approved some very interesting transactions. We've approved transactions for [inaudible] a small business in Illinois, \$91 million. We've approved a transaction in Nigeria from gulf-stream. Proud to say that we've approved wheat exports for Libera. And we've even approved some transactions in the healthcare sector for DemeTech, and Luis will speak about his relationship with the Bank. And I should also mention, that the reach of EXIM Bank, it's something that we don't really speak about, but the reach of EXIM Bank is extensive across Africa. We don't just focus on the big countries like South Africa and Nigeria, but we focus across many countries, and the transactions that we have approved are all over 20 countries that you have listed on page seven. I'd like to just briefly speak a little bit about outreach, OK. The value of that outreach is obviously very, very important. I think it must be an EXIM Bank record. I don't think we track how many meetings and calls that Chairman has done in support of US exports and jobs but by my count, she's done over 20 high-level engagements. And I think her inspiration and enthusiasm in supporting US jobs is, obviously, shared by staff, and even staff and Director Pryor have also been heavily engaged, traveled to Egypt, so staff being very, very much involved. One of the things that we have been

doing in terms of getting more US companies involved in Africa, as you know, Prosper Africa has been heavily engaged. That is the administration strategy.

DANIEL RUNDE: Rick, it's Dan Runde. This is fantastic. This is a fabulous presentation. I think we should include it in the record. Why don't you just go, and I'm very happy with the outreach and the effort that's going on by EXIM staff. Could you just spend one minute and then we need to wrap it up? On what has been the impact of COVID, and Steve Renna talked about this, but if you could spend one more minute, then we need to wrap it up. The impact of COVID in Africa because then we need to end it, OK?

RICK ANGIUONI: Right, right. Well, the impact of COVID in Africa. Number one, in terms of the economy. Obviously, as I've mentioned to you, the economy is obviously expected to contract anywhere from 2 to 5%, but what's important is that, you know, Africa is not going bye. You know, number one, the IMF and the World Bank, and obviously, we are the biggest shareholders to the IMF and the World Bank. The IMF and the World Bank have stepped up heavily in terms of providing liquidity to Africa, African countries. And they've done this through various facilities, including the RFI, the Rapid Financing Instrument facility, and the rapid credit facility. Also, what's important is that, that's why I think Africa will probably surprise us. You know, you have various African governments that, while they have a much more, a much more challenging, fiscal flexibility, you know, they do, they have implemented various stimulus programs like South Africa has announced a 26-billion-dollar stimulus program. Senegal has announced

a 1.7-billion-dollar stimulus program that basically will also lead to various opportunities for US companies. And we are working with them in terms of trying to position some of these US companies to take advantage of some of these opportunities.

DANIEL RUNDE: Rick, thank you for this. I think that's a very important presentation. I, too, am worried. A 5% whack to the African economy is an unheard-of number. Being, in essence, the African economy being put into some kind of induced coma, just like, the rest of the world put into some sort of induced coma because of coven. My worry is and thank you for putting this on the table, one of the worries I have is that China goes on a buying spree and buys up a whole bunch of mines and ports and agricultural assets and banks. So I think having the EXIM Bank and the DFC and the World Bank and the African Development Bank and the IMF all singing from the same hymnal is really important. And that, this is a moment for the United States companies to be engaging in Africa, not pulling back from Africa. So really appreciate your presentation, and really embrace, appreciate the information that you've put on the table here, because it's quite valuable. And I think it's really important for the record that this PowerPoint is submitted. Thank you, Rick, for this. Very, very helpful.

RICK ANGIUONI: Thank you.

