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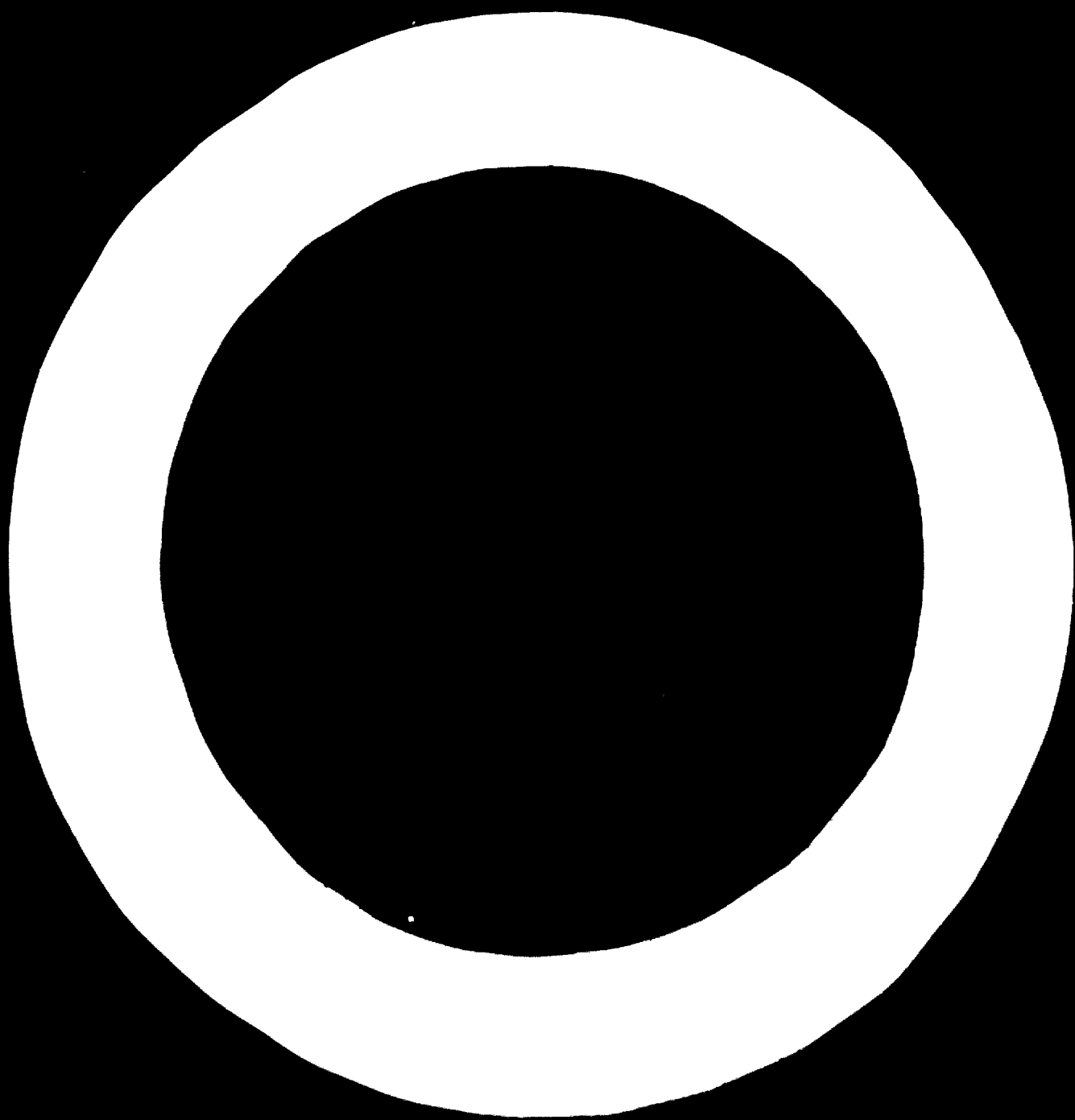
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**DIRECTORY
OF EXTERNAL SOURCES
OF FINANCING
AVAILABLE FOR
INDUSTRIAL PROJECTS
IN DEVELOPING COUNTRIES**



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FOR INDUSTRIAL PROJECTS IN DEVELOPING COUNTRIES.
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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION, VIENNA

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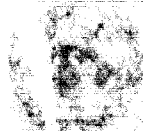
UNITED NATIONS

New York, 1970

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Explanatory notes

Billion refers to thousand million.

The following abbreviations have been used in this publication:

ADB	African Development Bank (Ivory Coast)
AID	Agency for International Development (USA)
AKA	Ausfuhrkredit-Gesellschaft (Federal Republic of Germany)
BFCE	Banque Française du Commerce Extérieur (France)
BIFC	Bamerical International Financial Corporation (USA)
BOLSA	Bank of London and South America Limited (UK)
CCCE	Caisse Centrale de Coopération Economique (France)
CDC	Commonwealth Development Corporation (UK)
CDFC	Commonwealth Development Finance Company (UK)
CEGEPAR	Compagnie Générale de Participations et d'Enterprises (France)
CIF	Chemical International Finance (USA)
CIIC	Chase International Investment Corporation (USA)
COFACE	Compagnie Française d'Assurance pour le Commerce Extérieur (France)
COFINER	Compagnie Financière pour l'Outre-mer (France)
ECAFE	Economic Commission for Asia and the Far East
ECGD	Export Credits Guarantee Department (UK)
EDC	Export Development Corporation (Canada)
EBC	European Economic Community
EFIBANCA	Ente Finanziario Interbancario (Italy)
ERP	European Recovery Programme
FAO	Food and Agriculture Organization
GICEX	Groupement Interbancaire pour le Commerce Extérieur (France)
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Inter-American Development Bank
IDBI	Industrial Development Bank of India (India)
IFC	International Finance Corporation
IMI	Instituto Mobiliare Italiano (Italy)
KW	Kreditanstalt für Wiederaufbau (Federal Republic of Germany)
MIDA	Mid-American International Development Association (USA)
OECF	Overseas Economic Co-operation Fund (Japan)
OPIC	Overseas Private Investment Corporation (USA)
PICA	Private Investment Company for Asia
SIDA	Swedish International Development Authority (Sweden)

Explanatory notes (cont'd)

- | | |
|--------|---|
| SIFIDA | Société Internationale Financière pour les Investissements et le Développement en Afrique |
| JFIDA | Union Financière Internationale pour le Développement de l'Afrique (France) |
| WFP | World Food Programme |

Preface

In its Resolution 2152 (XXI) the General Assembly assigned UNIDO the function, among others, of supplying "assistance at the request of Governments of developing countries in obtaining external financing for specific industrial projects by providing information on the terms and conditions of the various financing agencies". In order to accomplish one fundamental aspect of this task, UNIDO has compiled data on financial systems and institutions, their scope of activity lying in more than one country. Some of these systems and institutions operate, in accordance with the targets laid down in their founding statutes, in financing only industrial and other projects in developing countries. Most of them, however, do this kind of business as one operation among a variety of others. Data on a wide scope of institutions and institutionalized systems had, therefore, to be gathered and selected. The result of this gathering and selecting is given in this directory. It must be stressed, however, that the selection presented cannot be claimed to be complete or sufficient, since there are many difficulties in defining a complete selection of financial systems and institutions involved in financing industrial and other projects in developing countries.

The directory is meant as basic information on individual institutions, of international, national, public and private origin and world-wide or regional operation. The institutionalized systems relate to the export credit systems offered by public or private owned organizations of industrialized countries. The sheets of the directory have been prepared in standard form as far as possible, in order to give practical information which could be used as a first reference in selecting suitable sources of financing for industrial projects in developing countries.

The data of information are given in the following form:

- (a) Name and address of institution;
- (b) Establishment and resources;
- (c) Scope of activities with particular reference to financing industrial projects in developing countries, omitting in general other types of activities;
- (d) Terms and conditions of financing as available and published;
- (e) Procedure governing the application and processing of financial requests.

The information presented on each source of financing has been checked by the institution listed.

The data do not aim at analysing or evaluating the various sources of financing nor do they contain any reference as to which source or form of financing may be most appropriate for the individual investment project. The terms and conditions stated are to be considered as slight value of information since these items vary according to the nature of the project and the disposition of the national and international capital markets.

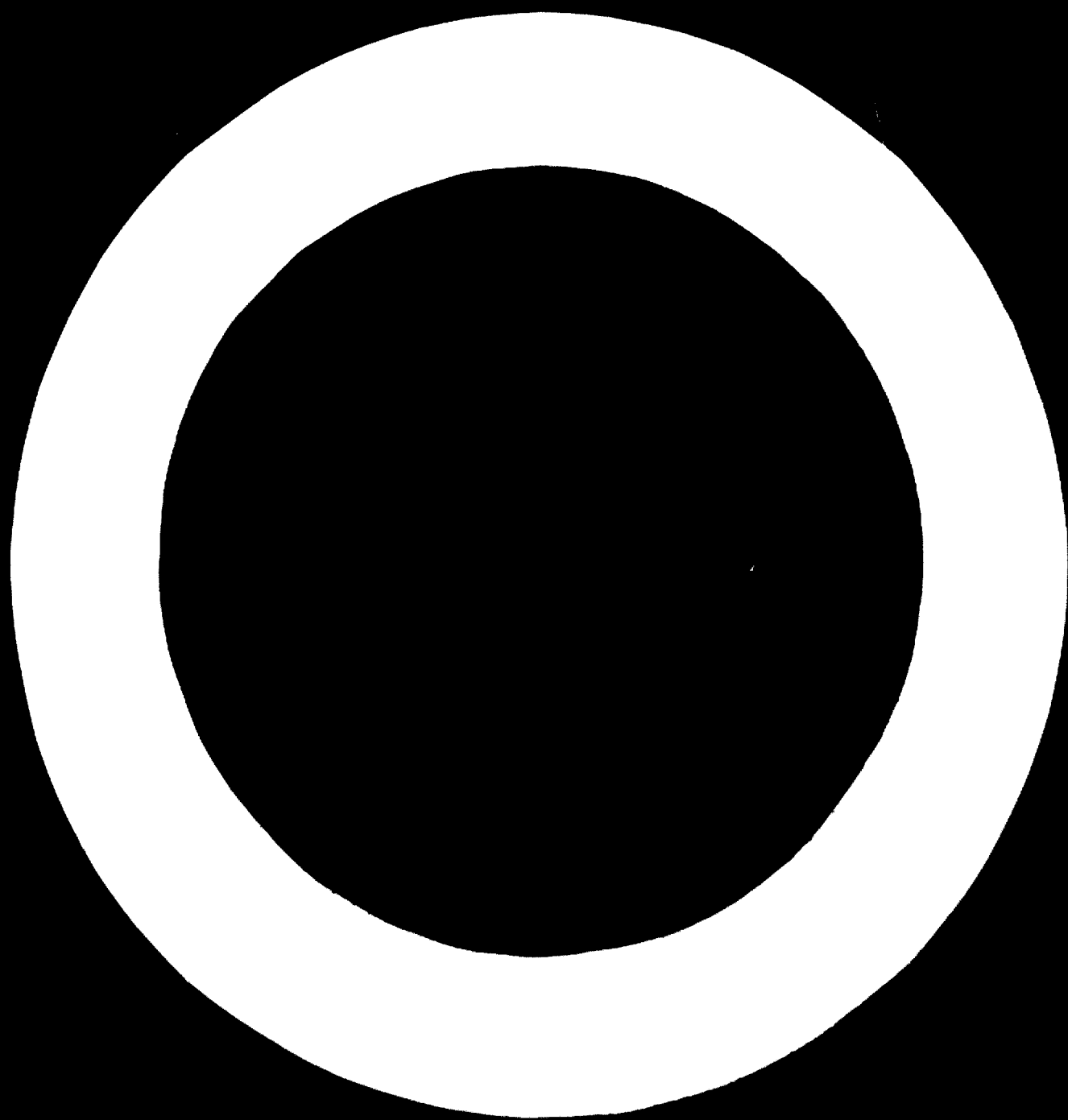
A preliminary pilot version, distributed in May 1969, was welcomed by industrialists and bankers of developing and industrialized countries encouraging UNIDO to publish this expanded and updated version for a wider circle of investors and financiers. This directory has been revised and enlarged in co-operation with the institutions involved. It is intended that the directory will be continuously expanded and updated and UNIDO will appreciate receiving opinions, comments and suggestions for this purpose.

I. INTERNATIONAL SOURCES OF FINANCING

The following information is provided for your information and guidance in connection with the financing of the project. It is intended to provide a general overview of the various international sources of financing available to the project and to describe the procedures for obtaining such financing. The information is based on the current practices and procedures of the various international sources of financing and is subject to change without notice.

Formal loan requests are normally preceded by informal exploratory discussions. The following are procedures as follows:

- (a) Preliminary review of the project in relation to the country's economic needs and requirements;
- (b) Technical examination of the economic, engineering, financial, and other aspects of the project.



International Bank for Reconstruction
and Development - IBRD (World Bank)
1818 F Street, N.W.
Washington, D.C. 20433, United States

INTERNATIONAL

Established: Monetary and Financial Conference, Bretton Woods, 1944, as intergovernmental institution; specialized agency of the United Nations; began operations 1946.

Membership: 110 countries.

Resources: Authorized capital: US\$24,000 million.
Subscribed capital: US\$23,036 million, of which 10 per cent is paid in and usable in the operations of the bank.

Borrowings through international sale of bonds and notes, net income, sales of loans, repayments of loans.

ACTIVITIES AND FUNCTIONS

Makes loans in member countries for high priority developmental purposes - to promote economic growth, international trade and investment, and improvement of standards of living.

Range of investment: infrastructure, industry (including manufacturing industry and development finance institutions), agriculture, education.

Co-ordinates aid from several sources to single recipient country by organizing consultative groups and aid consortia.

Provides technical advice and assistance in the preparation and execution of development programmes and plans and development projects.

Provides assistance to developing countries in the fields of tourism and family planning.

TERMS AND CONDITIONS

Eligibility: borrowers may be governments, governmental agencies and private enterprises.

Loans are usually for specific projects, but are made only if funds cannot be obtained from other sources on reasonable terms; long- or medium-term loans only. Generally cover foreign exchange expenditures; are repayable in currency borrowed.

Terms are related to characteristics of the project; grace period is given. Interest rate is based on cost to the bank of raising money in the capital markets; present rate is 6.5 per cent. Commitment charge is 0.75 per cent, accrued from a date 60 days after the date of the loan agreement.

Guarantee requirements: if borrower is not a government, the loan must be guaranteed by the member government in whose territory the project is located, or by its central bank.

Use of proceeds: bank usually requires that goods and services purchased with proceeds of its loans be acquired on a basis of international competitive bidding by suppliers.

PROCEDURE

Formal loan requests are normally preceded by informal exploratory discussions. Requests to the bank for financing are processed as follows:

- (a) Preliminary review of the project in relation to the country's economic priorities, needs and requirements;
- (b) Technical examination of the economic, engineering, financial, managerial etc. aspects of the project;

INTERNATIONAL

(c) Assessment of the credit worthiness of the borrower and of the guarantor country.

Formal loan negotiations follow the investigation procedure.

An agreement is signed between the bank and the borrower. If the latter is not a government, a guarantee agreement is signed by the appropriate government and the bank.

International Development Association - IDA
1818 H Street, N.W.
Washington, D.C. 20433, United States

INTERNATIONAL

Established: 1960; affiliate of World Bank; specialized agency of the United Nations.

Membership: 102 countries divided into two groups: economically more advanced (Part I) member countries make their entire subscriptions in convertible currency, all of which may be used by IDA for its lending; less developed (Part II) countries pay only one tenth of their subscriptions in convertible funds and the remainder in the member's own currency, which is not usable by IDA without the member's consent.

Resources: Principally subscriptions and contributions by member countries and grants and transfers by World Bank from its net income.

Subscriptions: US\$1,012.5 million, of which US\$792.9 million is available for lending.

Supplementary funds contributed by Part I (developed) member countries, borrowings, net income.

ACTIVITIES AND FUNCTIONS

Provides financing for important development requirements of less developed member countries on terms that are more flexible and bear less heavily on the balance of payments than those of conventional loans, thereby supplementing World Bank's activities.

Range of investment: financing provided by IDA must be for purposes that are of high developmental priority and, except in special circumstances, shall be for specific projects; infrastructure, industry, agriculture, education and other developmental requirements.

As an affiliate of the World Bank, IDA, where appropriate, joins with it in the provision of technical assistance and in aid co-ordination.

TERMS AND CONDITIONS

Eligibility: IDA credits made available only in less developed and low-income countries whose balance of payments problems make it difficult or impossible to service sufficient imports of external capital to meet the requirements of development. Governments, governmental agencies, private enterprises may borrow from IDA. In practice IDA lends to governments on concessionary terms; government then relends money to project on conventional terms.

Loans usually for specific projects but are made only if funds cannot be absorbed and serviced on conventional terms, including terms of World Bank. All long-term loans.

Generally cover foreign exchange expenditures; are repayable in currencies borrowed.

Terms: 50 years, interest free. No commitment charge; service charge of 0.75 per cent on amount withdrawn and outstanding to meet IDA's administrative costs. Grace period of 10 years; thereafter, 1 per cent of the credit repayable annually for 10 years and 3 per cent annually for the final 30 years.

Use of proceeds: IDA usually requires that goods and services purchased with proceeds of its loans be acquired on a basis of international competitive bidding by suppliers.

INTERNATIONAL

PROCEDURE

Formal loan request, preferably preceded by informal exploratory discussions. In general, processing of request falls into two parts:

- (a) Preliminary review of the project for which financing is requested in relation to the country's economic needs and potential;
- (b) Detailed appraisal of the economic, technical, managerial, organizational, commercial and financial aspects of the project.

Formal loan negotiations follow if, after these intensive investigations, the project appears suitable for financing and the country is eligible for assistance.

Agreement is signed by IDA and the recipient. It becomes effective upon fulfillment of certain prescribed conditions.

International Finance Corporation - IFC
1818 H Street, N.W.
Washington, D.C. 20433, United States

INTERNATIONAL

Established: 1956 as an affiliate of the International Bank for Reconstruction and Development (IBRD) to help promote the growth of the private sector of developing countries; specialized agency of the United Nations.

Membership: 91 countries; open to all governments and members of IBRD.

Resources: Authorized capital: US\$110,000,000.
Subscribed capital: US\$106,540,000.

ACTIVITIES AND FUNCTIONS

Operates as an international investment bank; only intergovernmental institution with sole purpose of assisting international spread of private enterprise.

Range of investment: In addition to development finance companies mainly manufacturing industry, but also tourism and public utilities, and agriculture and services meeting IFC investment criteria.

In association with private investors, assists in financing the establishment, improvement and expansion of productive private enterprise.

Invests in privately controlled local development finance companies and provides them with technical assistance.

Makes loans, invests in equities, underwrites sales of securities and shares by new or expanding companies.

Seeks to promote projects that have reasonable prospect of eventually being suitable for financing in accordance with IFC investment criteria by providing financial and technical support in the pre-investment steps of such projects.

Resolves its funds and brings other investors into partnership in the transactions by offering participation at time of commitment, and through sales from the corporations portfolio.

Seeks to bring together investment opportunities, domestic and foreign private capital and experienced management.

Expects investment partners to provide management and does not assume management responsibilities.

TERMS AND CONDITIONS

Eligibility: private enterprises.

Invests in less developed member countries, when sufficient private capital is not available on reasonable terms.

Investment criteria: economic priority, soundness and profitability of project. Each investment is examined on its merits and in relation to local factors:

- (a) No standard formula for terms of investment but normally combination of debt and equity;
- (b) No fixed relationship between amount of loan and equity funds provided.

Funds available for foreign exchange and local currency expenditures; untied procurement.

Share investments are denominated in the currency of the country concerned.

Final maturities of loan portions are normally seven to twelve years; repayment usually in semi-annual instalments following a grace period. Commitment fee is 1 per cent per year on undischursed portions of loans.

INTERNATIONAL

Participation in enterprise is generally limited to under 25 per cent. Normally investments are not less than US\$500,000.

IFC does not require or accept government guarantees for loans; government consent is sought for every investment within its territory.

IFC's investment agreements conform to the normal practices of long-term investors and contain standard protective covenants.

PROCEDURE

No standard form of application; investment proposals are submitted to IFC. Preliminary information includes description of the enterprise; legal status; financial history; present and proposed operations; amount and purpose of financing sought; financial forecasts of operating results and, where relevant, cost and availability of raw materials and other inputs; and review of technical assistance or other agreements.

IFC works closely with enterprise in further formulation of investments and as a rule appraises enterprises on the spot.

World Food Programme - WFP
Via delle Terme di Caracalla
Rome, Italy

INTERNATIONAL

Established: 1961 under joint United Nations/Food and Agriculture Organization (FAO) auspices.

Resources: Voluntary contributions from members of the United Nations and from members and associate members of FAO: commodities, cash, services. Total: US\$167,227,915/

ACTIVITIES AND FUNCTIONS

The programme provides food in support of economic and social development projects, including industrial development projects, as well as for emergency relief.

Food investment in labour-intensive industrial projects.

TERMS AND CONDITIONS

Eligibility: governments.

Assistance is for specific projects. Minimum size of project: US\$200,000 at current international prices for commodities involved; exceptions in certain cases.

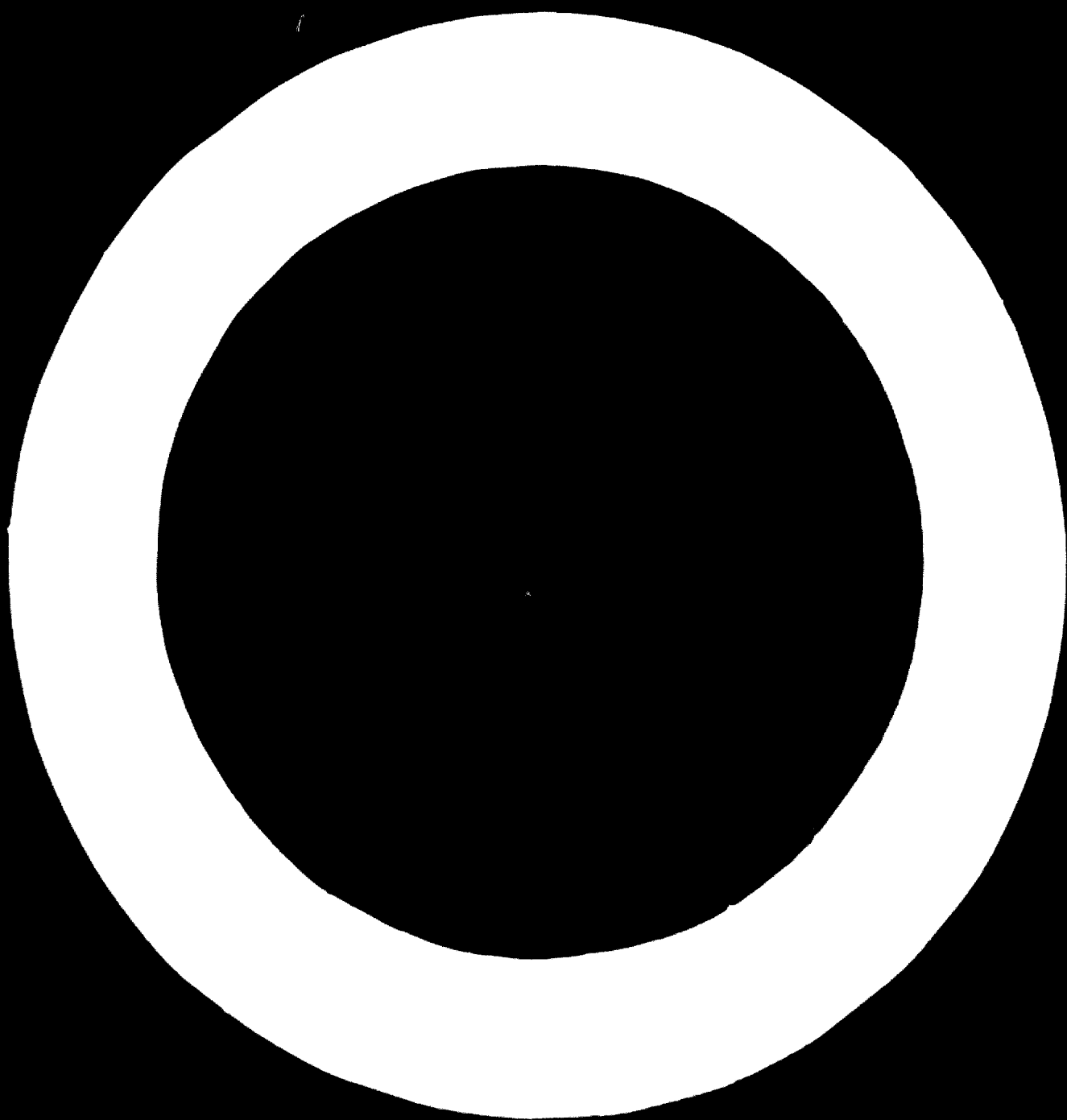
Recipients must normally meet non-food costs incurred in the country. (WFP takes responsibility for external transport.)

PROCEDURE

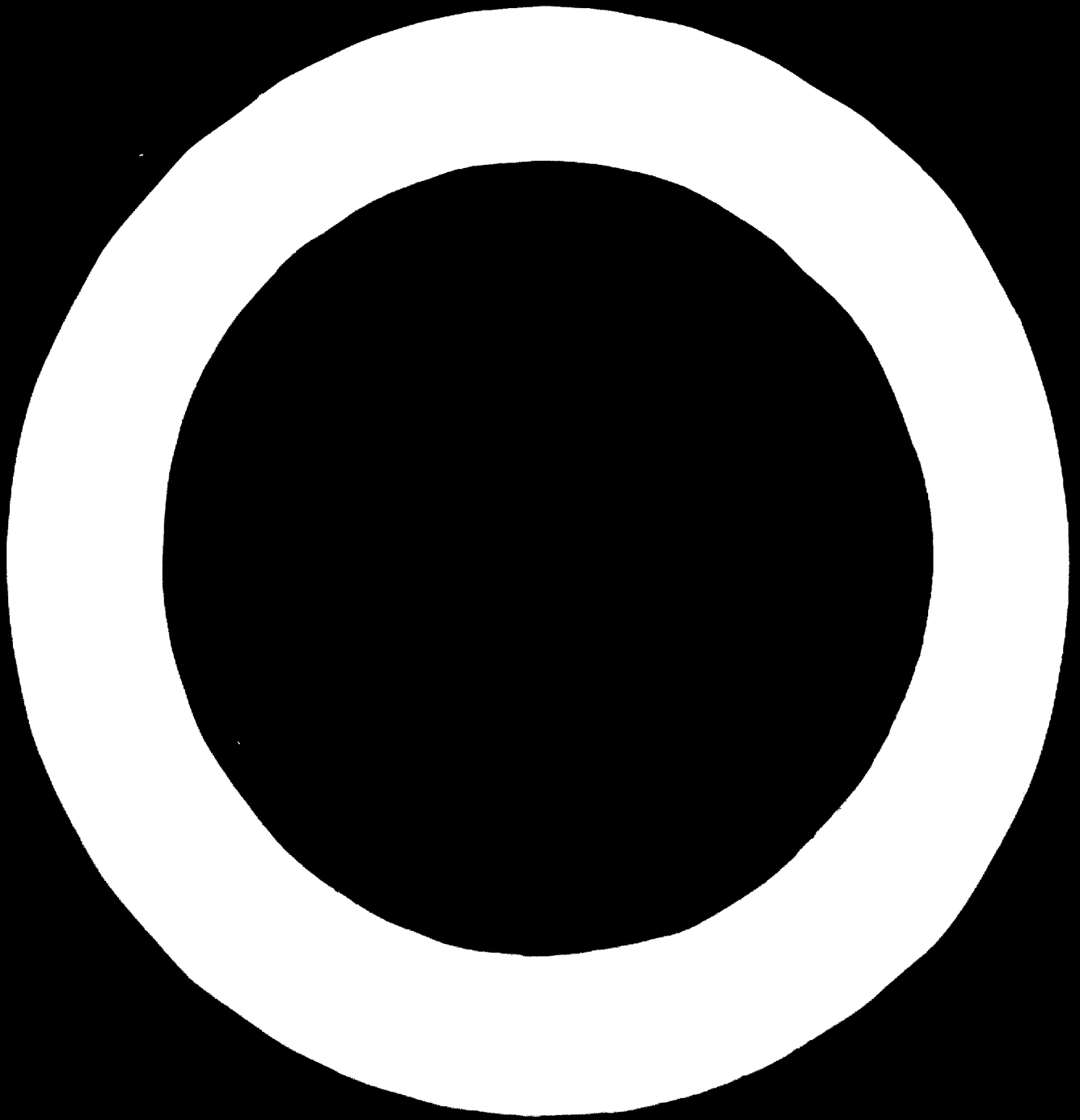
Requests for assistance are submitted by the governments through the United Nations resident representative.

After examination of the project, negotiations take place between the government and the Programme. An agreement is signed between the Programme and the government.

Responsibility for project execution rests with the recipient government, progress reports on implementation must be submitted to the Programme.



II **REGIONAL SOURCES OF FINANCING**



ADELA Investment Company S.A.
Edificio Pacifico-Washington
Plaza Washington 125
Casilla 207, Lima, Peru

REGIONAL

Established: Multinational private investment company, incorporated in the Grand Duchy of Luxembourg, 1964. Geographical coverage: Latin America.

Resources: Authorized capital: US\$50 million.
Total resources: US\$185 million (June 1969).

ACTIVITIES AND FUNCTIONS

Makes and develops capital investment in private enterprises in Latin America.

Invests in private enterprises, assists private investors.

Contributes to development of local and regional capital markets.

Provides equity capital, engages in debt financing, carries out underwritings.

Provides services in economic planning, market research and marketing, engineering, manufacturing, finance and administration (through ADELATEC: Technical and Management Services Company S.A.).

TERMS AND CONDITIONS

Eligibility: private enterprises.

Terms and conditions are determined separately for each project.

Investment criteria include adequate market demand for products to be provided, technical feasibility and soundness of project, financial viability, economic justification and priority of the project for the development of the host country.

PROCEDURE

No standard method for submitting investment proposals; preliminary inquiries to be made at operations office.

Information to be provided includes description of the enterprise, description of expansion or new activity, financial requirements and statement on financing and services sought from ADELA.

ADELA deals only directly with the interested party or authorized representative.

REGIONAL

African Development Bank - ADB
P.O. Box 1387
Abidjan, Ivory Coast

Established: 1964, following initiative of the United Nations Economic Commission for Africa. Began operations 1966.

Membership: Restricted to independent African countries. Geographical coverage: continent of Africa and African islands.

Resources: Authorized capital: 250 million units of account^{1/} (equivalent: US\$250 million).
Subscribed capital: 217.6 million units of account (equivalent: US\$217.8 million).
Capital subscribed by African countries only.

ACTIVITIES AND FUNCTIONS

Aims to contribute to the economic and social progress of its member countries both individually and jointly and to promote economic co-operation among them.

Finances investment projects and programmes relating to economic development.

Promotes investment of public and private capital for development purposes.

Participates in equity.

Provides technical assistance for the study, preparation, financing and execution of development projects or programmes.

TERMS AND CONDITIONS

Eligibility: member countries, autonomous public entities, development finance institutions, private enterprises operating within member countries.

Loans are for specific projects, groups of projects, particularly within national or regional development programmes.

Preference is given to projects which benefit two or more member countries and to private projects with substantial indigenous ownership.

The borrower has to make an investment from his own funds of approximately 50 per cent of the cost of the project unless special circumstances justify a different proportion.

Loans are given when financing; are not readily available from other sources on reasonable terms, normally cover foreign exchange cost only and are repayable in currencies borrowed.

Periods for repayment vary with the nature of the project. Grace period may be granted. Rate of interest for loans for industrial plants, public utilities etc. granted out of the Bank's equity capital approximate to the market rate for international loans of this type.

Procurement normally through international bidding.

PROCEDURE

No standard form of application. Preliminary inquiries by prospective borrowers at the bank's headquarters.

