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Reauthorize or Retire the Overseas Private Investment Corporation?

by Ian Vásquez and John Welborn

Executive Summary

The Overseas Private Investment Corporation is a government agency that provides loans and investment insurance to U.S. companies doing business around the world. Its four-year, renewable charter will expire in September 2003. Proponents of OPIC claim that the agency helps the U.S. economy and promotes economic development abroad.

A close look at OPIC activity in the past four years undercuts those rationales. OPIC lowers U.S. economic output by transferring resources from productive uses to politically favored ones. OPIC beneficiaries are highly concentrated in terms of companies and industries. The majority of OPIC's largesse goes to a small group of large multinational corporations and overwhelmingly supports a

few highly profitable industries such as oil and gas, financial services, and power.

OPIC activity is also highly concentrated geographically. A handful of troubled emerging market economies has received 60 percent of OPIC support in the past four years. The agency's finance and insurance for those countries represented only 3 percent of their total foreign direct investment. In other countries that are unable to attract foreign investment because they do not have the proper policy environment, OPIC support undermines development by rewarding the lack of policy reform.

OPIC's record does not live up to its advocates' rhetoric. Congress should abolish this font of international corporate welfare.

Ian Vásquez is director of the Cato Institute's Project on Global Economic Liberty and editor of Global Fortune: The Stumble and Rise of World Capitalism. John Welborn was a research assistant at the Cato Institute in 2002–2003.

Because OPIC transfers resources from productive activities to politically favored activities, it reduces U.S. economic output.

Introduction

The Overseas Private Investment Corporation was created by the Foreign Assistance Act of 1969. OPIC began operating in 1971, when it took over the investment guaranty and promotion activities of the U.S. Agency for International Development. OPIC now exists under a four-year, renewable congressional charter. That charter will expire in September 2003.

OPIC was designed to achieve specific U.S. domestic and foreign policy objectives by supporting private-sector investment in the developing world.¹ OPIC provides loans, loan guaranties, and investment insurance to U.S. firms doing business around the world.

At its inception, OPIC was portrayed as a development agency. In its original form, OPIC's authorizing legislation stated that OPIC was to "mobilize and facilitate the participation of United States private capital and skills in the economic and social progress of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States."²

The rationale for OPIC activities has expanded considerably in the past 30 years. During the 1997 debates on OPIC's reauthorization, Ruth Harkin, then president of OPIC, summarized OPIC's mission in this way: "To help American businesses compete in emerging markets; to advance U.S. foreign policy initiatives and promote free enterprise in developing countries; to create American jobs and American exports; and to operate at no net cost to American taxpayers."³ Harkin and others emphasized OPIC's role in offsetting "aggressive" foreign government subsidies to foreign companies operating in emerging markets. Despite intense opposition from a wide range of liberals and conservatives, OPIC was granted a two-year reauthorization in 1997.

During the 1999 reauthorization hearings, OPIC president George Muñoz laid out agency priorities similar to those cited by Harkin, but with one important change.

Muñoz announced OPIC's new commitment to U.S. small business, proclaiming 1999 "the year of small business at OPIC."⁴ OPIC was reauthorized in 1999, this time under a four-year renewable charter.

In the four years since OPIC's last reauthorization, the agency claims to have refocused its mission. Where previously the stated emphasis was on making U.S. companies competitive in emerging markets and aiding small businesses, OPIC now seeks to refashion itself as a national security-enhancing development agency. Thus Peter Watson, the current head of OPIC, recently stressed his agency's "historical development mission," especially in "the very regions where instability poses foreign policy and national security challenges."⁵ Indeed, some observers now argue that OPIC is too limited in its scope and should be allowed to provide terrorism insurance and lend to foreign companies that employ Americans.⁶

Thus, OPIC uses three rationales to justify its operations: (1) OPIC helps the U.S. economy by creating domestic jobs and operates at no net cost to taxpayers; (2) OPIC enables U.S. businesses—in particular, small businesses—to operate and invest in developing countries; and (3) OPIC encourages growth and corrects for "market failure" in developing countries. A look at OPIC's record in the four years since its last reauthorization calls those claims into question.

OPIC and the U.S. Economy

OPIC administrators assert that the agency has generated \$65 billion in U.S. exports and created more than 254,000 American jobs since its inception.⁷ But such figures are often based on claims originating from the very U.S. firms applying for OPIC support. As the Congressional Research Service notes:

Since U.S. firms that are applying for OPIC's insurance or a guaranty must demonstrate that they are having a positive, or at least a non-negative, impact on

the U.S. economy, they have a strong incentive to provide a positive “spin” on their activities. Beyond those claims, however, there seems to be no way of verifying the employment effects of the individual OPIC transactions. . . . From the point of view of the U.S. economy as a whole, there is little theoretical support or empirical evidence that supports claims that subsidizing exports or overseas investment offers a positive net gain in jobs to the U.S. economy.⁸

Supporters of OPIC also ignore the costs that the agency imposes on the economy as a whole. Because OPIC transfers resources from productive activities to politically favored activities, it reduces U.S. economic output. As the CRS observes:

