

# OPIC News

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## OPIC support for U.S. small businesses jumped 43 percent in fiscal year 2005

— SME insurance wraps up 45 percent —

OPIC financing support for U.S. small and medium-sized enterprises (SMEs) increased 43 percent - \$103 million - from fiscal year 2004 to FY2005, an indication of both improved OPIC outreach to the sector and growing SME interest in investing overseas.

OPIC committed \$343.2 million in financing to 52 projects in FY2005, compared to \$240.2 million for 49 projects in FY2004.

projects in Africa, Asia, Latin American and eastern Europe, and in a range of sectors, from tourism and energy to agriculture and financial services.



OPIC's small business insurance wrap, a streamlined form of political risk coverage introduced in 2003, also emerged in FY2005 as one of the agency's most successful products ever, increasing in project number by 45 per-



U.S. small businesses financed by OPIC in fiscal year 2005 helped to build a new school campus in Nigeria and a hotel in Uzbekistan; lease heavy equipment in Georgia; and develop an ecotourism resort in Nicaragua that will support a local school (clockwise from top).



OPIC support in FY2005 comprised \$260 million for 21 projects from its Department of Small and Medium-sized Enterprise Financing (SMEF) and \$83.2 million for 31 projects from OPIC's Small Business Center (SBC). In FY2004, OPIC's SMEF department committed \$172.5 million in financing to 20 projects, its SBC \$67.7 million to 29 projects.



cent over the previous year. OPIC provided insurance wraps totaling \$4.4 million for 16 projects in FY2005, up from 11 projects in FY2004.

"OPIC's ongoing effort to simplify and expand its support for U.S. small

As in the previous year, OPIC financing in FY2005 supported U.S. small business

businesses yielded dramatic results in FY2005, by any measure the agency's best year yet in terms of SME project production. This significant increase demonstrates growing recognition by American small businesses that lucrative investment opportunities await them in emerging markets," said OPIC President and CEO Robert Mosbacher, Jr.

MESSAGE FROM THE PRESIDENT

In May, OPIC will host an international conference on investment in Africa's housing sector. Called *Housing Africa*, it represents a unique opportunity to hear from leading housing experts, U.S. businesses actively investing in the housing sector, private equity fund managers, and U.S. and African government officials about investment potential throughout the continent. More crucially, it will provide businesses, both American and African, a tangible opportunity to set up joint ventures.

A recent report by UN-Habitat on the 2005 African Ministerial Conference on Housing and Urban Development detailed not only the scale of housing need in Africa, but strategies that would best address it. Many of them align with OPIC's approach to development - that is, by supporting private investment in emerging markets, resulting economic growth will benefit all citizens. Among the report's findings:

"Recent estimates put the urban popula-

tion of the continent for the year 2020 at 498 million - an increase of 10 million every year.

"Over the 1970s-1980s period, international assistance to financing all sectors of human settlements development accounted for only between 2 and 3 per cent of total external development assistance to African countries. The proportion today may not be much more than 5 per cent.

"The contribution to financing of human settlements development by the private sector - formal and informal - compares favorably if not supercedes public sector contribution to the financing. It is, for example, now widely acknowledged that between 80 and 90 per cent of annual additions to the housing stock, are provided by private sector financing.

"It is now generally acknowledged that strategies for financing investment in shelter have to address the central issue of mobilizing a steady flow of long-term

finance. There is a need to strengthen formal housing finance systems and institutions such as housing or mortgage banks, savings and loan associations, home development mutual funds, and others to further facilitate the mobilization and deployment of finance for housing."

In these findings, OPIC sees ample room for investment in Africa's housing sector. We will use the opportunity *Housing Africa* provides to demonstrate to prospective investors, U.S. and African, that their capital could not only transform living standards on an entire continent, but open lucrative new markets for their products and services.

Robert Mosbacher, Jr.  
President & CEO  
Overseas Private Investment Corporation

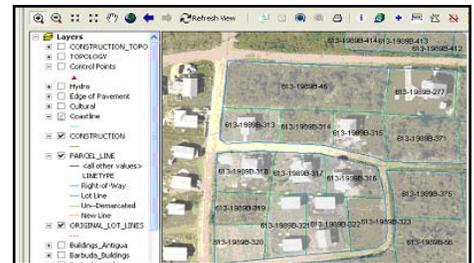
## OPIC insurance to help upgrade land registry in Antigua and Barbuda

OPIC political risk insurance will enable a U.S. company to introduce a state-of-the-art land registry system to Antigua and Barbuda, setting the stage for increased investment in real estate-related sectors such as tourism in the country, and potentially throughout the eastern Caribbean.

OPIC will provide \$669,000 in insurance to Stewart Information International, a subsidiary of Stewart Information Services Corp., for installation of the Stewart Landfolio® system for land registry, land cadastre and property taxation, according to a three-year licensing agreement with the government of Antigua and Barbuda. Working through government offices, the system provides day-to-day processing of records, and improves the entering of information and instructions, as well as the ability to access documents.

Once implemented, the Landfolio system will provide Antigua and Barbuda with the registration and title infrastructure necessary for development of a transparent and sophisticated real estate market, as well as raise revenue for the government in the form of property registration fees and more effective property taxation.

Stewart Information International's computerized Landfolio system for land registry, cadastre and property taxation could ultimately be implemented throughout the eastern Caribbean.



