

EXPORT-IMPORT BANK OF THE UNITED STATES

REPORT TO THE U.S. CONGRESS ON SUB-SAHARAN AFRICA



FISCAL YEAR 2007

FOR THE PERIOD OCTOBER 2006 THROUGH SEPTEMBER 2007

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I. EXECUTIVE SUMMARY

When reauthorized by the U.S. Congress in 1997, the Export-Import Bank of the United States (Ex-Im Bank or the Bank) was mandated to increase financing of U.S. manufactured goods and services to sub-Saharan Africa (SSA) in a manner consistent with the reasonable assurance of repayment standard. Congress re-affirmed this mandate in the December 2006 reauthorization. As required by the current Export-Import Bank Reauthorization Act of 2006, this report outlines the Bank's continuing efforts in Fiscal Year 2007 to satisfy the mandate.

In FY 2007, Ex-Im Bank authorized 127 transactions totaling approximately \$434 million in 18 sub-Saharan African countries. This includes the estimated amount of the Bank's working capital guarantee transactions that were made available to support U.S. exports to sub-Saharan Africa, which in FY 2007 totaled 20 transactions and approximately \$48 million in authorizations.

While a relatively comprehensive summary of the progress made by the Bank over the past year is included in this report, the following items are illustrative of the Bank's actions and follow through:

SUB-SAHARAN AFRICA BUSINESS DEVELOPMENT

- Sub-Saharan Africa continues to be the priority continent for the Bank's international business development efforts and the Bank's outreach--both internationally and domestically--and FY 2007 serves as an example of that fact. Ex-Im Bank professionals called on current and potential customers in Cameroon, Gabon, Ghana, Namibia, Nigeria, Togo and South Africa in addition to Libya and Tunisia in North Africa. Appropriately, FY 2008 began with a business development initiative to East Africa (Kenya, Mozambique and Uganda).
- A primary focus of the international travel was to take advantage of significant third-party sponsored business forums including the Global Trade Review/Standard Chartered Bank sponsored "Africa Trade & Investment 2007" conference in Cape Town; the annual Africa Growth and Opportunity Act (AGOA) Forum in Accra; the Nigerian Maritime Administration and Safety Agency's "International Workshop on Maritime Finance and Infrastructure Development; the Deloitte & Touche - sponsored "Executive Management Conference" for Nigerian bankers in Lagos; and the U.S. Trade & Development Agency (USTDA)/Eskom organized "Power Industry Conference" in Johannesburg.
- Special attention also continues to be paid to U.S. exporters through non-Washington based seminars in Houston, Tulsa and San Francisco, specifically encouraging them to market themselves in sub-Saharan Africa. In addition, Ex-Im Bank participated in the Corporate Council on Africa's two signature events of the year--their September "Infrastructure Conference" and the November "Africa Oil & Gas Forum" as well as the World Bank organized "East Africa Investment Conference" that focused on Burundi, Kenya, Rwanda, Tanzania and Uganda.
- Africa also took center stage at Ex-Im Bank's annual meeting when--for the first time ever--a specific country was featured at the opening plenary session. \$25 billion in planned

infrastructure improvements in South Africa were outlined by the Group Chief Executive of Transnet and the Executive Director of Eskom.

- For the past several years Nigeria has been a special focus of attention, including the establishment of a Special Delegated Authority (SDA) program for over \$400 million now with 17 Nigerian banks. Accepting the responsibility of making the SDA program successful and recognizing the need to attract U.S. corporate interest to the Nigerian market, the Bank organized a most successful “Nigeria Roundtable” for U.S. companies and began planning for an Ex-Im Bank/Department of Commerce organized “Transport Sector Trade Mission” for the first quarter of FY 2008. In November 2008, eleven U.S. manufacturers and five U.S. based lending banks participated in a trade mission that included over 140 pre-scheduled one-on-one meetings with vetted Nigerian companies.

Since 1998, Ex-Im Bank’s Board of Directors has appointed a sub-Saharan Africa Advisory Committee (SAAC) to bring practitioners from the field to advise Ex-Im Bank in its efforts to fulfill the Congressional mandate. In addition, Ex-Im Bank devotes two business development officers to the sub-Saharan Africa region. The Bank also draws on roughly 10 staff members from various divisions in the Bank who are experienced in SSA transactions. This team meets periodically to discuss, monitor and implement strategies to improve transaction processing and marketing efforts for the region. In addition, Ex-Im Bank has a Board member who is responsible for promoting exports to the region.

It should be noted that in FY 2006, U.S. exports to SSA were \$12.1 billion¹ and Ex-Im Bank covered \$532 million or 4.4 % of the exports. In FY 2007, exports are expected to reach \$14.1 billion², and Ex-Im Bank covered \$434 million, or 3.1% of the exports. Worldwide, Ex-Im Bank historically covers approximately 1.0% of U.S. exports.

Overall, Ex-Im Bank’s efforts to fulfill the Congressional mandate are being responsibly met.

¹ 2006 export data obtained from the U.S. Department of Commerce, Bureau of Census report - U.S. Trade with Sub-Saharan Africa.

² This amount is extrapolated from January –September 2007 actual export results per the U.S. Department of Commerce, Bureau of Census report - U.S. Trade with Sub-Saharan Africa



EXPORT-IMPORT BANK
of the UNITED STATES

Honorable Christopher J. Dodd, Chairman
Honorable Richard C. Shelby, Ranking Member
U.S. Senate Banking, Housing and Urban Affairs Cmt.

Honorable Barney Frank, Chairman
Honorable Spencer Bachus, Ranking Member
U.S. House of Representatives Financial Services Cmt.