Basic information to be supplied includes description of the project; economic, financial and technical feasibility; plan of operation for the activity; total estimated cost of the project with breakdown into local and offshore costs; size of the loan; estimated financial results.

An agreement is signed by the bank and the borrower.

^{1/} This unit of account represents a value of 0.88867088 gram of fine gold, i.e. an amount corresponding to the present par value of the US dollar as recognized by the International Monetary Fund.

Asian Development Bank
Commercial Center
P.O. Box 126
Makati, Rizal, D-708
Philippines

REGIONAL

Established: On the basis of proposals made to the United Nations Economic Commission for Asia and the Far East; commenced business December 1966.

Membership: Open to members and associate members of ECAFE, as well as to other countries in the ECAFE region and non-regional developed countries that are members of the United Nations or any of its specialized agencies. Present membership is 33 (20 regional and 13 non-regional). Geographical coverage: international membership; operational activities confined to developing member countries in the ECAFE region.

Resources: Authorized capital: US\$1,100 million.
Subscribed capital: US\$978 million.

ACTIVITIES AND FUNCTIONS

Aims to foster economic growth and co-operation in the region and to contribute to acceleration of economic development in developing member countries of the region, collectively and individually.

Range of investment: principally financing of specific projects, whether forming part of national, subregional or regional development programmes in such fields as industry, agriculture, power and transportation and communications; financing pre-investment and feasibility studies and project preparation; making loans to, or guarantees of loans to, national development banks or other suitable entities; and providing technical assistance to regional member countries, their subsidiary entities, or private entities and also to regional institutions where appropriate.

Promotes investment of public and private capital for development purposes.

Utilizes the resources at its disposal for financing development of the developing member countries of the region.

Meets requests to assist member countries in the co-ordination of their development policies and plans.

Provides technical assistance for the preparation, financing and execution of development projects and programmes.

TERMS AND CONDITIONS

Eligibility: governments of developing member countries, any of their agencies, instrumentalities or political subdivisions, and both public and private entities and enterprises operating within such countries, as well as international or regional agencies or entities concerned with economic development in the region.

Apart from the prevailing rate of interest and commission, the bank charges a commitment fee on the undischursed amount of each loan.

Loans are ordinarily repayable in the currency borrowed.

In evaluating projects, the borrower's economic, technical and financial viability and various other relevant factors, including his ability to obtain assistance elsewhere on reasonable terms, are taken into account.

Procurement normally only from member countries.

PROCEDURE

No standard form of application; applications with relevant information should be addressed to the bank.

REGIONAL

Banco Centroamericano de Integración Económica
(Central American Bank for Economic Integration)
P.O. Box 722
Tegucigalpa, D.C., Honduras

Established: Under Constitutional Agreement, signed 1960 by the five member countries - Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Financial organization of the Central American Economic Integration Programme; began operations 1961.

Resources: Total: more than US\$250 million.
Authorized capital: US\$60 million, of which \$25 million have been paid.

The external resources originate from loans of international financial organizations such as AID and BID; supplier credits of foreign countries (e.g. Belgium, France, Italy, Mexico, the Netherlands, Spain, Switzerland and the United Kingdom); and from credit lines of the commercial banks of the United States (e.g. the Bank of America, Morgan Guarantee Trust Company, Continental Illinois National Bank and Trust Co. of Chicago.

ACTIVITIES AND FUNCTIONS

In accordance with the principal objective of promoting the economic integration and balanced development of the member countries, the bank finances exclusively economically sound and technically viable projects. The financial structure of the bank is composed of (a) the Ordinary Fund - mainly for the development of industrial projects of regional interest; (b) the Central American Economic Integration Fund - which meets the requirements of the region's physical infrastructure; and (c) the Housing Finance Fund - for the construction of housing in Central America.

TERMS AND CONDITIONS

Eligibility: projects or pre-investment studies that are of regional interest and concern the following investment sectors:

- (a) Infrastructure projects;
- (b) Projects of long-term investment in industries of regional character;
- (c) Co-ordinated projects: specialization of agriculture and cattle-breeding;
- (d) Projects for financing the extension, modernization and improvement of enterprises;
- (e) Projects related to the financing of services that are indispensable for the operation of the common market;
- (f) Other productive projects aiming at creating economic links between the member countries and increasing the Central American trade.

Financing is made up to 60 to 80 per cent of the amount of the investment for projects in the private sector, depending on whether the enterprise is new or already existing, and up to 100 per cent for projects in the public sector.

Participation in the capital of an enterprise does not exceed 30 per cent of its capital.

Requests for credits under US\$50,000 are not considered.

Loans are granted in Central American currencies, in US dollars and in other foreign currencies, according to the availability of resources.

PROCEDURE

No special procedure; applications for financing should be submitted to the bank.

Caribbean Development Bank
Treasury Building
Bridgetown, Barbados

REGIONAL

Established: 1969; signatory Governments and original members of the bank are: Antigua, Bahama, Barbados, British Honduras, British Virgin Islands, Canada, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago, Turks and Caicos Islands and the United Kingdom. The setting up of the bank was recommended by an economic survey jointly sponsored by Canada, United Kingdom and United States and the UNDP.

Resources: Equity capital US\$50 million, payable over five years. Resources committed to the Special Fund: US\$16 million.

Ordinary funds: the ordinary funds include the authorized capital and borrowings from any sources. Authorized capital: US\$50 million of which one half shall be paid in and one half on call.

Special funds: the Charter of the Bank establishes a special development fund to provide resources similar to those available from IDA. The Bank may also establish other special funds on terms and conditions that are agreed upon by the Bank and the contributor or lender.

To date the United Kingdom and Canada have indicated their intention to contribute each US\$5 million over five years and the United States to provide a line of credit of US\$6 million.

The Bank is empowered to increase its capital resources by borrowing in world financial markets.

ACTIVITIES AND FUNCTIONS

To assist regional members in the co-ordination of their development programmes with a view to achieving better utilization of their resources, making their economies more complementary and promoting the orderly expansion of their international trade, in particular intra-regional trade.

To mobilize within and outside the region additional financial resources for the development of the region.

To finance projects and programmes contributing to the development of the region or any of the regional members.

To provide appropriate technical assistance to its regional members, particularly by undertaking or commissioning pre-investment surveys and by assisting in the identification and preparation of project proposals.

To promote public and private investment in development projects by, among other means, aiding financial institutions in the region and supporting the establishment of consortia.

To co-operate and assist in other regional efforts designed to promote regional and locally controlled financial institutions and a regional market for credit savings.

To stimulate and encourage the development of capital markets within the region.

To undertake or promote such other activities as may advance the purpose of the bank.

TERMS AND CONDITIONS

Ordinary funds: depending on the size and the nature of the project. Special funds: for loans of high developmental priority with long maturities, longer deferred payment and lower interest rates.

PROCEDURE

No special procedure; applications with relevant information should be addressed to the bank.

REGIONAL

East African Development Bank
13 Portal Avenue
P.O. Box 7128
Kampala, Uganda

Established: 1967, as an institution within the provisions of the Treaty for East African Co-operation by Kenya, Tanzania and Uganda (partner States); began operations 1968.

Membership: Partner States; institutions, enterprises, bodies corporate upon approval of Governments of partner States. Geographical coverage: member countries of the East African Community.

Resources: Authorized capital: 400 million units of account,^{1/} partner States providing 120 million units of account. Loan funds raised within the Community and abroad.

Funds raised from external aid agencies designed to promote the objectives of the bank.

ACTIVITIES AND FUNCTIONS

Provides financial and technical assistance to promote the industrial development of partner States. Provides direct loans for the development of industrial projects in partner States.

Invests from its ordinary resources in the equity capital of industrial enterprises.

Guarantees in whole or in part loans made by others for industrial development in East Africa.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Loans are made for specific projects, if financing cannot be obtained elsewhere on reasonable terms. Only economically sound and technically feasible projects are financed.

Through its equity investments the bank does not seek to secure a controlling interest in the enterprise concerned.

Funds are provided either in the local currency of the country in which the project is located or in convertible currency.

Loans are provided to assist in meeting the foreign exchange cost of a project.

Rates of interest, charges and repayment periods vary with the nature of the project. A commitment fee is charged on direct loans. A guarantee fee is charged in guaranteeing loans. The bank charges a commission on funds administered under its special operation.

Under each loan contract, the bank requests the right to exercise all necessary powers of entry, inspection, supervision and information.

Repayment is normally made in the currency borrowed.

PROCEDURE

Applications for finance must be submitted to the director-general of the bank. Information to be provided in the first instance includes description of the project (sponsors, location, inputs), estimated costs, capital structure and estimated financial results.

A contract is signed by the bank and the borrower.

^{1/} This unit of account represents a value of 0.124414 gram of fine gold. The present par value of the US dollar, as recognized by the International Monetary Fund, is 0.88867000 grams of fine gold.

European Development Fund
(Fonds Européen de Développement - FED)
200, rue de la Loi
Brussels, Belgium

REGIONAL

Established: 1958, created under the Treaty of Rome establishing the European Common Market (European Economic Community - EEC); confirmed and renewed under the convention of Yaounde in 1964 and 1969. Administrative Division of EEC Commission. Geographical coverage: associated African countries and Madagascar, overseas countries and territories, French and Dutch overseas departments.

Resources: 900 million units of account (equivalent of US\$900 million) contributed by EEC member countries.

ACTIVITIES AND FUNCTIONS

Grants subsidies, soft loans and contributions for the formation of risk capital for:

- (a) Investments in production and economic and social infrastructure, to diversify the economic structure of associated countries and, in particular, to promote their industrialization and agricultural development;
- (b) General technical co-operation or technical co-operation connected with investments;
- (c) Marketing and sales promotion of products exported by associated countries.

Grants credits for the purpose of easing situations created by temporary fluctuations of world market prices.

Uses the reserve fund established for special difficulties in exceptional circumstances.

Grants interest subsidies for loans made by the European Investment Bank.

TERMS AND CONDITIONS

Beneficiaries for the different forms of aid are the associated countries; bodies corporates of member countries and of associated countries basically non-profit making, are of special economic interest and are submitted to government control in the country; associations of producers or similar institutions approved by EEC and the associated countries, or exceptionally, the producers themselves; regional or intergovernmental institutions of which the associated countries are members.

Other potential beneficiaries:

- (a) Specialized institutes or organs, or exceptionally, enterprises training specialists on others' account, as well as fellows, trainees, or participants in training courses (non-reimbursable grants for general technical co-operation);
- (b) Enterprises carrying out their activities according to the industrial and commercial management methods and set up as companies in an associated country (interest subsidies, soft loans or contributions to the formation of risk capital, as well as non-reimbursable grants earmarked for technical co-operation related to investments).

Terms and conditions are determined individually for each project and stated in the financial agreement.

Loans on special conditions may be granted for a duration of maximum 40 years and with a grace period of up to 10 years. They enjoy favourable interest conditions.

PROCEDURE

Projects selected by the Governments of associated countries are presented to the Community. After examination, the project is submitted to the Commission. A financial convention is signed by the beneficiary and the Commission of the European Communities.

REGIONAL

European Investment Bank - EIB
(Banque Européenne d'Investissement)
2, place de Metz
Luxembourg, Luxembourg

Established: by the Treaty of Rome creating the European Economic Community (EEC); began activities in 1958. An independent public law institution within the framework of EEC.

Membership: The six member countries of EEC. Geographical coverage: members of EEC and countries associated with EEC.

Resources: Subscribed capital amounts to 1 billion units of account^{1/} (US\$1,000 million) of which 250 million units of account are paid in capital and 750 million units of account guaranty capital. On 31 December 1969, the Bank's combined resources, derived from paid-up capital, borrowings and accrued profit, amounted to 1,236 million units of account.

ACTIVITIES AND FUNCTIONS

The activities of the bank in member countries are directed towards developing less developed regions, modernizing enterprises in accordance with the requirements of the Common Market, and projects of common interest to several member countries, particularly major infrastructure projects.

The bank also acts within the framework of the association agreements for Greece and Turkey and the Yaoundé Agreement for the African and Malagasy States and the associated overseas countries and territories.

The bank grants financial assistance in the form of loans for various projects including industrial projects.

Loans granted to Turkey and part of loans for Associated Countries and Territories are provided from special resources supplied directly or indirectly by the member states and managed separately by the bank in a special section.

TERMS AND CONDITIONS

Eligibility: governments, local authorities, public or private enterprises; loans are granted for individual projects.

For its ordinary operations interest rates and terms are fixed by the bank according to the prevalent conditions on the capital markets; they vary with market conditions. Duration so far has been from seven to twenty years.

For associated countries, interest rates and terms depend largely on the association agreements; duration and grace periods of loans may be longer and they may benefit from rebates of interest.

Disbursements are made in currencies available in the treasury of the bank. The borrower is required to repay the loan in the currencies received. All loans must be guaranteed.

^{1/} This unit of account represents a value of 0.0007000 gram of fine gold, i.e. an amount corresponding to the present par value of the US dollar as recognized by the International Monetary Fund.

Fonds d'Entraide et de Garantie des Emprunts
du Conseil de l'Entente
Secrétariat Administratif
B.P. 20.824
Abidjan, Ivory Coast

REGIONAL

Established: 1966 by the Governments of the member countries of the "Entente" (Ivory Coast, Dahomey, Upper-Volta, Niger, Togo); international public institution with financial autonomy.

Resources: Initial capital: CFA1.3 billion.^{1/}
Annual payment of member countries; subsidies and contributions, proceeds of investments, etc.

End of 1973:	Ivory Coast	2,500 million CFA
	Dahomey	210 million CFA
	Upper-Volta	210 million CFA
	Niger	210 million CFA
	Togo	120 million CFA

ACTIVITIES AND FUNCTIONS

The purpose of the fund is:

- (a) To guarantee external loans of the countries of the Entente, issued or contracted for productive purposes by the Governments, by public or similar institutions, by enterprises having their headquarters and their main field of activity in one or several member countries;
- (b) To finance profitable industrial, agricultural, commercial and infrastructure projects.

TERMS AND CONDITIONS

The fund only guarantees medium- and long-term loans for the financing of investments in the field of industry, agriculture, tourism, commerce and infrastructure.

The fund will ensure that the financial plan of the investment envisaged does not contain an excessive part of loans and that a sufficient portion of the investment is contributed by the investor.

Projects submitted to the fund must be supported by technical, economic and financial studies.

The country of investment for which the loan is guaranteed subscribes an endorsement towards the fund.

The ceiling for fund guarantees is 10 times the nominal amount of its resources. No project can absorb more than 15 per cent of the fund's ceiling.

Preference is given to investments which are of interest to the economy of two or more member countries.

The guarantee awarded by the fund can be total, or limited to a certain percentage of the loan endorsed.

PROCEDURE

Requests for guarantees have to be submitted officially to the fund through the country of investment and under its responsibility.

Before the guarantee is awarded, the fund signs a counter-guarantee agreement with the interested country.

The borrower has to provide the fund regularly with detailed information on the financial situation, the progress and the results of the projects.

^{1/} US\$1 - 277.71 Central African francs.

REGIONAL

PROCEDURE

The procedures are very flexible. It is to be noted, however, that loans cannot be granted without the approval of the government within whose territory the project is to be carried out.

There is a certain amount of leeway with respect to the documentation required in the application. It must normally indicate the amount of the loan requested, the repayment period, the total cost of the project, the plan of financing and the security offered. The economic value of the project must also be stated.

Inter-American Development Bank - IDB
808, 17th Street, N.W.
Washington, D.C. 20577
United States

REGIONAL

Established: 1959 upon agreement by nineteen Latin American countries and the United States; began operation in 1961.

Membership: Member countries of the OAS; contribution also from other countries. Geographical coverage: Latin America.

Resources:

Ordinary authorized capital:	US\$3,150 million (paid-in capital \$475 million).
Fund for special operations:	US\$2,328 million.
Social Progress Trust Fund:	US\$525 million.
Canadian Fund:	US\$46,296,295.
United Kingdom Fund:	US\$9,942,720.
Swedish Fund:	US\$5,000,000.

ACTIVITIES AND FUNCTIONS

Utilizes its own capital, funds raised by it in financial markets, and other available resources to promote development through the provision of loans and technical assistance.

Encourages private investment in projects, enterprises and activities contributing to economic development.

Co-operates with member countries to orient their development policies towards a better utilization of their resources and the orderly growth of their foreign trade.

TERMS AND CONDITIONS

Eligibility: member governments, local authorities, private enterprises.

Loans are only for projects in which the borrower has made or expects to make a substantial investment from his own funds, when financing cannot be obtained from private sources on reasonable terms.

Maturities, interests and conditions of repayment vary according to the purpose and the source of the funds as follows:

Ordinary capital resources: maturities between 7 and 25 years, grace periods from 2.5 to 3.5 years; repayable in the currency borrowed; interest 8 per cent; commitment fee 1.25 per cent.

Fund for special operations: maturities between 15 and 30 years, grace periods from 3.5 to 4.5 years; may be partially or wholly repayable in the currency of the borrower; interest from 2.25 to 4 per cent; service charge of 0.75 per cent may be added.

PROCEDURE

No special application for loans. Prospective borrowers are encouraged to make preliminary inquiries at the bank's headquarters or at the regional offices. Basic information required includes description of the project, total estimated costs, size of the loan needed and estimated financial results. In addition, for private firms, information on efforts made to secure capital elsewhere and a guarantee by a private or governmental banking institution are required.

REGIONAL

Kuwait Fund for Arab Economic Development
P.O. Box 7921
Kuwait

Established: Based on Law No. 35/1961 as amended by Law No. 9/1963 and Law No. 64/1966; charter by Ministerial Order, April 14, 1963. Public financial institution set up as autonomous body; full juridical personality. Administration: board - director-general. Geographical coverage: Arab States and countries.

Resources: Authorized capital: KD200 million.^{1/}
Subscribed capital: KD68 million (as of August 1968).

Power to borrow money and issue bonds within twice the amount of capital plus reserves.

ACTIVITIES AND FUNCTIONS

Assists Arab countries in developing their economies and in carrying out their development programmes and projects. Projects in the manufacturing industry sector also eligible.

Mobilizes Arab and foreign capital, public or private, for investment.

Project appraisal and research on Arab economies.

Publications: annual reports and loan agreements.

TERMS AND CONDITIONS

Eligibility: public, mixed and private Arab borrowers.

Assistance is tied to specific projects.

Financing of one project not to exceed 50 per cent of its total requirements or 10 per cent of fund's authorized capital.

Financial transactions payable and receivable in Kuwaiti dinars.

Projects financed must be technically and economically sound and must have high priority in the economic development programme.

Loans restricted to projects yielding satisfactory return on investment.

Financing limited to foreign cost of projects, local costs being financed only in exceptional cases.

Interest rate is generally from 3 to 4 per cent per year, including charges (service charge: 0.5 to 1 per cent).

Duration is from 10 to 25 years with deferral periods ranging from 3 to 4 years, related to actual requirements of each project.

PROCEDURE

Applications for fund's assistance are submitted by the borrowing government or through the government of the potential borrower.

A loan agreement is concluded between the fund and the borrower covering terms of payments and repayments of loan proceeds (amount of loan, interest rate, repayment schedule), description of the project financed and obligations of borrower and guarantor related to the execution of the project and of the loan. This agreement is supplemented by a guarantee agreement with the government of the borrower if the borrower is not a government.

^{1/} US\$1 = 0.38 Kuwaiti dinar (July 1970).

Private Investment Company for Asia - PICA
Kokusai Bldg. 924
12, 3-chome, Marunouchi, Chiyoda-ku
Tokyo 100-91, Japan

REGIONAL

Established: multinational corporation, incorporated in 1968 in the Republic of Panama, operations began in 1969. Geographical coverage: developing countries of Asia.

Resources: Authorized capital: US\$40 million (paid-in capital US\$16 million as of 31 December 1969).

ACTIVITIES AND FUNCTIONS

Development of and investment in private business opportunities in the developing countries of Asia.

Provides the following services to private investors:

- Equity capital for new and existing enterprises;
- Long and medium-term loan financing for new and existing enterprises;
- Technical and professional analysis and advice;
- Underwriting and management of the sale of securities;
- Arranging financing for Asian enterprises with other investors in developed countries;
- Obtaining other investment partners for enterprises approved by the company;
- Consultations with potential private investors in Asia with respect to prevailing investment conditions;
- Conducts surveys and feasibility studies for identifying projects;
- Provides technical and managerial assistance to enterprises in which it invests.

TERMS AND CONDITIONS

Eligibility: private enterprises. Terms and conditions vary according to project.

PROCEDURE

Applications should be submitted to the company. Detailed questionnaires will be sent to the applicants.

Submission of new investment ideas are welcomed; the company will assist in transforming these ideas into formal investment projects.

REGIONAL

Société Internationale Financière pour
les Investissements et le Développement
en Afrique - SIFIDA
Luxembourg, Luxembourg

To be established in 1970.

Membership: Financial and other corporate bodies drawn from Europe, Japan and North America.
African Development Bank.

Resources: Authorized capital: US\$50 million.
Capital to be paid in: US\$12.5 million.

ACTIVITIES AND FUNCTIONS

Participating in new and expanding enterprises in independent and developing African countries.

Providing equity capital, and medium- and long-term loans, stand-by credits, guarantees and other facilities.

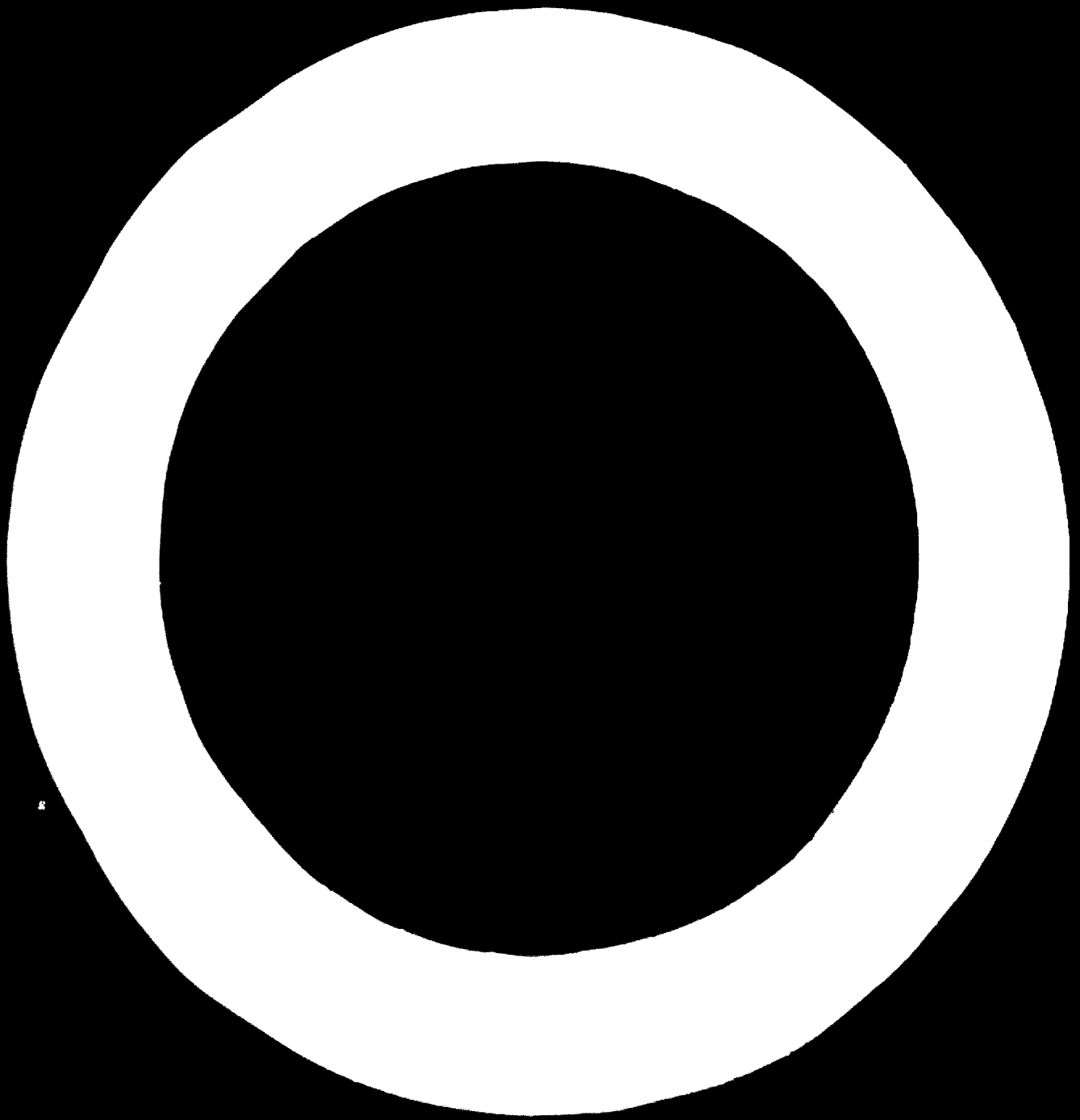
Promoting and organizing joint ventures in co-operation with local and foreign investors and manufacturers and financial organizations.

III SOURCE OF FINANCIAL IN INDUSTRIALIZED COUNTRIES

The source of financial in industrialized countries is primarily derived from the savings of the population, which are channeled through financial institutions such as banks, insurance companies, and pension funds. These institutions pool the savings and invest them in various forms of capital, including government bonds, corporate stocks, and real estate. The financial system in these countries is highly developed and efficient, allowing for a steady flow of capital to support industrial growth and innovation.

The financial system in industrialized countries is characterized by a high degree of financial literacy and a strong tradition of saving. This is reflected in the high levels of household savings and the presence of a large and diverse financial sector. The financial institutions in these countries are highly regulated and supervised, ensuring the stability and integrity of the financial system. The financial system in industrialized countries is a key factor in their economic success, providing the capital needed for investment and growth.

... including source of financing in India.



AUSTRIA

EXPORT CREDITS

STRUCTURE

Credits for the acquisition of capital goods may be obtained from Austrian exporters (supplier credits) or from commercial banks or from the Österreichische Kontrollbank Aktiengesellschaft (buyer credits).

Medium-term supplier credits may be refinanced for a maximum of three years by the Österreichische Nationalbank (Central Bank).

Long-term credits are financed by the Österreichische Kontrollbank Aktiengesellschaft, established in 1946, for services to the credit community. These credits may be given either in the form of refinancing credits to the commercial banks for either supplier refinancing or buyer credits, or in the form of buyer credits directly extended by the Österreichische Kontrollbank Aktiengesellschaft.

For financing the acquisition of capital goods for developing countries a special refinancing scheme has been established. Resources originate from contributions of the Austrian Government, commercial banks and borrowings of the Österreichische Kontrollbank Aktiengesellschaft on the national and international capital markets.

TERMS AND CONDITIONS

Financing covers goods and services of Austrian origin.

The supplier is obliged to cover part of the risk; the maximum cover available is 90 per cent of the outstanding balance on credit (80 per cent of the balance can be refinanced with the Österreichische Nationalbank). In special cases a 100 per cent financing of the credit balance can be provided in case of buyer financing.

The buyer is expected to provide a guarantee from a commercial bank, or from the central bank or government of his country.

The buyer is expected to make a down payment of about 20 per cent of the contract value.

The guarantee is provided by the Österreichische Kontrollbank Aktiengesellschaft as agent of the Ministry of Finance.

The interest rate in the case of refinancing with the Österreichische Nationalbank is 5.25 per cent (costs of guarantee included). For longer-term financing under the special refinancing system for developing countries the rate is 5.5 per cent (guarantee costs included). Maturities for refinancing with the Österreichische Nationalbank are a maximum period of three years; for longer-term financing up to ten years repayment period (plus two years production period).

PROCEDURE

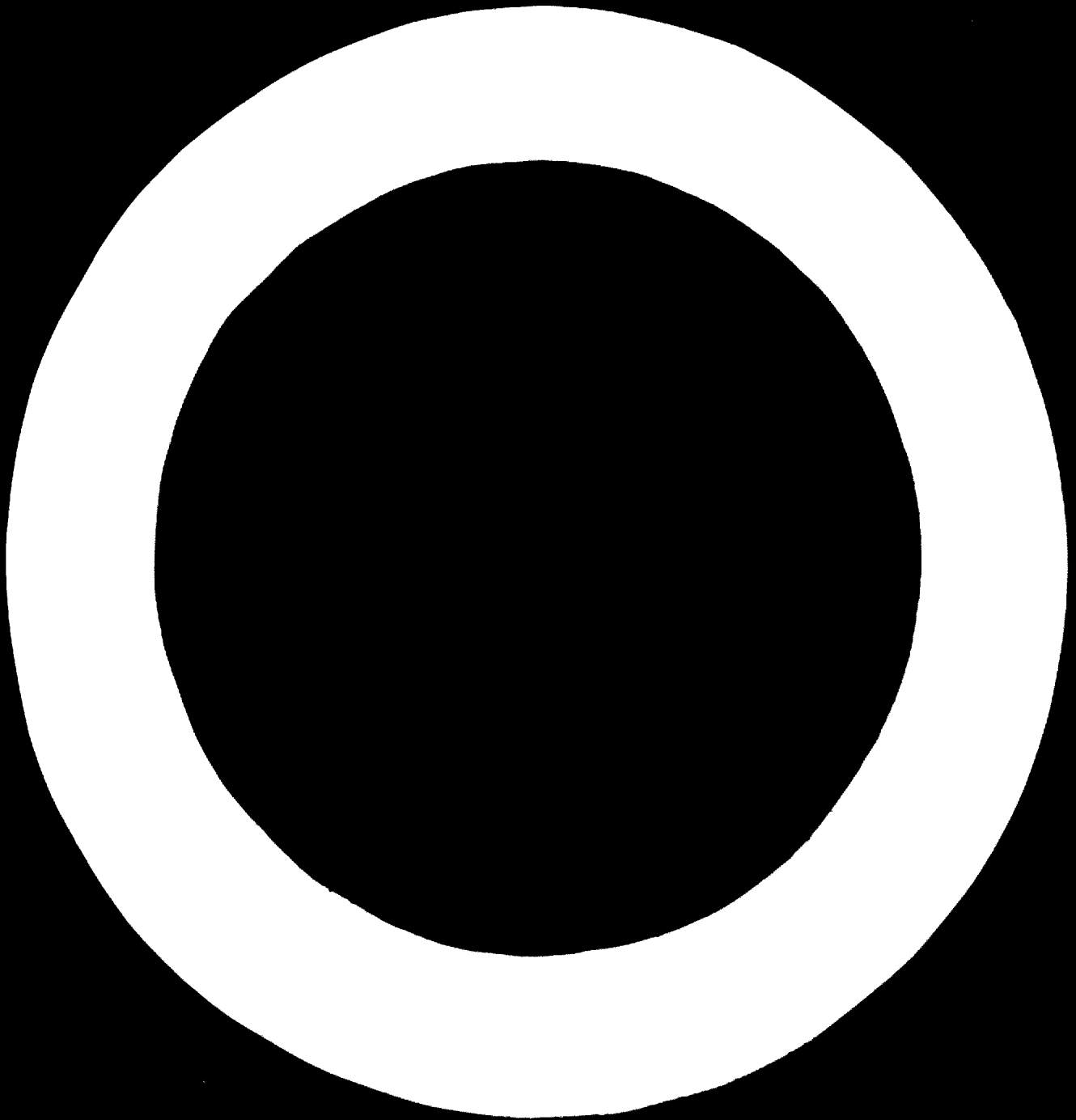
Agreement between the buyer and the Austrian exporter.

The supplier is required to obtain a credit insurance from the Österreichische Kontrollbank Aktiengesellschaft in case of supplier credit; in case of buyer credit insurance is required for the risk of a commercial bank of the Österreichische Kontrollbank Aktiengesellschaft.

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, his Austrian bank and the Österreichische Kontrollbank Aktiengesellschaft; and (c) the buyer and his local bank.

Contacts between the buyer and the supplier may be established directly through the foreign and the Austrian bank.

Eligibility for financing or refinancing under the scheme for developing countries is examined by a special committee.