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# Poland in focus:

## U.S. small businesses use OPIC loans to expand health care network, build prune processing facility

A U.S. small business will use an OPIC loan to help one of Poland's largest networks of private health care clinics expand, providing increasing numbers of Polish citizens access to high-quality health care at affordable prices.

OPIC will provide a \$5.5 million loan to Medycyna Rodzinna S.A. (MR), so that it can construct

new facilities, improve existing ones, purchase medical

equipment, acquire and improve smaller clinics in outer regions of Poland, and develop a first-class hub clinic in Warsaw which would be able to conduct specialist and diagnostic testing as well as provide more complicated treatments.

MR, established in 1998 by a group of Polish doctors seeking to improve health care standards in the country, owns 16 clinics and five small corporate ambulatories in the nine largest cities in Poland, seven of them in Warsaw. The company has over 900 employees that serve 270,000 patients, who receive 800,000 consultations per year. It is owned largely by the Polish Enterprise Fund, a U.S. venture capital investment fund formed to make investments in Poland.

"Provision of affordable, high-quality health care for all of Poland's citizens is MR's goal, which, the company has demonstrated, can be achieved on a profitable basis. OPIC's loan will enable MR to expand its health



Medycyna Rodzinna, which is receiving a \$5.5 million OPIC loan, provides free and equal access for everyone to its primary care services. It serves patients within public national health insurance as well as those with additional private health plans and has contributed importantly to Poland's efforts to overcome poor-quality health care.



care services, resulting in both a healthier population and a citizenry better informed about preventative care," said OPIC President and CEO Robert Mosbacher, Jr.

Another U.S. small business will use an OPIC loan to construct a prune processing facility that will use prunes grown in California, then process and sell them on European markets.

OPIC will provide a \$400,000 loan to supplement financing from Richard and John Taylor for construction and operation of a prune processing facility in Grudziadz, two hours south of Gdansk.

The facility will obtain prunes grown in California, including those from the Taylors' 300-acre fruit and nut farm in Yuba City, process them at international standard, then package and sell them to regional markets in Europe.



A prune processing facility supported by an OPIC loan will provide jobs for Grudziadz, a Polish city that has suffered 30 percent unemployment since its major economic resource, military bases, was reduced in the 1990s.

## Small business uses OPIC loan for clean energy technology in Brazil

A U.S. small business will use an OPIC loan to expand its natural gas distribution project in Brazil, helping that nation meet a growing demand for clean-burning natural gas.

As part of OPIC's commitment to the Clean Energy Technology Exporters initiative, a multi-agency initiative to encourage U.S. clean energy technologies, OPIC will provide a \$5.4 million loan to Houston-based NEOgas to expand its operations. The project is expected to drastically increase the feasibility of using clean-burning compressed natural gas in rural areas that are not currently served by natural gas pipelines, as well as its use in natural gas-powered vehicles.



NEOgas, a Houston-based small business, will use an OPIC loan to distribute natural gas in Brazil.

Although Brazil has a growing network of gas pipelines, much of the country still lacks access to branch pipelines, thereby denying natural gas to consumers and industries.

NEOgas works with Brazilian state agencies to identify areas of demand and negotiates with natural gas distributors for the right to connect a compressor station to a pipeline. Natural gas is then compressed and downloaded from the station into NEOgas transport vehicles. The gas is transported to retail gas stations and industrial parks.

# OPIC to host international conference on housing investment in Africa

**Cape Town**, dubbed "the fairest cape in the circumference of the globe" by Sir Francis Drake, will be host to an OPIC international investment conference focused on the housing sector in sub-Saharan Africa, to be held May 2-4.

The conference, *Housing Africa*, represents a unique opportunity to hear from leading housing experts, U.S. businesses actively investing in the housing sector, legal experts, private equity fund managers, and U.S. and African senior government officials about investment opportunities

on a continent whose urban population is growing by 10 million persons a year. It will also feature local businesses

and banks engaged in the housing sector, and provide opportunities for facilitating key private sector investment partnerships with U.S. businesses planning to invest in the sector.

The conference agenda will include sessions highlighting current housing initiatives, construction, land development, legal issues, infrastructure, mortgage financing, capital markets and private equity investment. It will be of particular



Cape Town, South Africa, will be host to an OPIC investment conference on housing in sub-Saharan Africa. Interested parties may register at [www.trademeetings.com](http://www.trademeetings.com).

interest to companies in the U.S. and other countries looking for investment opportunities in the housing sector. It will also be of interest to regional businesses and financial institutions seeking investors and joint venture partners.

## UPCOMING EVENTS



**March 7-9, 2006, Mumbai, India**  
**Transportation Solutions for South Asia Trade**  
**Sponsored by U.S. Trade and Development Agency**  
**Nancy Rivera, Director, Structured Finance**  
[www.tda.gov](http://www.tda.gov)

**March 22-23, 2006, Rochester, New York**  
**Erie County Industrial Development Agency**  
**Trade Financing Solutions**  
**Dulce Zahniser, Deputy Chief of Staff &**  
[www.ecidany.com](http://www.ecidany.com)

**March 27-30, 2006, Brasilia, Brazil**  
**OECD Global Conference on Better Financing**  
**for Entrepreneurship and SME Growth**  
**Bruce Cameron, Senior Investment Officer**  
[www.oecd.org](http://www.oecd.org)

**May 2-4, 2006, Cape Town, South Africa**  
**Housing Africa**  
**OPIC-sponsored International**  
**Investment Conference**  
[www.trademeetings.com](http://www.trademeetings.com)