Gentlemen,

The members of the U.S. Export-Import Bank's sub-Saharan Advisory Committee appreciate the opportunity to once again offer comment and recommendations in this our annual report to the U.S. Congress. While in the past our comments have most often focused on the Bank's policies, procedures and practices, this year we wish to address four broader issues that we believe dramatically impact Ex-Im Bank's exports in sub-Saharan Africa in promoting the sale of U.S. manufactured goods and services. Our comments aim to add value by focusing on specific areas where we believe U.S. companies face particular disadvantages in the African marketplace.

In developing countries, specifically in sub-Sahara Africa, it is not unusual for there to be private sector entities that enjoy a stronger credit rating than the government of that country. However, within the OECD fee system, there is no fee below "sovereign". Therefore, OECD ECAs are non-competitive with non-OECD ECAs in doing business with those companies. We believe a realistic credit evaluation process needs to be created within the OECD to correct this policy inconsistency.

In light of the "aid" realities on the ground in sub-Sahara Africa, most notably free reign 'export credits with aid' practices of non-OECD ECAs and the targeted use of aid, or untied aid generally by OECD ECAs, the current rigidly defined USG policy regarding the use of Ex-Im's War Chest is virtually useless. This policy, particularly for developing countries, needs to be re-considered given the disproportionate negative impact on U.S. exports. Also, as stated in the June 2006 Competitiveness Report provided to Congress, U.S. Ex-Im Bank is slower than its counterparts in reopening in difficult markets.

The February 2004 U.S. Government one-year "New Lending Moratorium" directive relative to non-concessional lending to countries that complete a multilateral debt reduction clearly discriminates against U.S. companies. In practice, a one-year plus advantage is being given to our economic competitors who have no such restriction.

With foreign/local currency lending an increasing reality in today's world specifically the South African Rand and the CPA Franc, the rigidly defensive USG requirement for crystallization (converting the foreign currency into U.S. dollars should a transaction default) clearly compromises the competitiveness of U.S. Ex-Im Bank vis a vis their ECA counterparts.

Our observations lead us to believe one of the greatest competitive challenges for Ex-Im Bank in sub-Saharan Africa are relative to its non-OECD counterparts. True competitiveness will require encouraging these institutions to conform to the constraints of the OECD practices and fee agreements.



Willene Johnson, Chair
Export-Import Bank of the United States
sub-Saharan Africa Advisory Committee

Patrick Baumann
Corp. Treasury Director
Harris Corporation

Mark Chiaviello
Director
Standard Bank Group

Patricia Desvergers
Vice President & CEO
Global Trading International

Dennis Dubois
SVP & Director
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Franklin Kennedy
Director
Equator Mgmt. Services

Julian Lighton
VP, Strategy & Business
Cisco Systems, Inc.

Kanu C. Obioha
VP, Policy & Procedures
Bluefield Associates

Barry Worthington
Executive Director
U.S. Energy Association

Gerald Zadikoff
Chief Executive Officer
G.M. Selby & Associates Inc.

III. EXPORT-IMPORT BANK ACTIVITIES IN SUPPORT OF SUB-SAHARAN AFRICA

Highlights of Ex-Im Bank's efforts in support of SSA during FY 2007 include:

1. **Chairman and President, James Lambright Travels to South Africa and Namibia:**

In January 2007, Chairman and President, James Lambright along with Barbara O'Boyle, VP Structured Finance Division and Robert Morin, VP Transportation Division, traveled to Johannesburg and Cape Town, South Africa and Windhoek, Namibia. The Ex-Im Bank team held discussions with the major providers in South Africa's power and transportation sectors to explore opportunities for U.S. exports given their needs for upgraded power and transportation infrastructure.

The trip was centered around a keynote speaking engagement for the Chairman in Cape Town on February 1, 2007. James Lambright, Chairman and President, was among the international lenders who participated in the Global Trade Review/Standard Chartered Bank "Africa Trade & Investment 2007" conference February 1-2, 2007 in Cape Town, South Africa. Considered a premier trade and investment event, the conference focused on the risks and rewards in providing financial support to Africa and is regarded by many as the leading networking forum of the year. "My participation at the conference underscores the commitment of Ex-Im Bank when it comes to Africa," stated Lambright. "Each and every year," he continued, "we are more and more active and yet we are not satisfied. We believe African markets offer great potential for American exporters, and our financing support can help make more transactions a reality."

2. **Nigerian Bank Guaranty Facility Reauthorized and Increased to \$405 Million:**

Following the reform which took place in the Nigerian banking sector in 2005, Ex-Im Bank approved in June 2006, a total of \$300 million in potential exposure to Nigerian banks allocated among 14 Nigerian institutions to support U.S. exports to Nigeria. This consolidated facility was established to expedite the processing of short- and medium-term Ex-Im Bank financing for the purchase of U.S. goods and services by Nigerian buyers. In June 2007, Ex-Im Bank renewed and expanded the facility to \$405 million and added three new Nigerian banks. With the addition of these three new banks to the program -- United Bank for Africa, Fidelity Bank and Wema Bank -- the facility now has a total of 17 banks, which have been allocated credit lines.

The remaining 14 banks, which were original members of the facility, are: Access Bank, Afribank, Diamond Bank, Ecobank, First Bank, Guarantee Trust Bank, Intercontinental Bank, IBTC, Nigerian International Bank, Oceanic Bank, Standard Chartered Bank Nigeria, Stanbic Bank Nigeria, Union Bank, and Zenith Bank. Banks utilizing the facility provide a payment guarantee for their customers, who are the buyers of U.S. goods and in turn, allow Ex-Im Bank's approval process to be expedited.

