



OPIC Sectors

OPIC AND TOURISM IN EUROPE AND EURASIA

OPIC Tourism Projects Develop Local Economies

OPIC's historical support of over \$1 billion for hotel and tourism projects in emerging markets not only creates direct economic benefits for U.S. investors and the local economies in the host countries, but these projects also generate subsequent business and economic development. OPIC sponsored projects have included hotel modernizations, resort construction, tourism development, and a variety of other related activities in over 43 countries. In many emerging markets, tourism and hotels for business visits are a major economic force. As a result, local merchants welcome the development of hotel properties. Hotels and resorts create

local jobs in the hospitality industry and encourage the upgrading of local infrastructure. According to the International Financial Corporation, for every hotel room, one to two jobs are created either directly or indirectly. The economic impact of tourism will dramatically increase in the next decade. In 2002, the World Travel and Tourism Council estimated that global travel and tourism activities are expected to generate over \$4.2 trillion in economic activity. That number is expected to grow (in nominal terms) to over \$8.6 trillion by 2012. 🌐

U.S. Companies Support Tourism in Armenia and Georgia



In 1999, OPIC committed its first finance deal in Armenia, an \$18 million loan to a U.S.

small business group, A.K. Development LLC. The company won an international competitive bid for the August 1998 privatization of the Hotel Armenia.

Hotel Armenia is centrally located in the capital city of Yerevan and is expected to spur economic development and foster tourism to Armenia's considerable

historical and cultural attractions. The hotel project itself is expected to generate \$25 million in U.S. exports during the first five years of operation.

The project has brought the existing facility up to the standards of a modern international hotel, while also providing much needed private sector career training in the hospitality sector of Armenia. OPIC continues to support the Hotel Armenia through political risk insurance.

In 2000, OPIC provided \$26 million in financing for the development of the Tbilisi Marriott Hotel and Courtyard by

Marriott Hotel in Georgia. The project sponsors are Geo Star Inc. and Britannia Holdings, Ltd., owned by U.S. investors. Located in the center of the capital city, the five-star Tbilisi Marriott Hotel is situated close to the Parliament, museums, the Rustaveli Theatre and the State Opera



House. This project supports Georgia's efforts to develop its tourism industry, while increasing local employment and training. 🌐

OPIC Tourism Projects Support Local Development

Hungary: Marriott Hotel

In 1993, OPIC provided both political risk insurance and financing to Marriott Corporation in support of the company's acquisition and refurbishment of a hotel in Budapest, Hungary. Not only did OPIC's \$9 million in financing and

\$13.5 million in political risk insurance aid the development of the Budapest Marriott Hotel, but it also generated subsequent business opportunities for U.S. suppliers. More than 30 U.S. companies from 17 states, 65 percent of which were small U.S. businesses, supplied

goods and services ranging from restaurant and food service equipment and office products to uniforms and business services. At the same time, this project helped Hungary to attract visitors and generate business revenue. 🌐



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 over \$145 billion worth of investments that will generate \$65 billion in U.S. exports and create more than 254,000 American jobs. For general information, contact OPIC InfoLine at (202) 336-8799. For information via the Internet and to subscribe to OPIC News, please go to <http://www.opic.gov>. For information on OPIC programs in the Europe/Eurasia region, contact Mr. Peter Ballinger in Ankara at 90 (312) 466-6081. 🌐