DANIEL RUNDE: Great. We've got, I'm really pleased and grateful, Rick and Steve that you've identified two external EXIM clients. You know, as I've said to other folks in other contexts, the bad news is that we're all cooped up because of COVID. But the good news is, is

that if I can put it in quotes, good news is that we're all cooped up because of COVID, so we can invite people like Andy Whitman and Luis Arguello to quote unquote, visit us online via Zoom call and it doesn't seem weird. I know this isn't a Zoom call, it's a webinar but, but that we can all have a virtual meeting like this. And they don't have to come get on an airplane. And we can do this all from the comfort of our own basements. So, Andy and Luis, thanks for being here. We, it's clear that we're fortunate. You guys have been, I believe, past or either past clients of EXIM, but may also be kind of the five-yard line of doing yet more stuff. And the reason that you are picked as speakers is to talk about the opportunities that you're seeing in Africa. Mr. Arguello, you're the Chief Executive Officer of DemeTech, which is a healthcare company. And Mr. Whitman, you're a Senior Vice President for Government Affairs and Marketing Development for Varian Medical Systems. If I look at the agenda, Mr. Whitman, you're scheduled to go first. I'm going to turn the floor over to you.

ANDREW WHITMAN: Great. Thanks very much. And you can hear me OK, I assume.

DANIEL RUNDE: Yes.

ANDREW WHITMAN: Great, super, well, thank you. And thanks to Chairman Reed and the entire team. We're thrilled to have the opportunity to contribute to this important discussion. Again, congratulations on achieving the historic reauthorization. I know myself and many of my colleagues are thrilled to have EXIM back in business. And, as you said, I think we're on the five-yard line in some in some indications. I'm particularly pleased that the

reauthorization specifically called for investment in the healthcare sector, and as Steve Renna mentioned, we're all facing a global crisis through the collapse of certain healthcare systems. It's great to hear some of the, the opportunities that EXIM's putting forward with respect to, you know, the liquidity gap, and really encourages us, as we, as we continue to move forward with respect to our development status in several countries. For us, cancer has not stopped, and we hope to partner with EXIM to increase access to high quality cancer care around the globe. Varian is the world leader in devices and software to treat cancer. We're headquartered and manufacture in the low-cost state of Palo Alto, California. We are a net exporter. We have, globally we have about 10,000 employees. Over half of those are based in the US. But what was interesting, again, that Steve indicated, is about supply chain, and we support another 50,000 employees throughout the US. In terms of our content, over 70-75% of our content is US. Which makes us a good candidate for EXIM Bank. Our President for Oncology is also a member of the President's Advisory Council on doing business in Africa, and very excited about the Prosper Africa initiative. Varian has prioritized Africa as a region of focus, and is committed to increasing access to care, and to reduce the burden of cancer, which is expected to double. We're talking about COVID today and we will touch on that. But in express, it's expected to double by 2040. So it's a very big opportunity for us, because in many African countries, less than 10% of the population have access to radiotherapy, which in manufacturing, over 60% of cancer patients should benefit from those treatments. 24 countries out of the 54 in

Africa do not have operational equipment. And so there are many reasons for this, but the reality is that capital equipment is expensive and while many healthcare systems across the continent have the desire to expand access to care, there's simply not enough capital to do so. So in the past, our non-US competitors have been able to present low interest financing options to foreign government tenders, to emphasize price over value. And in this scenario, we've lost some tenders and American companies lose and we believe that accessing EXIM resources and especially with the new charter, will level the playing field, increase our exports and create more jobs at home and most importantly, treat cancer patients. So I wanted to, I wanted to bring up some specific opportunities. And then weave COVID into that, as well as how we how we are dealing with this for partnership.