BELGIUM

EXPORT CREDITS

STRUCTURE

Association pour la Coordination du Financement à Moyen Terme des Exportations Belges (Credit-export), a non-profit association, examines requests for medium-term financing of exports. If its decision is favourable, financing is provided through a "pool", the resources of which amount to BFR15,000 million,^{1/} 50 per cent of which is provided by three credit institutions of the public sector and 50 per cent by thirteen commercial banks.

Any bank may introduce requests for credit provided it undertakes to submit to Creditexport for its advice all requests for financing of BFR5 million and above in which repayment is to be spread over a period of more than two years from the date of receipt.

TERMS AND CONDITIONS

Financing covers goods and services of Belgian origin.

The operation must be insured with the National Del Credere Office (Office National du Ductroire) or another credit insurance institution.

The insurance covers credit risks up to 85 per cent for supplier credits and 95 per cent for credits to the foreign country directly (financial credits and buyer credits). An insurance premium is payable.

The buyer must normally obtain a guarantee from a bank in his own country. The foreign buyer must usually make an initial down payment of 20 per cent of the value of the contract.

Financing is limited to medium-term credits.

Interest rates vary according to the duration of the credit and whether certain well-defined conditions are fulfilled:

- (a) Easy rate (bank commission included): applies to credits receiving the guarantee of the National Del Credere Office and the approval of the National Bank of Belgium.

Financing up to a five-year maximum: 7 per cent per year

Financing for more than five years: 7.25 per cent per year,
applicable from the
first year.

These rates are increased by 0.10 per cent as long as there is no unconditional transfer in favour of the bank of benefits under the Del Credere policy.

- (b) Full rate (bank commission included): applies to credits not receiving the guarantee of the National Del Credere Office or approval from the National Bank of Belgium (these are exceptional cases).

Rate for the first five years: 7.90 per cent per year.

Rate from the sixth year: 8.15 per cent per year.

The rates quoted above are those in effect on 3 July 1969; they are subject to change.

PROCEDURE

It is the responsibility of the banker to introduce the request for financing to Creditexport on the basis of the data supplied to him by the exporter.

^{1/} US\$1 - 50 Belgian francs (July 1970).

BELGIUM

The bank may, depending on the progress achieved in the discussions between exporters and importers, request either: advice on the question of principle (involves no commitment on the part of Credit-export); a promise of credit with or without the fixing of an interest rate; or a refinancing credit (if the transaction is concluded).

In most cases, the machinery for the medium-term financing of exports is supplier credits. The instrument is generally a bill drawn up by the exporter and addressed to and accepted by the buyer. Bills must normally be made out in Belgian francs and domiciled for payment in Belgium. In the case of bills made out in foreign currency, the exporter is asked, for the purpose of mobilization of funds from the pool, to make drafts in Belgian francs to an equivalent amount on the Belgian bank.

SOURCES OF FINANCING IN BELGIUM

BELGIUM

Compagnie Lambert pour l'Industrie et la Finance
24, avenue Marnix
Brussels

Established: 1953; limited company (société anonyme).

Resources: Registered capital: FB2,475 million.
Net assets (31 December 1968): FB4,900 million.

ACTIVITIES AND FUNCTIONS

Three groups of activities:

- (a) Banking and financial sector (the Compagnie Lambert provides all the capital of the Banque Lambert).

Commercial bank activities: financing of external trade operations; various forms of credit; transactions on stock. Issues, taking firm and placing of loans. Administration of portfolios and collective investment funds. Issue of bearer warrants for shares of foreign companies. Land certificates. Direct or indirect participation in various development banks. Participation in development companies in Africa through the Société Financière pour les Pays d'Outre-Mer. Participation in various international banks and financial concerns (Berliner Handels-Gesellschaft, Five Arrows Securities, World Banking Corporation, Compagnie du Nord, Banque Nationale d'investissement pour le Développement Industriel, Compagnie Internationale de Crédit à Moyen Terme etc.).

Activities in relation to enterprises: establishment, amalgamation, rationalization or development of enterprises. Advice in financial matters;

- (b) Real property sector;
- (c) Portfolio of shares in various industrial and commercial ventures, including substantial participation in the energy sector, e.g. petroleum and the electrical industry.

TERMS AND CONDITIONS

Vary according to project. Grants short- and medium-term credits (medium-term: three to seven years). Interest rate varies according to the length of the repayment period.

PROCEDURE

Applications for export credits are to be submitted to Creditexport.^{1/} Any other application for financing is to be submitted to Banque Lambert.

^{1/} US\$ - 60 Belgian francs (July 1970).

^{2/} See Belgium, export credits.

BELGIUM

Société Générale de Banque
3, Montagne du Parc
Brussels

Established: December 1965 as a result of the merger of the Banque de la Société Générale de Belgique, the Société Belge de Banque and the Banque d'Anvers.

Resources: Capital - FB.3,500 million;^{1/}
Reserves - FB.2,613,075 million.

ACTIVITIES AND FUNCTIONS

Member of the Association pour la Coordination du Financement à Moyen Terme des Exportations Belges, "Creditexport".^{2/} Participates in the pool specially created for medium-term financing of exports. Participates in the granting of broad-purpose credits (supplier credits, direct credits abroad or buyer credits).

TERMS AND CONDITIONS

The participating establishments must submit to Creditexport for its advice all requests for financing of BFR5 million and above in which repayment is to be spread over a period of more than two years from the date of delivery.

Financing is limited to medium-term credits.

Interest rates vary according to the duration of the credit and whether certain well-defined conditions are fulfilled.

- (a) Easy rate (bank commission included) applies to credits receiving the guarantee of the National Del Credere Office and the approval of the National Bank of Belgium.

Financing up to a five-year maximum: 6.25 per cent per year.

Financing for more than five years: 6.50 per cent per year,
applicable from the
first year.

These rates are reduced by 0.10 per cent as soon as there is an unconditional transfer in favour of the bank of benefits under the Del Credere policy.

- (b) Full rate (bank commission included) applies to credits not receiving the guarantee of the National Del Credere Office or approval from the National Bank of Belgium (these are rather exceptional cases).

Rate for the first five years: 7.05 per cent per year.

Rate from the sixth year: 7.30 per cent per year.

The rates quoted above are those in effect on 8 November 1988; they are subject to change.

PROCEDURE

It is the responsibility of the banker to introduce the request for financing to Creditexport on the basis of data supplied to him by the exporter. If Creditexport's conditions for eligibility^{3/} are fulfilled, the bank may, depending on the progress achieved in the discussion between reporters and

^{1/} US\$1 = 50 Belgian francs (July 1970).

^{2/} See Belgium, export credits.

^{3/} Ibid.



Importers, request either advice on the question of principle (involves no commitment on the part of Creditsport); a promise of credit with or without the fixing of an interest rate; or a refinancing credit (if the transaction is concluded).

In most cases, the machinery for the medium-term financing of exports is supplier credits. The instrument is generally a bill drawn by the exporter and addressed to and accepted by the buyer. Bills must normally be made out in Belgian francs and domiciled for payment in Belgium. In case of bills made out in foreign currency, or of the issue of promissory notes by the foreign buyer, the exporter is asked, for the purpose of mobilization of funds from the pool, to make drafts in Belgian francs to an equivalent amount of the Belgian bank.

Financing takes the form of a rediscount by all the participants in the pool, each in proportion to its quota in the pool, of bills drawn by the exporter and addressed to his foreign buyer, or any other instruments for the mobilization of capital. The bills bear the blank endorsement of the establishment initiating the transaction.

The bills rediscounted by the pool are entrusted to the Société Nationale de Crédit à l'Industrie, which acts on behalf of the pool for the purpose of the actual conduct of operations, and to which certain powers have been granted.

BELGIUM

Banque de Paris et des Pays-Bas Belgique
Rue des Colonies 29-31
B 1000 Brussels

Established: 1968, by amalgamation as a Belgian limited company (*société anonyme*).

Resources: Capital: FB.1,025 million.^{1/}
Reserves: FB.167 million.

ACTIVITIES AND FUNCTIONS

Member of the Association pour la Coordination du Financement à Moyen Terme des Exportations Belges "Crediteport", pool created for medium-term financing of equipment exports. Usually credits are made available to the Belgian suppliers but in certain cases buyer credits or so-called "framework credits" can be arranged with the foreign importers or financial institutions.

For projects with components from various countries, a solution may be worked out through the Paribas group.

TERMS AND CONDITIONS

Terms and conditions are those of "Crediteport" for Belgian equipment. In certain cases an interest rate reduction may be obtained from the Belgian Government.

PROCEDURE

No special procedure. Requests channelled through the Bank.

EXPORT CREDITS

The government-owned Export Development Corporation (EDC) was established to facilitate and develop export trade by provision of insurance, guarantees, loans and other financial facilities to meet the different needs of Canadian exporters. EDC began operation in October 1969, succeeding the Export Credits Insurance Corporation.

Functions of EDC

- To insure exporters against non-payment by foreign buyers for credit or political risks beyond the control of either of the contracting parties.
- To issue appropriate guarantees to facilitate the financing of export sales.
- To make loans to foreign buyers of capital goods and major technical services - related to equipment or not - for which extended credit terms not available from regular commercial lenders are required.
- To insure Canadian foreign investment against loss due to non-commercial credit risks.

TERMS AND CONDITIONS

Export credits insurance

An EDC insurance policy protects an exporter against commercial credit risks (such as insolvency or defaults by a foreign buyer) and political credit risks (such as exchange, transfer difficulties or war or revolution in the buyer's country). Policies are issued on a co-insurance basis, with EDC normally assuming 80 per cent of the risk and the buyer 10 per cent. The maximum liability EDC may assume in relation to contracts of insurance is Canadian \$1 billion.

Export credits insurance is available to cover the following classes of exports: consumer and capital goods; the rendering of a managerial, engineering, construction, marketing or similar service; the sale or licensing of any right in a patent, trademark or copyright etc.

Several types of policies are available, depending upon the business to be insured. The main types are as follows.

Consumer goods policies: As a rule, blanket policies are issued to cover an exporter's entire short-term export credit sales for one year, excluding those made against irrevocable letters of credit or those paid for in advance. Sales to buyers in the United States may also be excluded.

Capital goods policies: A policy is issued to cover an individual contract of sale of capital goods such as aircraft, plant equipment, locomotives, heavy machinery etc., made on medium-credit terms.

Service policies: These policies are issued to cover engineering, construction, technical or other services contracts between Canadian firms and persons in other countries who have agreed to purchase such services.

To facilitate an exporter's need to finance for export, EDC will agree to pay to any chartered bank or other financial institution the proceeds of any claim payable under a policy; the exporter may assign an individual bill to his banker, or he may make a blanket assignment of his foreign accounts receivable.

Guarantees to financial institutions

EDC may also provide unconditional guarantees to a chartered bank or to any person who agrees to finance, without recourse, an insured medium-term export sale. Guarantees may also be given in respect to bank or other loans made to foreign buyers of Canadian goods and services.

1/ Canadian dollar exchange rate has been unpegged since 1 June 1976.

CANADA

Long-term financing

EDC provides long-term loans to foreign buyers for large capital projects purchased from Canada when extended credit terms are required and normal commercial credit is not available. The projects must be substantial in value, normally Canadian \$1 million or more. The maximum liability EDC may assume in this connexion is Canadian \$800 million.

EDC may provide loans to national development banks and other similar financial institutions abroad for re-lending in their respective countries to finance the purchase of Canadian goods and services; it may also finance major services (but not feasibility studies) supplied from Canada even when these are not directly associated with equipment supply.

Interest and other charges levied by the corporation will generally reflect the cost of money to it, taking into account the need to meet competition in particular cases and to provide for the operating expenses of financing facilities.

Foreign investment insurance

EDC may, with the approval of the Governor in Council, insure Canadian investments in foreign countries against broad non-commercial risks of loss from expropriation or confiscation, war or revolution, or the inability to repatriate capital or earnings. Initially, such insurance is restricted to lesser developed countries. A ceiling of Canadian \$50 million for liabilities under this facility is provided, and cover is restricted to a maximum of fifteen years and to new investments only.

SOURCES OF FINANCING IN CANADA

CANADA

Bank of Montreal
P.O. Box 6002
Montreal

Established: 1817; a Canadian chartered bank.

Resources: Assets exceed Canadian \$8 billion.^{1/}
Minority participation, among others, in: ADELA Investment Company S.A.^{2/}

ACTIVITIES AND FUNCTIONS

All banking business including, among others:

- (a) International finance for exports and imports (buyer and seller credits);
- (b) Consortium financing;
- (c) Inter-bank credit agreements.

TERMS AND CONDITIONS

Vary according to project; export credits usually require insurance with Export Development Corporation.^{3/}

PROCEDURE

Inquiries concerning the financing of industrial projects should be directed to International Bank Division, Head Office. Each proposal is dealt with on its own merits and is subject to availability of funds. Development loans are generally in the medium-term range.

^{1/} Canadian dollar exchange rate has been unpegged since 1 June 1970.

^{2/} See Regional Sources, ADELA Investment Company S.A.

^{3/} See Canada, export credits.

CANADA

Canadian Imperial Bank of Commerce
25 King Street West
Toronto

Established: 1867; a Canadian chartered bank.

Resources: Assets exceed Canadian \$9,000 million.^{1/}
(Capital, rest account and undivided profits: Canadian \$372 million.)

ACTIVITIES AND FUNCTIONS

Provides all usual commercial banking services including export finance.

TERMS AND CONDITIONS

Very according to project.

PROCEDURE

No formal procedure.

^{1/} Canadian dollar exchange rate has been unpegged since 1 June 1970.

Canadian International Development Agency
75 Albert Street
Ottawa 4

CANADA

Established: 1960 by Order-in-Council; government agency for Canadian Government foreign economic assistance.

ACTIVITIES AND FUNCTIONS

Makes loans in Canadian dollars; assists in financing development assistance projects; pre-investment surveys; purchases of commodities, goods and services.

TERMS AND CONDITIONS

Eligibility: governments, government agencies, public corporations. Private enterprises may receive loans that are underwritten by the government of the recipient nation, or if the government of the recipient nation is in partnership with the private enterprise.

Canadian dollar loans are made for purchases which specifically relate to development; procurement is normally limited to commodity goods and services of Canadian origin.

Canada provides two types of development loans, interest free loans and loans made at 3 per cent interest. Generally, the interest free loans have a grace period of 10 years and a maturity of 50 years, and the 3 per cent loans have a grace period of 7 years and a maturity of 30 years.

PROCEDURE

There are no specific application forms.

Applications should be submitted to the President of the Canadian International Development Agency or to the Canadian mission in the appropriate country.

The required preliminary information includes the amount of the loan requested, the use to be made of the loan, a description of the project and preliminary studies made.

Loan agreements are signed between the Government of Canada and the government of the recipient country.

CANADA

Roy West Barking Corporation Limited
P.O. Box 4889
Norfolk House
Nassau, Bahamas

Established: 1965 by Canadian, British and US banks. Incorporated under the laws of the Bahama Islands.

Resources: Paid-up capital \$817,160,000 - Assets: \$8175,500,000.^{1/}

Subsidiaries: Trust Corporation of Bahamas Limited.
Finance Corporation of Bahamas Limited.

ACTIVITIES AND FUNCTIONS

Provides medium-term development financing.

Through its subsidiary Trust Corporation of Bahamas Limited, provides management services and trustee functions for corporations etc.

Assists in a wide range of development projects.

Provides financing for: manufacturing or processing industry, transportation, construction, tourist and other service fields etc.

Participation in the equity of the project being financed is considered in certain circumstances. However, the corporation does not wish to obtain a majority equity interest in an applicant's business.

Provides assistance in the form of leasing of equipment and plant, as an alternative or in concert with other types of financial assistance.

TERMS AND CONDITIONS

Finance is considered for periods of from two to ten years.

Size of loan: normally from \$25,000 to \$1,750,000 (in special circumstances the upper limit may be varied).

Currency: the currency in which a loan is made is dictated by Exchange Control Regulations.

Loans are made in US dollars to non-residents in the scheduled territories (sterling area).

Repayment: terms vary according to the project. Normally, monthly or quarterly frequencies are considered. In new ventures, modified payment during the early years is considered.

Rate of interest: varies according to the prevailing market conditions. Rates also vary with the value of the security offered, the earning capacity and future prospects of the project.

Security: varies according to the project. The majority of loans involve a first charge, mortgage or debenture on fixed assets (i.e. land, building, machinery etc.); insurance on the life of the principals, and personal or corporate guarantees may be required.

Basic requirements for projects to be submitted to the corporation:

- (a) Proven management ability;
- (b) The project must be adequately capitalized;
- (c) The potential earning power of a project must be sufficient to service the proposed financing, leaving a reasonable margin of profit after allowing for such items as future needs, cover for depreciation etc.

^{1/} US\$1 = 1 Bahamian dollar (July 1970).



PROCEDURE

Applications for finance are to be submitted to the corporation.

Applicants will be invited to complete a detailed formal application.

An offer of finance setting out the terms is then submitted by the corporation to the applicant.

A negotiation fee is applied to accepted proposals.

CANADA

The Royal Bank of Canada
Place Ville Marie
Montreal

Established: 1869; a Canadian chartered bank.

Resources: Assets exceed Canadian \$10,000 million.^{1/} (Capital: Canadian \$375 million, including
res. account and undivided profits.)

ACTIVITIES AND FUNCTIONS

Grants loans for the purchase of goods in Canada; mortgages, investment dealer, government loans etc. Also grants loans for financing Canadian exports including financing of exports in conjunction with Export Development Corporation. Accepts demand, savings and fixed term deposits. Letters of credit, safekeeping and credit information. General banking business in Canada and 24 other countries.

TERMS AND CONDITIONS

Vary according to project.

PROCEDURE

Applications for financing are to be submitted to the bank. Information permitting a preliminary investigation of a project should include a description of the project to be financed, description of the company including financial projections, audited financial statements, market situation, expected financial results and capital requirements. Also, appropriate feasibility studies and bank references.

^{1/} Canadian dollar exchange rate has been unpegged since 1 June 1970.

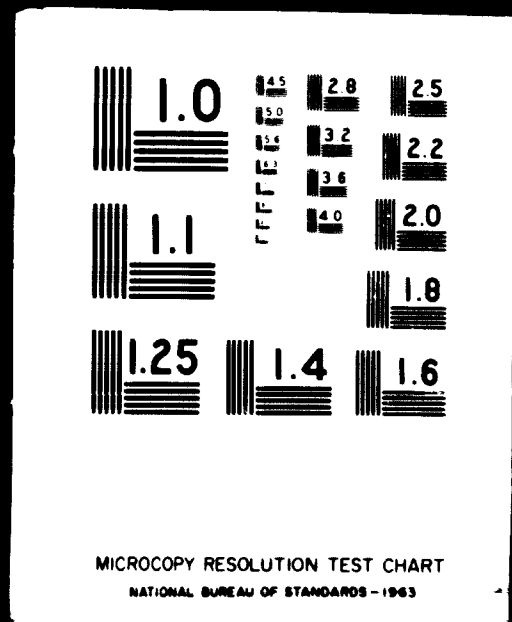


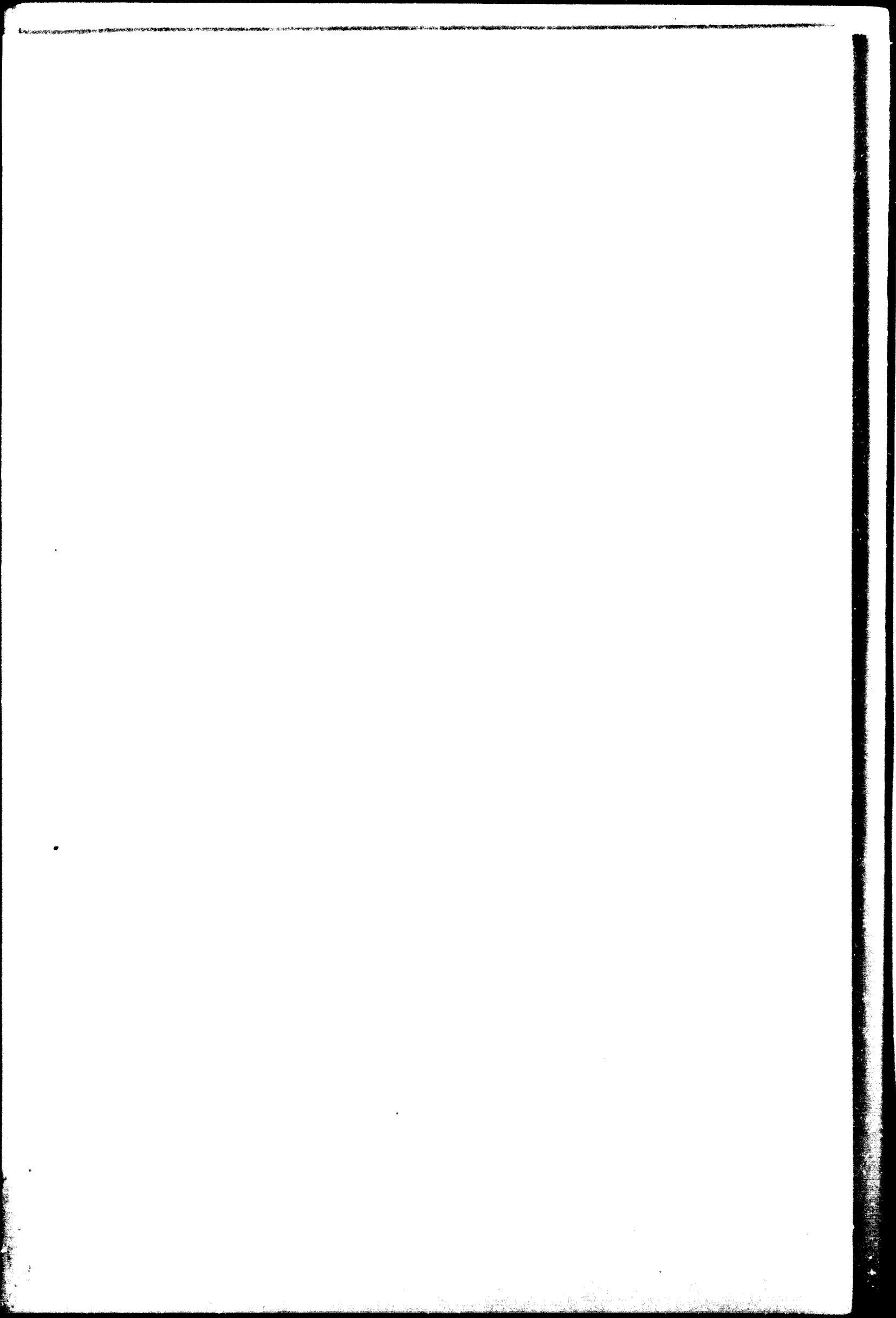
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EXPORT CREDITS

STRUCTURE

Export credits available for the acquisition of capital goods:

State credits: granted within the framework of bilateral co-operation agreements.

Commercial credits: provided by the foreign trade organizations (autonomous legal entities); each organization specializes in a particular category of goods.

Credits are financed by the Československá Obchodní Banka, a.s. (commercial bank).

Established: 1964; supervised by Ministry of Finance.

Resources: Capital: Kos. 700 million; ¹/₂ shares held by State Bank, foreign trade organizations, industry.

Bank credits

Export Credits are usually supplier credits, in some cases buyer credits.

TERMS AND CONDITIONS

State credits: conditions are determined by the agreement. Interest rate is 2.5 to 3 per cent; maturities are eight to twelve years.

Repayment is carried out within the framework of clearing and payments agreements or in convertible currency.

Commercial credits: conditions vary according to project. Medium-term credits: one to five years; long-term credits: generally up to twelve years. Interest rate is approximately 6 per cent.

The buyer is expected to make a down payment of 5 to 30 per cent at the signing of the contract and a smaller payment at delivery.

The buyer is expected to provide a guarantee from a bank in his country. If the guarantee cannot be provided the credit must be insured with the insurance company according to the conditions of the contract.

Repayment is carried out within the framework of clearing and payments agreements or in convertible currency.

PROCEDURE

State credits: bilateral government negotiations.

Commercial credits: contacts are to be established between the buyer and the foreign trade organization. Negotiations are carried out directly between the buyer and the organization.

The organization normally consults the Československá Obchodní Banka, a.s. and seeks insurance with the Státní Pojišťovna (State Insurance Institute of Czechoslovakia). Maximum insured is 90 per cent; only commercial risks are covered.

1/US\$1 = 7.20 Czechoslovakian korunas (July 1979).

1/US\$1 = 7.20 Czechoslovakian korunas (July 1979).

CZECHOSLOVAKIA

Foreign trade organizations
in Czechoslovakia^{1/}

TECHNOEXPORT Prague 1, Václavské nám. 56	Complete industrial plants, machinery and equipment for chemical industries, paper and cellulose industry, food industry.
SKODAEXPORT Prague 1, Václavské nám. 56	Power engineering and metallurgical plant, equipment for the manufacture of machines and instruments for foundry, electrical, textile etc. industries
STROJEXPORT Prague 1, Václavské nám. 56, P.O. Box 662	Machines and industrial plants, electric power distribution equipment, hydraulic installations; mine equipment: extraction and ore preparation etc.
INVESTA Prague 7, Dukelských hrdinů 47	Machinery for clothing and footwear industries.
STROJIMPORT Prague 1, Václavské nám. 1	Machine tools, glass and woodworking machines.
KOVO Prague 7, třída Dukelských hrdinů 47	Precision engineering products; manufacture of radio and television receivers etc.
MERKURIA Prague 7, Dukelských hrdinů 47	Workshop tools and equipment, service equipment etc.
MOTOKOV Prague 7, Dukelských hrdinů 47	Light engineering products, agricultural machinery etc.
OMNIPOL Prague 1, Washingtonova 11	Radio-chemical laboratories, transport aircraft, airport equipment etc.
PRAGOINVEST Prague 9, Čskenovská 23	Industrial plants, machinery equipment.

^{1/} This is not intended to be an exhaustive list.

DENMARK

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by the commercial banks, e.g. Den Danske Landmanskbank, Privatbanken i Kjøbenhavn, Kjøbenhavns Handelsbank.

Refinancing may be obtained from the Denmark's Nationalbank (in the form of credit certificates) for medium-term supplier credits of a minimum amount of Kr.1 million.1/

Long-term export credits guaranteed by the Ministry of Commerce under provision of the Act on Technical Co-operation with Developing Countries (1962) may also be refinanced by the Denmark's Nationalbank.

Guarantees (commercial and political risks) are issued by the Export Credit Council. The Council also assists Danish firms in the financing of their exports by guaranteeing bank loans raised for export purposes.

TERMS AND CONDITIONS

Financing normally covers goods and services of Danish origin.

For medium-term credits the supplier must obtain a guarantee from the Council before applying to his bank for financing.

The supplier must cover part of the risks; insurance covers 80 to 90 per cent of the transaction.

The buyer is required to make a down payment of about 15 to 20 per cent of the value of the export contract not later than on delivery.

Maturities are up to five years; interest rate is 7 to 8 per cent; insurance premium is 0.5 to 1 per cent per year. (Exemption from insurance premium may be obtained.)

For long-term credits granted to developing countries, these must normally secure a government or bank guarantee. (Condition: goods provided must form part of the development scheme of the country and require a credit period longer than normal for ordinary export credits.)

Special facilities for guarantees include an extended period of seven to fifteen years, exemption from premium, higher risk coverage (90 to 95 per cent) and no requirement of cash down payment.

Investment guarantees are granted by the Minister of Foreign Affairs through the Board of Technical Co-operation with Developing Countries to Danish firms in connexion with direct investment. The investment should further the development of the country; the recipient country must state its approval of the proposed project.

Maximum duration of guarantee is fifteen years. The investor is charged a risk premium of 0.5 per cent per year and must bear a franchise of 10 to 15 per cent himself.

PROCEDURE

Agreement between the buyer and the Danish exporter.

The supplier must obtain insurance with the Export Credit Council and must normally obtain a guarantee from a commercial bank in his country.

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, Export Credit Council, the Danish commercial bank; and (c) the buyer and his local bank.

1/ US\$1 = 7.50 Danish kroner (July 1970)..

DENMARK

SOURCES OF FINANCING IN DENMARK

The East Asiatic Company, Ltd.
2 Holbergsgade
Copenhagen K

Established: 1897 as limited company. Geographical coverage: Asia, Latin America, Africa.

Resources: Capital: Kr.150 million.^{1/}

ACTIVITIES AND FUNCTIONS

Undertakes capital investments. Range: manufacturing industry, including food industry, iron and steel, machine, textiles, vegetable oil, forest, plantation, pharmaceutical industries.

Other activities include shipping, trading, plantation, cultivation and forestry exploitation.

TERMS AND CONDITIONS

Vary according to case, as do the investment criteria. A majority interest in the equity is normally sought. Straight financing without equity is generally not considered.

PROCEDURE

Varies according to case. Requests are to be submitted to the company.

^{1/} US\$1 = 7.50 Danish kroner (July 1970).

The Industrialization Fund for Developing Countries
Fredericiagade 25
1310 Copenhagen K
Cable address: Investfund

DENMARK

Established: 1967 by Act of Parliament; non-profit self-governing institution.

Resources: Supplied by the Danish State. During the first five-year period about Kr.150 million^{1/} is expected to accrue to the fund.

ACTIVITIES AND FUNCTIONS

Promotes investments in developing countries in co-operation with Danish industries. Participates in joint ventures by subscription for shares, granting of loans and guarantees. Also gives financial support to feasibility studies or other surveys, which have to be undertaken to establish the viability of a proposed investment.

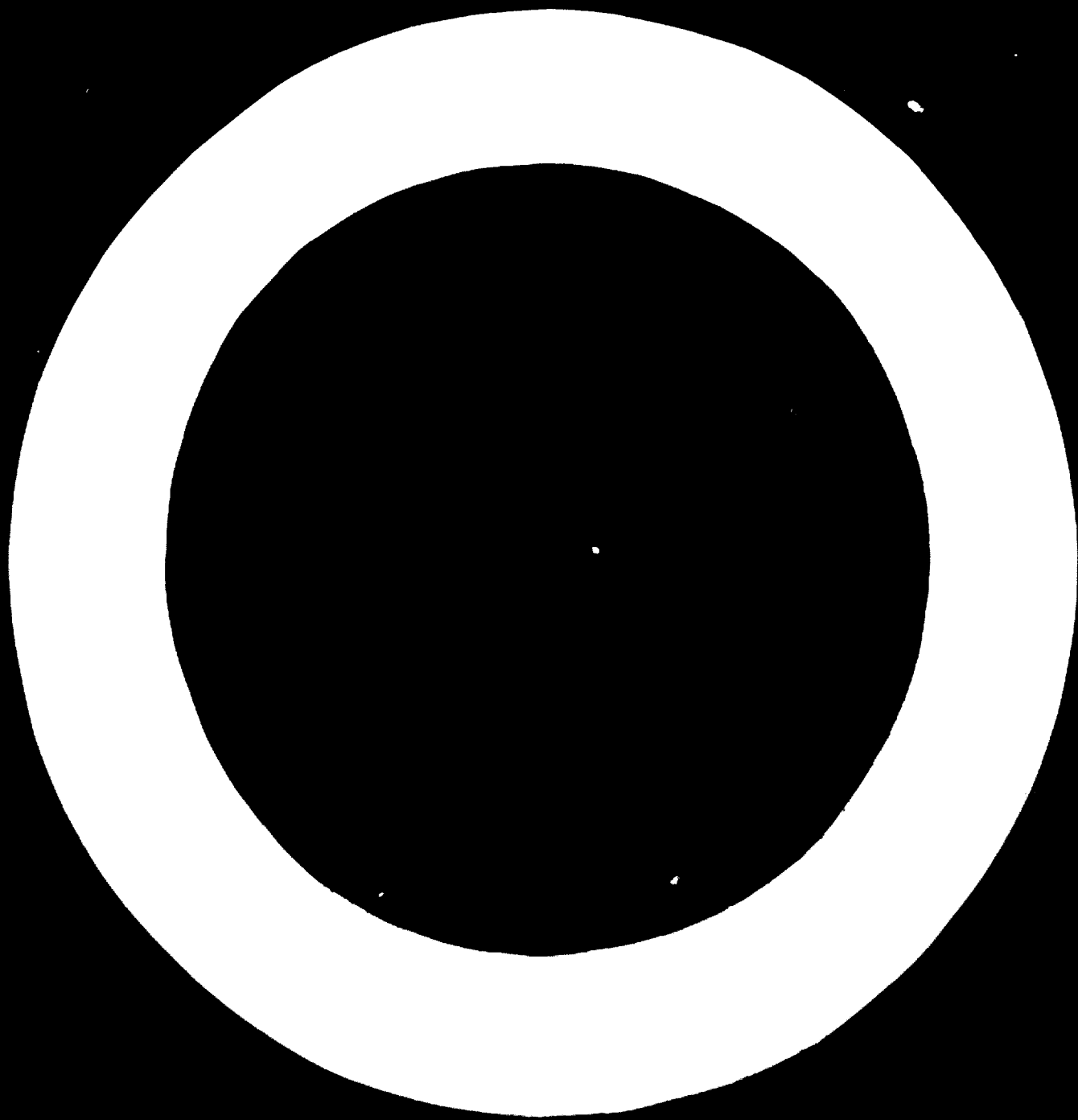
TERMS AND CONDITIONS

The local investor in the developing country is expected to contribute part of the required capital; the Danish industry contributes part of the required capital; the remainder of the capital is contributed by the fund. The fund's participation does not normally exceed 30 per cent of the share capital (always less than the participation of the Danish industry). Financing by shares and loans by the fund does not normally exceed 50 per cent of the total share capital required. The fund usually withdraws from the project six to eight years after the commencement of the venture.

