

Helping U.S. Companies Make the Connection

As developing countries open their telecom sectors to foreign investment, U.S. telecom companies are strongly positioned to take advantage of these opportunities. Yet, despite superiority in technology and expertise, U.S. telecom companies will face obstacles in these new and challenging markets. With the Overseas Private Investment Corporation as a partner, many U.S. telecom companies have been able to overcome the obstacles, using OPIC's political risk insurance and long-term financing.

Insuring Telecom Projects

Using OPIC's political risk insurance, many U.S. telecom companies have been 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 U.S.; (ii) expropriation or confiscation of the investment by the 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 Telecom Projects

In many emerging markets, U.S. commercial lenders are not yet willing or able to provide the level of financing required. By providing loans for telecom projects sponsored by U.S. businesses, OPIC's finance program can help U.S. telecom companies take advantage of opportunities in new and growing markets.

OPIC can provide financing on a project or corporate finance basis. Rather than relying on sovereign or sponsor guaranties, project finance 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 repayment.

OPIC Supports U.S. Telecom Projects Around the Globe

- 🌐 **Argentina:** \$175 million in OPIC insurance to Citibank for its financing to support a **mobile cellular telephone system** operated by CTI of Argentina. OPIC also lent \$200 million to the project. Project sponsors include GTE Mobile Communications International, Inc., AT&T and TCW.
- 🌐 **India:** \$37 million in OPIC insurance for Motorola to establish a **paging project** in India's commercial and high-tech centers of Bombay and Bangalore.
- 🌐 **Lithuania:** Two OPIC loans totalling \$28 million and \$15 million for the Omnitel **cellular telecom project**, sponsored by Lithuanian-Americans and Motorola, that is providing cellular services to more than 90 percent of the country.
- 🌐 **Paraguay:** \$34 million of financing from OPIC for Millicom International to establish a **cellular market**.
- 🌐 **Russia:** \$16 million in OPIC insurance to a small business, MCT Investors, L.P., to install 900 GSM **cellular project networks** in two Russian cities, serving to enhance and upgrade local communications systems.
- 🌐 **Uganda:** \$500,000 in OPIC insurance to the Africa Growth Fund, L.P., for its investment in Afsat Communications, Ltd.'s VSAT **satellite technology project** that provides high quality, digital links.



The OPIC
Telecom
Record

- **Experience:** \$3.4 billion in insurance and loan commitments, with 90 percent of this support since 1990.
- **Portfolio Depth:** 111 telecom projects in 37 countries, including Russia, Brazil, Hungary, Argentina, Venezuela, Dominican Republic, Ukraine, India, Indonesia, and Poland.
- **Support:** Up to \$400 million in combined loans and insurance available per project.

For information on OPIC financing and insurance coverages, investor or project eligibility or to obtain application forms, visit OPIC's website at www.opic.gov or contact OPIC InfoLine at 202-336-8799.

For documents by fax, contact OPIC FactsLine: 202-336-8700. ●

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
202-336-8400

General information
OPIC InfoLine: **202-336-8799**
Information via the Internet: www.opic.gov



What is OPIC?

OPIC is a self-sustaining U.S. government agency that encourages private investment in some 140 developing nations and emerging markets worldwide. OPIC's political risk insurance and financing are available for financially sound new investments, privatizations, expansions and modernizations of existing plants that promise significant benefits to the social and economic development of the host country and foster private initiative and cooperation. OPIC will not support projects that could result in the loss of U.S. jobs, adversely affect the environment, or contribute to violations of internationally recognized worker rights. OPIC gives preferential consideration to projects significantly involving U.S. small businesses or cooperatives.

Since 1971, OPIC has supported \$121 billion worth of investments that will generate \$58 billion in U.S. exports and create more than 237,000 American jobs.