First, many markets want to increase exponentially their access to cancer care, and we believe piloting a hub or center of excellence in a region would not only allow for increased access, but also build up the health care infrastructure as well. This is not just a cancer care operation. Usually, many, many, many facilities, this is part of the healthcare infrastructure build. And so, you know, the government of Madagascar, for example, is in the process of setting up its first public Cancer Center to serve its 26 million patients. They have two existing what we call vaults or bunkers, and they only have budget for one, and so bringing EXIM to the table could really enable the country to double its capacity. Madagascar, like many low and middle-income countries, faces human capital capacity challenges and the complex delivery of radiation therapy. But Varian's engagement usually

doesn't simply end with the purchase of equipment, and we've seen that time and time again across the continent. You can't just drop off equipment and let and make sure that it works. And we've been really encouraged by the EXIM team to think broadly about what US content means and how we can incorporate training, education, service offerings into potential deals. And so we've done so. We know that providing the best in-class training that's in the United States, in this growing aspect of our business, is essential for that growth. Another example is the government of Angola which wants to create eight cancer centers across the country, and are on the five-yard line there, and upgrading from one center for over 30 million people. We can bring solutions to the table, whether it's hardware, or our remote capabilities, and this is kind of where we've seen with COVID a real desire, and I think it's unique for us as a US company. We have, the COVID crisis has forced us all, as you said, to work remote world and loosen regulations, which has allowed a remote part of our business to thrive. I mean, instead, we're doing a lot of telehealth and you are teleworking, but we're doing telehealth. And we've seen, you know, I recently saw my doctor over video, and that's something that we have as a part of our component of our company. We have these services. And so, this really works well in Africa. And we're packaging as part of the deal. And part of that package that, you know EXIM has told us to kind of work out that way. And so, we've been proven to effectively be able to perform remote treatment plans and remote services, obviously, you know, you need to get your treatment in the clinic, but we can do a lot of things remotely. And exponentially move up and go from like

one deal to eight. And this is really, we're committed to growing this side of our business to adjust to a post pandemic world. So, EXIM financing makes these solutions possible and makes Varian much more competitive than our foreign competitors in Sub-Saharan Africa. So, I could give, I could go through a number of different examples, I'm going to be very conscious of time. But in closing, these projects, no mean, capture all of the opportunity for engagement. But they present options for immediate collaboration. And whether we're bringing our more traditional hardware to the table, or thinking about remote training and capacity building, there are several pathways for partnership. And so, we're on the five-yard line with a couple of those transactions and working those through the channels right now. But I thank you again for having me in providing this opportunity, and I look forward to hearing your feedback.

DANIEL RUNDE: Thanks very much. Mr. Arguello, the floor is yours.

LUIS ARGUELLO: Thank you Chairman Reed for giving me the opportunity to address the committee again. I would like to say a little bit about who I am. I'm the CEO of DemeTech. We started manufacturing surgical sutures in the year 2000, so we've been manufacturing sutures, what's known as stitches now for over 20 years. In 2009, I had the opportunity to meet the Chairman Hochberg, and he gave me the honor of being a member of your Advisory Board 2010 and 2011. From there, I have been quite involved into the since the previous administration in the world of export. We export surgical sutures to 102 countries before the crisis of the COVID-19 in March. When these prices came in and we saw the opportunity and the need, as

President Trump said every day in the newsroom, to start PPE. So we're told our manufacturing capacity to start doing max. I would like to tell you that today; we have over 20 manufacturing lines in DemeTech in Miami with the capacity of manufacturing over one million masks a day. And that's why we're shooting right now to make one million masks of level three surgical medical masks to help, to help the people of the state of Florida, in the United States towards the different programs that the administration had. It was an opportunity to have work returned to us. First of all, our surgical sutures were being sold in the non-emergency surgery room. This was completely closed because of the COVID. All the hospitals stopped doing surgery, that's how our sales came down to about 10-15% in one month, in the month of March. So we saw ourselves in that situation. But we also have the guts of the entrepreneurship to restore our plants and invest over \$7 million into the business and doing the max. And now we have the masks, and we are getting them approved under the Emergency Act. We have over masks now in the market on different, on different levels.