PROCEDURE

Applications are normally made by the Danish enterprises wishing to invest in developing countries. The fund may assist in locating potential partners in the developing country. Applications may also be made by enterprises of developing countries, in which case, the fund assists in finding a suitable Danish partner. The fund's participation in any joint venture is subject to approval by the competent authority in the developing country.

^{1/} US\$1 = 7.50 Danish kroner (July 1970).



FEDERAL REPUBLIC OF GERMANY

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by:

- (a) Ausfuhrkredit-Gesellschaft (AKA - Export Credit Company), for medium-term supplier credits; private corporation, established 1952; consortium of German banks.

Resources: credit line by member banks; credit line by the Deutsche Bundesbank (central bank).

- (b) Kreditanstalt für Wiederaufbau (KW), a public institution, established 1948; for supplier and buyer credits, long- and medium-term.

Only short-term credits are normally granted by commercial banks.

TERMS AND CONDITIONS

Financing covers goods and services of German origin.

Financing is granted only to the extent that claims are insured by the federal insurance company, Hermes, i.e. in general up to 80 per cent of the contract value.

The buyer is expected to make a down payment of 15 to 20 per cent of the contract value.

Interest rates at the present time are 7 to 7.65 per cent for AKA loans and 6 per cent for KW loans.

Normal maximum financing by AKA: 64 per cent of the contract value.

Normal maximum financing by KW: 76 per cent of the contract value.

Buyer credits are, in general, available only for larger projects.

PROCEDURE

Agreement between the buyer and the German exporter.

The supplier must obtain an insurance policy with Hermes-Kreditversicherungs-Aktiengesellschaft.

Suppliers are expected to send their credit application to the AKA through their commercial banks.

The buyer is to provide a first-class guarantee in his country.

Applications for buyer and supplier credits are in general submitted to KW by the supplier; however, in the case of supplier credits, through a commercial bank.

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, Hermes and the supplier's bank; and (c) the buyer and his local bank.

FEDERAL REPUBLIC OF GERMANY

SOURCES OF FINANCING IN THE
FEDERAL REPUBLIC OF GERMANY

Bayerische Vereinsbank
Kardinal-Faulhaber-Strasse 14
P.O. Box 1
8 Munich 1

Established: 1869; commercial bank.

Resources: Capital: DM120 million share capital.^{1/}
Reserves: DM237 million.

ACTIVITIES AND FUNCTIONS

Participates in consortia to raise funds for governments and other organizations of developing countries.

Finances medium-term export transactions (buyer and supplier credits).

Participates in the financing of medium- and long-term supplier credits as member of Ausfuhrkredit-Gesellschaft (AKA - Export Credit Company^{2/}).

TERMS AND CONDITIONS

Vary according to individual transaction.

PROCEDURE

Inquiries with full details should be submitted to the bank.

^{1/} US\$1 = 3.06 German marks (July 1970).

^{2/} See Federal Republic of Germany, export credits.

Berliner Handels-Gesellschaft
Bockenheimer Landstr. 10
P.O. Box 3821
D-6000 Frankfurt/Main

FEDERAL REPUBLIC OF GERMANY

Established: 1856; commercial and investment bank.

Resources: DM15 million^{1/} (share capital and reserves).

ACTIVITIES AND FUNCTIONS

Assistance in the financing of:

(a) Governments, governmental agencies (including development organizations) and municipalities by:

- (i) Floating internationally syndicated bond issues;
- (ii) Arranging private placements;

(b) Industrial projects by:

- (i) Floating internationally syndicated bond issues;
- (ii) Granting short- and medium-term loans.

Participation in the refinancing of medium- and long-term supplier credits as a shareholder of the German Ausfuhrkredit-Gesellschaft.

TERMS AND CONDITIONS

Rates of interest and maturities vary according to the requirements of the specific project. For medium- to long-term financing a government guarantee might be required.

PROCEDURE

Applications for financing are to be submitted to the bank with specification of project and financing requirements.

^{1/} US\$1 = 3.00 German marks (July 1970).

^{2/} See Federal Republic of Germany, export credits.

FEDERAL REPUBLIC OF GERMANY

Commerzbank Aktiengesellschaft
Grosse Gallusstrasse 17-19
D-6000 Frankfurt/Main

Established: 1870; commercial bank.

Resources: Capital: DM350 million^{1/} (share capital).
Reserves: DM490 million.

ACTIVITIES AND FUNCTIONS

All banking business including the promotion of industrial development of foreign countries such as:

- (a) Granting medium- and long-term export financing for the purchase of German capital goods;
- (b) Participating, as a member of the German Ausfuhrkredit-Gesellschaft^{2/} in the refinancing of medium- and long-term supplier and/or buyer credits;
- (c) Participating in development corporations for financing industrial projects in developing countries;
- (d) Participating in underwriter consortia to raise funds in European capital markets for international, national and private development organizations.

TERMS AND CONDITIONS

Vary according to the features of the specific project.

Rates of interest and maturities vary according to the duration and size of the credit/loan and the prevailing terms of the money and capital market.

PROCEDURE

No formal procedure. An application should include a description of the project to be financed, a description of the investing company, financial statements including financial projections, expected profitability, and capital and other contributions required.

^{1/} US\$1 = 3.66 German marks (July 1970).

^{2/} See Federal Republic of Germany, export credits.

Deutsche Bank Aktiengesellschaft
Jungbuhstrasse 5-11
D-6000 Frankfurt/Main

FEDERAL REPUBLIC OF GERMANY

Established: 1870; commercial bank.

Resources: Capital: DM480 million^{1/} (share capital).
Reserves: DM820 million.

ACTIVITIES AND FUNCTIONS

All banking business including the promotion of trade relations between the Federal Republic of Germany and foreign countries.

In the export sector:

- (a) Granting medium- and long-term financing for the purchase of German capital goods;
- (b) As member of Ausfuhrkredit-Gesellschaft (Export Credit Company) participating in the financing of exports of German capital goods by supplier and/or buyer credits;
- (c) Contributing to the economic development of Africa, Asia and Latin America by participating in numerous commercial and development banks and finance corporations;
- (d) Having a leading role in managing foreign DM bond issues and in international issues for infrastructural and industrial projects including bonds of international and regional institutions.

TERMS AND CONDITIONS

Vary according to case.

Rates of interest: according to the prevailing terms of money and/or capital market.

PROCEDURE

No formal procedure. Information to be provided should include description of the project, financial requirements, financial situation of the borrower and securities.

FEDERAL REPUBLIC OF GERMANY

Deutsche Gesellschaft für
wirtschaftliche Zusammenarbeit
(Entwicklungsgesellschaft m.b.H.)
Dreier Str. 295
P.O. Box 410266
5 Köln-Lindenthal - 41

Established: 1962 by Government of Federal Republic of Germany. Private limited company owned by the Federal Republic of Germany.

Resources: Authorized capital at present: DM115 million;^{1/} government funds, various loans, own assets.

ACTIVITIES AND FUNCTIONS

Capital investment institution.

Participates in new or expanding private investments in developing countries. Range: various fields, mainly manufacturing industry (predominantly medium-sized undertakings).

Grants loans with equity features, particularly in connexion with equity participation.

Advises and establishes contacts between prospective investment partners.

TERMS AND CONDITIONS

Eligibility: private enterprises.

Invests in projects of development priority. In general only minority stock holdings. Invests only if legislation ensures protection of invested capital against state interference and transfer of capital and interests.

Loans are given in German marks.

Terms and conditions depend on specific features of the project.

PROCEDURE

No formal application procedure.

Preliminary information includes statement on nature of assistance sought (equity participation or loan with equity features), description of the project, financing requirements, market surveys.

Preparatory studies and examination precede signing of agreement between Deutsche Entwicklungsgesellschaft and recipient.

^{1/} US\$1 - 3.00 German marks (July 1970).

Deutsche Überseeische Bank
(Aktiengesellschaft)
Ballindamm 7
2000 Hamburg 1

FEDERAL REPUBLIC OF GERMANY

Established: 1886; commercial bank; principal shareholder: Deutsche Bank AG.

Resources: Capital: DM25 million.^{1/}
Reserves: DM7.5 million.

ACTIVITIES AND FUNCTIONS

All banking business including the promotion of trade relations between the Federal Republic of Germany and foreign countries, in particular Latin America; with branches in Argentina and Brazil. Furthermore participation in commercial and development banks.

Grants export credits and arranges local currency loans.

TERMS AND CONDITIONS

Vary according to case.

PROCEDURE

No formal procedure. Information should include all available details concerning the project.

FEDERAL REPUBLIC OF GERMANY

Deutsch-Südamerikanische
Bank Aktiengesellschaft
Neuer Jungfernstieg 16
P.O. Box 181
2000 Hamburg 36

Established: 1906; commercial bank; affiliate of the Dresdner Bank AG. Geographical coverage: Latin America.

Resources: Capital: DM50 million.^{1/}
Declared reserve: DM26 million.

ACTIVITIES AND FUNCTIONS

Takes equity participation in commercial and development banks and finance corporations.
Grants export credits (medium- and long-term supplier credits to German exporters).
Makes direct loans to private foreign enterprises or to affiliates of German enterprises.
Arranges local currency loans.

TERMS AND CONDITIONS

Vary according to case.

PROCEDURE

Requests providing all available information concerning the project are to be submitted to the bank.

^{1/} US\$1 - 3.00 German marks (July 1970).

FEDERAL REPUBLIC OF GERMANY

Frankfurter Bank
Neue Mainzer Str. 69-76
D-6000 Frankfurt/Main 1

Established: 1854; commercial bank.

Resources: Capital: DM36 billion^{1/}
Reserves: DM50 billion.

ACTIVITIES AND FUNCTIONS

Takes equity participations in development banks and finance corporations.

Assists in the financing of industrial projects in developing countries by:

- (a) Granting medium- and long-term financing for the purchase of capital goods of German origin;
- (b) Participating in underwriter consortia to raise funds in European capital markets for international and national development organizations;
- (c) Participating in floating bond issues for governments of developing countries.

As member of the Ausfuhrkredit-Gesellschaft (AKA - Export Credit Company^{2/}) participates in the refinancing of medium- and long-term supplier credits.

TERMS AND CONDITIONS

Very according to case and are determined individually.

PROCEDURE

Requests are to be submitted to the bank, including financing requirements and all specific information on the project.

^{1/} US\$1 = 3.06 German marks (July 1970).

^{2/} See Federal Republic of Germany, export credits.

Kreditanstalt für Wiederaufbau - KW
Palaengartenstrasse 5-9
D-6000 Frankfurt/Main

FEDERAL REPUBLIC OF GERMANY

Established: 1948 as public institution. Since 1961 in charge of implementing public capital aid to developing countries; development bank.

Resources: Capital: DM1,000 million.^{1/} Loans from Federal Government and Federal Special Funds (especially European Recovery Programme (ERP) special funds); funds raised on capital market.

ACTIVITIES AND FUNCTIONS

Grants long-term capital aid: loans for various projects including manufacturing industry (agriculture and infrastructure).

Finances long-term export transactions.

Supplier and buyer credits covered by appropriate guarantees.

Finances investments of German enterprise in developing countries.

TERMS AND CONDITIONS

Eligibility: governments, development banks, public and private enterprises.

Terms and conditions vary according to the economic situation of the recipient country and the project concerned.

Repayment period is from 15 to 30 years. Interest rate is approximately 1 to 4.5 per cent.

Loans are made only if financing is not available from other sources on reasonable terms.

Loans are generally tied to specific projects - normally cover foreign exchange costs only; part of local costs may be financed exceptionally.

Loans to development banks are made in form of global credits for several projects of small- and medium-scale enterprises.

PROCEDURE

Applications for loans are submitted by the borrower (government) to the Federal Government through diplomatic channels.

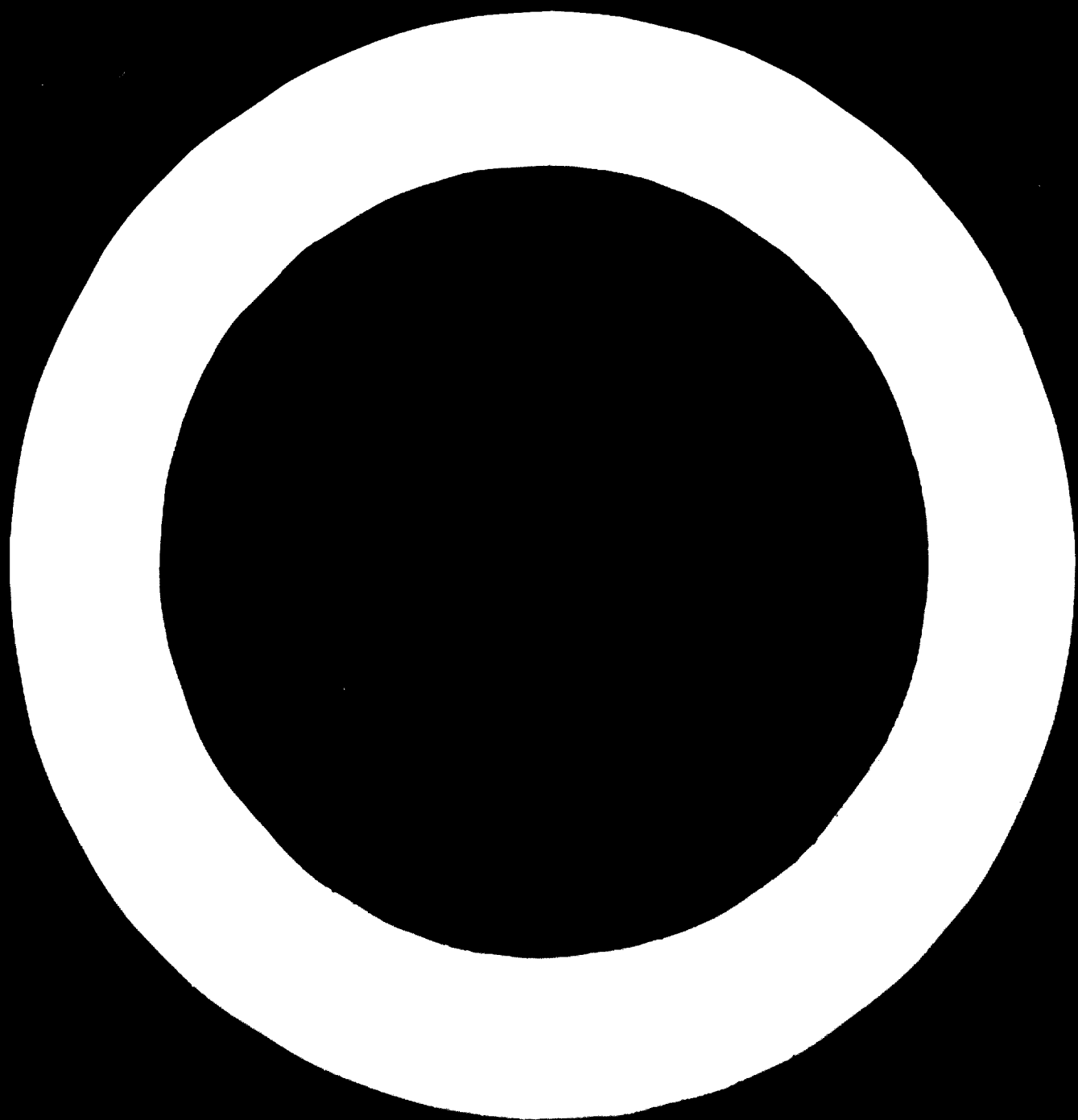
Information to be provided includes description of the project allowing technical and economic evaluation.

The Federal Government submits the loan application and connected project to the Kreditanstalt für Wiederaufbau for investigation and appraisal.

An agreement is signed between Kreditanstalt für Wiederaufbau and the recipient country or with the project sponsor.

Subsequent to disbursement of funds, the Kreditanstalt für Wiederaufbau supervises use of loan.

^{1/} US\$1 = 3.06 German marks (July 1970).



FINLAND

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods (supplier credits) are financed by Suomen Viantiluotto Oy (Finnish Export Credit Ltd.), established 1956; joint stock company, Government is major shareholder. Share capital: mk.4.5 million.]

TERMS AND CONDITIONS

Loans are made for the supply of Finnish goods and services.

The buyer is generally expected to pay 20 per cent of the value of the export contract by shipment; the remaining 80 per cent in equal annual or semi-annual instalments with no grace period.

The supplier must cover part of the credit; the Finnish Export Credit Ltd. finances only up to 85 per cent of the credit provided to the buyer.

Credits are given against sufficient securities (bank guarantees, mortgages, pledges).

Interest rate varies according to the specific transaction; normally 6 to 7.5 per cent.

PROCEDURE

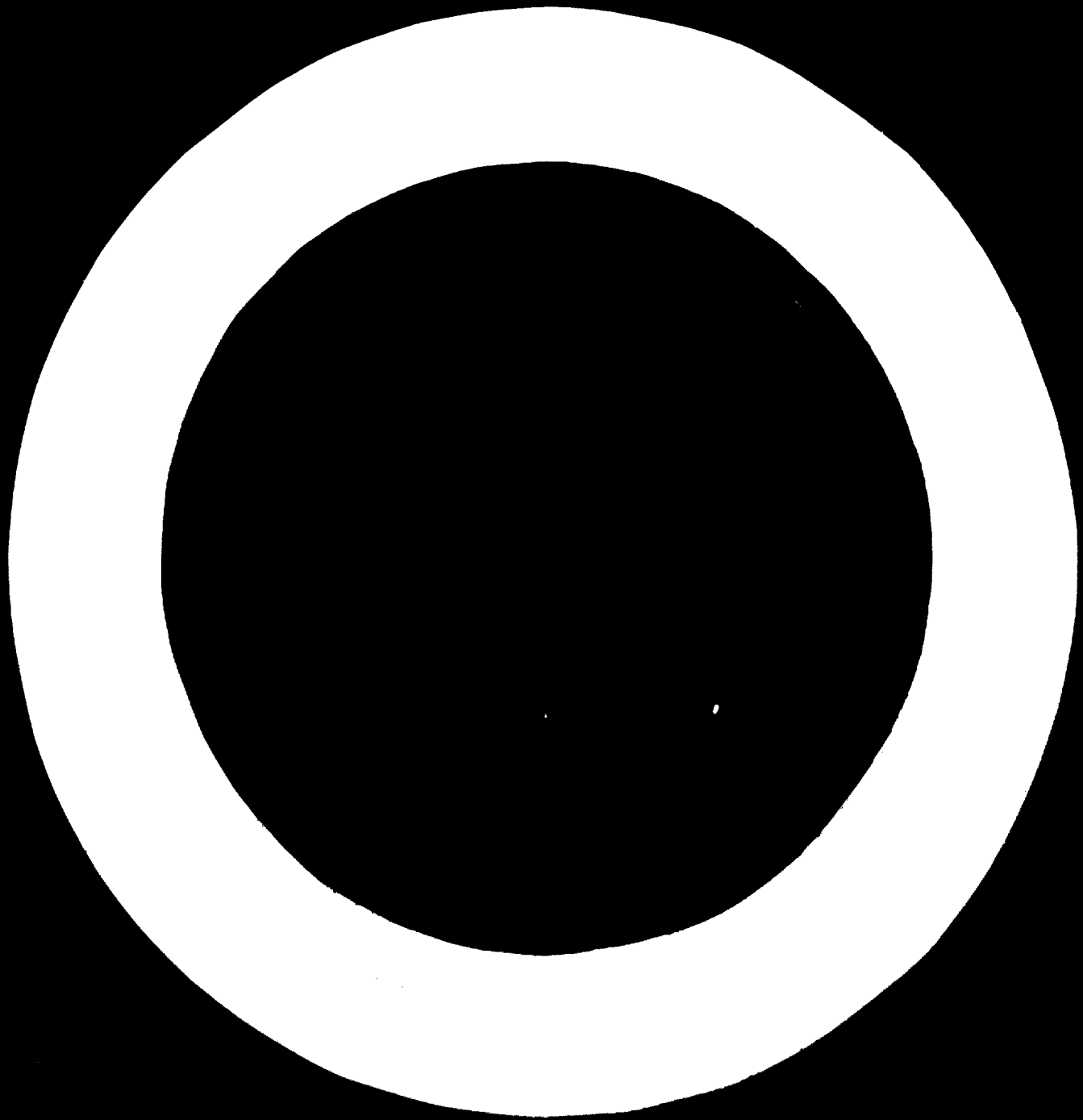
The exporter must submit a loan application containing all details on the export transaction before concluding an agreement with the buyer.

The Board of Directors decides on the financing of the business, on terms of payment etc.

The credit is disbursed on delivery of the goods or in case of financing production costs during production.

The buyer should normally contact the Finnish exporter and a commercial bank in his country.

] / US\$1 = 4.20 Finnish markka (July 1970).



EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods (supplier credits) are provided by all major French banks (banques de dépôt and banques d'affaires).

Buyer credits are provided by such banks in co-operation with the Banque Française du Commerce Extérieur (BFCE). (Maturity over eight years; amount of transaction minimum FF.25 million^{1/}).

Medium-term credits are refinanced by the Crédit National and the Groupement Interbancaire pour le Commerce Extérieur (GICEX) - pool of banks - which refinances them with the Banque de France.

Within the frame of bilateral co-operation agreements credits are refinanced by the Caisse Centrale de Coopération Economique (CCCE)^{2/}

TERMS AND CONDITIONS

Financing normally covers goods and services of French origin.

Medium-term supplier credits must be insured with the Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE). The buyer is expected to make a down payment of 20 per cent of the invoice value; the supplier is expected to finance at least 10 per cent of the credit from his own funds.

Long-term supplier credits (up to ten years) are only granted after COFACE commits itself to insure them. They must be cleared by the Ministry of Finance and are refinanced by Crédit National or GICEX.

Buyer credits are not granted for amounts less than FF.25 million. They have maturities of eight years minimum and the interest rate is about 5 to 7 per cent.

The credit contract is concluded by the buyer with the Banque Française du Commerce Extérieur (BFCE) and one or more French banks. (The loan from the banks has maximum maturity of five years - additional loan from BFCE for the portion of the credit exceeding five years.)

Credits must be insured with COFACE. As a general rule both commercial and political risks are covered. COFACE normally covers up to 80 per cent for commercial risks and up to 90 per cent for non-commercial risks.

Premium rates are determined according to the country of destination, the nature of the goods and the length of the credit.

PROCEDURE

Agreement between the buyer and the French exporter. Applications for credits can be submitted - according to the type of credit needed - by the French exporter, a foreign government, foreign institutions.

The buyer must provide a guarantee from a bank in his country (the government or central bank in some cases).

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, the Compagnie Française d'Assurance pour le Commerce Extérieur (insurance) and the French bank; and (c) the buyer and his local bank.

^{1/} US\$1 = 5.55 French francs (July 1970).

^{2/} See Sources of Financing in France, Caisse Centrale de Coopération Economique (CCCE).

FRANCE

SOURCES OF FINANCING IN FRANCE

Banque de Paris et des Pays-Bas
3, rue d'Antin
Paris 2e

Established: 1872; limited company (société anonyme); finance institution.

Resources: Capital: FF.483.8 million.^{1/}

ACTIVITIES AND FUNCTIONS

Assistance in negotiations between foreign clients and French suppliers.

Establishment of consortiums of suppliers and institutions providing financing and credit for industrial units being exported.

Direct credits to foreign buyers; supplier credits for equipment for foreign clients.

TERMS AND CONDITIONS

Eligibility: private and public enterprises, development companies.

Terms and conditions vary according to case.

A guarantee from the government of the buyer's country is normally required.

PROCEDURE

No special procedure. All requests for financing are to be submitted to the bank.

1/ US\$1 = 5.56 French francs (July 1970).

Banque de Suez et de l'Union des Mines
44, rue de Courcelles
Paris 8e

FRANCE

Established: 1966; commercial bank set-up under the form of joint-stock company after merger between the Banque de la Compagnie Financière de Suez and the banking department of the Union des Mines la Henin.

Resources: FF.39 million,^{1/} paid up by Compagnie Financière de Suez et de l'Union Parisienne and by l'Union Financière et Minière, each one half.

ACTIVITIES AND FUNCTIONS

Grants various types of credits according to needs: supplier and buyer credits.

Promotes the commercial and financial operations with foreign countries through:

- (a) The blanket credits for the financing of regular operations;
- (b) The financial co-ordination for certain important markets asking for suppliers and credit mechanisms from different countries;
- (c) Placing of credits and loans in other currencies other than the FF.
- (d) Assistance in obtaining commercial services. The Compagnie Financière de Suez et de l'Union Parisienne is also linked with le Compagnie de Pont à Mousson and the Union Financière et Minière;
- (e) Assistance in the implementation of investments, whether or not linked with commercial operations. The bank also grants financial credits complementing export credits granted in the framework of regular French procedures.

TERMS AND CONDITIONS

Differ according to case; guaranties are normally required. Beneficiaries are governmental authorities, private or public enterprises.

PROCEDURE

Varies according to the operation. Applications and financing studies are to be submitted to the bank.

FRANCE

Banque Nationale de Paris
16, bld des Italiens
Paris 9e

Established: 1966 as a result of the merger of the Banque Nationale pour le Commerce et l'Industrie (founded in 1931) and the Comptoir National d'Escompte de Paris (founded in 1848); limited company (société anonyme).

Resources: FF.325 million.^{1/}

ACTIVITIES AND FUNCTIONS

Medium- and long-term financing of export of capital goods (independent equipment, complete plants, industrial units, large units, turn-key plants, public markets etc.) and the provision of services (studies, consultancy, know-how, licences, technical assistance etc.).

Exceptionally the bank finances in the same conditions the export of durable consumer goods, small capital goods, semi-manufactures or raw materials within the framework of government assistance to certain countries with a trade deficit.

The capital goods or services in question must be of French origin, except for a certain percentage, determined case by case by the administration, of foreign subcontracting. In some cases, financing may also cover part of the expenses incurred in the country of the buyer.

TERMS AND CONDITIONS

Vary according to case.

Guarantee of the Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE) covering political risks, disaster and non-transfer and, in certain cases, risks of buyer insolvency (where a private undertaking is concerned) up to 90 per cent (in most cases) of the sum payable upon termination of the contract.

Sometimes a guarantee from a leading bank in the buyer's country (in the case of a private buyer).

Duration of financing. Supplier credits: medium-term eighteen months to five years; long-term five to ten years. Buyer credits: generally eight to ten years.

Interest rate varies according to the country of the buyer and the duration of the credit; generally between 7 and 8 per cent per year (COFACE premium included).

PROCEDURE

The procedure varies according to case. All requests for financing must be submitted to the bank.

The procedures and conditions for financing of exports to a given country can be specified in a finance agreement negotiated between the bank and an agency of the buyer country.

^{1/} US\$1 = 5.55 French francs (July 1970).

Banque Worms and Cie
45, bld Hausseann
Paris 9e

FRANCE

Established: 1848; transformed in limited company (société anonyme) in 1967.

Resources: Capital: FF.114 million.^{1/}

ACTIVITIES AND FUNCTIONS

Credits to foreign buyers or to suppliers providing financing for equipment or complete industrial units.

The bank takes care of or assists in all negotiations related to the projects between the buyers and the suppliers as well as with the various administrations or government agencies.

The bank has a specialized subsidiary CIAVE, 4 et 6, rue Galilée, Paris (16e) who acts as financial engineering and co-ordinator between all the parties concerned for the big projects that require special studies adapted to each case.

TERMS AND CONDITIONS

Eligibility: private and public companies.

Terms and conditions vary according to case.

PROCEDURE

Requests should be submitted to the bank.

^{1/} US\$1 = 5.55 French francs (July 1970).

FRANCE

Caisse Centrale de Coopération Economique - CCCE
233, bld St-Germain
Paris 7e

Established: 1941; text governing its present status - Decree of 1960. Incorporated and financially autonomous public institution. Development bank. Geographical coverage: French-speaking States of Africa south of the Sahara, Madagascar, Algeria, overseas departments and territories (geographical coverage may be extended).

Resources: Original grant: FF.25 million.^{1/}
Reserves: FF.244 million.
Treasury advances: FF.2,115 million.
Loans from the Deposit Office (Caisse des Dépôts): FF.126 million.

ACTIVITIES AND FUNCTIONS

Grants almost all its financial assistance in the form of loans.

Sometimes participates in institutions of public interest such as development banks, power companies or companies for the construction of low-cost housing.

Grants technical assistance - training of cadres.

Other functions: paying agent for the Fonds d'Aide et de Coopération, the Fonds d'Investissement des Départements d'Outre-mer and the European Development Fund; performs functions for the French Treasury; assists in the study of guarantees for foreign trade.

Various sectors are financed, especially the industrial sector.

TERMS AND CONDITIONS

Eligibility: states, development banks, other national institutions, private enterprises.

Terms and conditions vary according to the relevant agreements.

Financing is granted only for specific projects. A guarantee from the government concerned is always required.

Industrial loans are granted to development banks, national credit institutions; exceptionally, direct advances to industrial enterprises. The private enterprises contribute at least one third towards the financing of the investments.

Usual duration of the credits is from 5 to 25 years.

Interest rate is from 3.5 to 6 per cent (all commissions included).

The duration of industrial credits is from ten to fifteen years. Possibility of deferred repayment, particularly to facilitate pairing with medium-term bank credits.

Interest rate is 4.5 per cent when the credits are granted through a development bank and 5.5 per cent when the credits are granted directly to the investor (exceptional). To these rates a transaction commission of 0.5 per cent per year should be added.

PROCEDURE

As a general rule each request for financing, when it does not come from the state itself or from national institutions, is addressed to the development bank of the recipient country.

^{1/} US\$1 = 5.55 Francs franco (July 1970).

FRANCE

The request is transmitted to the Caisse Centrale so the project can be studied with respect to its profitability; its financial, economic and social implications; and its contribution to the development of the country.

The Caisse Centrale then grants the loan to the development bank, which then, on its own responsibility, lends the amount concerned to the enterprise.

The loans require the conclusion of a special loan agreement between the Caisse Centrale and the development bank.

FRANCE

CIAME
4 and 6 rue Galilée
Paris 16e

Established: 1944; private company; affiliate of Banque Worms and Cie. Also participate in equity: Banque de l'Indochine, Banque de Suez et de l'Union des Mines, and Crédit Industriel et Commercial.

Resources: Geographical zone of activities: all countries outside France and French territories. Particular emphasis on developing countries.