3. **Second Annual Three-Day Training Seminar for African Financial Institutions:**

From September 12-14, 2007 Ex-Im Bank hosted its second annual African Banker's Seminar, entitled, "Working with African Lenders". This year's format focused on establishing the foundation of credit underwriting and transaction analysis.

The first day's agenda was conducted by various member organizations from Bankers Association for Finance and Trade (BAFT) and Private Export Funding Corporation (PEFCO) and provided the attendees with in-depth instructions on how U.S. financial institutions approach transaction underwriting and analysis. The following two days were facilitated by Ex-Im Bank staff and focused on the Ex-Im Bank products, methodologies and standards. This event also provided the attendees with ample opportunity to meet with Ex-Im Bank senior management and staff.

The classroom style training event was attended by representatives from 13 African financial institutions from seven different countries along with eight U.S. financial institutions with significant interest in Africa.

4. **Ex-Im Bank Annual Conference Features Africa:**

Never before has the opening plenary session for the annual gathering of over 1,000 international trade financiers, exporters and prospective buyers featured one country -- in this case, South Africa. The Export-Import Bank's 2007 Annual Conference was held in Washington, D.C. on April 12-13, 2007. At this year's conference, the billions of dollars in potential export opportunities, including nearly \$25 billion dollars in planned infrastructure improvements in South Africa by Transnet and Eskom, were detailed. Both Maria Ramos, Group Chief Executive of Transnet and Brian Dames, Executive Director of Eskom, discussed how the growth in South Africa and the resulting power and infrastructure needs translate into opportunities for U.S. exporters.

Transnet is the state-owned company that oversees all rail, port and pipeline infrastructure for the Government of South Africa and has recently authorized a \$10 billion multi-phase expansion plan. Transnet operates and controls the major transport infrastructure within South Africa including rail transportation of freight, port and terminal operations, and the pumping, managing and storage of petroleum and gas products. Eskom is the largest producer of electricity in Africa. The company is undertaking a \$15 billion procurement effort over the next five years to support new projects, upgrades and refurbishment of existing facilities. Eskom generates, transports, and distributes electricity to 95% of South Africa, and provides 60% of the electricity consumed on the African continent.

For the past several years, Ex-Im Bank has taken special pride in the number of African guests who attend the conference. This year's African participants were led by Mrs. Evelyn Oputu, Managing Director and CEO of Bank of Industry. East Africa was represented by, among others, Michael Gondwe, President of PTA Bank, and Peter M. D. Jones, CEO of Africa Trade Insurance Agency.

This year's annual meeting also focused on Ex-Im Bank's priority initiative to develop a closer relationship by reaching out to Africa's regional financial entities. Christel Fredrikson, U.S. Commercial Liaison to the African Development Bank participated on the Multilateral Development Bank panel. An Africa-specific session included presentations by Demba Ba, Director, Private Sector Development Branch from the Africa Group at the World Bank, and Ini Urua, Director of the NEPAD Division at the African Development Bank (AfDB). The session was chaired by Willene Johnson, President of Komaza, Inc. and Chair of the Ex-Im Bank's sub-Saharan Africa Advisory Committee.

Unquestionably the busiest corner in the Annual Conference's exhibit area was Ex-Im Bank's "Africa" booth, manned primarily by members of Ex-Im Bank's "Internal Africa Group." In addition

to the networking going on at the booth, special transactions were discussed that the Bank expects to be able to finance.

5. **Ex-Im Bank's Nigeria Roundtable Event Focuses on Continued Progress and Improving Trade Relationships:**

In response to the suggestion from several Nigerian banks that partner with Ex-Im Bank, the Bank hosted a "Nigerian Roundtable" on March 15, 2007 at Ex-Im Bank headquarters in Washington, D.C. The event was designed to encourage U.S. companies to become more active in the Nigerian marketplace.

The opening session featured presentations by former Nigerian Finance and Foreign Minister Ngozo Okonjo-Iweala; Access Bank Managing Director and CEO Aigboje Aig-Imoukhuede; and Bert C. Ubamadu, Managing Director of Fairmont Capital Strategy Group. Attendees began the discussion with a strong base of knowledge about changes in the Nigerian economy and banking sector.

Ex-Im Bank Senior Vice-Presidents John McAdams and Kenneth Tinsley stressed the high priority the Bank places on supporting U.S. exports to Nigeria, and discussed plans to widen its reach in this important market. Describing their respective agencies' activities in Nigeria were Ned Cabot, Regional Director, sub-Sahara Africa, the U.S. Trade & Development Agency; Holly Vineyard, Deputy Assistant Secretary, the U.S. Department of Commerce; and Deborah Erb, Director, Housing Program, the Overseas Private Insurance Corporation.

Among the companies attending were Air Tractor, Inc., Alcatel-Lucent, Inc., Bechtel, Boeing Capital, Caterpillar, Chadbourne & Parke, Cisco, Citigroup, Fluor, GE, Halliburton, Harris Corp., HSBC, Hughes Network Systems, IBM, International Truck, John Deere, JP Morgan, KBR, M&T Bank, Medtronic, Motorola, Patton Boggs, Siemens, SocGen, Sovereign Bank, The Shaw Group, United Bank for Africa, U.S. Energy Association, and UPS Capital.

6. **International Outreach Efforts:**

Ex-Im Bank representatives traveled to Africa on several occasions in FY 2007. The International Business Development team of John Richter - Regional Director for Africa and Ricardo Michel - Business Development Officer for Africa conducted trips to Nigeria, Gabon, Togo, Ghana, Cameroon, Tunisia and Libya to inform potential international buyers on the credit standards required for Ex-Im Bank support. By presenting Ex-Im Bank's short-term and medium-term financing solutions to participants, the meetings sought to structure transactions and foster ways in which Ex-Im Bank can work with the oil, transportation, banking, technology, energy, mining, water and waste management sectors.

