

OPIC Supports Small Business Projects

The Overseas Private Investment Corporation (OPIC), is committed to helping U.S. small businesses grow through investing overseas. In FY 2002, OPIC reported that of the 45 projects it supported 31 were small businesses representing \$256 million in financing and insurance. Additionally, in 2002, OPIC launched the Small Business Center to encourage small business deals. OPIC's experienced staff and resources offer improved customer service, flexible coverage and easier access through a streamlined approval process.

Expanding Tourism in Thailand

With a loan from OPIC, Pacific Subsea Saipan will develop an underwater submarine reef exploration tourism project located on the island town of Phuket in Thailand. The project will involve the operation of the 48-seat state of the art submarine that will tour underwater reef sites and other attractions.

The OPIC loan will provide working capital as well as funds to construct the necessary docking and related facilities. The project is the first such tourism operation in Southeast Asia and it will help support Phuket's tourist industry, currently a primary engine of economic growth for the country.

Pacific Subsea Saipan also intends to duplicate its successful program of taking local school children on submarine rides to educate them about marine life, and to help inspire an appreciation for both the ocean itself and for environmental awareness.

The U.S. sponsor, Pacific Subsea Saipan, Inc., a small business, has operated an identical business in Saipan for over ten years.

Tapping Solar Power in Sri Lanka

In order to help provide a source of reliable energy in Sri Lanka, OPIC provided a loan of \$100,000 to Solar Electric Light Company (SELCO) of

California. The company's Sri Lankan subsidiary will use these funds to guarantee local bank loans for financing sales of SELCO's solar home systems to Sri Lankans, through a local nonprofit microfinancing institution.

SELCO's solar systems, which sell for between US\$450 and \$650, convert



sunlight directly into electricity through roof- or pole-mounted solar photovoltaic modules, which charge deep-cycle batteries with DC current. The modules can produce power for up to 25 years, and are guaranteed by SELCO for a minimum of ten years. SELCO provides after-sales maintenance through its local network of sales and service centers.

SELCO is currently installing more than 200 solar home systems per month in rural areas of Sri Lanka, thus providing a reliable source of electricity for homes not located on the country's main power grids, which serve only 50 percent of the popula-

tion. The Sri Lankan government has declared a need to develop power production between 1999 and 2009; current reliance on hydroelectric sources for 70 percent of production puts the country at risk for shortfalls during periods of drought.

Helping a U.S. Small Business Expand in Russia

A small business will be able to expand its optical components manufacturing facility in Russia with \$777,000 in political risk insurance from OPIC.

OPIC's insurance will enable International Scientific Products Corporation (ISP) of New York 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.

This project is expected 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.

Franchise Expansion In Belize

Rapid Mail Company Ltd. received a \$100,000 OPIC loan to open a Mail Boxes Etc. (MBE) franchise in Belize City. This is the first business to provide a full range of packing, shipping, and private mail services in a country heavily dependent on the import of manufactured goods from the U.S.

U.S. Small Businesses in Moldova

With \$300,000 in political risk insurance from OPIC, International Communications Systems (ICS) will move forward to purchase voice/data transit traffic equipment and Internet routing equipment for its Moldovan subsidiary.

The new equipment will enable ICS Moldova to carry traffic between Moldova and the rest of the world, and provide state-of-the-art routing technology at a reduced cost

In another example of U.S. small business expansion in Moldova, Foodpro International will purchase equipment for a walnut and dried fruit processing facility with \$675,000 in insurance from OPIC.

Foodpro's facility produces for the domestic market and western Europe. It is the only one in Eastern Europe which can mechanically process walnut meats.

Foodpro exports \$600,000 annual to regional markets, generating a positive effect on Moldova's balance of payments.

Software Company Expands in Nigeria

With \$1.2 million in political risk insurance from OPIC, Decision Technologies International (DTI) will be able to support the establishment of a project office that will provide software development, marketing, and training services in Nigeria's capital,



Abuja. In establishing this facility, DTW will market U.S.-developed Web-enabled e-commerce and enterprise management software solutions to Nigerian clients. Among other services, these solutions improve management control capabilities, increase transparency, reduce procurement costs, and enable prospective investors to incorporate their businesses in Nigeria from any location in the world with access to the Internet.

OPIC's Small Business Center

Building on OPIC's outreach efforts to the small business community, the Small Business Center (SBC) offers qualified small businesses the opportunity to utilize OPIC's resources with improved customer service, flexible coverage and easier access through a streamlined approval process.

Recognizing the financing needs facing many small businesses, the Center is committed to considering all applications within a 60-day period. The SBC is made up of experienced OPIC personnel who are dedicated to working with small businesses.

Any U.S. small business with annual revenues less than \$35 million is eligible for SBC programs. For businesses with annual revenues over \$35 million and under \$250 million, OPIC's regular small business programs are available.

To protect a small business' overseas investment against political uncertainties overseas, the SBC provides insurance against loss or damage resulting from political violence, such as terrorism or war, nationalization or expropriation by a foreign government, or the inability to convert local currency and repatriate profits.

OPIC's finance program offers loan amounts from \$100,000 to \$10 million with terms from 3-15 years. Interest rates will be capped at 7% above the Direct Loan Discount Rate which is set by the U.S. Treasury.



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 OPIC's Small Business Center call: 800-CALLSBC (800-225-5722).

For general information, contact OPIC's InfoLine at (202) 336-8799. For information via the Internet please go to <http://www.opic.gov>.