ACTIVITIES AND FUNCTIONS

Provides loan financing (does not take equity participation). Acts as financial engineering arranging financing for large industrial projects.

Financing may cover total cost of a project, part of it, or only supplies of equipment.

Financing is based on supplies from France and to a lesser extent from other European Common Market countries.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Projects financed must include a sizable percentage of equipment, i.e. should not cover basically only local expenses.

The borrower is expected to make a down payment of about 10 to 15 per cent of the total project cost to be paid over the construction or delivery period.

The balance is reimbursed by the buyer generally in semi-annual instalments starting after completion of the project.

Maturities: financing can extend from 5 to 10 years after completion, depending on the project, the country and other factors.

Interest: rates usually vary between 5 and 6 per cent per year, depending on the project, the country and the market rate of interest in France.

Guarantees are usually required from the buyer in a form to be agreed upon by both parties.

An operational fee is normally requested by CIAME.

PROCEDURE

Specific requests should be made to CIAME.

Compagnie Financière pour l'Outre-Mer - COFINER
13, rue Paul Valéry
Paris 16e

FRANCE

Established: 1957 by a group of French banks and is a specialized investment company serving African development; limited company (société anonyme). Geographical coverage: principally the French-speaking African countries.

The company entered into two agreements with the French Government on 15 September 1957. Under the first agreement the Government officially recognized the company as a financial company for overseas economic development and granted it exemption from taxes.

Under the second agreement, the company was granted a dividend guarantee by the Government for a period of ten years, the actual basic dividend rate being set at 4 per cent and the expiration date of the guarantee for 1969.

Resources: Capital: FF.125 million.^{1/}

ACTIVITIES AND FUNCTIONS

The financing, by capital participation, loans, bonds, guarantees, or other means, of companies and research and operating bodies carrying on their activities overseas, especially in such fields as mining, power, industry, agriculture, transport or tourism.

The establishment and financing of companies the objective of which is to study and prepare all types of projects for the establishment, extension or modification of industries or branches of industries overseas.

The financing of new enterprises from the study stage onwards.

TERMS AND CONDITIONS

Vary according to the project.

COFINER always participates on a minority basis, never investing more than 25 per cent of the capital of an enterprise, and total participation in any enterprise must not exceed 20 per cent of COFINER's capital.

PROCEDURE

All applications for financing should be submitted to COFINER.

^{1/} US\$1 - 6.66 French francs (July 1970).

FRANCE

Compagnie Générale de Participations et d'Entreprises - CEGEPAR
282, bld St-Germain
Paris 7e

Established: 1920; limited company (société anonyme).

Resources: Capital: FF.17,676,100.^{1/}

ACTIVITIES AND FUNCTIONS

CEGEPAR is a holding company with interests mainly in companies operating in French-speaking overseas States, notably Madagascar, Ivory Coast, Morocco, Cameroon and Gabon, and also in Réunion, Chad, Congo (Brazzaville), Senegal, Cambodia and the Republic of Viet-Nam.

Through affiliated companies, CEGEPAR operates in the following fields:

- (a) Agriculture: pineapples, sugar cane, rubber, tea, forestry;
- (b) Industry: food industry - sugar, rum, tinned goods and pineapple juice; the timber industry; the textile industry; public works; and the printing industry;
- (c) Commerce;
- (d) Services, such as topography and photographic surveying, engineering, and insurance broking.

CEGEPAR's participation in its affiliated companies takes the form of the investment of money in the companies, either when they are set up or when their activities are extended. Its role is generally that of promoting the study of projects within the scope of government development plans and subsequently helping to carry these projects through to completion. In these activities it may be associated with other French or European financial or industrial groups involved, or possibly with the governments themselves.

CEGEPAR also assists in arranging for the financing of the investments and operations of its affiliated companies by drawing on (a) its own financial resources as a financial establishment; (b) the funds of banks established in the countries concerned, or those of French and European banks; (c) the resources of bodies and funds, the objective of which is to provide aid for the developing countries.

Through its senior staff and specialized personnel, CEGEPAR provides for the technical and financial running of its affiliated companies at the top management level.

TERMS AND CONDITIONS

CEGEPAR receives the dividends accruing to it from its participation in its affiliated companies. It is reimbursed for expenditures incurred by it in running the companies in its group, and it receives remuneration in the form of interest and commission, at the rates normally prevailing in the financing field, in respect of financial operations carried out on its own account.

PROCEDURE

No special procedure.

^{1/} US\$1 = 5.55 French francs (July 1970).

SETILEX
64, rue de Monceau
Paris 8e

FRANCE

Established: 1968 by a group of French bank and industrial enterprises limited company (société anonyme).

Resources: FF.10 million.^{1/}

ACTIVITIES AND FUNCTIONS

The activities consist mainly in liaison participation with French industrialists in regard to French know-how and techniques.

Participation essentially takes place in capital investment of industrial companies, in all parts of production.

SETILEX can also play an advisory role in industrial promotion, make necessary economic studies, study the financing of foreign industry and establish contacts between possible investors.

TERMS AND CONDITIONS

Very according to case. In principal, SETILEX does not take any majority participation and the actual participation is fixed as to the part reserved for the French industry in the project. Participation is normally in connexion with French industrialists concerned.

PROCEDURE

The projects and demands have to be submitted to the company with the principal financial aspects. In case of necessary examinations, i.e. profitability study, cash flow, feasibility study, market study, SETILEX can charge the requestor.

^{1/} US\$1 = 5.55 French francs (July 1970).

FRANCE

Union Financière Internationale pour
le Développement de l'Afrique - UFIDA
2, avenue Hoche
Paris 8e

Established: 1962; limited company (société anonyme). Geographical coverage: French-speaking African countries south of the Sahara.

Resources: Capital: FF.1 million.^{1/}

ACTIVITIES AND FUNCTIONS

Economic and social development of West African countries. Direct or indirect assistance in the establishment and organization of enterprises. Preparation and selection of industrial projects.

Location of possible entrepreneurs and capital. Arranging of financing. Undertaking of negotiations up to the stage of the establishment of companies and the launching of their activities.

TERMS AND CONDITIONS

Vary according to the nature of the project and are determined individually.

PROCEDURE

No special procedure. All requests for information should be addressed to UFIDA.

HUNGARY

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods:

State credits: granted within the framework of bilateral co-operation agreements.

Commercial credits: Provided by the foreign trade organizations; each organization specializes in a particular category of goods. Provided by individual industrial enterprises.

Credits are refinanced by the National Bank of Hungary within the over-all frame of the national development plan on the basis of instructions from the Ministry of Finance and the Ministry of Foreign Trade.

TERMS AND CONDITIONS

State credits: Conditions as determined by the agreement. Rate of interest is 2.5 per cent; maturities up to ten years depending on the nature of goods.

Credits are normally repayable within the frame of clearing agreements; i.e. repayment is practically made with export goods.

Commercial credits: Conditions vary according to project. Rate of interest is generally 4.5 to 6 per cent.

The buyer is expected to provide a guarantee from a reliable bank in his country.

The credit may be insured with the Hungarian State Insurance Company (Állami Biztosító).

The buyer is expected to make a down payment of about 20 per cent of the contract value at signing of the contract or on delivery.

Repayment of the credit is normally carried out within the frame of clearing agreements; i.e. repayment is practically made with export goods.

PROCEDURE

State credits: bilateral government agreements.

Commercial credits: Contacts are to be established between the buyer and the foreign trade organizations or other authorized suppliers.

Negotiations are carried out directly between the buyer and the organizations. The organizations obtain a licence from the Ministry of Foreign Trade, normally consult the National Bank of Hungary (Magyar Nemzeti Bank) on banking questions, and, if required, obtain credit insurance from the Hungarian State Insurance Company (Állami Biztosító).

HUNGARY

Foreign trade organizations
in Hungary^{1/}

CHEMOKOMPLEX

Budapest VI., Népköztársaság utja 64.
Letters: Budapest 62, P.O.B. 141
Phone: 316-720, 116-470
Cables: CHEMOKOMPLEX Budapest
Teleprinter: 264

Hungarian Trading Company of Machines and
Equipment for the Chemical Industry

ELEKTROIMPEX

Budapest V., Mádor utca 21.
Letters: Budapest 62, P.O.B. 296
Phone: 126-620
Cables: ELEKTRO Budapest
Teleprinter: 969

Hungarian Trading Company for Telecommunication
and Precision Goods

"GÁBOR ÁRON"

Head Office: Budapest VIII., Asztalos Sándor utca 9.
Letters: Budapest 70, P.O.B. 29
Phone: 137-870
Cables: ÉLBERGÉP, Budapest
Teleprinter: 0401
Plants: Budapest, Győr, Pécs

Machine Factory of the ÉBGV Works

GANZ MÁVAG

Budapest VIII., Könyves Kálmán körút 76.
Letters: Budapest 70, P.O.B. 136
Phone: 335-950
Cables: GANZ-MÁVAG Budapest
Teleprinter: 532

Locomotive and Railway Carriage Manufacturers,
Mechanical Engineers

FERUNION

4, Mérleg utca, Budapest V.
Letters: Budapest 53, P.O.B. 190
Telephone: 188-910
Cables: FERUNION Budapest
Telex: 513

Hungarian Trading Company for Technical Goods
(tools, agricultural tools, abrasive materials,
building materials.)

MEASURING INSTRUMENTS WORKS GANZ

Budapest V., Október 6 utca 7.
Export Department
Letters: Budapest 5, P.O.B. 577
Phone: 113-252
Cables: GANZMETER Budapest
Teleprinter: 698 /Ganzmeter/

HUNGARIAN SHIPYARDS AND CRANE FACTORY GANZ

Budapest XIII., Váci ut 202.
Letters: Budapest 62, P.O.B. 200
Phone: 200-800
Cables: SHIPANDCRANE Budapest
Teleprinter: 3600

^{1/} This is not intended to be an exhaustive list.

HUNGARY

MEDICOR WORKS

Budapest XIII., Váci ut 48/e-f.
Letters: Budapest 62, P.O.B. 150
Phone: 495-130
Cables: MEDICOR Budapest
Teleprinter: 466

X-ray and other medical equipment

METRIMPEX

Budapest V., Nádor utca 21.
Letters: Budapest 62, P.O.B. 202
Phone: 126-620
Cables: INSTRUMENT Budapest
Teleprinter: 677

Hungarian Trading Company for Instruments

EXPORTS

PANNONIA

26, Bajza utca, Budapest VI.
Letters: Budapest 62, P.O.B. 354
Telephone: 228-850
Cables: PANNONIA Budapest
Telex: 674

Export Company of the "CSEPEL" Steel and Metal Works
(special-purpose metallurgical materials, welding electrodes, steel tubes, fittings, domestic and industrial sewing machines).

MOGÜRT

Budapest VI., Banczur utca 13.
Letters: Budapest 62, P.O.B. 249
Phone: 229-039
Cables: MOGÜRT Budapest
Teleprinter: 503

Hungarian Trading Company for Motor Vehicles

NIKEX

Budapest V., József Nádor tér 5/6.
Letters: Budapest 5, P.O.B. 128
Phone: 183-880
Cables: NIKEXPORT Budapest
Teleprinter: 601

Hungarian Trading Company for Products of Heavy Industry

RÁBA

Foreign Trade Department, Cyör
Phone: 14-700 /Cyör/
Cables: RÁBA, Cyör
Teleprinter: - 42256

Hungarian Railway Carriage and Machine Works, Cyör

8081 - 42256 - Austria
61 - 42256 - GFR
035 - 42256 - Switzerland
35 - 42256 - other countries

Foreign Trade Department, Budapest VI.,
Népköztársaság u. 113.
Phones: 424-331, 424-850
Cables: RÁBA Budapest
Teleprinter: 704

TECHNOINPEX

Budapest V., Dorottya u. 6.
Letters: Budapest 62, P.O.B. 183
Phones: 184-858
Cables: Technopex Budapest
Teleprinter: 985

Hungarian Machine Industries Foreign Trade Company

HUNGARY

METALIMPEX

6, Dorottya utca, Budapest V.
Letters: Budapest 62, P.O.B. 330
Telephone: 183-870
Cables: METALIMPEX Budapest
Telex: 455

Hungarian Foreign Trading Company for Steel and Metals

TRANSELEKTRO

60, Népköztársaság utja, Budapest VI.
Letters: Budapest 62, P.O.B. 377
Telephone: 120-790
Cables: TRANSELEKTRO Budapest
Telex: 680

Hungarian Trading Company for Electrical Equipment and Supplies

(single and three-phase a.c. motors and generators, d.c. motors and generators, motors for special purposes, power and lighting transformers, complete high-voltage transmission lines, electric installation materials, electric hand tools).

UNITED INCANDESCENT LAMP AND ELECTRICAL COMPANY LTD.

77, Váci ut, Budapest IV.
Letters: Ujpest 4
Telephone: TUNGSRAM Ujpest
Cables: TUNGSRAM Ujpest
Telex: 682

Incandescent lamps, material for the manufacture of incandescent lamps, radio and TV tubes, fluorescent lamps and accessories, phototubes, vacuum-technical machines, semi-conductors.

KOMPLEX

Budapest VI., Népköztársaság utja 10.
Letters: Budapest 5, P.O.B. 53
Phone: 117-010, 118-050
Cables: SHIPANCRANE Budapest
Teleprinter: 3600

Hungarian Trading Company for Factory Equipment

EXPORT CREDITS

STRUCTURE

Credits for financing export of capital and engineering goods and services on deferred payment basis are provided by:

- (a) Approved commercial banks (p.93) authorized to deal in foreign exchange. These have refinancing facilities under the scheme of the Industrial Development Bank of India (IDBI) for refinancing of medium-term export credits.
- (b) IDBI, under its scheme introduced in December 1968 for direct financial assistance to exporters in participation with licensed scheduled banks authorized to deal in foreign exchange.

IDBI is a public institution, established in July 1964 under an Act of Parliament, a wholly owned subsidiary of the Reserve Bank of India. Authorized capital: Rs.500 million. Address: Reserve Bank Building, Post Box No. 1241, Bombay 1.

The business of the Refinance Corporation for Industry Ltd, set up in 1958 to provide refinancing assistance for industrial loans and medium-term export credits, was taken over by the IDBI in September 1964.

TERMS AND CONDITIONS

Refinancing of medium-term export credits: the scheme covers refinancing to the full extent of term loans sanctioned for financing the export of capital and engineering goods and financing for the overall cost of construction projects executed abroad by India concerns, where the bulk of the construction contracts constitute equipment, material, services etc. of Indian origin. (For a list of goods eligible for the facilities under this scheme see p.94.)

Loans eligible for refinancing should relate to exports against firm contracts and should normally be covered by appropriate policies of the Export Credit and Guarantee Corporation Ltd (ECGC).

The credits should be for periods longer than six months; the maximum period, which is ordinarily five years, may be extended up to seven years in deserving cases and up to ten years in exceptional cases.

Normally, cash payment to the extent of 10 to 20 per cent of the value of contract or a letter of credit or a bank guarantee providing for payment to that extent should be obtained from or on account of the importer.

Refinancing of export credits is provided at a concessional rate of 4.5 per cent per year. Eligible banks are not permitted to charge exporters more than 6 per cent per year. Scheme for direct financial assistance: the IDBI, in appropriate cases, enters into participation arrangements with approved banks (Annex 1) for providing term financing and guarantee facilities to industrial concerns both in the public and the private sectors, exporting capital and engineering goods and services on a deferred payment basis. The scheme covers export credits, during both pre-shipment and post-shipment stages, for periods longer than six months; the maximum period will depend upon the merit of the proposal.

The extent of IDBI's participation will be settled by discussion between the IDBI and the participating banks.

The risk with respect to export credits, guarantee facilities and securities will be shared pro rata between IDBI and the participating banks.

Every transaction requires coverage by appropriate insurance/guarantee covers of the ECGC.

INDIA

IOBI will normally charge 4.5 per cent per year on its portion of the export financing and the participating bank will have the discretion to charge its own rate of interest, subject to the ceiling rate stipulated by the Reserve Bank of India. Guarantee commission will be charged at 1 per cent per year by both the IOBI and the participating banks.

PROCEDURE

The usual documents are required. The precise nature of the documents varies according to the terms and conditions of the contract between the foreign buyer (importer) and the Indian exporter.



Banks in India which are authorized dealers in foreign exchange, eligible for refinancing facilities for medium-term export credits

- Allahabad Bank*
- The American Express International Banking Corporation
- The Andhra Bank Ltd
- Bank of America National Trust and Savings Association
- Bank of Baroda*
- Bank of India*
- Bank of Maharashtra*
- The Bank of Tokyo Ltd
- The British Bank of the Middle East
- Canara Bank*
- Central Bank of India*
- The Chartered Bank
- Banque Nationale de Paris
- Dena Bank*
- The Eastern Bank Ltd
- First National City Bank
- The Hongkong and Shanghai Banking Corporation
- Indian Bank*
- Indian Overseas Bank*
- Mercantile Bank Ltd
- The Mitsui Bank Ltd
- National and Grindlays Bank Ltd
- National Bank of Pakistan
- Algemene Bank Nederland N.V. (General Bank of the Netherlands)
- Punjab National Bank*
- State Bank of Bikaner and Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Indore
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Saurashtra
- State Bank of Travancore
- Syndicate Bank*
- Union Bank of India*
- United Bank of India*
- United Commercial Bank*

* Nationalized on 19 July 1960.

INDIA

Exportable items eligible for refinancing

A. Capital goods

Sugar mill machinery (including Khandasari machinery)
Textile mill machinery
Jute mill machinery
Oil mill machinery
Shoe-making machinery
Tea machinery
Flour mill, rice, Dal machinery
Printing machinery
Paper-making machinery
Woodworking machinery
Fertilizer plant and equipment
Water treatment plant

B. Producer goods

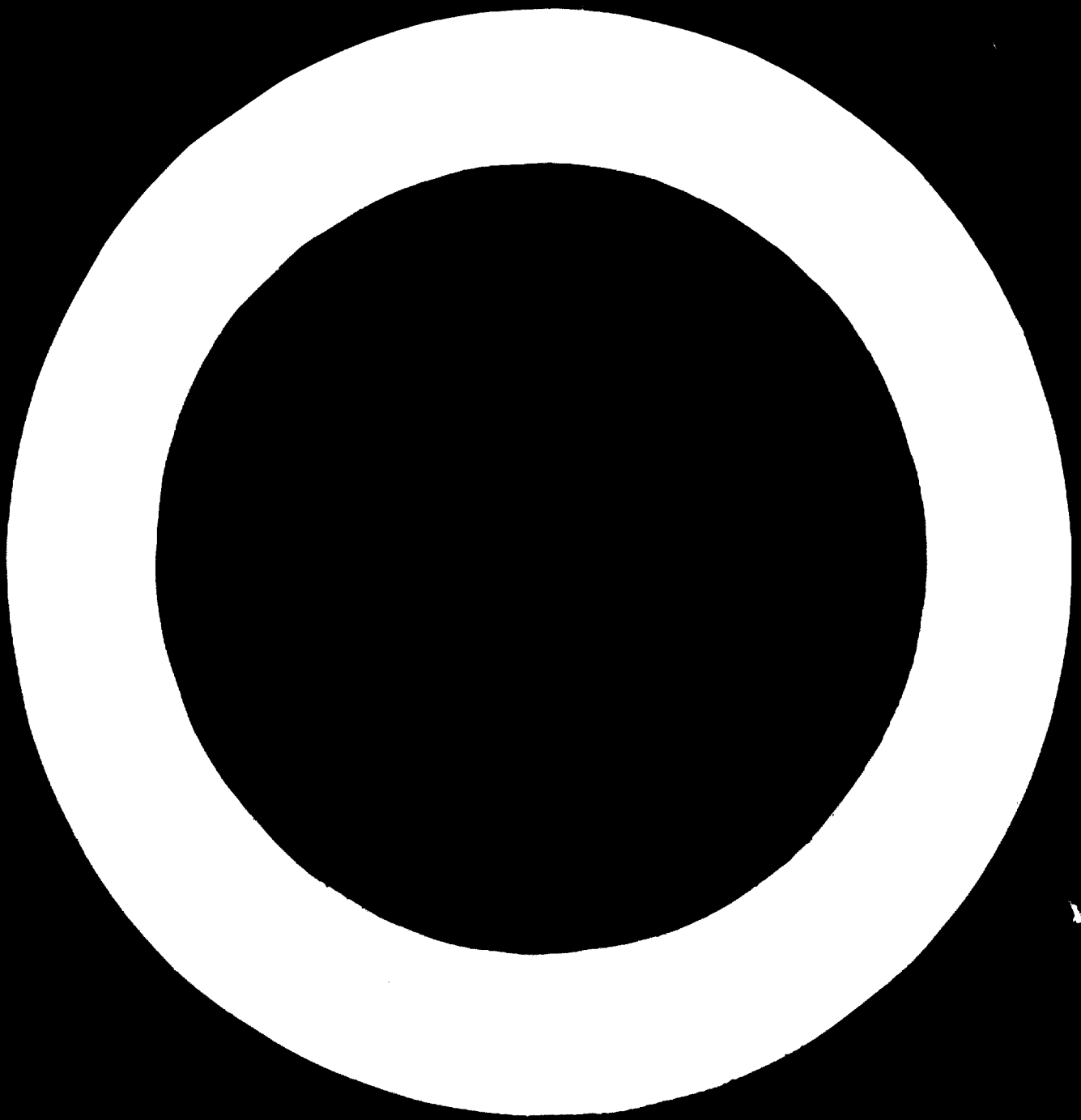
Electric Motors
Transformers (power and distribution)
Generators
Switch-gears
Industrial switchboards and control panels
Circuit breakers
Air-brake switches
Telephones
Telephone switchboards and telegraphs
Gas plants
Benzole turbine pumps
Diesel engines
Buses, bus body kits, motor vehicles and chassis
Transmission line towers
Sub-station structures and railway electrification structures
Structural fabrications such as bridges, factory sheds and buildings
Lathes
Steel billets
Steel rails
Centrifugal pumps
Vehicular trailers and auto parts
Tools - hand and machine
Agricultural implements
Gas cylinders
Railway track fittings
Steel tanks
Weighing scales
Oil expellers
Railway signalling equipment
Tubular poles and accessories
Tipping wagons and railway wagons
Tar boilers



C. Consumer goods

- Sewing machines and parts
- Cycles - parts and accessories
- Electric refrigerators, air-conditioners and water coolers
- Electric fans
- ACSR conductors and copper conductors
- X-ray electro-medical equipment and hospital equipment

D. Other goods for which the exemption under Rule 6 of the Foreign Exchange Regulation Rules, 1952, has been granted for an initial period exceeding six months.



ITALY

EXPORT CREDITS

STRUCTURE

Export credits are financed according to the provisions of the Banking Act of 1936 and the laws of 1952 and 1967.

Short-term credits (supplier credits up to one year) are financed by the commercial banks.

Medium- and long-term credits are granted by special credit institutions including Istituto Mobiliare Italiano (IMI), Ente Finanziario Interbancario (Efibanca), Banca di Credito Finanziario (Mediobanca), Istituto di Credito per le Imprese di Pubblico Utilità, Banca per Finanziamento a Medio Termine (Interbanca), Regional Credit Institutions, Banco di Napoli, Banca Nazionale del Lavoro.

Medium- and long-term credits are refinanced with Mediocredito Centrale (Government institution, established 1962).

Resources: Lit.208,503 million;^{1/} endowment fund provided by the Government and credits assigned by the Ministry of the Treasury.

Types of credits available: (a) medium-term credits for the acquisition of Italian goods and services (supplier credits); (b) long-term supplier credits; (c) financial credits.

TERMS AND CONDITIONS

Medium-term supplier credits: one to five years. Long-term supplier credits: five to ten years.

Financial credits (not exceeding ten years): to governments, public entities and private firms for the purchase of Italian goods and services; to governments and central banks "for the economic support and development of the said countries" (Law of 1967 - not necessarily tied to purchase of Italian goods).

All supplier credits (in excess of one year) must be approved by the Ministry of Foreign Trade.

Financial credits must be authorized by the Ministry of Foreign Trade in agreement with the Ministry of the Treasury.

Interest rate for long-term export credits granted by special credit institutions and financial credits is 5.9 per cent. Additional cost - insurance premium.

The buyer is normally required to make a down payment of 20 per cent of the value of the contract. A guarantee from a bank in the buyer's country is normally required.

Export credits are insured with the Istituto Nazionale delle Assicurazioni (INA), an autonomous government institution. In general, insurance coverage does not exceed 90 per cent of the credit (non-government financial credits: 95 per cent). For credits of significant political and/or economic importance, coverage up to 100 per cent.

PROCEDURE

Agreement between the buyer and the Italian exporter.

The exporter must obtain a credit insurance with INA.

Applications for financing must be submitted to one of the credit institutions.

The buyer should establish contact with a bank in his country to secure the guarantee.

Financial credits to governments: bilateral government contacts and negotiations require establishment of agreement.

^{1/} US\$1 = 625 Italian lire (July 1970).

ITALY

SOURCES OF FINANCING IN ITALY

Banca Nazionale del Lavoro
Via Vittorio Veneto 119
P.O. Box 2385 A.D.
Rome

Established: 1913; credit institute by public law.

Resources: Capital: Lit.40 billion.^{1/}

ACTIVITIES AND FUNCTIONS

The commercial bank grants short-term credits (one year).

Although the Autonomous Section, the bank grants credits at medium terms for financing exports and services of Italian origin (supplier credits).

The bank intervenes in financing credits granted directly to developing countries by EFIBANCA^{2/} associated with Banca Nazionale del Lavoro.

The bank participates in different sectors, mainly in banks and financial societies.

TERMS AND CONDITIONS

Vary as to case.

(For supplier credits see Export Credits, Italy.)

PROCEDURE

(For supplier credits see Export Credits, Italy.)

All requests for financing have to be submitted to the bank.

^{1/} US\$1 = 625 Italian lire (July 1970).

^{2/} See EFIBANCA.

Banco di Napoli
177-178 Via Roma
Naples

ITALY

Established: 1539; commercial bank. Public Law Credit Institution.

Resources: Capital and reserves: Lit.54.6 billion.^{1/}
Special reserve: Lit.34.8 billion.

ACTIVITIES AND FUNCTIONS

The Division for Industrial Credits of the bank, among other activities:

- (a) Grants loans for financing exports and services of Italian origin (supplier credits);
- (b) Grants loans for financing imports and services of Italian origin (buyer credits);
- (c) Participates in granting bilateral credits to governments of developing countries for the improvement of their economic monetary situation.

Beneficiaries for the first two: governments, development banks, public and private enterprises.

TERMS AND CONDITIONS

Vary as to case.

Supplier credits granted:

Duration: two to five years (up to seven to ten years if the additional duration is covered by Italian Credit Insurance).

Interests: 5.90 per cent per year (according to the conditions laid down by Mediocredito Centrale)

Buyer credits and financial credits:

Duration: ten to fifteen years.

Interest: about 5.90 per cent per year.

PROCEDURE

Requests for credits have to be submitted to the bank - Division for Industrial Credits.

Guarantee: in general, guarantee from a bank in the recipient country and government insurance coverage against "special risks" (as defined by Law Act 28/2/1967 No.131).

ITALY

Banco di Roma
Via del Corso 307
00186 Rome

Established: 1880.

Resources: Capital: Lit.40 billion.^{1/}

ACTIVITIES AND FUNCTIONS

All banking business including the promotion of industrial development of foreign countries such as:

- (a) Granting credits for financing the export of capital goods of Italian origin (supplier/buyer credits);
- (b) Participating in banking consortia for financing industrial enterprises;
- (c) Participating in the granting of bilateral credits to the governments of developing countries for the purpose of improving their economic or monetary situation.

TERMS AND CONDITIONS

Vary according to case.

PROCEDURE

No formal procedure.

^{1/} US\$1 = 625 Italian lire (July 1970).

Ente Finanziario Interbancario - EFIBANCA
5 Via di S. Nicola da Tolentino
Rome

ITALY

Established: 1939 under name of Ente Finanziamenti Industriali; joint-stock corporation; reorganized 1949.

Resources: Subscribed and paid up capital: Lit.10,000 million^{1/} (contributed by Italian public and private credit institutions; foreign financial institutions).
Reserves: Lit.6,627 million.

Main resources: time deposits, refinancing with Mediocredito.

Authorized to issue bonds to finance lending operations.

ACTIVITIES AND FUNCTIONS

Grants domestic loans. Finances export credits (Lit.83,197 million - end of 1968). Invests in equity (Italian and foreign corporations). Grants financial credits to developing countries (Lit.31,156 million for 1968).

TERMS AND CONDITIONS

Vary according to project.

Maturities: long- and medium-term.

PROBLEMS^{2/}

Financing requests must be submitted to the company.

^{1/} US\$1 - 675 Italian lire (July 1970).

^{2/} See Italy, export credits.

ITALY

Istituto Mobiliare Italiano - IMI
Via delle Quattro Fontane 121
Rome

Established: 1931; public law entity. (Special functions according to Export Credit Law, 1967).

Resources: Subscribed capital: Lit.100,000 million.^{1/}
Paid-up capital: Lit.30,000 million.
Reserves: Lit.126,412 million.
Bonds in circulation: Lit.1,995,800 million.
Foreign borrowings: Lit.148,031 million.

Refinancing with Mediocredito Centrale.

ACTIVITIES AND FUNCTIONS

Grants medium- and long-term loans to industry and public utilities (Lit.2,695 billion as of 31 March 1969).

Provides medium-term credits for the acquisition of capital goods in Italy (export credits - supplier credits).

Grants direct buyer credits - financial credits to developing countries.

Grants medium- and long-term credits to governments or central banks of developing countries (within the framework of bilateral assistance).

Participates to the capital of some international financial institutions and development banks operating in developing countries.

The total amount of export credit loans signed by IMI up to 31 March 1969 has attained 644 billion lire with the following breakdown: America 169 billion, Europe 339 billion, Asia 71 billion and Africa 65 billion.

The financial credits to developing countries have reached 143 billion lire.

TERMS AND CONDITIONS

Eligibility: public or private enterprises, entities, banks.

Terms and conditions vary according to the specific project.

Maturities for export credits are five to seven years.

Interest rate for export credits is approximately 5.9 per cent.

Credits are normally tied to the acquisition of Italian goods.

The buyer and the supplier must obtain the required import and export authorization.

Credits are insured against "special risks" by the Istituto Nazionale delle Assicurazioni (INA) on behalf of the Italian Government pursuant to a resolution by a special interministerial committee set up within the framework of the Istituto per il Commercio Estero (ICE).

PROCEDURE

For export credits the supplier must obtain a deferred-payment export authorization from the Ministry of Foreign Trade.

Agreement on the supply of goods. Request for risk insurance with ICE. A financing agreement between IMI and the supplier.

For financial credits to developing countries, bilateral government negotiations followed by agreement and insurance of the credit involved.

^{1/} US\$1 = 625 Italian lire (July 1970).

Mediobanca (Limited Company)
Via Filodrammatici 10
Milan

ITALY

Established: 1946; medium-term credit bank. (Special functions according to Export Credit Law, 1967).

Resources: Paid-up capital: Lit.16 billion^{1/} the majority of which is held by the three "Banks of National Interest" (Banca Commerciale italiana, Credito italiano and Banco di Roma) all branches of which are empowered to carry out Mediobanca's transactions.

Reserves: Lit.5,750 million.

Provision for risks: Lit.8,250 million.

ACTIVITIES AND FUNCTIONS

Grants loans on terms of more than one year (up to five to ten years) for investment programmes; financing of export credits and other medium-term financial requirements.

Participates in syndicates to underwrite and/or place bonds and shares.

As of June 1969, loans outstanding Lit.718,527 million (in addition to Lit.270,155 million to be disbursed), including Lit.238,763 million of export credits and Lit.48,590 million of loans granted to governments or central banks of developing countries under specific intergovernmental agreements.

From its inception until 30 June 1969, Mediobanca had managed syndicates to underwrite and/or place bonds for a total of Lit.2,564.3 billion of which Lit.1,555.8 billion were handled on behalf of public bodies and Lit.1,008.5 billion on behalf of joint-stock companies and foreign institutions.