In addition, Michael Forgione, Vice President of the International Business Development Division along with officers from Credit Underwriting and Asset Management visited West Africa to reinforce Ex-Im Bank's message. Throughout these countries, Ex-Im Bank held press conferences which outlined its historical efforts in the respective markets and its continued commitment to doing good business in the region. Ex-Im Bank had the opportunity to visit personally with Donald Kaberuka, President of the AfBD and several of his vice-presidents, and discussed the activity of Ex-Im Bank and the focus on the private sector in SSA.

The Export Import Bank of the United States also participated in several conferences in sub-Saharan Africa and communicated its mission and message to broad audiences in attendance:

6th Annual Africa Growth & Opportunity Act Forum – Accra, Ghana

Ex-Im Bank presented at the 6th Annual Africa Growth & Opportunity Act Forum held in Accra, Ghana. The theme of this year's Forum was "As Trade Grows, Africa Prospers: Optimizing the Benefits Under AGOA." The Forum focused on how to encourage countries to diversify their exports by taking advantage of the broad range of products eligible for preferential treatment under AGOA. The Forum included Ministerial, private sector and civil society participation, in order to encourage a full dialogue on the role of trade in national and regional economic growth. As part of the conference, Ex-Im Bank actively participated in plenary discussions involving infrastructure development needs.

National Maritime Administration and Safety Agency – Lagos, Nigeria

On December 12-13, 2006, Nigeria's National Maritime Administration and Safety Agency sponsored the First International Workshop on Maritime Finance and Infrastructure Development in Lagos, Nigeria. Entitled "Stakeholders and Capital Providers: Collaborating to Develop Nigeria's Maritime Industry," this conference focused on the importance of finance in the maritime sector and the need for substantive collaborations between financial institutions and maritime stakeholders. Ex-Im Bank made a presentation during the session "Accessing the Funds: Local and International Options."

In addition to a number of local agencies and key players in Nigeria's maritime, finance and energy sectors, Ex-Im Bank joined other U.S. agencies such as the International Finance Corporation, U.S. Department of Transportation and U.S. Trade and Development Agency for this event. J. Joseph Grandmaison, Director Ex-Im Bank presented at this event along with Paulo F. Gomes, former Executive Director for Africa, World Bank; Ms. Jean McKeeve, Associate U.S. Maritime Administrator, U.S. Maritime Administration; Mr. Kevin Sample, Senior Policy Advisor to the U.S. Secretary of Transportation and Ms. Enoch Ebong, Attorney Advisor, U.S. Trade and Development Agency.

Conference on Risk Management in the Banking Sector - Lagos, Nigeria

On September 20, 2006, Deloitte & Touche, Nigeria sponsored a one-day conference for the executive management of 25 banks within the Nigerian banking sector. The timing of this seminar follows the recent introduction, by the Central Bank of Nigeria (CBN), of a risk management guideline and implementation timeline for all Nigerian banks.

The objective of the conference was to discuss the issue of risk management and its relative importance within the banking sector. During the day, participants heard from speakers presenting on the topics of "What is Risk Management?"; "How to implement a Risk Management Process"; and "Why is Risk Management an Essential Component of the Financial Management Process?"

Mrs. Frances Nwachuku, VP of Asset Management Division, Ex-Im Bank conducted a presentation on "Why Risk Management is Essential." Mrs. Nwachuku approached this topic from the perspective of various stakeholders: i) government; ii) shareholders; iii) partners like

Ex-Im Bank; iv) employees; and v) public. The role a financial institution plays in the lives of these stakeholders was explored as was the importance of sound risk management practices in the survival of a financial institution. Participants were also made aware of the unique role of banks as financial intermediaries and why effective execution of that role was impossible without a structure in place to manage the risk associated with assembly and distribution of capital.

U.S. Trade & Development Agency/Eskom Power Industry Conference - Johannesburg, South Africa

The USTDA, in partnership with Eskom, South Africa's electric utility company, and the U.S. Commercial Service sponsored a three-day conference for American power industry suppliers in Johannesburg, South Africa October 16-19, 2006. The purpose of the conference was to acquaint U.S. engineering firms, major equipment manufacturers, and material suppliers with the more than \$14.9 billion in approved Eskom projects over the next five years. Eskom's plans range from the establishment of new independent power plants to the refurbishment of older facilities.

Eskom is the biggest energy provider in Africa and one of the 10 largest in the world. It is also one of the world's most advanced electricity providers. Eskom is also an active participant in the South African government's Black Economic Empowerment Initiative.

J. Joseph Grandmaison, Director, Ex-Im Bank addressed the 150+ audience at a luncheon on the second day of this event. Director Grandmaison outlined Ex-Im Bank's efforts in South Africa and focused on how Ex-Im Bank could work with Eskom, its contractors, independent power developers, U.S. exporters and local financial institutions.

7. Domestic Outreach Efforts:

In FY 2007 Ex-Im Bank made a concerted effort to increase its domestic outreach to U.S. exporters and increase their awareness of the Bank's products and services. Training seminars were conducted in Oakland, California and Miami, Florida in February and June, respectively. These half-day training sessions were specifically targeted for U.S. exporters interested in exporting to Africa. The focus of the seminars was to explain export credit support available through Ex-Im Bank programs. Ex-Im Bank covered its initiatives in Africa and specifically reviewed the Working Capital, Short-Term and Medium-Term Guarantee Financing.

In addition, the Business Development officers participated by speaking at various Africa-focused events throughout the year:

Corporate Council on Africa's Infrastructure Conference and Africa Oil & Gas Forum, Washington, D.C.