I would like to talk a little bit about how we got here. I heard about the supply chain and this is something very good that you are going to go into the working capital guarantee. Right now, we have participated with EXIM Bank in a program that you have with SBA where we have heavily used your insurance policy. The insurance policy allows DemeTech to go towards the world and be able to sell on terms by your insurance. Our banks have been able to take that insurance you offer us, been able to take our accounts receivable and give us up to 90% of our accounts receivable. With this still in hand, we have been

able to offer credit. I have been going to Sub-Saharan Africa now for about 12 years. On my first visit to Africa, I noted the different administration person I have met, that Africa is being controlled by the British Empire. You'll see from the way that they try to run it. They do like Americans, but they are not pro American, as they are pro Europe. The breadth of the US in Africa is very low. We need to work an inquiry at present in order to be able to export more. In the PPE business, we have seen the market that FDA recalled 65 manufacturers of China map from dumping bad quality masks in the United States. If you know a little bit about masks, what makes up masks is a filter that goes in the middle. That filter is regulated by FDA to have a minimum of 95% or 98% if you want to call it level three. Well, the masks that the Chinese are dumping here in the United States only have 20 or 30% filtration, that's not filtration at all. FDA recognized this and for these reasons, they prohibited these masks from entering the United States. But these masks are being dumped into the African world, being dumped into the third world countries, Latin America, all over the place. We, as American manufacturers, have a problem exporting our quality product because of price, but because of this, that I use loan. We hope that most of the ministries of health of these low countries stop buying these Chinese masks and be able to support us. I have taken part in the last few years. We've got partnership that you have with SBA and Department of Commerce, and this is something that I would like, Chairman Reed, for you to be aware, to be able to put a little bit more of the EXIM Bank resources. Here in the state of Florida, there is an organization called Florida

Enterprise, that is run by Manny Mencia. He has done a great job by making trips abroad. I have gone to 5 or 6 different continents with the state and Department of Commerce. I went to Thailand. I've gone to [inaudible], several countries and there, they have mixed trades, where they call, where the Department of Commerce calls different companies. It's a trade mission. EXIM Bank is not taking role in any of these trade missions. If we want to open up sub-Saharan to the US, small and medium manufacturers, we have to take something in there, and we have to do some resources. We have not participated in one great nation in sub-Saharan. We have never been invited by any organization to go to the sub-Saharan. The rest of the continent, there's a lot of movement. But as I said previously, when I started going to Africa, I see very little involvement of your company. So I urge you to take a lead into, into so that we can export a little bit more into sub-Saharan, please.

DANIEL RUNDE: Luis. Thank you very much. Excellent. And we need to end it there. Thank you very much, that's very helpful. Let me turn now to the SAAC Committee. We've gotten a lot put on the table SAAC members. I welcome comments. Florizelle Liser I'd love to hear from you. OK, if I've lost her, she may have left. Jim O'Brien?

JAMES O'BRIEN: Yeah, Thank you so much, Chairman Runde. This is really great information.

FLORIZELLE LISER: Sorry.

JAMES O'BRIEN: Sorry, Flori, go ahead please.

FLORIZELLE LISER: Yeah, my apologies to all of you. We have a Corporate Counsel on Africa webinar that starts at two, but I would

just like to make one particular point that I think that the Committee should be focused on. I'm not sure what we do with it, but you know in this place where the Africans have been so incredibly impacted by COVID, the economic side of it, they're looking at debt forgiveness. And I think all of us realize that much of their commercial debt is with China. In fact, much of their debt in general is with China. They have a very small amount of debt with us, and I just feel like it poses a particular opportunity for the US. In terms of this moment where we're hearing that the Chinese will forgive some of that debt, but we're also hearing that it's commercial and maybe not so much. I think that the Africans, as Chairman Reed has said and others, really wanted to do more business with us. So as they're looking at, shifting away from that and possibly riding off some of that debt that they have with China, which is outstanding and quite large, I think this is a great opportunity for US companies to engage with the Africans.

DANIEL RUNDE: Jim O'Brien. Unmute.

