

# OPIC Highlights

## Supporting Private Sector Investment in Russia

Since 1992, OPIC has provided more than \$3.6 billion in finance and insurance to 111 projects ranging from telecommunications projects to fiber optics. OPIC's current finance, investment funds and insurance investments provide more than \$242 million to 15 projects in the manufacturing, financial services and energy sectors.

### OPIC Supports Small Business Expansion

OPIC is providing \$777,000 in political risk insurance for a U.S. small business to expand its optical components manufacturing facility in Russia.

International Scientific Products Corporation (ISP) of New York will use OPIC's insurance to increase production and quality control at ISP's operation in St. Petersburg. The Russian enterprise, ISP Optics Sankt Petersburg, produces optical components such as lenses, domes, prisms, polarizers and wave plates that are sold to markets in the United States and worldwide. OPIC expects this project to generate 20 local jobs as well as tax revenue for the country. Additionally, ISP has ensured that senior management of the enterprise will receive MBA coursework and that its opticians will receive professional training in the United States.

### OPIC Approves Guaranty for Oil Exports Project

OPIC's board of directors approved \$130 million in financing for the construction of an oil products export terminal near St. Petersburg, enabling Russia to expand its export capacity in a cost-effective manner.

OPIC will provide the loan guaranty to HBK Fund LP, a



Delaware limited partnership based in Dallas, Texas, for a loan the fund will make to an indirect subsidiary of OAO LUKOIL, Russia's leading oil producer. In its capacity as financial consultant to OAO LUKOIL, Fluor Corporation has assisted in structuring and arranging the OPIC-based financing.

The project consists of the construction and operation of a crude oil and petroleum products export terminal on the western coast of Vysotsky Island on the Gulf of Finland, north of St. Petersburg. OPIC financing will specifically cover the first two phases of the project, including construction of rail links and upgrades, two tank farms and a marine jetty, as well as dredging in the Gulf of Finland to allow for the passage of crude and product tankers.

### OPIC Supports Expanded Availability of Credit

OPIC approved a \$150 million guaranty to support Citibank's U.S. dollar and local currency projects in Russia. The guaranty is

designed to help Citibank expand availability of credit and its facilities in the region.

The OPIC facility would enable Citibank to expand its presence by helping to close the gap between loan opportunities and the limited amount of financing available in Russia.

### OPIC Loan Helps Micro and Small Banking Customers

OPIC has committed to provide a \$30 million loan to Russia's leading micro and small finance bank, Small Business Credit Bank (KMB Bank), enabling KMB Bank to make small loans to micro, small and medium-sized customers investing in Russia.

Sponsored by the Soros Economic Development Fund (SEDF), the OPIC loan will be used for short and medium-term financing of projects involving investment in industrial and production facilities for its micro and small-sized customers. KMB's loans will range in size from \$200 to \$300,000. KMB is Russia's leading small business banking institution with a current loan portfolio of \$125 million.

In addition, KMB management will provide intensive on-the-job training for loan officers, as well as formal training seminars and workshops.



OPIC is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported nearly \$145 billion worth of investments that will generate \$65 billion in U.S. exports and create more than 254,000 American jobs. For information or to subscribe to OPIC News, please visit our Web site at: <http://www.opic.gov>.