On September 27-29, 2006 the Corporate Council on Africa (CCA) sponsored its 2006 Infrastructure Conference, bringing together Ministers of Planning and Development from a number of African countries, as well as experts in infrastructure development and financing from both the United States and Africa. The goal of the conference was not only to showcase and promote sustainable private/public partnerships, but also to address trade and export challenges created by inadequate infrastructure on the African continent.

Director J. Joseph Grandmaison addressed members of the conference at a plenary session entitled, "Financing Your Projects." This session addressed the evolving project financing

landscape on the African continent, the availability of solid local partners, and the risks and benefits of undertaking new project financing in Africa.

John Richter, Regional Director for Africa discussed how Ex-Im Bank can be used to mitigate risk in infrastructure projects in Africa as part of the workshop “Credit Risk Mitigation,” sponsored by U.S. Trade and Development Agency.

At CCA’s Africa Oil & Gas Forum on November 30, 2006 - J. Joseph Grandmaison, member Board of Director moderated a Mali-focused session entitled, “Investing in Mali’s Oil and Gas Potential.” During this session Mali promoted its new investment code for the oil and gas sector and introduced preferential customs and tax systems designed to attract national and foreign capital in production and services.

U.S. International Investment and Finance Forum for Projects, Development and Capital Equipment- Houston, Texas

From February 7-9, 2007 delegations from Niger, Ghana, Benin, Nigeria, Gabon, and other sub-Saharan business executives assembled in Houston, Texas for the first U.S. International Investment and Finance Forum for Projects, Development and Capital Equipment. The mission of this forum was to promote foreign direct investment into Niger and other West African countries in order to help support economic growth, reduce poverty and improve people’s lives through training and strategic advising services.

Mr. Joseph Ringer, Houston Regional Office Representative, Ex-Im Bank addressed over 60 participants and provided an overview of the Bank’s historical role in West Africa, as well as its current initiatives to support U.S. exports into Africa. Mr. Ringer explained a number of the Bank’s products and the process by which Ex-Im Bank can work with interested U.S. exporters and international buyers.

Also attending the conference were representatives from the Overseas Private Investment Corporation (OPIC), The Corporate Council on Africa, Office of the Governor of Texas Economic Development & Tourism, The Greater Houston Partnership Chamber of Commerce, Economic Development and World Trade, Houston Citizens Chamber Trade Development and Sovereign Bank

US TDA “Sub-Saharan Africa Information and Communications Technology Conference”- San Francisco, California

John Richter, Regional Director for Africa presented at the sub-Saharan Africa Information and Communications Technology Conference: Solutions for a Vibrant ICT Market in San Francisco, California on March 20, 2007. This conference provided U.S. company participants with details on new export and investment opportunities in the areas of telecommunications network expansion, fiber networks, submarine communications systems, rural connectivity solutions, telecommunication operator licenses, advanced media services, as well as e-government solutions for health, education and postal services. Ex-Im Bank presented ways in which it can support U.S exporters and international buyers in the Information and Communication Technology sector.

The conference agenda addressed key policy issues and highlighted efforts to expand telecommunications infrastructure, improve delivery of government services, and support the growth of e-commerce. Participating countries included Algeria, Botswana, Burkina Faso,

Cameroon, Congo, Ethiopia, Gabon, Ghana, Kenya, Mali, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, and Uganda.

East African Investment Conference Presentation, Washington, D.C.

Ex-Im Bank presented at the East Africa Investment Conference which was held at the World Bank on April 11, 2007. This event was co-sponsored by the East African Community Partner States in the United States (namely Kenya, Uganda, Tanzania, Rwanda and Burundi), under the leadership of H.E. Ambassador Peter Rateng Ogego of Kenya and in collaboration with the executive directors for East Africa at the World Bank, and Wambia Capital LLC.

Ex-Im Bank Enhanced Africa Portal Web Site (www.exim.gov/africa)

In an effort to provide critical information on all programs and initiatives in Africa, Ex-Im Bank has expanded and enhanced its website to include a new Africa portal. The revised portal features new material, reorganized content to make it easier to navigate and an expanded range of important information on our initiatives and products targeted for sub-Saharan Africa.

8. **Sub-Saharan Africa Advisory Committee (SAAC):**

Sub-Saharan Africa Advisory Committee (SAAC) provides a forum where outside practitioners offer ideas on how the Bank can increase its support for exports to the region while still satisfying its reasonable assurance of repayment requirement. SAAC also discusses issues facing the private sector, including banks, when using Ex-Im Bank for transactions in SSA.

SAAC, as directed by the U.S. Congress, was created as a result of the Bank's reauthorization legislation of 1997, and was originally composed of five members representing commerce, banking, trade finance and small business. In 1999, the Bank increased the number to eight, and by 2000 SAAC had grown to 10 members. Brief biographies of the 2007 SAAC members can be found as an attachment to this report.

SAAC met three times in fiscal year 2007 to review existing initiatives and provide suggestions for further improvements with regard to the Bank's activities in SSA.

February 7, 2007

The 2007 Sub-Saharan Africa Advisory Committee convened its first meeting on February 7, 2007 at which the new SAAC Board members were introduced. Chairing the committee this year is Dr. Willene Johnson, Development Economist with experience in Africa and Latin America who serves as a member of the United Nations Committee for Development Policy and is an adjunct member of the faculty of Cornell University in the department of applied economics and management. Dr. Johnson previously was with the Federal Reserve System.