JAMES O'BRIEN: There we go. Sorry. It's just a quick technical thing. Thank you so much, Chairman Runde and Flori, those are great comments. My only comment is looking at the authorizations and the numbers here, which are certainly impressive and encouraging. I know, from talking to colleagues in Africa, there are projects, and there are opportunities there. I wonder how we can do business when we have to do it over the phone like this or by way of Zoom meetings. And I wonder what sort of outreach we can make, actually on the ground in Africa with respect to some of these projects in order to be able to actually compete effectively for this sort of financing?

DANIEL RUNDE: Good. OK, others. Gary Blumenthal? Or John Works?

JOHN WORKS: Yes. Thank you. I would just encourage us to continue our strategy of the whole of government approach and also liaise with the Development Finance Corporation as a new fund that they've earmarked for Sub-Saharan Africa, COVID-19 issues.

DANIEL RUNDE: Thanks for that, I also would encourage us. I know that the EXIM Bank has a wonderful long-standing partnership with TDA. It seems to me a logical place to be engaging on Africa, in the context of COVID is how can EXIM Bank make beautiful music with USTDA at this time as well. So thanks for that. I appreciate that. Let's see who else. Kusum Kavia. Would you like to make a comment?

KUSUM KAVIA: Thank you, Chairman Runde. Just to say a combustion of associates is in the power generation space. And so looking for ways of how to connect with the African continent, and we find a lot of opportunities coming from Nigeria. The biggest challenge is financing, as Rick mentioned earlier, so we're looking for a program that can provide for project financing for SMEs.

DANIEL RUNDE: Great. Excellent. OK, other members of the SAAC.

PAUL SULLIVAN: This is Paul Sullivan of Acrow Bridge. Like to second some of the ideas on the whole of government approach and your remark Chair Runde on TDA. I think this whole of government approach that's being rolled out through Prosper Africa think for a lot of companies, particularly companies that aren't necessarily familiar with the DC Circuit, probably need a little more outreach to really understand how deal teams and other concepts that are being, that are circulating through this sort of inter-agency USG approach, how those

work, how they can benefit them. I think a lot of the big, multinational, certainly are going to find their way. I think the second wave of small to mid-market firms, their participation in trade and investment in Africa will be critical to having real, meaningful, sustainable US participation in the Africa growth story in the decades ahead. To do that, the whole of government approach really does need to be accessible to companies that perhaps don't have government affairs departments, aren't necessarily regularly engage with USG agencies. So I would just make sure people don't lose sight of that. The SMEs are definitely going to need some level of coaching. So that outreach is going to be important. And then the last thing, just quickly, is on China. I've heard discussions about, you know, everyone motivated to make sure American companies compete, can compete with China. It is very difficult though, to raise specificity when highlighting these issues because we don't have copies of term sheets. We don't understand what's going on in deal structures with respect to the Chinese. So, I know, and our company's philosophy has always been, when you go to USG for support or arrived with as much specificity as possible. And I think that's hard because when we ask for a solution, it's hard to say "improve this in this way" when there's still so much capacity with respect to Chinese investment. And that's going to be more important than ever as governments seek debt relief, and other sort of backdoor arrangements to sort of either wriggle out of, or stomp in some of the, some of the Chinese projects that they're already tied into. So, just for the record.

DANIEL RUNDE: E.E.?

