



OPIC Support for Private Sector Investment in Egypt

In his May 19 speech on the Middle East and North Africa, President Obama announced that OPIC would provide up to \$1 billion in new financing to support infrastructure and job creation in Egypt. This initiative builds upon OPIC experience in supporting private sector contributions to democratic reform.

OPIC will work with the Egyptian government, other U.S. government agencies, and U.S. and international private sector sources of capital to identify Egyptian government owned enterprises investing in public-private partnerships in order to promote growth in mutually agreed-upon sectors of the Egyptian economy. OPIC will:

- Provide up to \$1 billion in guarantees and/or loans to Egyptian banks and/or government enterprises. As in all similar structures, OPIC will stipulate the uses of the funding.
- Ensure OPIC financing will be used by the bank or government owned enterprise to originate loans to support projects in mutually agreed sectors that would be consistent with OPIC's social, environmental, and U.S. effects policies and statute. Possible sectors may include: infrastructure, housing and consumer financing and would involve the U.S. and Egyptian private sector.
- Ensure that there will be no budget cost to OPIC or the tax payer. Through the interest rate charged, the Egyptian Government will bear the cost of the financing.
- Continue to coordinate with other multi-lateral development institutions on this and other projects in Egypt and throughout the Middle East and North Africa.

Separately, on March 17, 2011, Secretary of State Hillary Clinton announced OPIC will provide up to \$2 billion in financial support to catalyze private sector investment in the Middle East and North Africa region. Intended to encourage partnerships between U.S. and Arab businesses in order to generate economic growth and job creation in the region, the MENA initiative will prioritize support for small- and medium-sized enterprises and provide projects with fast-track approval to mobilize capital quickly. OPIC will work to identify and encourage private businesses, especially U.S. businesses, to invest in the region by providing direct loans, guarantees and political risk insurance.

Today, the people of the Middle East are providing the world with an example as inspiring as that offered by the people of Central and Eastern Europe twenty years ago after the fall of the Berlin Wall. Then, OPIC backed the new democracies with over \$3.8 billion in investments, spanning nearly 150 projects, in just the first five years after the Berlin Wall fell. OPIC is now striving for similar success in the MENA region, in the months and years ahead.

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OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help solve critical world challenges and in doing so, advances U.S. foreign policy. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds.

Established as an agency of the U.S. Government in 1971, OPIC operates on a self-sustaining basis at no net cost to American taxpayers. OPIC services are available for new and expanding business enterprises in more than 150 countries worldwide. To date, OPIC has supported nearly \$200 billion of investment in over 4,000 projects, generated \$74 billion in U.S. exports and supported more than 275,000 American jobs.