SAAC members were updated on the Bank's efforts since the last committee meeting in October 2006. Chairman and President James Lambright discussed his recent trip to South Africa and Namibia and Ex-Im Bank staff detailed the re-authorization requirements relative to Africa, the FY 2006 Congressional report highlights, Ex-Im Bank online application process and the OECD/Paris club process.

June 6, 2007

2007 Sub-Saharan Africa Advisory Committee convened its second meeting of the fiscal year on June 6, 2007. The SAAC members were addressed by Chairman and President James Lambright who discussed the concerns expressed from the marketplace about the lack of U.S. exporter interest in the region. A panel discussion on this topic was then held with the following individuals addressing this issue:

- Sherry-Lee Singh – Director, Market Research and Member Services, Corporate Council on Africa;
- Diane Willkens – President & CEO, Development Finance International, Inc.;
- John W. Rauber, Jr. – Director of International Affairs, John Deere & Co;
- Fred Berger, P.E. – Senior Vice President, The Louis Berger Group, Inc.

SAAC members were also updated on the 2006 Competitiveness Report, the status of the 2006 SAAC recommendations and the business development activities in the region. Based on the results of the 2006 Competitiveness report, it was decided that the SAAC would issue a letter to Congress detailing its Africa specific concerns and recommendations for inclusion in the Competitiveness Report.

October 10, 2007

The 2007 Sub-Saharan Africa Advisory Committee convened its final meeting of the fiscal year on October 10, 2007. The meeting began with a panel discussion on China's Development Strategy. Panelists included moderator James Lambright, Chairman and President, Ex-Im Bank; Witney Schneidman, President, Schneidman & Associates International, Africa-China-U.S. Trilateral Dialogue Study; Daeman Harris, Vice President, Middle East and Africa, U.S. Chamber of Commerce; and Anthony Carroll, Vice President, Manchester Trade, Ltd. Also participating in the discussion were members of Ex-Im Bank's SAAC, U.S. exporters, and African public and private sector representatives. From this discussion the following themes were noted:

- China-Africa trade is growing much faster than U.S.-Africa trade.
- Greater engagement by U.S. companies is required in Africa and Ex-Im Bank needs to "double its efforts" to get more U.S. companies to Africa.
- U.S. and Africa should hold China accountable for leveling the playing field by observing World Trade Organization (WTO) rules, and possibly also the Organization for Economic Cooperation and Development (OECD) rules.

The members also discussed the sub-Saharan Advisory Committee's letter in the Annual Competitiveness Report which laid out the broad issues challenging the further expansion of the U.S. commercial interest in Africa. The items raised in this letter would be incorporated into the 2007 recommendations and Congressional report.

SAAC members were updated on the upcoming business development activities in the region. Director Grandmason and Chairman and President Lambright recognized the SAAC members with certificates of appreciation and Regional Director for Africa, John Richter, presented gifts for their service and thanked them for a job well done. Eight out of 10 members will be leaving the committee.

V. APPENDICIES

APPENDIX A: FY2007 EX-IM BANK SUCCESS STORIES SUB-SAHARAN AFRICA

The following success stories are a representative sample of the various transactions and countries that have been supported by Ex-Im Bank in FY2007:

Ethiopia

- Via an Ex-Im Bank short-term, single buyer insurance policy, Omega Aerospace Suppliers of Colleyville, Texas was able to sell \$90,000 of aircraft parts to Ethiopian Airlines of Ethiopia. This transaction was approved in November 2006.

Ghana

- Ex-Im Bank approved a request from Citibank NA of New York, New York, for a long-term guarantee in the amount of \$109,553,785, which includes local cost, capitalized interest during construction and exposure fees in support of the sale of various oil storage tanks and pipelines to Bulk Oil Storage & Transport Co, Ltd, a Ghanaian government owned company. The U.S. exporter is American Tank & Vessel Inc., Houston, Texas.

Nigeria

Ex-Im Bank supports AGOA related transaction: Commercial loan guarantee provided to M&T Bank to fund purchases of new and used textile equipment to Nigerian manufacturer.

- Ex-Im Bank recently approved a \$2.3 million medium-term, comprehensive guarantee to support the sale of new and used textile equipment to Meggitto Ventures Limited in Lagos, Nigeria. The increase in production resulting from the newly acquired equipment will be dedicated primarily to the manufacturing of t-shirts, of which a majority will be exported to the United States under AGOA. This transaction is being supported by an irrevocable guarantee issued by Oceanic Bank International, Nigeria under the recently established Ex-Im Bank \$300 Million Nigerian Banking Facility. There are multiple U.S. exporters and suppliers for this transaction, however a majority of the items are being exported and or supplied by Southern Textile Exchange, LLC, Charlotte, NC; Vanguard Supreme, Monroe, NC; and Tubular textile Machinery, Inc., Lexington, NC.

Ex-Im Bank supports a 5 year commercial loan guarantee for UPS Capital to fund establishment of Xechem Pharmaceutical Plant in Nigeria

- Ex-Im Bank approved a request from UPS Capital Business Credit, Hartford, Connecticut, for a five-year, medium-term guarantee in the amount of \$8,534,542 to support the sale of U.S. pharmaceutical manufacturing equipment to Xechem Pharmaceuticals, a company located in Nigeria. In addition to the U.S. exports, Ex-Im Bank financing will support local costs for this project totaling \$1,280,781. Diamond Bank Ltd. and Bank PHB will support the transaction by providing co-guarantees

under the Ex-Im Bank's recently established \$300 Million Nigerian Banking Guarantee Facility. The Xechem Pharmaceutical Project will purchase U.S. manufactured plants and machinery supplied by leading pharmaceutical equipment vendors and EPC Contractors including Fisher Scientific, APT and NITRA Corp, etc.