EJIKE OKPA: Thank you Dan. I have two quick comments. Yeah. Anyway, opportunity for the EXIM to work with the African Export-Import Bank, because that may help enhance that, credit facilities, you know, for the importer and exporter. The other question is some of the challenges for African countries, the exchange rate on their local currency to US dollar. I don't know whether the US Treasury can engage with the World Bank, IMF, and EXIM bank, and select some African countries and look at how that exchange rate could be enhanced to facilitate purchasing power. Because that will encourage a lot of African companies to look towards you. And the other question is some of the debt that China has with most of these African countries are not disclosed. So we don't know, what are the terms and conditions? So if we keep, there's an opportunity for a dead swap where you can tag from African country to "hey, OK, we can, we can buy the debt from China if you tell us what it is you get into with China." And that's oftentimes very difficult to get to. I think the way to effectively deal with China in Africa is for US to look at exchange rate and then, you know, working on what are some of the issues in Africa that tends to lead to America. And I would like for people when they're talking about Africa, due to Africa, please be specific to the countries, because the conditions are very different in 54 African countries. Can't use what is going on in Togo and Ghana and Cameroon for instance to talk about Ghana or Nigeria or Kenya. So when people are talking about Africa, I think, you know, I know some of the information can be very deceiving because you can see they are very different. That's my comments.

DANIEL RUNDE: Thanks, thank you E.E. We need to continue to push, to see Africa as an opportunity, as a business, I'm sorry. I'm very happy with the direction of Prosper Africa. And I'm happy with the approach that the EXIM Bank is taking but I agree with you that we, 54 Sub-Saharan African countries, there's a billion citizens in Africa now and there's going to be two billion. There's gonna be more African citizens in 25 years-time than in China and India combined. It's gonna be really hard to make broad generalizations about a billion people in 54 countries. And it's gonna be really hard to make generalizations about two billion people in 54 Sub-Saharan African countries. So I really appreciate that. Enormous opportunities, middle-class, huge large middle-class, huge business opportunities for the American people, but I agree with you, thank you, because, I think there's nuances, and we need to be cognizant of that. Really appreciate that. Commissioner Goehring, I'd love to hear from you if you wanted to say some words. We've lost you commissioner.

DOUGLAS GOEHRING: Hmm, hmm, wrong button, I think, wrong button, yeah.

DANIEL RUNDE: Is this, like one of the challenges of modern life is like pushing the wrong button on these things, right? We have to come up with some phrase for that, you know.

DOUGLAS GOEHRING: And then there's just way too much technology in the room, at the same time, I had a too much or another issue. Great presentations. We just need to continue to stay focused, stay engaged and figure out where some routes we can make. I think there's been some great comments, great questions. I love these opportunities

to get informed on what are some of the challenges. What are some of the things that we can approach and try to really migrate our way through this? But I, Chairman Reed and Chairman Runde, I really appreciate these opportunities to catch more information and learn from it.

DANIEL RUNDE: Excellent. Other members of the SAAC. I'd love to hear from them. Several of them had to leave. If not, I think I'd just give an opportunity for a couple of questions on the table, and there were several thoughtful comments by the SAAC members. Before we turn to the public session, I'd like to give a chance for team EXIM Bank to respond to any of the questions put on the table or comments. And there were two specific questions by E.E. that I think would be worthwhile having team EXIM Bank respond to, if possible.

KIMBERLY REED: This is Kimberly Reed. E.E., thank you for raising again questions to EXIM Bank. As you may know, I had the privilege of meeting with the President who was just reacquainted with Benedict Oramah. And I thank you've known this for a long time. We have absolutely engaged over the past year with the African EXIM Bank. I just wanted to kick it over to some of my colleagues who have dealt with them on a tactical level and worked with them.

RICK ANGIUONI: Yes, hi. Thank you, Chairman Reed. This is Rick.

KIMBERLY REED: I don't know if we have Steve Renna on the phone or OPAIR, someone from OPAIR, and perhaps Rick Angiuoni.

DANIEL RUNDE: Chairman Reed, Rick is on. Rick, go ahead, and then, if others, from team EXIM Bank, thank you.

RICK ANGIUONI: Yes, very quickly.

KIMBERLY REED: The other question, we'll get to the information on that.

DANIEL RUNDE: OK, go ahead, Rick.