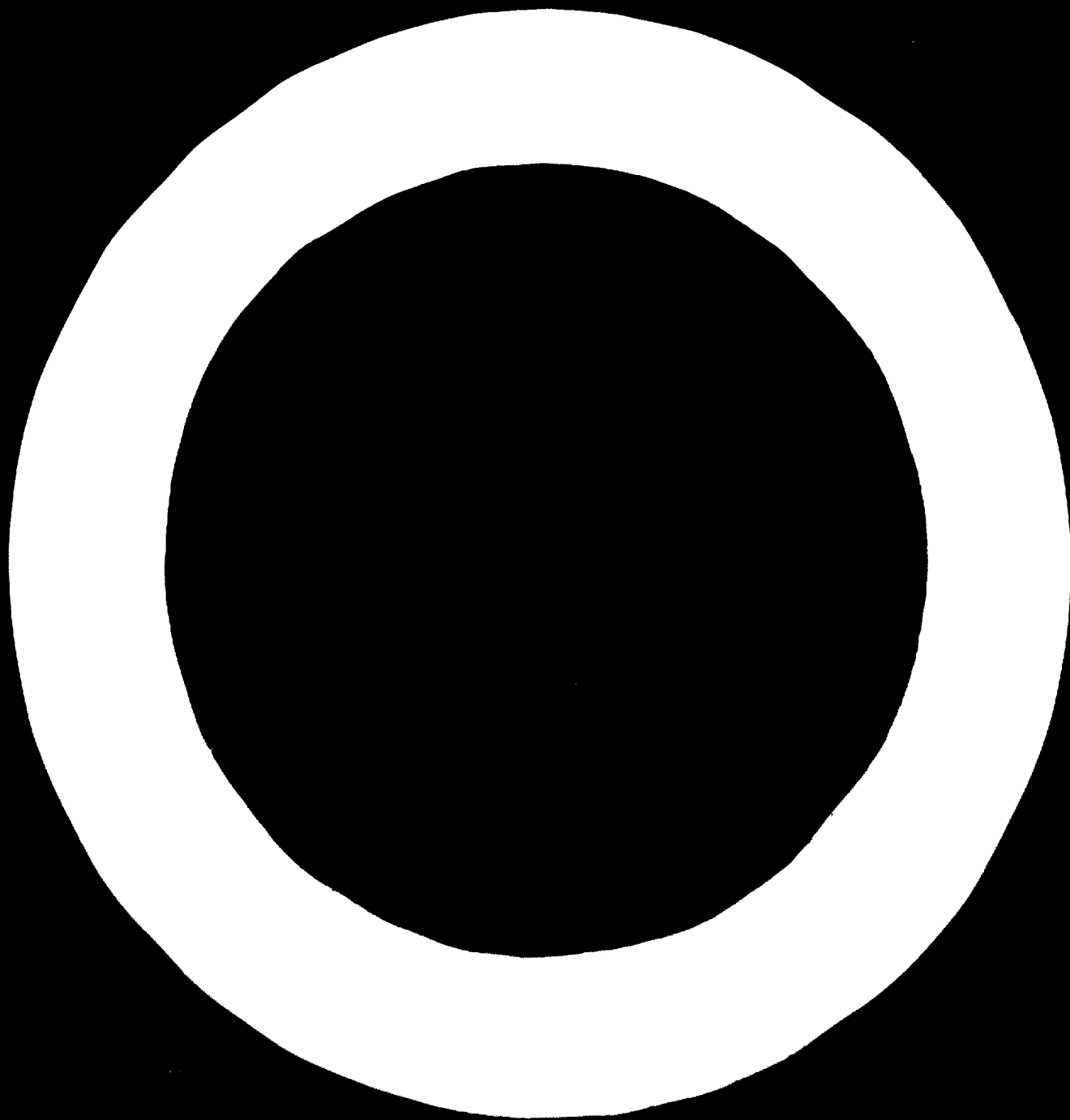
TERMS AND CONDITIONS

Eligibility: private and public enterprises (banks, industries etc.).

Terms and conditions vary according to the specific project. In the case of credits provided on "special terms", they depend on the terms authorized and facilities granted for each project by the authorities concerned.

PROCEDURE

Applications for financing should be submitted either to Mediobanca direct, or through one of the three "Banks of National Interest" indicated above.



JAPAN

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by the Export-Import Bank of Japan in co-operation with the commercial banks (Authorized Foreign Exchange Banks).

TERMS AND CONDITIONS

Financing covers capital goods and technical services of Japanese origin.

Only supplier credits are granted. The supplier must cover part of the risk; the insurance covers only up to 85 per cent of the transaction.

The buyer is expected to make a down payment of about 20 per cent of the value of the transaction.

Interest rates: Export-Import Bank - 4 to 7 per cent; commercial banks - 8.5 to 9 per cent (on the position of the credit they finance). Additional cost: insurance premium.

PROCEDURE

Agreement between the buyer and the Japanese exporter.

The supplier must submit the credit application to the Export-Import Bank through his commercial bank. The supplier must obtain credit insurance from the Export Insurance Section of the Ministry of International Trade and Industry.

The buyer must obtain a guarantee from a commercial bank in his country.

JAPAN

SOURCES OF FINANCING IN JAPAN

The Export-Import Bank of Japan
No.5, 1-chome
Ohtemachi
Chiyoda-ku
Tokyo

Established: 1950 under a special law as independent governmental financial institution.

Resources: Capital, wholly subscribed by the Government through its Industrial Investment Special Account, is ¥308,800 million^{1/} (US\$858 million) as of August 1968. Borrowings from Trust Fund Bureau of Ministry of Finance total ¥652,505 million (US\$1,813 million) as of August 1968.

ACTIVITIES AND FUNCTIONS

Makes loans to foreign governments, public agencies, private enterprises: funds for importing capital goods and technical services from Japan.

Makes loans and guarantees to domestic enterprises: export credits (supplier credits); investment loans for Japanese overseas enterprises or for Japanese-foreign joint ventures in various fields including manufacturing industries.

TERMS AND CONDITIONS

Vary according to project.

Financing is provided only when funds cannot be obtained from other sources on reasonable terms.

Maturities: foreign loans no statutory limit; export credits and investment loans, respectively, up to five and ten years in principle.

Interest rate is decided case by case, ranging usually from 4 to 7 per cent.

PROCEDURE

Foreign loans handled by Loan Dept. 3. Domestic loans usually granted jointly with commercial banks, and applications submitted through commercial banks.

^{1/} US\$1 = 360 yen (July 1970).

The Overseas Economic Co-operation Fund
OECF
No.1-1, Uchisaiwai-cho 2
Chiyoda-ku
Tokyo

JAPAN

Established: 1961 under a special law as special governmental financial institution.

Resources: Capital, wholly subscribed by the Government through its General Account Budget, is ¥82.8 billion. ^{1/}

Borrowings from Trust Fund Bureau of the Ministry of Finance total ¥49.2 billion.

ACTIVITIES AND FUNCTIONS

Gives loans to foreign governments (including government agencies) of the developing regions in order to contribute to the economic development and stabilization of their countries.

Gives loans or investments to domestic enterprises engaged jointly with local enterprises or single-handedly in development projects in developing regions.

Makes research and survey activities concerning international economic co-operation.

TERMS AND CONDITIONS

Vary according to each project.

Financing is provided only when it is considered difficult to borrow funds from ordinary financial institutions including the Export-Import Bank of Japan.

For direct loans to foreign governments, interest rate generally ranges from 3 to 4.5 per cent and the period of repayment is mostly 20 years and for loans to Japanese enterprises, interest rate ranges from 4 to 5.5 per cent and the period repayment is usually twelve years. The period of repayment ranges from five to fifteen years.

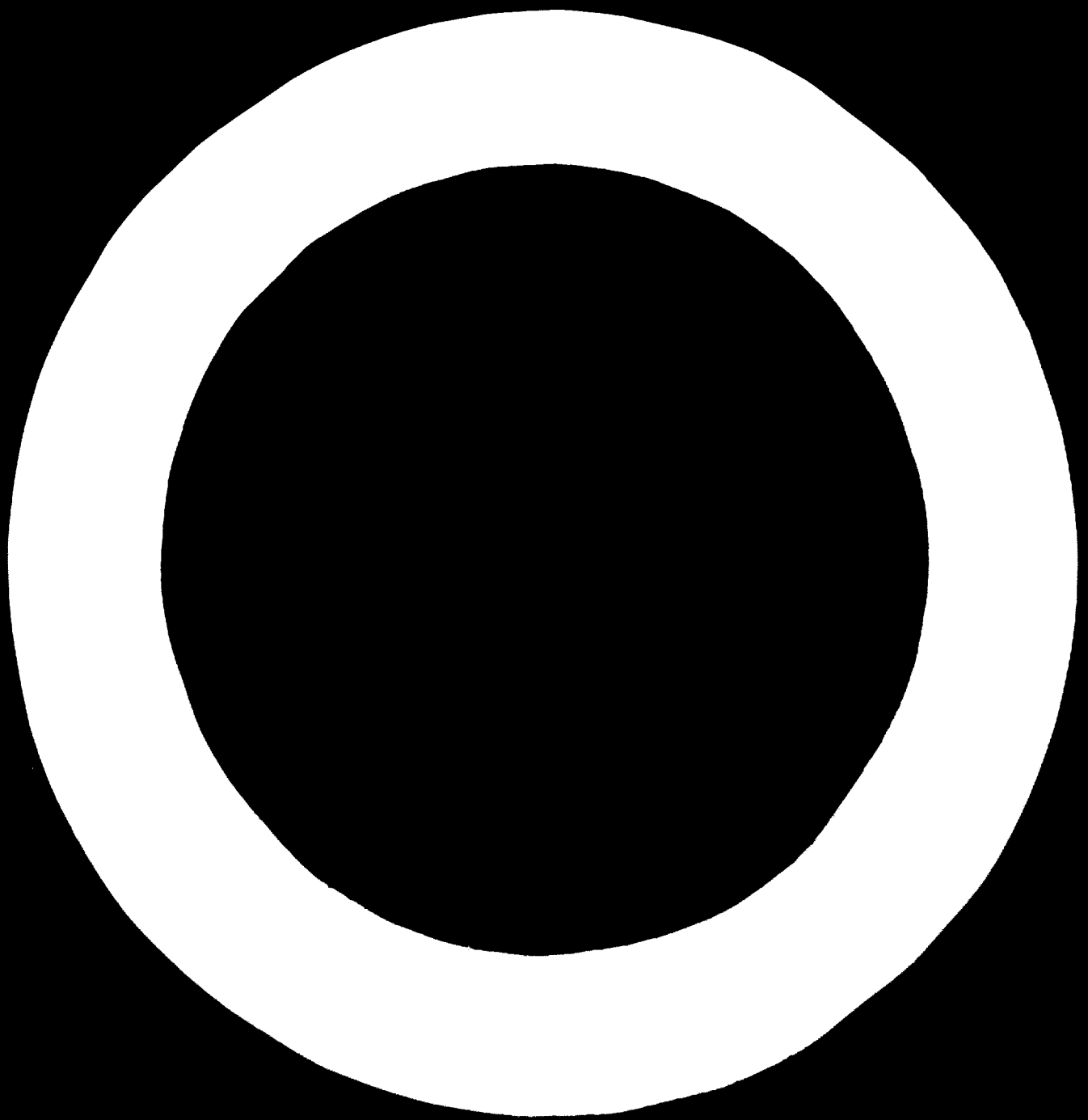
PROCEDURE

As for direct loan to foreign governments, the OECF enters into a loan agreement only after the pledge (governmental agreement) has been made by the Japanese Government to contribute certain amounts to a developing country.

In case of loans to domestic enterprises, a borrower is required to prove that his project or venture contributes to the economic development in developing regions.

Loan procedures are handled by loan department.

^{1/} US\$1 = 300 yen (July 1970).



THE NETHERLANDS

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods can, in principle, be granted by the commercial banks. In practice, such credits are financed by specialized export credit institutions:

N. V. Export-Financiering-Maatschappij (EFM), N. V. Nationale Bank voor Middellang Krediet, N. V. Maatschappij voor Krediet op Vaste Termijn. Sales of ships: medium- and long-term supplier credits are financed also by ships mortgage banks, e.g. N. V. Eerste Nederlandsche Scheepsverband Maatschappij Scheepshypotheekbank Nederland N. V.

N. V. Export-Financiering-Maatschappij was established in 1951 as a private company. Resources: loans raised on the capital market, deposits made by participating banks.

TERMS AND CONDITIONS

Financing covers goods and services of Netherlands origin (EFM: plants, equipment, ships, engineering services etc.).

Usually the buyer is expected to make a down payment averaging 20 per cent of the value of the export contract, the remaining 80 per cent constituting the export credit.

The financing institution as a rule finances the portion of the credit secured by collateral and/or the export-credit insurance policy. The policy usually offers 90 per cent at a maximum, which covers goods to 72 per cent of the value of the order contract. The supplier is thus required to finance at least 10 per cent of the credit out of his own funds.

The financing institution usually provides financing in the form of advances against the export bills as collateral and to a limited extent through the discounting of these bills.

Buyer credits are granted directly by the financing institutions to effect purchases on a cash basis.

PROCEDURE

Agreement between the buyer and the supplier.

The supplier must obtain credit insurance with the Nederlandsche Credietverzekering Maatschappij N. V. The buyer is expected to obtain a guarantee from a commercial bank in his country.

It is advisable that contacts be established simultaneously between (a) the prospective buyer and supplier (regarding terms and conditions of the contract); (b) the supplier and the financing institution (regarding the financing of the contemplated credit); and (c) the buyer and his local bank.

THE NETHERLANDS

SOURCES OF FINANCING IN THE NETHERLANDS

N.V. Export-Financiering-Maatschappij
6 Prins Mauritslaan
The Hague

Established: 1951 as a private limited company by the National Investment Bank together with the most important commercial banks in the Netherlands.

Resources: Subscribed capital: Fls.30,000,000.^{1/}
Paid-up capital: Fls.6,040,000.
Reserves: Fls.19,170,000.

Raises its working capital on the capital market.

ACTIVITIES AND FUNCTIONS

Specialized bank operating in the field of export finance. Main objective is to finance and promote export.

Operates by medium- and long-term financing of export of capital goods such as plant and equipment, and services rendered abroad by Netherlands companies such as engineering and contracting businesses.

TERMS AND CONDITIONS

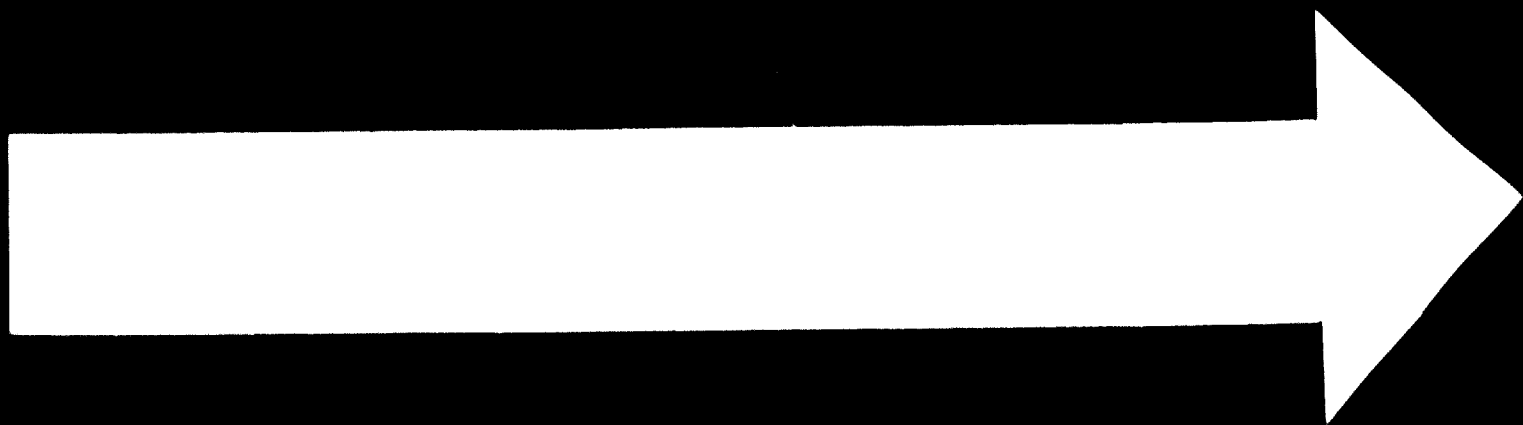
Vary according to the specific project, but are fixed in each individual case.

Maturities are normally up to ten years. Rates are lower than the market rate.

PROCEDURE

Applications must be submitted to the company.

^{1/} 1/001 = 3.62 guilders (July 1970).

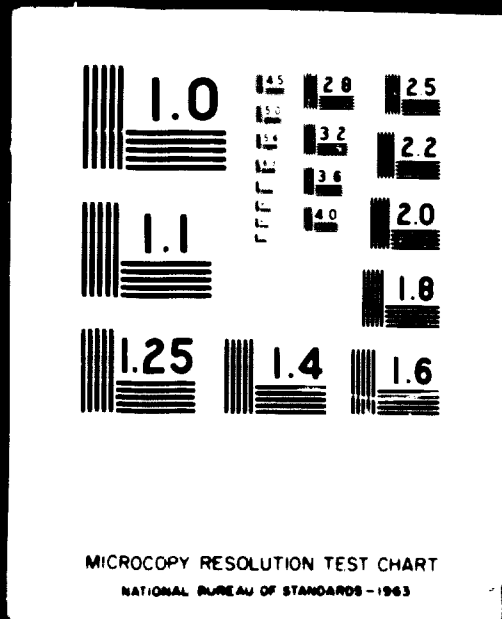


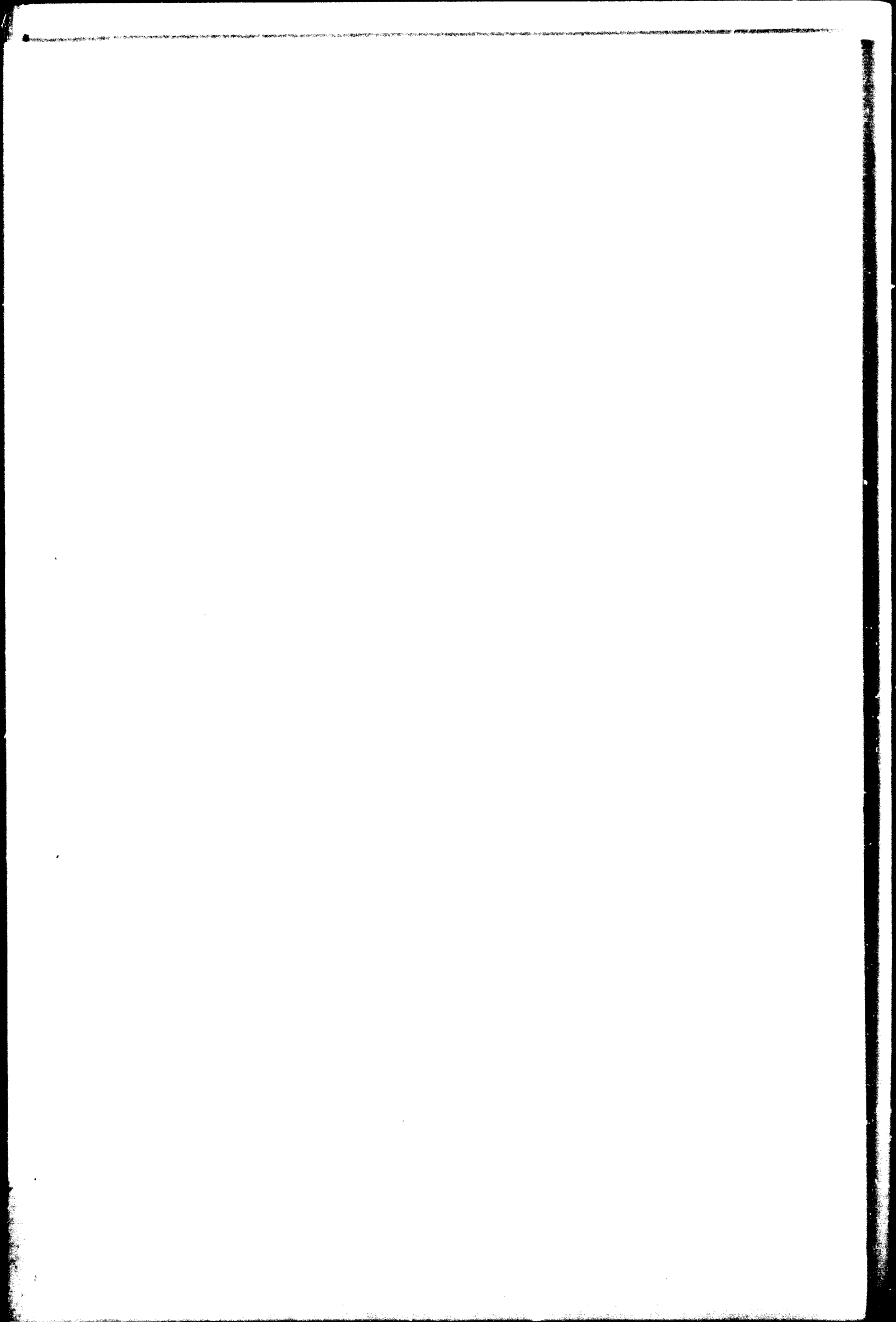
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The Netherlands Investment Bank
for Developing Countries
(De Nederlandse Investeringsbank
voor Ontwikkelingslanden N.V.)
Carnegiëplein 4
The Hague

THE NETHERLANDS

Established: 1965 as a subsidiary of The National Investment Bank of the Netherlands (De Nationale Investeringsbank (Herstelbank) N. V.); 51 per cent of shares of the latter are held by the Government.

Resources: Authorized capital: Fls. 10 million.^{1/}
Various loans, debentures, funds contributed by the State.

ACTIVITIES AND FUNCTIONS

Makes state-guaranteed loans to developing countries within the framework of consortia, consultative groups or similar set-ups, as well as for development projects in Latin America in co-operation with the Inter-American Development Bank (IADB). Range: various sectors, particularly manufacturing industries.

Eligibility: governments; in Latin America: development banks, private enterprise and government agencies.

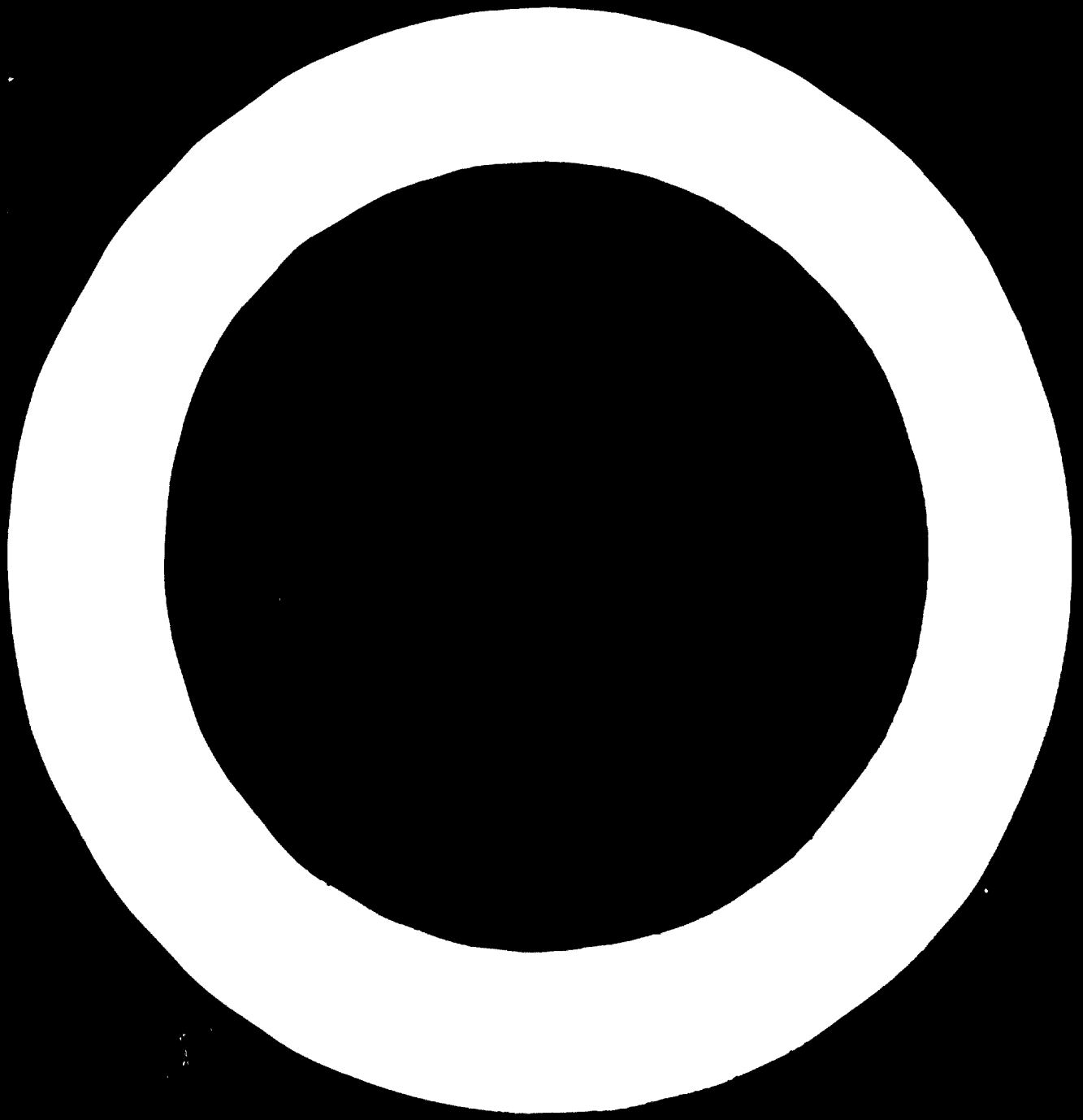
TERMS AND CONDITIONS

Interest rate is 2.5 to 6.5 per cent. Maturities are 15 to 30 years, including grace periods of 3 to 8 years.

PROCEDURE

After the pledge has been made by the Netherlands Government to contribute certain amounts to a developing country and a letter of intent from the Government has been accepted by the country concerned, The Netherlands Investment Bank for Developing Countries enters into a loan agreement.

In the case of Latin America, after the Netherlands Government and IADB have decided a project is eligible for financing under the above mentioned arrangement and the letter of intent has been accepted, the Netherlands Investment Bank for Developing Countries enters into a loan agreement with the borrower.



NORWAY

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by the Aksjeselskapet Forretningsbankenes Finansierings- og Eksportkreditt-Institutt (EKSPORTFINANS). Private institution established in 1962 by commercial banks.

Resources: Share capital Kr.25 million (US\$3.5 million);
liable loan capital Kr.12.5 million (US\$1.7 million);
may borrow up to ten times its capital on the market.

This institution may be contacted through any commercial bank in Norway.

TERMS AND CONDITIONS

Financing covers goods of Norwegian origin.

The supplier is expected to cover part of the risks; the credit insurance covers only up to 85 per cent of the transaction.

Interest rate is market rate; additional cost: insurance premium.

PROCEDURE

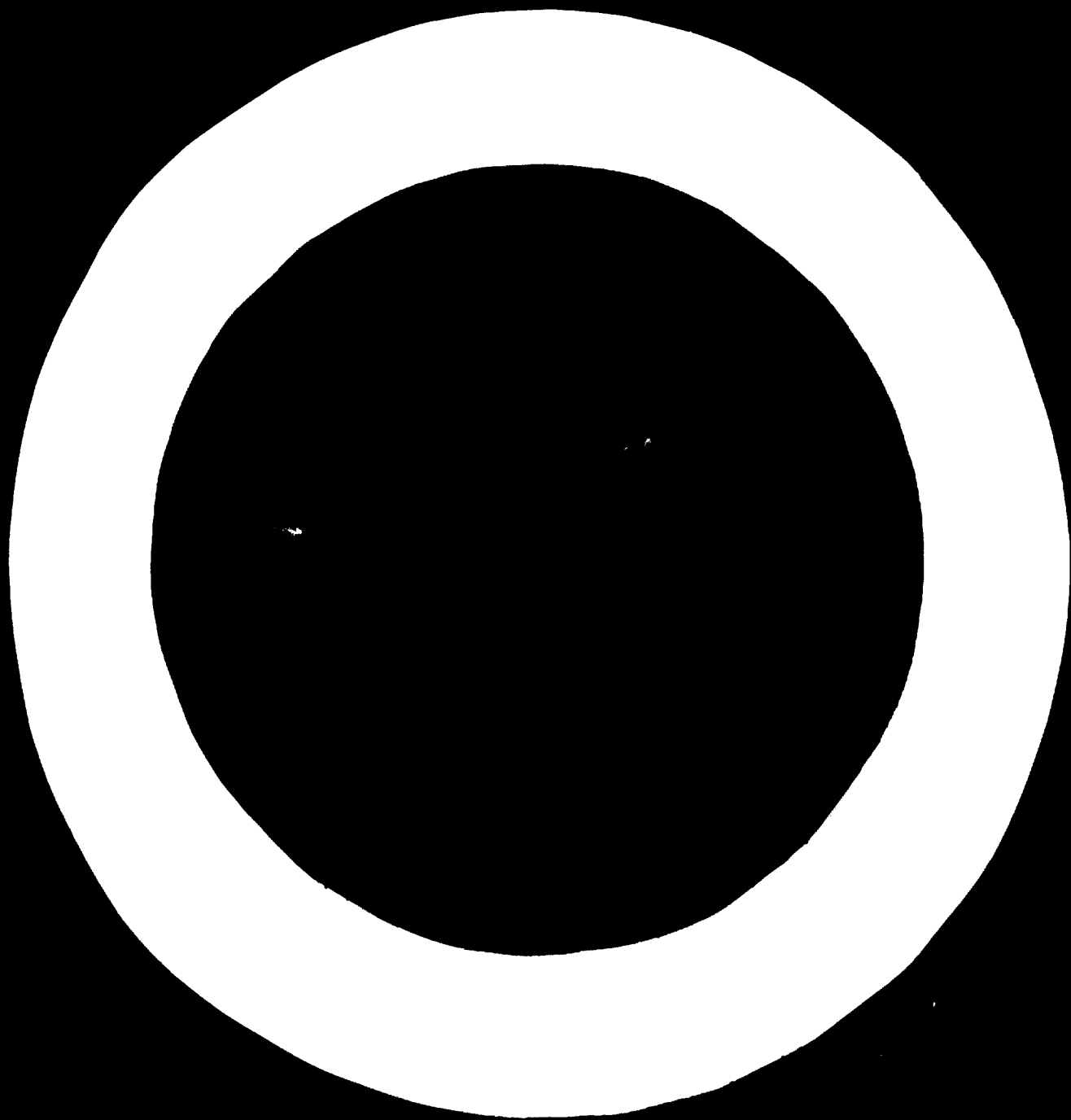
Agreement between the buyer and the Norwegian exporter, or agreement between A/S Forretningsbankenes Finansierings- og Eksportkreditt-institutt and the buyer directly.

Submission of the credit application to the A/S Forretningsbankenes Finansierings- og Eksportkreditt-institutt.

The supplier must obtain credit insurance with the Garanti-Instituttet for Eksportkreditt.

The buyer is expected to obtain a guarantee from a commercial or governmental bank in his country.

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, the Garanti-Instituttet for Eksportkreditt and the commercial bank in Norway; and (c) the buyer and his local bank.



POLAND

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods:

State credits: granted within the framework of economic co-operation agreements implemented by the foreign trade organizations.

Commercial credits:

Provided by the foreign trade organizations (autonomous legal entities with resources and budget under supervision of the Ministry of Foreign Trade). Each organization specializes in a particular category of goods.

Provided by some industrial enterprises by authorization of the Ministry of Foreign Trade.