The Xechem Pharmaceutical Plant in Nigeria will manufacture and commercialize NICOSAN™, a phyto-pharmaceutical used for the treatment of Sickle Cell Disease (SCD), a genetic blood disorder caused by the abnormality in the hemoglobin molecule, affecting approximately 4 million Nigerians and another 6 to 8 million sufferers in the rest of Africa and 16 million worldwide. While the only known cure for SCD is Bone Marrow Transplant, which replaces defective red blood cells with donor healthy cells, NICOSAN™ taken once daily is the first drug to offer patients safe and effective treatment for the prophylactic management of SCD. The U.S. Department of Health and Human Services, Office of Orphan Products Development - Food and Drug Administration (FDA), granted the company Orphan Drug designation for NICOSAN™. The Nigerian National Agency for Food and Drug Administration and Control (NAFDAC) has also approved NICOSAN™ for commercialization. The Xechem Pharmaceutical Plant will also produce other products for the treatment of Malaria, HIV/AIDS and related complications.

- Ex-Im Bank approved a request from HSBC Bank Plc of New York, New York, for a five-year, medium-term comprehensive guarantee in the amount of \$13,117,330 to support the sale of advanced Logging While Drilling (LWD) technology and equipment to Drillog Petro Dynamics Ltd., a company located in Nigeria. Diamond Bank PLC of Nigeria issued a local bank guarantee to support this transaction. The U.S. exporter is Halliburton Energy Services of Houston, Texas.

Niger

- Through Ex-Im Bank's medium-term single sale policy RZB Finance, LLC of New York, NY was able to execute a deal with its customer, ETS Sikieye Tahirou Salatou of Niger. This transaction, approved in October 2006, will support the sale of Mack trucks and Polar tankers valued at \$774,919.

Tanzania

- Through the use of Ex-Im Bank's small business multi-buyer insurance policy, Citland International of Alpharetta, Georgia was able to execute a deal with its customer, Anglogold Ashanti Ltd. of South Africa. This transaction, approved in November 2006, will support the sale of mining equipment and supplies valued at \$400,000.

Uganda

- Ex-Im Bank approved a request from M&T Bank of Baltimore, Maryland, for a five-year, medium-term guarantee in the amount of \$2,876,300 to support the sale of machines that produce intravenous fluids, eye and ear drops, and vials of injection fluids to Abacus Parental Drugs, Ltd., a company located in Uganda. The primary source of repayment will be PTA Bank. The U.S. exporter is Weiler Engineering Inc. of Elgin, Illinois.

**APPENDIX B:
2007 SUB-SAHARAN AFRICA ADVISORY COMMITTEE MEMBERS**

PATRICK BAUMANN
Harris Corporation
1025 West NASA Blvd.
Melbourne, Florida 32919
Representing Commerce

Mr. Baumann, Corporate Treasury Director for Harris Corp and was previously manager of corporate treasury and held this position since 1999. He is the primary resource for transactional support to Harris Corporation's divisions and subsidiaries in all areas involving foreign currency management. He advises divisions on bonding practices and apprises them of conditions and changes in the bonding market with regard to rates and country risks. He has authored several articles on international trade finance, including some that have been published in local newspapers. He additionally serves as a member of the Wachovia Large Corporate Advisory Board. Mr. Baumann joined Harris Corp in 1997 as the International Finance Manager and was tasked to negotiate financing of international broadcasting networks and structure supplier credits. Mr. Baumann worked at SunTrust Bank for three years as a Vice President for overseas credit and two years as Branch Manager 1989. He was born and educated in Switzerland and he has a BS in Marketing from Jones College and a MBA from City University in Zurich, Switzerland.

MARK E. CHIAVIELLO
Standard Bank Group, Ltd
320 Park Avenue, 19th Floor
New York, New York 10022
Representing Trade Finance

Mr. Chiaviello has been involved in Africa for over 20 years. He is currently a Director at Standard Bank, Africa's largest financial institution, with the responsibility of promoting foreign direct investment, trading relationships and donor flows from the United States to Africa. Prior to joining Standard Bank in 2006, Mr. Chiaviello spent nine years at Deutsche Bank running their South African equity business in America. In the 1980s, Mr. Chiaviello spent over two years as a Peace Corps volunteer in Botswana where he worked with the Ministry of Commerce and Industry. He is presently involved with The Corporate Council on Africa, Africa Society and the National Association of Peace Corps Volunteers. Mr. Chiaviello received a MBA in International Finance from Columbia Business School in New York in 1993.

PATRICIA DESVERGERS
Global Trading International
1025 Connecticut Ave., NW, Suite 506
Washington, DC 20036
Representing Small Business

Ms. Desvergers is Vice President and CEO of Global Trading International. She is involved in management planning for projects related to infrastructure, the housing industry and the environment. She has also consulted an identity system project in Chad and was an advisor for the Angola Government for mining projects. Prior to her current position, she was Business Director Specialist for Iget International Group in France, where she served as a consultant for Petrozi Gas (Côte d'Ivoire), Accor Afrique (Ghana) and Vivendi Group France for their business strategy in South Africa. While at Iget, she was also a consultant on a beverage factory project in Angola. Ms. Desvergers has an MBA from HEC School of Management, Paris, France in 1992 and a Bachelor of Science in Economics from Bessieres University in France, 1989.

DENNIS DUBOIS
Sovereign Bank
75 State Street
Boston, MA 02109
Representing Trade Finance

Mr. Dubois is currently Senior Vice President and Director of International Trade Banking, Global Solutions Group, Sovereign Bank. He has over 25 years of banking experience with Fortune 1000, middle market companies, asset-based borrowers, multinational corporations, government and financial institutions. In his position at Sovereign he manages the International Trade Banking Group. He previously managed U.S. sales and marketing of trade finance products for Bank of America and also held numerous other high level management, sales and marketing positions in multinational corporate finance, as well as in international cash management. Mr. Dubois holds a M.A. in Economics and a Bachelor's degree from the University of Helsinki, Finland.