RICK ANGIUONI: OK, thank you. Very quickly, we have, we have a great relationship with the Afrexim Bank, the Bank is well known to us. We deal with their staff periodically, and we look, and we have been trying to work, and we have worked with them on a number of transactions over the years. And with the reappointment of Benedict, as the president of Afrexim, I think the partnership is going to grow even stronger. The other question that E.E. noted was about the issue of foreign exchange. You are absolutely right, OK, that f-ex control issue, doing power projects in local currency is difficult. We do have eligible foreign currency that are approved by EXIM Bank. Obviously, we can work with the Central African franc, which a lot of countries in West Africa have. We can work with the rand in South Africa. So, we are cognizant of the issue of foreign exchange, and we work very closely with US Treasury in trying to address and mitigate the risks of foreign exchange.

DANIEL RUNDE: Other comments, Steve Renna, or anyone else from team EXIM Bank, want to address some of the comments or questions from the table? OK, if not, I think this is an opportunity for the public comment period, so I'd welcome questions and comments from the public at this time.

LUKE LINDBERG: Dan, this is Luke. We have not received any chat questions thus far. If anyone from the public would like to submit a

question via the chat, we're happy to get those to the team's attention, thanks.

DANIEL RUNDE: OK, thank you, Luke. With the quality, I think, why don't we give it another 30, you know, 15 or 30 seconds, and then, if not, we'll turn the floor over to Director Pryor

LUKE LINDBERG: Dan, while we're waiting for comments back on that one. I wanted to bring up one other point about outreach to small and medium enterprises and the great work that the EXIM team is doing. We actually have a variety of ways in which we do outreach in that sector, primarily focused in the Outreach and Education Department, which sits in the Small Business Division of EXIM. And we've recently increased, not only the number of staff that operate in that team and division, but the metrics by which we're gathering our ability to target those groups and further engage with them. And we have some great numbers put together recently about new markets that we're engaged in. And so I think it's always been a challenge for us. Well, we can openly admit that reaching some of those targeted audiences is hard. Particularly the ones that don't have the Washington offices and people, and we discussed a little bit. But our team is putting forth a very concerted effort in that space, and we're always open and willing to get feedback on new industries or target areas for us to try to hit on. But I want to make sure people are aware. You know, when Congress re-authorized us, they asked us to increase our target to 30% of our, of our financial capacity going toward small businesses and we're taking that very seriously and putting forth a concerted effort on it.

DAVID TRULIO: Luke and Chairman Runde, this is Dave Trulio. To amplify the outreach point that Luke made. I will very briefly flag that under our Strengthening American Competitiveness Initiative. We're engaging extensively with businesses and other stakeholders in each of the transformational export categories. So, for example, on, on Thursday the 18th, this coming Thursday, we're going to do a public deep dive. So anybody who's listening to this can go online on our website and register. We're going to do a deep dive on water treatment and sanitation, working and are discussing with those stakeholders how EXIM can be a better partner. We will have sessions on space technology on July 9th, biotechnology and biomedical sciences on July 16th, and there are a whole bunch more. So if folks are interested, they can they can learn more on the EXIM website. Again, with the intent of how we can support US companies who are exporting, supporting US jobs and a lot of this will be very relevant to the Africa community of interest.

DANIEL RUNDE: Excellent. OK, Luke, if we don't have any comments from the floor, I'm going to turn the floor over to Director Pryor.

LUKE LINDBERG: No comments, Dan, go for it.

DANIEL RUNDE: OK, Director Pryor, the floor is yours.

