OVERSEAS PRIVATE INVESTMENT CORPORATION

OPIC Highlights

Office of External Affairs
1100 New York Avenue, NW
Washington, DC 20527
202-336-8400
www.opic.gov

Supporting Private Sector Investment in Mexico

Since 2001, OPIC has committed more than $13 million to nine projects in the financial services, transportation, agriculture, manufacturing, and other services sectors. In 2004, the Mexican Chamber of Senators ratified a bilateral agreement with the United States that, ultimately, will enable OPIC to offer all its programs and services in Mexico.

OPIC Helps U.S. Small Business Expand Access to Safe Drinking Water

Financing from the Overseas Private Investment Corporation (OPIC) is enabling a U.S. small business to more than double its water purification facilities in an area of Mexico that was ravaged by a powerful earthquake in 2003.

OPIC is providing a $1.5 million loan to Faro de Agua to expand the company's curbside water purification and distribution sites – called faros – from 28 to 59 in Colima state and the city of Matomoros in Tamaulipas, Mexico.

The faros are lighthouse-shaped automated kiosks from which pedestrians draw water in one- or five-gallon quantities, at a fraction of the cost – two and five pesos, respectively – of Faro de Agua's competitors. Water distributed from the faros is subjected to a multi-stage, reverse-osmosis purification and an ultra-violet light sterilization process that produces purified water.

We welcome OPIC's participation in fostering joint ventures between Mexican and U.S. companies, which will enable Mexico and the U.S. to deepen an already thriving economic relationship. It will provide U.S. small and medium-sized entrepreneurs access to the financial resources they need to enter the Mexican market.

President Vicente Fox

Free trade is an incredibly important part of making sure the environment is hospitable to the formation of small businesses. And trade with Mexico is an integral part of making sure that our hemisphere is safe, secure and prosperous. A strong Mexico is in our nations' best interest.

President George W. Bush

OPIC Loan Supports Home Improvements

Recognizing that adequate housing is the most basic unit of a country's infrastructure, and a necessary foundation for its economic development, OPIC is providing $2.5 million to support home improvements in Mexico.

The OPIC direct loan, to Maryland-based CHF International (Cooperative Housing Foundation), is helping to establish a new on-lending facility to provide loans for home improvements in Mexico, including the provision of safe and adequate housing for workers along the U.S.-Mexico border. Proceeds of the loan will go to Mexican non-profit organizations, which in turn will lend money to individual Mexicans to finance home improvements. CHF will also offer educational programs for potential lenders and borrowers.

"OPIC is pleased to work with a respected organization such as CHF to enable Mexico to improve its housing stock, to the economic benefit of both our countries," said OPIC President and CEO Dr. Peter Watson.

OPIC Provides $1 Million for Microenterprises

Microenterprises in Mexico are being supported by a $1 million loan from OPIC.

The OPIC direct loan, to Financiera Compartamos, is being used to make thousands of micro-credit loans in Mexico, thereby increasing the pool of capital available for such lending and expanding the base of Mexican entrepreneurs.

Boston-based ACCION International, a pioneer microlender in emerging markets, is the U.S. sponsor of the project. ACCION will provide loan and portfolio monitoring, as well as technical assistance and oversight of Compartamos.

"Individual entrepreneurs are the lifeblood of local economies in developing countries. Too often they possess the drive to expand their operations, but not the capital. Working with ACCION International, OPIC hopes to enable at least a portion of Mexico's dynamic small businesses to realize their economic ambitions," said OPIC President and CEO Dr. Peter Watson.

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 more than $150 billion worth of investments that have generated over $66 billion in U.S. exports and supported more than 257,000 American jobs. For more information please go to www.opic.gov.