



## OPIC and Southeast Europe

After years of conflict in Southeast Europe, companies that once feared instability are beginning to consider again the abundant opportunities the region offers. The Overseas Private Investment Corporation (OPIC), a U.S. government agency, can help companies realize these opportunities. In partnership with international recovery efforts, OPIC's political risk insurance, finance and regional investment funds are working to support U.S. companies of all sizes investing in projects throughout the region.

OPIC has committed nearly \$267 million of insurance and financing to a wide spectrum of projects in sectors including energy, telecommunications, agribusiness, retail and services throughout the nations of Southeast Europe. In addition, five existing OPIC-supported equity funds with a total capitalization of over \$747 million are presently authorized to invest in countries in the region. The new \$150 million Southeast Europe Equity Fund will also be available to invest in the region. If current projects under review by OPIC were to go forward, the investment potential for OPIC assisted projects would be more than \$1 billion.

OPIC has:

- Developed a \$200 million credit line for projects in the region;
- Established an OPIC regional office in Zagreb, Croatia; and
- Initiated a new \$150 million equity investment fund, the Southeast Europe Equity Fund, that will be managed by Soros Private Funds Management to make investments in the greater Southeast Europe region.

## OPIC Products for Southeast Europe

### Insuring Investment Projects

Using OPIC's political risk insurance, U.S. companies are able to enter markets in countries where political risks make investors wary. OPIC can provide insurance against:

- i) an investor's inability to convert local currency into dollars and to transfer such dollars to the United States;
- ii) expropriation or confiscation of an investment by a foreign government; and
- iii) political violence.

Coverage is available for equity investments, parent company and third party loans, capital markets financing, consigned inventory or equipment, technical assistance agreements and other forms of investment.

### Financing Investment Projects

In many emerging markets, U.S. commercial lenders and equity investors are not willing or able to provide the level of financing required to support new investment. By providing loans for projects sponsored by U.S. businesses, OPIC's finance program can support economic development by helping U.S. companies take advantage of opportunities in new and growing markets. OPIC can provide debt financing on a project finance or corporate finance basis. Rather than relying on sovereign or sponsor guaranties, the project finance structure seeks repayment from the revenues generated by the project itself. Corporate finance relies on an existing corporate entity, other than the project company, to support debt payment.

### Equity Investments

OPIC supports a family of privately managed investment funds that may be available to provide important equity capital to projects in the Southeast Europe region. Eligible projects need to approach the fund managers directly to be considered for support. Five existing OPIC-supported equity funds with a total capitalization of over \$747 million are presently authorized to invest in countries in the region. A new \$150 million fund, to be managed by Soros Private Fund Management, is also authorized to make investments in the core nations of Southeast Europe, as well as in peripheral countries of the region including Turkey.



## OPIC Southeast Europe Current and Historical Project Highlights

- **Bulgaria:** \$100 million insurance commitment to Entergy Power Group and eligible lenders' investment in a power plant.
- **Bulgaria:** \$51.7 million insurance coverage to Seaboard Corporation's investment in a beverage production facility.
- **Croatia:** \$6.8 million insurance coverage for a McDonald's restaurant project.
- **Croatia:** \$77 thousand insurance coverage to Oculus Contact Lens Company's project.
- **Macedonia:** \$2.7 million insurance coverage for an investment by Chemtex Fibers Inc. in a manufacturing project.
- **Romania:** \$70 million insurance coverage for an investment by Tenneco Romania Holdings, Inc. in a sawmill and wood products facility.
- **Romania:** \$1.7 million in financing for M-I Drilling Fluids Company's well drilling fluids project.

Countries in the Southeast Europe region where OPIC programs are available include:

Albania

Bosnia-Herzegovina

Bulgaria

Croatia

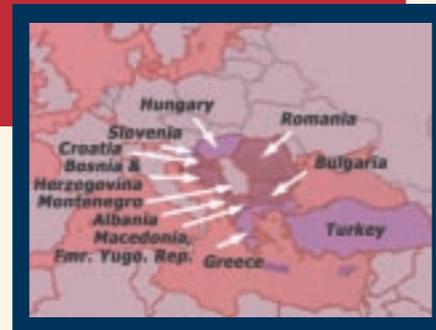
Macedonia

Montenegro

Romania

Slovenia

OPIC is also working with neighboring countries in the region, including Greece, Hungary and Turkey. OPIC's new Southeast Europe Equity Fund may invest in Turkey as well as in the countries listed above.



FOR ADDITIONAL INFORMATION ON:

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