WILLENE JOHNSON
African Development Bank (formerly)
12770 Sapony Church Road
McKenney, VA 23872
Representing Trade Finance

Mrs. Johnson is a Development Economist with experience in Africa and Latin America. She serves as a member of the United Nations Committee for Development Policy and is an adjunct member of the faculty of Cornell University in the department of applied economics and management. Dr. Johnson recently retired from the Board of Governors of the Federal Reserve System, where she served as Adviser in the Division of International Finance, conducting research on financial reform in emerging market economies. From January 2000 to September 2001, Dr. Johnson served as United States Executive Director at the African Development Bank (AfDB), overseeing the development of policies, programs, and projects aimed at improving the economic and social well being of African countries. Prior to her appointment to the AfDB, Dr. Johnson was a vice president at the Federal Reserve Bank of New York where her career included assignments in economic research, foreign exchange, international financial markets, international affairs, and equal employment opportunity. Dr. Johnson's education includes a Bachelor of Arts degree from Radcliffe College, Harvard University, a master of arts in African history from Saint John's University, and a doctor of philosophy in economics from Columbia University.

FRANKLIN KENNEDY
Equator Management Services
14 Robkins Road
Avon, Connecticut 06001
Representing Trade Finance

Mr. Kennedy is currently the Director of Equator Management. He retired as CEO of HSBC Equator Bank Plc in 2002, where he had served from 1976 and acted as CEO since 1988. He continues to serve as Director of the Corporate Council on Africa, where he chairs the Task Force on Increasing Capital Flows to Africa. He is a Director of the African Export Import Bank and senior advisor to Africa Global. Other affiliations include serving as Chair of the Board of Trans Africa Holdings Ltd, INDEBank Malawi and as Chair of the Investment Committee of ShoreCap International. Previous appointments include serving as a Member of Ex-Im Bank's Sub-Saharan Africa Advisory Committee in 1998-99. Mr. Kennedy, a Canadian citizen, received an Honors B.A. in Business Administration from the Ivey School of Business at the University of Western Ontario.

JULIAN LIGHTON
Cisco Systems
170 West Tasman Drive
San Jose, CA 95134-1706
Representing Commerce

Mr. Lighton was appointed Vice President of Strategy and Business Development organization for Cisco Systems, Inc's Emerging Markets at the beginning of 2006. He is responsible for a 3.7bn business unit which covers 130 Countries which includes the Middle East and Africa. Mr. Lighton joined Cisco in 2002 as General Manger and Vice President. Prior to joining Cisco, he was Corporate Vice President of Strategy, Corporate Development and Investments for Hitachi Americas, Ltd. At Hitachi, he was responsible for portfolio of 101 companies with a combined \$7.5B in revenue. He was previously a partner at McKinsey and Company. He was also a Vice President with Cambridge Technology Partners running their World Wide Strategy and Planning practice. In addition, he has held senior positions with Andersen Consulting and Godel, Escher, Bach, a leading provider of powerful executive information systems. Mr. Lighton received a B.A. and M.A. in Jurisprudence from Magdalen College, Oxford, and a M.A. in Comparative and International Law from the Sorbonne in Paris.

KANU C. OBIOHA
Bluefield Associates Inc.
1100 N. Hellman Ave., Ste B
Ontario, CA 91764
Representing Small Business

Mr. Obioha is currently the Vice President of Policy and Planning of Bluefield Associates, Inc. He is responsible for implementing policies and work procedures and also the companies' compliance program for Federal and State regulations. He joined Bluefield Associates, Inc in 1995. He previously worked for Clear Essence Cosmetics USA, Inc as President/Chief Operating Officer. Mr. Obioha received his Masters in Science Engineering degree from Columbia University of New York. Bluefield Associates Inc. was named Ex-Im Bank Small Business Exporter for 2004.

BARRY WORTHINGTON
United States Energy Association
1300 Pennsylvania Ave., NW, Suite 550
Washington, DC 20004
Representing Commerce

Mr. Worthington has served as Executive Director of the U.S. Energy Association since 1988. Prior to this, he served as a Vice President of the Thomas Alva Edison Foundation. Mr. Worthington is also Chairman of the National Energy Foundation and a member of the Board of Directors of the World Environment Center and the U.S.-China Energy Environment Center, as well as a Trustee of the Energy & Mineral Law Foundation. He has written extensively on energy and environmental matters, and has addressed many conferences on national and international energy issues.

GERALD ZADIKOFF, P.E.
G.M. Selby & Associates, Inc.
7400 SW 50th Terrace
Miami, FL 33155
Representing Small Business

Mr. Zadikoff is CEO for G.M. Selby & Associates, Inc. His experience assisted in opening international markets specializing in emerging economies and transferring skills to certain markets. He was instrumental with Chairman Kennard and his FCC delegating during their Africa Initiative "Connecting the Globe". He has assisted various companies in obtaining equity and debt financing for infrastructure projects in Africa. He previously was an Assistant Professor of Engineering at the Florida Institute of Technology. Additionally, he serves on the Board of Directors as Executive Director for Two Rivers Communications, Guinea, SA, and on Board of Directors for G.M. Selby Nigeria, Ltd, Abuja, Nigeria. He joined G.M. Selby & Associates, Inc. in 1990 as President. His accomplishments include the first GSM wireless network launched in the USA. Mr. Zadikoff has a Master of Science from the University of Rhode Island.