Provided by the Bank Handlowy w Warszawie S.A. within the framework of bilateral banking agreements for the financing of goods exported by the Polish foreign trade enterprises or authorized industrial enterprises.

TERMS AND CONDITIONS

State credits: conditions as determined by the agreement. Expenditures in local currency are normally to be covered by the importing country. Interest rate is 2.5 to 3 per cent. Maturities are eight to ten years.

Repayment usually through deliveries of goods; in some cases partial payment in convertible currency.

Commercial credits: conditions vary according to project.

Credits are normally granted for export goods, in some cases also for services.

The buyer is expected to make a down payment of 10 to 20 per cent of the contract value at the time of signing the contract and another payment on delivery.

The buyer is expected to provide a guarantee from a reliable bank or other reliable credit institution in his country.

The foreign trade organizations are authorized to grant export credits for a maximum of five years (six years in the case of complete plants). Credits involving longer maturities or special payments conditions must be authorized by the Ministry of Foreign Trade. Otherwise, commercial export credits are granted without any special authorization and are merely registered with the Ministry of Foreign Trade for information purposes.

Interest rate is usually 6 per cent (never less than 4 per cent).

Repayments are made in clearing or convertible currency or in a combination of the two.

PROCEDURE

State credits: bilateral government agreements.

Commercial credits: contacts are to be established between the buyer and the foreign trade organization. Negotiations are conducted directly between the buyer and the organization or the authorized industrial enterprise.

POLAND

Foreign trade organizations in Poland^{1/}
(dealing with capital goods and related services)

BUDIMEX Warsaw	Consultants and contractors in the field of municipal and industrial construction, architecture etc.
H. CEGIELSKI Poznań	Complete marine engine plants and marine diesel engines.
CEKOP Warsaw	Complete plants and equipment for the power industry, sugar industry, building and building materials industry, electrical, engineering and shipbuilding industries.
CENTRONOR Gdańsk	Cargo, fishing and inland vessels and marine equipment.
CENTROZAP Katowice	Complete plants, mining, drilling, foundry and smelting machines and equipment.
ELEKTRIM Warsaw	Electric machinery and equipment, telecommunication and radio equipment.
KOLNEX Warsaw	Railway rolling stock and equipment, railway repair shops.
METAEXPORT Warsaw	Machine tools, textile machinery, woodworking machinery, paper making machinery, machinery for the glass, lamp and cable industries, pumps, compressors, ventilators and refrigerating plants.
METRONEX Warsaw	Industrial automation and measuring apparatus, electric, electronic and optical instruments, school aids and laboratories.
NOTOIMPORT Warsaw	Farming machinery and implements, diesel engines, aircraft and sailplanes.
POLINEX Warsaw	Contractor's plant and road building machinery, machines, equipment and complete plants for the foodstuffs and chemical industries.
POL-ROT Warsaw	Trucks, vans, trailers, passenger cars.
POLSERVICE Warsaw	Industrial consultants, services of experts, patents, licences and know-how.
VARINEX Warsaw	Designing, building supervising, and supplying equipment for hospitals, hotels, restaurants etc. Medical instruments, metal and wood-working tools.

All organizations listed are authorized to perform independent consulting services in their field and enter into contracts providing for industrial co-operation. In case of complete plants the suppliers carry out economic surveys, feasibility reports, train local personnel, assign specialists etc.

^{1/} This is not intended to be an exhaustive list.

ROMANIA

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods:

State credits: granted within the framework of bilateral co-operation agreements implemented by foreign trade organizations.

Commercial credits: provided by foreign trade organizations (autonomous legal entities with own resources and budget; supervised by Ministry of Foreign Trade); each organization specializes in a particular category of goods.

General regulations are established by the Ministry of Finance.

Banking functions related to the granting of export credits are performed by the: National Bank of the Socialist Republic of Romania (Banca Națională a Republicii Socialiste România); and/or Romanian Bank for Foreign Trade (Banca Română de Comerț Exterior).

TERMS AND CONDITIONS

State credits: conditions are determined by the agreement. Rates of interest: are negotiated; in principle 2.5 to 3 per cent. Maturities: medium- and long-term credits (five years and beyond five years according to agreements). Repayment starts after delivery of the goods or completion of the project. Repayment usually through delivery of goods.

Commercial credits: conditions vary according to the project; either the buyer is expected to make a down payment of 5 to 10 per cent of the contract value at the time of the signing of the contract and a similar payment after delivery of the goods; or the buyer is expected to provide a guarantee from a reliable bank in his country. Maturities: medium- and long-term credits (five years and beyond five years according to contracts). Rates of interest: vary with the project.

PROCEDURES

State credits: bilateral government agreements negotiated through official channels.

Commercial credits: contacts are to be established between the buyer and the foreign trade organization (directly or through the Chamber of Commerce of the Socialist Republic of Romania). The foreign trade organization obtains authorization to negotiate from the Ministry of Foreign Trade. Negotiations are conducted directly between the buyer and the foreign trade organization.

ROMANIA

Foreign trade organizations^{1/}

INDUSTRIALEXPORT
Str. Gabriel Peri 2
Bucharest

Complete plants, equipment for the oil, chemical, mining, metal-working, power, iron and steel industries.
Provides technical assistance.

MASINEXPORT
Bd. Magheru 7
Bucharest

Transport equipment, construction equipment, industrial equipment.

AUTOTRACTOR
Str. Lipsani 19
Bucharest

Tractors, agricultural machines, means of road transport.

**CHAMBER OF COMMERCE OF
THE SOCIALIST REPUBLIC
OF ROMANIA**
Bd. Nicolae Bălcescu 22
Bucharest

^{1/} This is not intended to be an exhaustive list.

SWEDEN

EXPORT CREDITS

STRUCTURE

Export credits may be financed by the commercial banks.

Supplier credits for about five years or more can also be financed by AB Svensk Exportkredit, established 1962.

Basic resources of AB Svensk Exportkredit consist of share capital of Kr.100 million,^{1/} subscribed one half by the Government, one half by commercial banks.

TERMS AND CONDITIONS

Financing by AB Svensk Exportkredit covers goods and services of Swedish origin. Credits are granted to Swedish exporters.

The basis of the credits consists of the supplier's claim on the buyer including collateral security given by the buyer.

Guarantees from the Swedish Export Credit Guarantee Board (Exportkreditnämnden) are often presented by the exporter as additional collateral. The cost and scope of such guarantees vary with the type of guarantee granted by Exportkreditnämnden.

The lending rates of AB Svensk Exportkredit consist of interest varying with the interest level in Sweden at the time the credits are granted. Since 1962 these rates have fluctuated between 5.75 and 8.25 per cent.

PROCEDURE

Agreement between the buyer and the Swedish exporter; application for credit by the exporter.

1/US\$1 = 5.17 Swedish kroner (July 1970).

SWEDEN

SOURCES OF FINANCING IN SWEDEN

Stockholms Enskilda Bank
Kungsträdgårdsgatan 8
Box 16067
S-103 22 Stockholm 16

Established: 1856; commercial and investment bank.

Resources: Capital: Kr.97.5 million.^{1/}
Reserves: Kr.210.5 million.
Equity, funds and surplus: Kr.308 million (1968).

ACTIVITIES AND FUNCTIONS

Participates in the financing of industrial projects; e.g. has been an underwriter of several bond loans and was the manager of the IBRD loan in Sweden; co-operates with international financial institutions in granting credits to industrial companies; holds equity capital in certain development banks in Latin America, Africa and Asia.

Was one of the initiators of the multinational ADELA Investment Company^{2/} with the aim of stimulating, assisting and participating in projects in the private sector in Latin America.

Was instrumental in forming the Swedish consortium for a mining venture in Liberia and is the financial agent of this venture and the Swedish consortium.

Extends its banking services to its clients in their operations in foreign countries.

A technical assistance team within the bank (TAT) provides expertise on development banking and related matters.

TERMS AND CONDITIONS

Vary according to project.

PROCEDURE

Through direct contact; officials of the bank travel frequently in developing countries; special visits upon request.

^{1/} US\$1 = 5.17 Swedish kroner (July 1970).

^{2/} See Regional Sources, Adela Investment Company, S.A.

Svenska Handelsbanken
Arsenalsgatan 11
Box 16341
S-103 26 Stockholm 16

SWEDEN

Established: 1871; commercial bank.

Resources: Capital: Kr.502 million.^{1/}
Reserves: Kr.298 million.

ACTIVITIES AND FUNCTIONS

Participates as manager and underwriter in numerous straight and convertible bond issues.

Financing of Swedish exports to and imports from developing countries. Grants short- and medium-term credit for industrial and infrastructural projects either direct or jointly with affiliated banks (Nordfinanz-Bank Zürich, Zürich, and Banque Nordique de Commerce, Paris) and international financial institutions. Among borrowers in developing countries are Swedish and local enterprises, government bodies etc.

Co-operates closely with ADELA Investment Company and with development banks in Asia, Africa and Latin America. These areas are frequently visited by the bank's regional managers.

TERMS AND CONDITIONS

Vary according to project.

For medium-term credits a guarantee from a local bank in the recipient country is normally requested. In connexion with Swedish exports a guarantee from the Swedish Export Credits Guarantee Board is normally requested.

PROCEDURE

The Swedish exporter or parent company contacts the bank for discussions of the financing. Negotiations are often initiated through the bank's resident representatives abroad.

^{1/} US\$1 = 5.17 Swedish kronor (July 1970).

SWEDEN

Skandinaviska Banken
Sergels Torg 2
10640 Stockholm

V. Hamngatan 6
405 04 Göteborg

Bruksgatan 2
Box 25
201 20 Malmö

Established: 1864; commercial bank. Three central offices as per above.

Resources: Capital: Kr.391 million.^{1/}
Reserves: Kr.266 million.

Affiliated banks: Banque Scandinave en Suisse, Geneva; Scandinavian Bank Ltd., London.

Foreign participations: Banque Ivoirienne de Développement Industriel, Abidjan; Banque Marocaine du Commerce Extérieur, Casablanca; World Banking Corporation Limited, Nassau; Industrialization Fund of Finland Limited, Helsinki; Private Investment Company for Asia S.A. (PICA), Panama; Ship Mortgage International Sweden N.V., Amsterdam.

ACTIVITIES AND FUNCTIONS

Undertakes normal commercial banking transactions and thus assists in development schemes by way of export credits. Also provides assistance in negotiations between foreign clients and Swedish suppliers.

TERMS AND CONDITIONS

Vary according to each specific case, as do rates of interest. Maturities are normally up to five years. A guarantee from the Swedish Export Credits Guarantee Board is usually requested.

PROCEDURE

No special procedure. Contact could be made with any of the bank's three central offices mentioned above as they each have separate foreign management.

Swedish International Development Authority - SIDA
Klarabergsgatan 60
105 25 Stockholm

SWEDEN

Established: 1962 as executive agency for Sweden's official bilateral development financing.

Resources: appropriations by the Swedish Parliament. Regional scope of activities: mainly India, Pakistan, countries of the East African community, Ethiopia, Tunisia and Sudan.

ACTIVITIES AND FUNCTIONS

Provides development credits for investments primarily in infrastructure and industry (among other activities covering mainly vocational training, health, technical assistance). Development credits are mainly intended for project financing. Non-project aid is occasionally extended to finance imports of capital goods and maintenance imports. Credits are also extended for re-lending through national development banks, e.g. for financing of industrial projects. Gives also commodity grants (mainly fertilizers).

TERMS AND CONDITIONS

Swedish development credits are normally granted at a 2 per cent interest rate; amortization within 25 years with ten years' grace. Still softer terms, similar to those of IDA's, are sometimes applied. Credits are not tied to Swedish procurement; free international bidding is prescribed in most cases. Direct development credit finance to specific industrial projects is not normally extended.

PROCEDURE

Bilateral government agreements.

SWEDEEN

**Sveriges Kreditbank
Norrmalmstorg 2
Box 7042
S-103 81 Stockholm**

Established: 1923; commercial bank.

Resources: Capital: Kr.158.4 million.^{1/}
Reserves: Kr.97.2 million.

ACTIVITIES AND FUNCTIONS

Extends its banking services by granting domestic loans. Finances export credits. Issues guarantees. (Supply of Swedish goods and services.)

Has participated in several underwriting and selling groups for international bond loans.

Has taken part in negotiations regarding joint financing projects of the International Bank for Reconstruction and Development in different countries together with other leading commercial banks in Sweden.

TERMS AND CONDITIONS

Vary according to project.

PROCEDURE

A Swedish company contacts the bank for discussion of the financing.

^{1/} US\$1 = 5.17 Swedish kroner (July 1970).

Skånska Banken
Södergatan 10
S-201 10 Malmö

SWEDEN

Established: 1896; commercial bank.

Resources: Capital: Kr.34 million.^{1/}
Reserves: Kr.30 million.

ACTIVITIES AND FUNCTIONS

Grants short- and medium-term credits in connexion with the supply of Swedish products to developing countries.

TERMS AND CONDITIONS

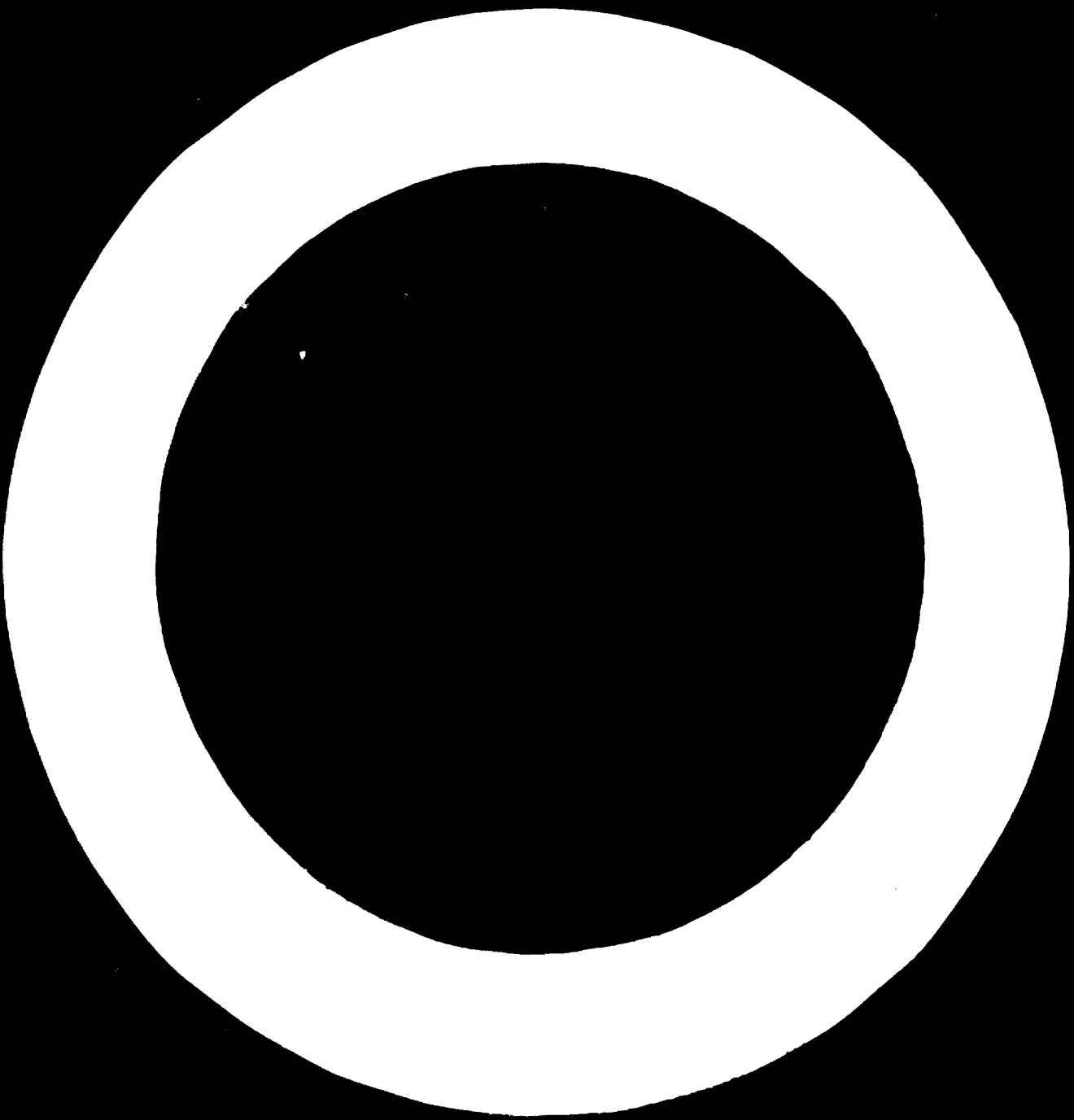
Vary according to transaction.

A guarantee from the Swedish Export Credits Guarantee Board is normally required.

PROCEDURE

The Swedish party should contact the bank for further details.

^{1/} US\$1 = 5.17 Swedish kronor (July 1978).



SWITZERLAND

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by the commercial banks; usually only medium-term supplier credits are financed. Long-term credits are granted only in exceptional cases, or as buyer credits within the framework of bilateral agreements between the Swiss Government and the government of a developing country (transfer or "blanket" credits).

TERMS AND CONDITIONS

Financing covers goods and services of Swiss origin.

The buyer is normally required to make a down payment of about 15 to 30 per cent of the invoice value. A government insurance policy is normally required. A guarantee of the central bank or a commercial bank in the buyer's country is usually required.

The supplier must cover part of the risk; the insurance covers only up to 85 per cent of the transaction. (Only non-commercial risks are covered.)

Interest rate is the market rate. Additional cost: insurance premium.

PROCEDURE

Agreement between the buyer and the Swiss exporter.

The supplier must obtain insurance with the Bureau pour la Garantie contre les Risques à l'Exportation (political risks), or the Eidgenössische Versicherung-Aktiengesellschaft (commercial risks only).

It is advisable that contacts be established simultaneously between (a) the buyer and the Swiss supplier; (b) the supplier, the insurance institute and the commercial bank; and (c) the buyer and the commercial bank in his country.

SWITZERLAND

SOURCES OF FINANCING IN SWITZERLAND

Schweizerischer Bankverein
(Swiss Bank Corporation)
Aeschenvorstadt 1
Basel

Established: 1872; commercial bank. Head Office in Basel, with branches in numerous Swiss cities.
Affiliates: Banque Américano-Franco-Suisse pour le Maroc, Casablanca; international Financing Company Ltd, Basel; Basler Handelsbank, Beteiligungs- und Finanzgesellschaft, Basel; Société Financière Italo-Suisse, Geneva.

Resources: Share-capital: Fr. 330 million.^{1/}
Reserves: Fr. 436 million.
Total resources: Fr. 766 million.

ACTIVITIES AND FUNCTIONS

Grants medium- and long-term credits for the acquisition of capital goods of Swiss origin (supplier credits and buyer credits).

Participates in raising funds for industrial projects in developing countries within the framework of bilateral agreements (blanket credits).

As a rule, in both cases the transactions must be covered by the Export Risk Guarantee of the Swiss Federal Government.

TERMS AND CONDITIONS

Vary according to the specific case, as do rates of interest.

Maturities are normally up to five years; in special cases up to twelve years, according to the character of the goods involved, but in any event not longer than the duration of the Swiss Export Risk Guarantee. Repayments must normally be made by means of equal half-yearly instalments.

PROCEDURE^{2/}

Applications should be submitted to the bank.

^{1/} US\$1 = 4.37 Swiss francs (July 1970).

^{2/} See Switzerland, export credits.

Union Bank of Switzerland
Bahnhofstrasse 45
Zurich

SWITZERLAND

Established: 1912; commercial bank.

Resources: Capital: Fr.300 million.^{1/}
Total assets 30 June 1969: Fr.21.3 billion.

ACTIVITIES AND FUNCTIONS

Grants medium-term loans for the acquisition of capital goods of Swiss origin.

Participates in - or leads consortia of Swiss banks set-up for the purpose of raising funds for projects in developing countries within the framework of bilateral agreements.

Participates in financing industrial projects in Latin America through ADELA.^{2/}

TERMS AND CONDITIONS

Vary according to case.

Rates of interest: 6 to 7 per cent per year (according to the duration of the loan and the risks involved).

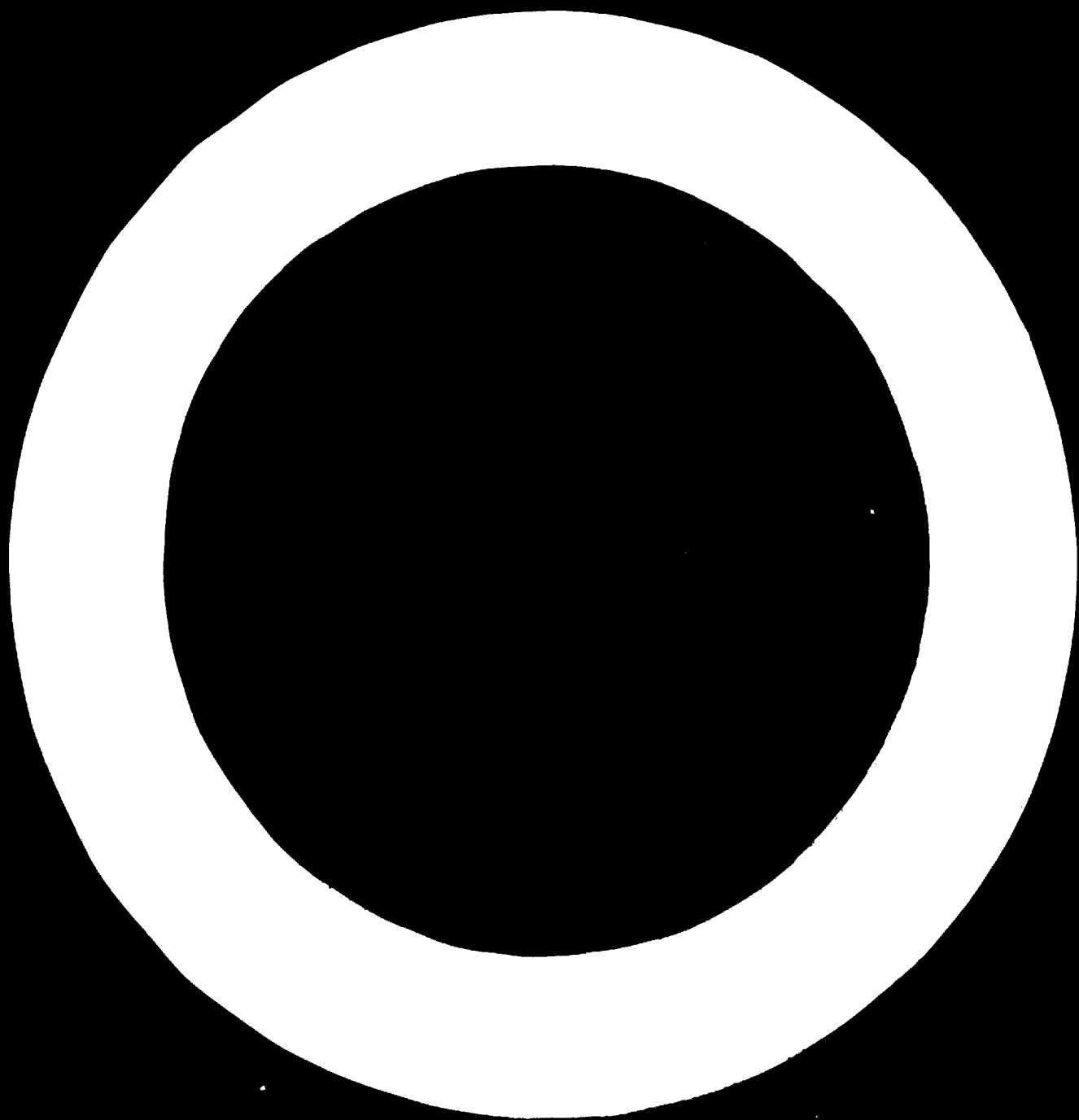
Maturities: up to ten years.

PROCEDURE

Applications should be submitted to the company.

^{1/} US\$ - 4.37 Swiss francs (July 1970).

^{2/} See Regional Sources, ADELA Investment Company, S.A.



UNION OF SOVIET SOCIALIST REPUBLICS

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods:

State credits: granted through bilateral intergovernmental credit agreements; implemented by the foreign trade organizations.

Credits of the foreign trade organizations: granted by the foreign trade organizations against contracts for delivery of capital goods.

Foreign trade organizations (Obyedineniya) are autonomous bodies, have status of legal entities and their own capital. Each organization specializes in a particular category of goods.

Foreign trade organizations are clients of the Bank for Foreign Trade of the USSR.

The Bank for Foreign Trade (Vneshtorgbank) is an independent stock company. Capital stock: R.300 million,^{1/} reserve capital: R.108 million.

Activities of the bank: crediting of foreign trade commercial transactions - operations under credits granted abroad, effecting payments for goods, exported or imported, foreign exchange operations and other international banking transactions.

TERMS AND CONDITIONS

State credits: usually granted for the construction of enterprises of public sector. Interest rate is usually 2.5 to 3 per cent. Maturities are usually twelve years beginning one year after the delivery of all equipment and material for the project. Repayment is through deliveries of traditional export goods, industrial goods, including those produced by enterprises constructed with the help of the USSR, in local currencies or free convertible currency. Local currency expenditures must normally be covered by the recipient country.

Credits of the foreign trade organizations: Conditions are to be determined individually. The buyer is usually requested to pay in cash a part of the value of the contract in one or two instalments before or upon delivery. The buyer is expected to provide a guarantee from his government or from a reliable bank in his country.

Payments for goods delivered from the USSR to most of the countries with centrally planned economies and effected in transferable or clearing roubles by way of immediate payment with a further acceptance.

Interest rate varies according to the contract - usually 3.5 to 6 per cent. Maturities are usually up to five years.

Repayment: delivery of goods, in local currencies or in free convertible currency.

PROCEDURE

State credits: bilateral government negotiations.

Credits of the foreign trade organizations: contracts are to be concluded between the buyer and the foreign trade organization. Negotiations are carried out directly between the buyer and the foreign trade organization.

The Department of United Nations Technical Assistance of the State Committee of the USSR Council of Ministers for Foreign Economic Relations assists the United Nations in recruiting Soviet experts. (Address: Ovchinkovskaya nab. 18/1, Moscow, USSR.)

^{1/} US\$1 = 0.90 rouble (July 1970).

UNION OF SOVIET SOCIALIST REPUBLICS

Foreign trade organizations in the USSR
(dealing with machinery and equipment
for the manufacturing industry)

MASHINOEXPORT

Saolenskaya Sennaya 32/34,
Moscow G-200.

Industrial machinery; oil-field equipment;
electrical, building and mining machinery.

MASHPRIBORINTORG

Saolenskaya Sennaya 32/34,
Moscow G-200.

Precision engineering and electrical instruments
and appliances.

STANKOIMPORT

Saolenskaya Sennaya 32/34,
Moscow G-200.

Machins tools, metalwork and foundry machinery,
rolling mills etc.

TECHMASHEXPORT

Mosfilievskaya 35,
Moscow B-330.

Equipment for light industry, food industry etc.

ENERGOMASHEXPORT

Mosfilievskaya 35,
Moscow B-330.

Electric and power equipment including turbines,
generators, electric motors, welding equipment etc.

NEFTEKHIMPRONEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324.

Oil and gas processing equipment, fertilizer
plants, equipment for production of organic syn-
thetic products and other equipment for chemical
industry.

PROFMASHEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324

Plants for engineering industry, automobiles,
machine tools, agricultural machinery etc.

SELKHOZPRONEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324.

Fodder factories, grain elevators and mills, soil
improvement equipment, dams, pumping stations etc.

TECHIMEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324.

Cement, brick and glass plants, plants and equip-
ment for light industry, pharmaceutical industry,
airport equipment and installations.

TECHIMPRONEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324.

Hydroelectric and thermal power plants, chemical
woodworking and wood-processing plants, state
research centres and laboratories.

TIAJPRONEXPORT

Ovchinnikovskaya Nab. 18/1,
Moscow J-324.

Complete plants and equipment for ferrous and
non-ferrous metallurgy and the mining industry.

Detailed information furnished on request by foreign trade organizations or USSR Chamber of Commerce.
(Address: Ul. Kylyshova 8, Moscow.)

UNITED KINGDOM

EXPORT CREDITS

STRUCTURE

Financing for commercial export credits, in so far as it relates to capital goods or projects, is normally provided by United Kingdom commercial banks, especially the London clearing banks and the "merchant banks".

This credit may take the form of supplier or buyer credit, but in either case may be facilitated by the credit insurance or guarantees of the Export Credits Guarantee Department (ECGD).

Insured export credits exceeding two years are eligible for refinancing by the Bank of England. Loans that can be refinanced under the scheme are either the value of repayments due in the following eighteen months or 30 per cent of the loan outstanding, whichever is greater, and the rate of interest is that applicable to the original loan.

TERMS AND CONDITIONS

Financing guaranteed by ECGD is normally available only with respect to United Kingdom goods or services.

It is necessary for the UK supplier to bear part of the risk; ECGD basic policies cover only 90 to 95 per cent of the credit element. (ECGD supplemental guarantees to banks cover 100 per cent of the credit extended and financial guarantees cover 100 per cent of the loan - normally not exceeding 80 per cent of the contract price.)

The buyer is required to make a down payment - with order or before shipment - of up to 20 per cent. Under a financial guarantee, the buyer, from his own resources, is required to pay direct to the supplier not less than 20 per cent of the contract price, including an adequate down payment on signature of the contract and a further instalment on or after ultimate commissioning of the plant.

The buyer must be credit-worthy for the contract concerned or able to be made credit-worthy by the provision of suitable guarantees by a body such as a leading bank, or the Ministry of Finance, in the buyer's country.

The extent to which local costs (for labour, local materials etc.) may be financed depends on their proportion of the full contract value.

The cost of export finance, for credit of two years or more covered by an ECGD direct guarantee to the financing bank or an ECGD financial guarantee, is at present 5.5 per cent. In addition there is generally a bank commitment fee of about 1 per cent, often additional charges for the negotiation and management of the loan or facility, and ECGD premium.

PROCEDURE

Financial guarantees covering buyer credits: When a financial guarantee arrangement has been approved to finance a supply contract, ECGD issues a guarantee to the lending bank, which in turn enters into a loan agreement with the overseas borrower. Premium on the guarantee is payable to ECGD by the UK exporter.

Supplier credits (direct guarantees to banks): Where ECGD cover is required this is arranged concurrently with the contractual negotiations between the UK exporter and the overseas buyer, and following the UK exporter's request for export finance.

UNITED KINGDOM

SOURCES OF FINANCING IN THE UNITED KINGDOM

Bank of London and South America Limited - BOLSA
40-66 Queen Victoria Street
P.O. Box 241
London, E.C.4.

Established: 1882; incorporated in the United Kingdom; leading bank of the BOLSA International Banking Group. Geographical coverage: Latin America.

Resources: Assets: £806.4 million.^{1/}
Authorized capital: £30 million.

ACTIVITIES AND FUNCTIONS

Undertakes normal commercial banking activities. Grants medium-term loans. Arranges and/or leads consortia of lending banks.

Range: various fields, including manufacturing industry.

Subsidiaries include finance and investment companies. Associate companies include investment and industrial development companies.

TERMS AND CONDITIONS

Very according to project.

PROCEDURE

Applications are submitted to the bank with full information.

^{1/} US\$ - 0.42 British pound (July 1970).

Barclays Overseas Development
Corporation Limited
54 Lombard Street
London, E.C.3.

UNITED KINGDOM

Established: 1946 as subsidiary company of Barclays Bank D.C.O.
Incorporated in the United Kingdom. Geographical coverage: Commonwealth countries in
which Barclays Bank D.C.O. is established.

Resources: Authorized and issued capital: £6 million.^{1/}

ACTIVITIES AND FUNCTIONS

Makes loans, invests in equity, underwrites issues.

Range: Various fields, including manufacturing industry, tourist projects, agricultural developments.

TERMS AND CONDITIONS

Eligibility: private, public and government enterprises.