JUDITH PRYOR: Microphone on. Hi, everybody. Thanks for being here today. Thank you, Chairman Runder and to our presenter's faces, I don't see any longer, but we certainly appreciated your words. It's a timely meeting, you know, just a few months ago, we were discussing healthcare challenges and opportunities on the African continent. So this committee has finalized that letter, which will go to Chairman

Reed with suggestions for excellent opportunities in healthcare among other topics. But it's certainly more urgent now supporting American exports. This is imperative to, and EXIM can do this better than anyone in helping to respond to this sort of unique crisis. Our presenter's shared some relative information that I just wanted to recap a little bit. And as did Rick Angiuoni, our resident African expert who provided important context and the potential impact of the COVID-19. But, Mr. Whitman, Andy highlighted an excellent point about price over value and losing tenders because of this. Perhaps EXIM can help with that and it sounds like we're working with you or you're working with our underwriters on some of those initiatives moving forward. Mr. Arguello from DemeTech made an excellent point in reminding us that maybe it is not so subtle way that quality is very important, and we all know that when US products compete on a level playing field, US products tend to win because the quality is there. It can't always be about price. Or, when should I always ask the question what is the actual price? You know, medical supplies are an important driver of American exports. There's a great need for medical equipment and supplies in Africa with 11% of the world's population on that continent, but yet, only, I don't know, about 1% of the global health expenditure. So well, equipment like ventilators are in short supply. I mean, there's even a greater need for water and sanitation. In 2015, a statistic that the US found only 15% of Sub-Saharan Africa had access to basic hand-washing facilities. We all know this, right, Dan? We've been listening to these statistics for a decade or longer. You know, but even Congress, though, in EXIM's recent reauthorization,

as it was mentioned by Chairman Reed and others earlier, it specifically directed us to focus on water sanitation. And so there's this tremendous need, and therefore a great opportunity for US exports from sanitation to PPE to hospitals and clinics, perhaps even mobile clinics. And as I think, it was Dave Trulio mentioned, you know, later this week we're hosting this Strengthening American Competitiveness Initiative. And this week's topic is going to be on water sanitation. So I hope all of you will check our website and join us in that call.

So, just quickly, no one likes the unknown, right? EXIM and our federal partners, all of our sister agencies in the economic fields, we're all responsible, not only for reducing the risk of these unknowns, but in getting and helping American businesses tap these growth markets. As Luke said, you know, we're doing quite a bit, and we've really ramped up our marketing activity in the small business section. But, you know, hitting someone with the message once, twice, three times, is just not enough anymore. You got to keep doing it and going back and back forever. Sometimes one needs to lead the forest water and make it drink. Right? We can't remove the doubt associated with the unknown, but we're already there to take the risk out of doing business on the continent. And we have to continue as a whole of government, all the economic agencies to explore those outreach efforts, you know, more reverse trade missions, TDA, or new ways to work more closely with the DFC, MCC and its compacts and others. Not to mention supporting the multilaterals, World Bank initiatives, USAID for education, regarding good governance or regulatory issues to just name two know. It's just gonna make the ground and the playing field

even more available for American exports across the continent. Because these opportunities, they're win-wins for American workers and for foreign buyers, and if we can help American manufacturers tap into these growth markets, reach this burgeoning middle-class that Dan always likes to talk about, all across the continent, maybe even in those 10 markets that are really, really growing, because as E.E. reminds us, Americans, which many people have to do, Africa is not a country. Alright. So I know we're here to talk about COVID today, but I think we should just close. I will close by saying, I think there is no doubt that America cares. As one guest speaker said in an earlier, previous committee meeting, quote, "Let's not forget, we're the good guys. EXIM can help our great American companies compete overseas, improve health outcomes for Africans, support sustainable debt levels across the continent. We can make a difference. But we have to sometimes pull American business to the continent because it's not always easy as those of us who have worked there know." So, thank you very much, for this topic today and for joining us. I'm excited about the opportunities. I'm going to keep the optimism level up, and I look forward to continuing this conversation. So, we can continue to do more and more.

DANIEL RUNDE: I don't want to speak on behalf of the SAAC, but I'm going to attempt to and just say that I want to thank the leadership of EXIM, both management and the board, for your excellent leadership at this challenging time. Thank you very, very much. I'm going to adjourn this meeting. Thank you all for attending this meeting, and we'll be in touch.

ALL: Thank you, all. Thank you, Dan. Thanks to see you.

2:15 p.m.