Terms and conditions vary according to the project concerned, but projects must be economically sound and involve a measure of development. The project sponsor is to supply an adequate amount of the total costs of the project and to invest his share of the costs before financial assistance is received from the corporation. All necessary local and UK governmental consents must be obtained.

Duration is generally five to ten years (longer or shorter periods may be considered).

Interest rates vary according to London market conditions. Commission charged is normally 1 per cent.

Security is normally requested and generally takes the form of a charge over the fixed assets, which are financed by the corporation.

Loans are normally made in sterling.

PROCEDURE

Applications are submitted to the corporation or to branches of Barclays Bank D.C.O.

A special form of application is obtainable from the corporation or its agents. Informal discussion on specific project normally precedes formal application.

^{1/} US\$1 = 0.42 British pound (July 1970).

UNITED KINGDOM

Commonwealth Development Corporation - CDC
33 Hill Street
London W1A 3 AR

Established: 1948 by act of Parliament as Colonial Development Corporation; 1963 act of Parliament changed name to Commonwealth Development Corporation. Statutory corporation with commercial terms of reference; public institution. Geographical coverage: Commonwealth countries having achieved independence since 1948, dependent territories and self-governing territories.

Resources: Borrowings up to £150 million^{1/} on long or medium term; £10 billion on short term. Up to £130 billion from UK Exchequer Funds. Various other loans.

ACTIVITIES AND FUNCTIONS

Undertakes projects for promotion or expansion of economic development. Range: various fields including manufacturing industry.

Offers investment in wholly owned projects; by way of shares and debentures; in subsidiary and associated companies. Favours particularly joint companies with local entrepreneurs and local capital.

Provides management and technical services and training of indigenous employees in various fields including engineering and industrial relations.

May undertake any type of enterprise open to a private concern.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Terms and conditions vary according to project and are subject to negotiation.

A substantial proportion of the capital required for a project must be supplied by the promoter, depending on his financial resources.

No standard minimum investment unit; generally not less than £50,000 for CDC itself, but smaller investments are undertaken by territorial industrial development companies with which CDC is associated.

Investment criteria: high development value and prospects of commercial viability.

A fee for commitment and services is normally charged.

PROCEDURE

Prospective sponsors of projects may approach CDC's Head Office in London or one of its overseas offices.

Resident regional controllers are responsible for CDC operations in the Caribbean (office in Barbados), East Asia and Pacific Islands (Singapore and Kuala Lumpur), East Africa and Central Africa (Nairobi), Southern Africa (Johannesburg), West Africa (Lagos). There are also CDC representatives with offices in Fiji (Suva), Tanzania (Dar es Salaam), Malawi and Zambia (Lusaka), and Ghana (Accra).

^{1/} US\$1 = 0.42 British pound (July 1970).

Commonwealth Development Finance
Company Limited - CDFC
1, Union Court
Old Broad Street
London E.C.2.

UNITED KINGDOM

Established: 1953 as a public company. Subsidiary companies in Canada, Australia, Malaysia, New Guinea and Ceylon.

Geographical coverage: British Commonwealth and elsewhere overseas.

Resources: Authorized capital: £30 million.^{1/}

ACTIVITIES AND FUNCTIONS

Provides equity capital, supported where appropriate by loans, to assist the establishment, development and growth of worth-while business enterprises in manufacture, tourism and other fields. Its finance is tailored to the needs of each particular situation and any investment it makes is supported with a full range of financial services and advice. Also underwrites or guarantees issues.

Its field of activity is no longer confined to the Commonwealth.

TERMS AND CONDITIONS

Eligibility: private enterprises.

invests in projects that are commercially viable, for which the sponsors have made an adequate contribution of their own.

PROCEDURE

There are no formalities involved in approaching CDFC. A letter, or a telephone call, to any one of the company's offices in London, or to one of its associate institutions abroad is all that is necessary to start discussions which in acceptable cases will lead to CDFC investigation and formal negotiations.

^{1/} US\$1 = 0.42 British pound (July 1970).

UNITED KINGDOM

Midland and International Banks Limited
26 Throgmorton Street
London, E.C.2

Established: 1984; wholly owned by Midland Bank, Toronto-Dominion Bank, Standard Bank and Commercial Bank of Australia.

Incorporated in the United Kingdom.

Resources: Authorized capital: £20 million.^{1/}
Issued capital: £10 million.

ACTIVITIES AND FUNCTIONS

Undertakes medium-term financing of large-scale capital development projects in all parts of the world.

Participates in Euro-bond financing and underwriting.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Terms and conditions vary according to project and London market rates of interest.

PROCEDURE

Application to the bank with full information.

^{1/} US\$ = 0.42 British pound (July 1988).

National and Grindlays Finance and
Development Corporation Limited
23 Fenchurch Street
London, E.C.3

UNITED KINGDOM

Established: 1948 as a wholly owned subsidiary of National and Grindlays Bank Ltd.; incorporated in the United Kingdom.

Resources: Capital authorized and issued: £2 million.^{1/}

Geographical coverage: mainly countries in Africa and Asia where National and Grindlays Bank Ltd. is represented.

ACTIVITIES AND FUNCTIONS

Makes loans for development purposes.

Range: various fields.

Invests in equity.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Vary according to specific project.

Maturities: medium-term loans - three to ten years - in special cases term may be extended.

Rates of interest: based on market rates ruling at time of loan.

Commitment charges: 0.5 to 1 per cent per year.

Loans are generally made in pounds sterling but may sometimes be granted in local currency.

PROCEDURE

Applications for financing should be made through branches or Head Office as applicable.

^{1/} US\$1 = 0.42 British pound (July 1960).

UNITED KINGDOM

Standard Bank Finance and
Development Corporation Ltd
10 Clements Lane
London, E.C.2

Established: 1947 as subsidiary of The Standard Bank Ltd; incorporated in the United Kingdom.
Geographical coverage: developing countries of Africa where the Standard Bank Ltd and Standard Bank of West Africa Ltd are represented.

Resources: Capital: £1 million.^{1/}

ACTIVITIES AND FUNCTIONS

Make loans for the establishment and expansion of industries; agricultural development schemes also considered.

Undertakes equity purchase.

TERMS AND CONDITIONS

Eligibility: public and private enterprises.

Terms and conditions vary according to project.

Maturities are generally seven to ten years, although longer or shorter periods are considered.

Interest rates based on the market rates ruling at the time of the loan. Commissions are generally 1 per cent of the amount of the loan. Commitment fee is 0.5 to 1 per cent per year on undrawn balances which are likely to be drawn later, after six months, for example.

Tangible security is required. The promoter is expected to make a significant contribution to the total costs of the project. Local participation is generally sought.

Loans are generally made in pounds sterling.

ceiling for single investment is normally £250,000, although where larger amounts are required the corporation is prepared, in approved cases, to investigate the possibilities of forming lending consortia.

PROCEDURE

Application for financing is to be submitted to the local branch of The Standard Bank Ltd.

Information to be provided by borrower is indicated by reference forms supplied by the bank. Information includes description of project, estimated costs, amount of financing sought and securities offered.

An agreement is signed between the corporation and the borrower.

^{1/} US\$1 = 0.42 British pound (July 1970).

UNITED STATES OF AMERICA

EXPORT CREDITS

STRUCTURE

Export credits for the acquisition of capital goods are financed by the commercial banks (medium-term credits only). The commercial banks carry out this activity through special international departments or through subsidiaries set up under the Edge Act, 1919 (Federal Reserve Act).

Long-term export credits are usually financed through the Export-Import Bank of the United States, or the Agency for International Development.

TERMS AND CONDITIONS

For medium-term credits the terms of credit are normally from one to seven years.

Financing generally covers goods and services of US origin.

The buyer is normally requested to make an initial down payment of 10 to 15 per cent of the value of the transaction.

The supplier must usually cover part of the risks; insurance or guarantees, if utilized, cover only up to 90 to 95 per cent of the financed portion of the transaction.

Interest rate is the market rate; additional cost: insurance premium or guarantee fee.

Maturities vary according to the specific equipment and amount of the transaction.

PROCEDURE

Agreement between the buyer and the US exporter.

The supplier may be required to obtain insurance from the Foreign Credit Insurance Association or his commercial bank may seek an Export-Import Bank guarantee. The buyer may be expected to provide a guarantee from a commercial bank in his country.

It is advisable that contacts be established simultaneously between (a) the buyer and the supplier; (b) the supplier, the Foreign Credit Insurance Association (or Export-Import Bank) and the commercial bank; and (c) the buyer and his local bank.

UNITED STATES OF AMERICA

SOURCES OF FINANCING IN THE UNITED STATES

Agency for International Development - AID
Department of State
Washington, D.C. 20503

Established: 1961 under the Foreign Assistance Act, as amended; public institution; agency for the United States Government foreign economic aid activities.

ACTIVITIES AND FUNCTIONS

Makes US dollar loans.

Makes local currency loans from profits generated from the sale of United States agricultural commodities and from collections of local currency loans.

TERMS AND CONDITIONS

Eligibility: governments, public entities, private enterprises or mixed enterprises.

US dollar loans usually made only if financing is not available from other sources on reasonable terms; repayable in dollars; are made for expanding enterprises and/or establishing new enterprises; preferably limited to foreign exchange costs; projects must not compete significantly with US enterprises.

Terms vary according to country and project.

Loans to private enterprises and revenue producing projects guaranteed at minimum rate of 6 per cent per year except as may be approved by the administrator, AID.

Loans to governments: maturities up to 40 years including 10 years grace period; interest rate is a minimum of 2 per cent during the grace period and 3 per cent per year thereafter.

Local currency loans: available to enterprises in some countries where the United States has sold agricultural commodities or has local currency available; procurement is in the countries in which the funds originate. Maturities are three to fifteen years. Local interest rates apply.

Export-Import Bank of the United States
811 Vermont Ave., N.W.
Washington, D.C. 20571

UNITED STATES OF AMERICA

Established: 1934; independent government institution. Legal basis: Export-Import Bank Act of 1945, as amended. Lending authority: US\$13.5 billion.

Resources: Capital subscribed by the United States Treasury: US\$1 billion; may borrow up to US\$6 billion from the Treasury; various other resources.

ACTIVITIES AND FUNCTIONS

Makes direct capital loans to overseas borrowers for the purchase of United States goods and services in participation with private financing.

Makes relending loans to foreign banks and overseas branches of United States banks to finance purchases of United States goods and services from the United States.

Provides guarantees to United States and foreign commercial banks for medium- and long-term export credits. Provides short- and medium-term export credit insurance coverage of commercial and political risks (through the Foreign Credit Insurance Association).

Makes discount loans to United States commercial banks to provide liquidity for medium-term export financing.

Provides guarantees of lease payments for the use of United States equipment abroad.

Makes loans to United States commercial banks to provide liquidity for medium-term export financing.

Extends direct loans to finance feasibility and engineering studies.

Maintains credit and counselling services.

Range: various sectors including manufacturing industry.

TERMS AND CONDITIONS

Eligibility: governments, public and private enterprises.

Terms and conditions of direct loans vary according to type of project and nature of goods and services involved.

Maturities of direct loans range from one to twenty years; grace periods may be given. Rate of interest on direct loans is presently 6 per cent. (Effective rate to borrower depends on mix of EXIMBANK and private financing.)

Maturities of guarantees and insurance follow generally accepted practice in international trade.

Procurement is generally limited to goods and services of United States origin.

In connexion with project financing, the bank may also issue a guarantee to cover a percentage of local cost borrowings from foreign financial institutions.

Loans to government agencies generally require the guarantee of the Finance Minister, Central Bank, or other appropriate governmental entity. Loans to private enterprises may require the guarantee of a commercial bank or other suitable collateral.

PROCEDURE

Applications must be submitted to the Export-Import Bank in the form of a letter incorporating all pertinent details.

(Detailed information of all programmes is available from: Public Affairs Office, Export-Import Bank of the United States, at the above address.)

UNITED STATES OF AMERICA

Banarical International Financial
Corporation - BIFC
Bank of America Center
San Francisco, Calif. 94120

Established: 1962 as wholly-owned subsidiary of the Bank of America National Trust and Savings Association under Sect. 25 (A) of the Federal Reserve Act to supplement commercial banking activity.

ACTIVITIES AND FUNCTIONS

Participates in the preparation and over-all financing of projects in less developed countries which are accorded high priority.

Provides venture capital financing: equity and medium-term loans, convertible debentures or debentures with warrants or stock options.

Range: new (and expansion of existing) industrial, agribusiness and natural resources development projects.

Provides advisory and promotional services; can arrange for technical consultant services.

Prefer to consider projects in countries where Bank of America branches or affiliates are located.

TERMS AND CONDITIONS

The economic and technical soundness of the project must be assured.

Equity participation is normally not more than 25 per cent.

BIFC would seek to dispose of its equity interest after a suitable period of successful operations by prior arrangement with project sponsors or in local capital markets.

Loans are normally made in US dollars and secured by a lien on assets. Guarantees from local financial institutions and AID may be requested.

PROCEDURE

Investment proposals are to be submitted to the corporation. Information to be provided includes description of the project (expansion or establishment of new industry), financial requirements, details of financing request.

Bankers International Corporation
280 Park Avenue
New York, N.Y.

UNITED STATES OF AMERICA

Established: 1962 as subsidiary company of the Bankers Trust Company under Sect. 25(A) of the Federal Reserve Act to supplement commercial banking activity.

ACTIVITIES AND FUNCTIONS

Makes equity investments, often in conjunction with granting or arranging debt financing.

Invests in venture capital projects in various industries.

Invests in new and expanding enterprises.

Undertakes various forms of financing including guarantee facilities.

TERMS AND CONDITIONS

Eligibility: development banks, financing corporations, private enterprises.

Corporation is prepared to tailor a financing proposal to fit the requirements of the individual project.

An equity investment or other profit participation feature on the part of the corporation will normally be involved.

In general, the duration of the corporation's exposure will not exceed the framework of medium-term financing except in the case of financial and financially related investments, where longer-term investments are considered.

PROCEDURE

Investment proposals are to be submitted to the corporation, including full information on the project, i.e. description of the project to be financed, description of the company's activities, market situation, manpower and capital requirements, details of financing request.

UNITED STATES OF AMERICA

Chase International Investment
Corporation - CIIC
1, Chase Manhattan Plaza
New York, N.Y. 10005

Established: Wholly owned subsidiary of the Chase Manhattan Bank, N.A. under section 25(A) of the Federal Reserve Act to supplement Chase Manhattan's world-wide commercial banking activity. Emphasis on private sector economic development, primarily in the developing countries. Largest US Edge Act company engaged in private sector project financing.

ACTIVITIES AND FUNCTIONS

Grants medium- and long-term loans.

Makes equity investments.

Invests own funds and assembles capital (public, private US and non-US sources). Loans are normally supplemented by subscription to equity shares, shares in profit, bonus shares, conversion, warrants etc.

Arranges long-term financing from government agencies and development institutions.

Places debentures of non-US enterprises with private investors.

Range: new and expanding enterprises in the field of industry, agriculture, mining.

TERMS AND CONDITIONS

Vary according to project. Maturities are generally five to ten years.

Minimum participation in individual ventures: US\$500,000. The local participant (sponsor) and/or "technical partner" is expected to make a significant investment.

Does not invest in projects under government control but under certain circumstances accepts government minority participation.

CIIC normally seeks representation on the board of directors of companies in which it invests. It does not wish to be involved in day-to-day management, but does follow progress of companies it works with closely, and is generally involved in major decisions of a financial nature.

Seeks eventual liquidity of equity it may hold in mature projects and will enter into agreement with project sponsors to sell equity at predetermined price in the future or will dispose of equities it holds in indigenous markets.

PROCEDURE

Investment proposals are submitted to the corporation. Information to be supplied by the sponsors and necessary to preliminary examination of any project includes description of the company and project to be financed; description of the market situation, material and labour requirements; expected financial results, capital requirements. Feasibility studies are required.

Chemical International Finance Ltd - CIF
20 Pine Street
New York, N.Y. 10015

UNITED STATES OF AMERICA

Established: 1959 as wholly-owned Edge Act subsidiary of Chemical Bank New York Trust Company; pursuant to Federal Reserve Act regulations to provide international financing either not available through or inappropriate for a commercial bank.

ACTIVITIES AND FUNCTIONS

Acts as an international investment bank providing both debt and equity funds.

Medium-term non-recourse export financing (six months to five years) of capital goods, primarily US but also third country.

Assists new industries and expansion of existing ones.

TERMS AND CONDITIONS

Eligibility: private enterprises, governmental agencies, national development banks and corporations.

Terms and conditions are individually tailored to the requirements of the project. In general, for direct term lending maturities are three to five years. Interest rate varies according to amount and duration of loan, general economic and business conditions.

For convertible loans maturities are five to ten years.

Equity participations: 10 to 25 per cent of a company's capital stock after CIF participation. (Luxury industries, real estate development and service companies are normally not considered.)

Equity participation minimum: US\$100,000.

PROCEDURE

Applications for financing are to be submitted to CIF.

Information for a complete review should include description of project (expansion of existing facilities or establishment of new industry); financial projections (balance sheet, profit and loss/cash flow); three years' audited financial statements of existing enterprise; description of company's activities/market projections and distribution/service facilities, if applicable; resumes of company's principals and corporate structure (interrelationships etc.), if appropriate; banking references; details of financing request.

UNITED STATES OF AMERICA

First Chicago International
Finance Corporation
1 First National Plaza
Chicago, Ill. 60670

Established: 1962 as subsidiary corporation of The First National Bank of Chicago to supplement commercial banking activity. World-wide geographic coverage.

ACTIVITIES AND FUNCTIONS

Provides direct and indirect financing combined with equity investment in industrial projects in the developing countries.

Undertakes equity participation in investment and development companies.

Participates in Mid-America International Development Association, Inc. (MIDA)^{1/} which provides services to encourage and develop US investments in Africa.

Arranges medium- and long-term financing in foreign currencies and US dollars supplementary to services offered by The First National Bank of Chicago.

TERMS AND CONDITIONS

Financial institutions are given particular consideration. Existing enterprises are preferred, but new enterprises are also considered. Investments normally carry actual or potential equity participation. Minority equity position is desirable.

Total debt and equity investment should normally range between US\$100,000 and \$500,000; smaller or larger investment may be possible.

PROCEDURE

There is no standard method for presenting investment proposals. Each investment plan is tailored to the individual project.

^{1/} See Sources of Financing in the United States, Mid-America International Development Association, Inc.

First National City Overseas
Investment Corporation
399 Park Avenue
New York, N.Y. 10022

UNITED STATES OF AMERICA

Established: 1961 as a subsidiary corporation of the First National City Bank under Sect. 25(A) of the Federal Reserve Act to supplement commercial banking and financing activities.

ACTIVITIES AND FUNCTIONS

Makes equity investment (in some cases in conjunction with debt financing) in new or existing enterprises; various fields including manufacturing industry.

TERMS AND CONDITIONS

Vary according to project.

Projects should enjoy competent administrative and technical management and favourable market prospects.

Range of financing is from US\$100,000 to \$1 million.

Participation in non-financial investments is 10 to 40 per cent of the equity. The corporation requests representation on the board of directors.

PROCEDURE

Investment proposals should be submitted to the corporation. Information to be supplied by applicant includes detailed feasibility study describing major aspects of the project including markets, expenses, investment requirements, management.

Subsequent to investment, the corporation expects to receive full financial information on at least a quarterly basis.

UNITED STATES OF AMERICA

First Pennsylvania Overseas
Finance Corporation
Philadelphia, Pa. 19101

Established: 1962 as subsidiary company by the First Pennsylvania Banking and Trust Company under Sect. 25(A) of the Federal Reserve Act to supplement and complement the overseas activities of the parent institution.

ACTIVITIES AND FUNCTIONS

Makes equity investment. Grants medium- to long-term loans. Undertakes various forms of specialized financing. Provides various guarantee facilities. Investment related to various fields including manufacturing industry.

TERMS AND CONDITIONS

Eligibility: development banks and corporations, private enterprises.

Terms and conditions vary according to project.

PROCEDURE

Investment proposals are submitted to the corporation.

Information to be supplied by the sponsor and necessary to preliminary examination of any project includes description of the company and project to be financed; description of market situation, material and labour requirements; expected financial results and capital requirements.

Irving International Financing Corporation
1 Wall Street
New York, N.Y. 10015

UNITED STATES OF AMERICA

Established: 1962 as subsidiary company by Irving Trust Company under Sect. 25(A) of the Federal Reserve Act to supplement commercial banking activity.

ACTIVITIES AND FUNCTIONS

Makes equity investment; grants loans with equity features.

Investments may be made in conjunction with other US and foreign banks. Range: new and expanding enterprises in various fields including manufacturing industry.

TERMS AND CONDITIONS

Eligibility: commercial banks, development banks and corporations, private enterprises.

Terms and conditions vary according to project.

PROCEDURE

Investment proposals are submitted to the corporation. Information to be supplied by the sponsor includes description of the company or project to be financed, audited financial statements for preceding three years if existing, description of market and supply situations, expected financial results including cash flow and capital requirements, amount of investment sought, background of principals.

UNITED STATES OF AMERICA

Manufacturers Hanover International
Finance Corporation^{1/}
350 Park Avenue
New York, N.Y. 10022

Established: 1962 as subsidiary company of Manufacturers Hanover Trust Company under Sect. 25(A) of the Federal Reserve Act to supplement commercial banking activity.

ACTIVITIES AND FUNCTIONS

Undertakes equity investment. Makes medium- and long-term loans.

TERMS AND CONDITIONS

Eligibility: development banks and finance corporations concerned with financing industrial projects.

Terms, conditions and investment criteria vary according to project.

PROCEDURE

Applications should be submitted to this corporation. Information to be provided includes description of the project, estimated capital requirements, amount of financing sought.

^{1/} Not to be confused with the Manufacturers Hanover International Banking Corporation, established 1962: equity investment in development banks.

Mid-America International Development
Association, Inc. - MIDA
Room 4454
1 First National Plaza
Chicago, Ill. 60670

UNITED STATES OF AMERICA

African investment banking company, incorporated in Liberia. Owned by US investment and commercial banks.^{1/}

ACTIVITIES AND FUNCTIONS

- Advises potential US and African investors on private enterprise opportunities in Africa.
- Locates US and African joint-venture partners.
- Makes information available on the status of local African economic, political and financial conditions.
- Aids in negotiating with African financial institutions and government bodies through established offices in East and West Africa.
- Arranges local and, through its shareholders, US debt and equity financing for initiation and/or expansion of private enterprise projects in Africa.

TERMS AND CONDITIONS

- Fees are normally contingent upon client's irrevocable commitment to enter into project. Charges, levied in relation to services rendered, are commensurate with normal investment banking practice.
- Criteria for financing are determined separately for each project. No limitations on type of project. The primary consideration is economic viability as measured by return on investment.

PROCEDURE

- Principals with viable project proposals for Africa are invited to visit in Chicago or at any office in Africa.^{2/}

^{1/} First Chicago International Finance Corporation (Edge Act subsidiary of the First National Bank of Chicago); Gore Forgan, Wm. R. Staats, Inc.; William Blair and Company.

^{2/} Mid-America International
Development Association, Inc.
Boite Postale 21125
Abidjan, Ivory Coast

Mid-America International
Development Association, Inc.
Private Mail Bag
Accra, Ghana

Mid-America International
Development Association, Inc.
P.O. Box 7842
Nairobi, Kenya

UNITED STATES OF AMERICA

Morgan Guaranty International
Finance Corporation
23 Wall Street
New York, N.Y. 10015

Established: 1959 as subsidiary of Morgan Guaranty Trust Company under Sect. 25(A) of the Federal Reserve Act to supplement commercial banking activity.

ACTIVITIES AND FUNCTIONS

Takes equity participation in financial institutions active in the field of industrial development financing.

Such institutions include development banks and corporations (public and private) in Africa, Asia and Latin America. Formed with local partnerships, these financial groups raise funds in conjunction with financing from Morgan Guaranty Trust Company in New York or its branches. Such financing may take the form of short-term bank or money-market loans, or of long-term debt or equity issues where a developed capital market exists. Where a Development Bank is involved, it will lend or provide equity capital from its own resources, which have often been augmented by funds from the World Bank or similar institutions.

The corporation has taken minority equity interests in non-financial institutions, in areas of industry with a good potential for growth and where it has confidence in the calibre of management.

TERMS AND CONDITIONS

Vary according to project.

PROCEDURE

Investment proposals are submitted to the corporation with full information about proposed projects.

Overseas Private Investment Corporation - OPIC
AID, Department of State
Washington, D.C. 20523

UNITED STATES OF AMERICA

Established: 1969 by public law; public agency of the United States under policy guidance of the Secretary of State. Eleven-man Board of Directors to have a majority of members from private life. Authorities being administered by AID until the corporation is formally established in mid-1970.

Resources: Paid in capital: not to exceed US\$20 million each year for fiscal years 1970-1971. Authorized ceilings of US\$7.5 billion; maximum contingent liability outstanding for insurance, US\$750 million for guaranties.

ACTIVITIES AND FUNCTIONS

Purpose: to mobilize and facilitate the participation of US private capital and skills in the economic and social progress of developing countries.

Criteria for the corporation's activities:

To conduct its financing operations on a self-sustaining basis, taking into account the economic and financial soundness of projects and the availability of financing from other sources on appropriate terms;

To utilize private credit and investment institutions and the corporation's guaranty authority as the principal means of mobilizing capital investment funds;

To broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

To conduct its insurance operations with due regard to principles of risk management including, when appropriate, efforts to share its insurance risks;

To utilize, to the maximum practicable extent consistent with the accomplishment of its purpose, the resources and skills of small business and to provide facilities to encourage its full participation in the programmes of the corporation;

To encourage and support only those private investments in less developed friendly countries and areas that are sensitive and responsive to the special needs and requirements of their economies, and which contribute to the social and economic development of their people;

To consider in the conduct of its operations the extent to which less developed country governments are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions that enable private enterprise to make its full contribution to the development process;

To foster private initiative and competition and discourage monopolistic practices;

To further to the greatest degree possible, in a manner consistent with its goals, the balance-of-payments objectives of the United States;

To conduct its activities in consonance with the activities of AID;

To advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programmes relating to the development of private enterprise in less developed countries and areas.

Investment insurance: to issue insurance to eligible investors against inability to convert into dollars earnings or profits from approved projects; expropriation or confiscation; war, revolution or insurrection.

UNITED STATES OF AMERICA

Investment guaranty: to issue guaranties of loans and other investments (up to 75 per cent of the total investment in a project).

Direct investment: to make loans in US dollars repayable in dollars or loans in foreign currencies to private firms or firms with mixed private and public ownership, and to purchase convertible debentures and other debt instruments. Exception: no loans for mining or other extraction of any deposit of ore, oil or gas.

Investment encouragement: to initiate and support, through financial participation, incentive grant or other, the identification, assessment, surveying and promotion of private investment opportunities other than mining or extraction opportunities.

Special activities: to administer and manage special projects and programmes including technical, professional or managerial assistance in the development of human resources, skills, technology, capital savings and investment institutions and co-operatives.

Agricultural credit and self-help community development projects: establishment of pilot programmes in five South American countries to encourage private banks and similar institutions to make loans for the carrying out of agricultural credit and self-help community development projects (e.g. wells, pumps, improved seed, fertilizer, pesticides, food industry development).

TERMS AND CONDITIONS

Being determined now, in light of experience with same or similar programmes formerly administered by AID. Fees are charged for insurance and guaranty coverage. No insurance or guaranty of equity may extend beyond twenty years.

Philadelphia International
Investment Corporation
P.O. Box 7618
Philadelphia, Pa. 19101

UNITED STATES OF AMERICA

Established: 1960 as an international investment subsidiary of the Philadelphia National Bank under Sect. 25(A) of the Federal Reserve Act to supplement the bank's international financing capabilities.

ACTIVITIES AND FUNCTIONS

Short and medium-term debt financing. Long-term debt and equity financing.

TERMS AND CONDITIONS

Eligibility: public and/or private overseas financial or industrial concerns, either previously established or in the planning stage.

Terms and conditions vary according to project.

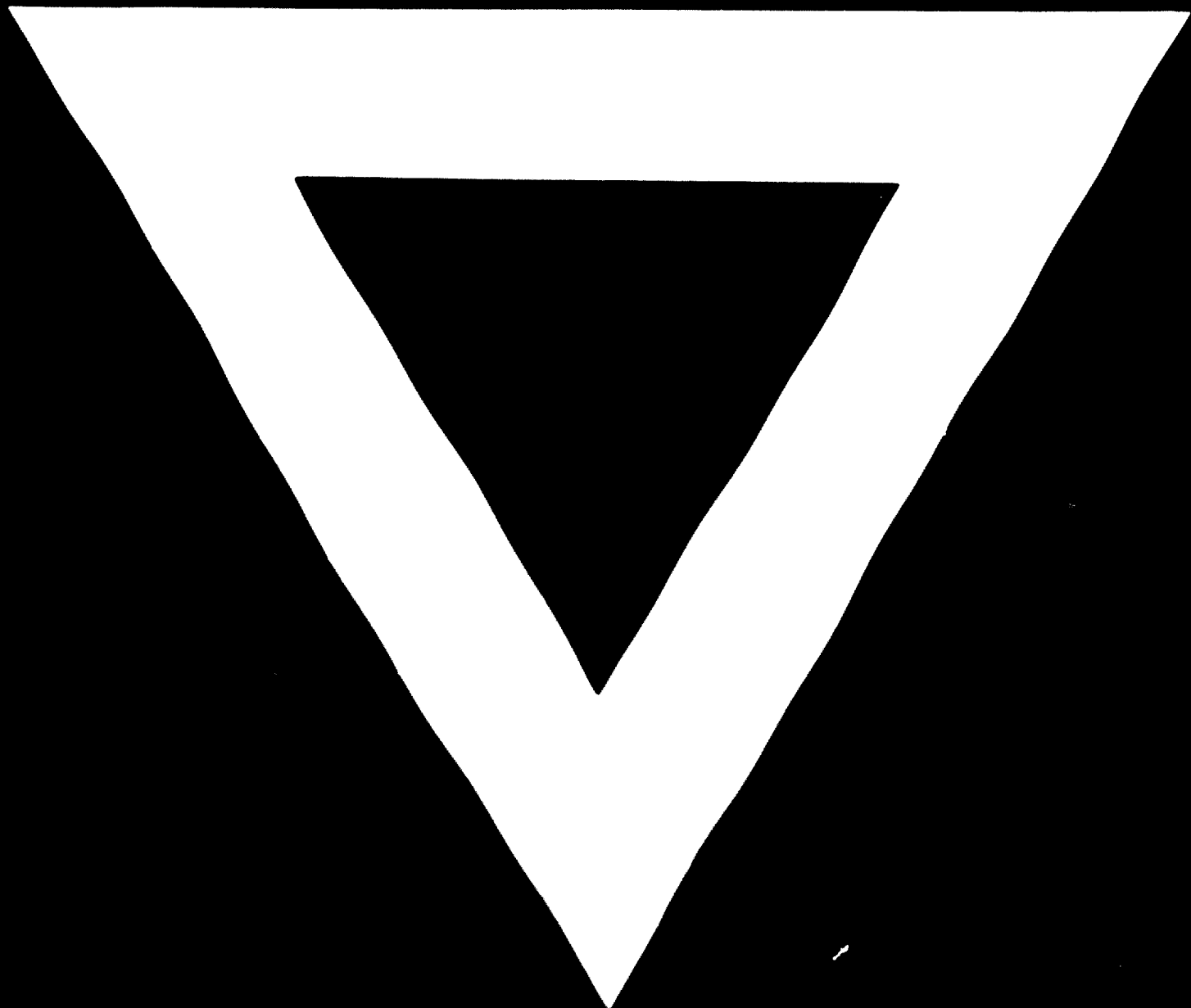
Generally, if debt financing is required for a period of time in excess of three to five years, a minority equity participation is desired, either on a direct or deferred basis.

PROCEDURE

Preliminary proposals should be submitted to the corporation, and should include a description of the financing requirements as well as past and/or projected operating results.



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CHICAGO, ILL. 60637



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