Subsidies for exports shift resources within the domestic economy toward the subsidized export sector at the expense of other sectors of the economy. This shift reduces production and efficiency overall in the economy, because the subsidy spurs a greater movement of the factors of production, primarily labor and capital, out of the other sectors of the economy and into the subsidized export industries than would be warranted by market conditions. Also, national income as a whole would be reduced since all sectors of the economy would be operating sub-optimally: income gains in the subsidized export sector would be achieved at the expense of all other sectors of the economy.⁹

Moreover, every OPIC transaction is conducted with the full backing of the U.S. government, and therefore of U.S. taxpayers. As long as OPIC-backed projects remain profitable, claims that OPIC operates at “no cost” to taxpayers are technically accurate. Thus far, OPIC appears to have been financially successful. But its performance argues in favor of privatization. Indeed, it makes little sense to maintain a government agency that helps the private sector

earn profits during good times but socializes losses if times become difficult.

Some people also argue that OPIC strengthens the U.S. economy by increasing investment opportunities in developing countries. But there is little evidence to support that claim. U.S. direct investment in the developing world has grown considerably in the past decade. During that time, OPIC projects have remained a small fraction of total U.S. foreign investment in the developing world (Figure 1). In the four years since OPIC’s reauthorization, the agency’s support for investment projects has amounted to less than 10 percent of all U.S. direct investment in the developing world. The growth in U.S. foreign direct investment (FDI) is due to market-oriented reforms in poor countries—a development entirely unrelated to OPIC. As Figure 1 shows, the rise in OPIC activity in the mid-1990s trails the rise in U.S. FDI to the developing world by about 5 years.

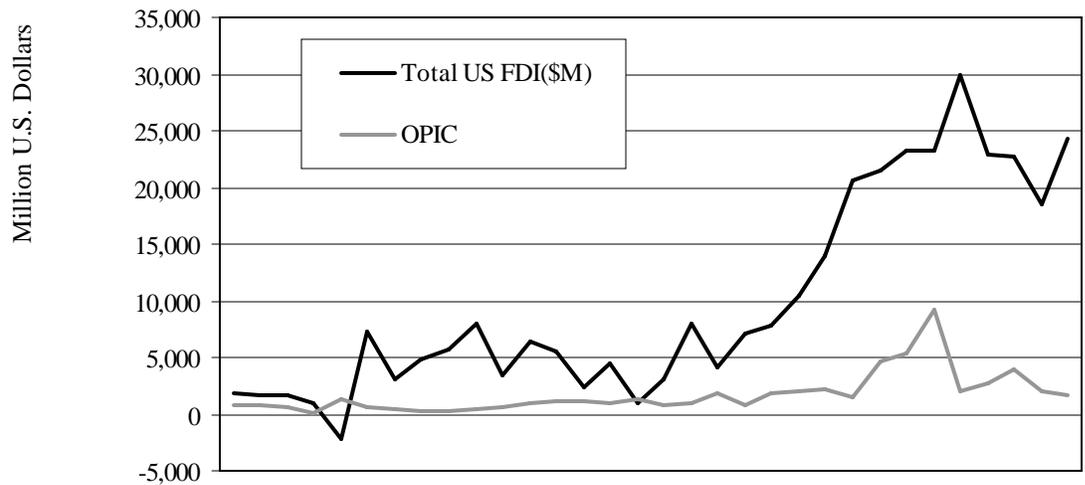
Who Really Benefits?

Nearly all OPIC finance and insurance goes to large corporations, such as Citibank, Enron, Caterpillar Corporation, and Bechtel. (For a list of all OPIC projects in the past four years, see the Appendix.) Moreover, OPIC largesse is heavily concentrated on a few firms. As Table 1 shows, for fiscal years 1999–2002, the top 10 beneficiaries received more than half of all OPIC support. In FY02, the top 10 recipient firms of OPIC’s nearly \$1.2 billion largesse used up 87 percent of those resources. It is difficult to believe that the corporations on that list, whose combined annual sales are in the hundreds of billions of dollars, are unable to come up with sufficient funding for worthwhile investments without taxpayer support. If the world’s richest corporations are unwilling to assume the full risk of their investments, it makes little sense to force taxpayers to do so.

OPIC administrators highlight the agency’s involvement in housing, water, and other light infrastructure projects. OPIC’s portfolio, however, is concentrated in specific capital-inten-

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Figure 1
U.S. FDI to Developing Countries vs. OPIC Support



Source: Organization for Economic Cooperation and Development, *Development Assistance Committee Statistics*, June 2003, www1.oecd.org/scripts/cde/viewbase.asp?dbname=cde_dac; and *Overseas Private Investment Corporation Annual Report* (Washington: OPIC, various years).

Table 1
Top OPIC Beneficiaries, FY1999–2002

	Company	Amount ^a	Percentage of Total	Cumulative Percentage
1	Citibank, N.A.	\$1,085,445,500	12.24%	12.24%
2	U.S. Capital Markets Investors ^b (Argentina)	\$950,000,000	10.71%	22.95%
3	Enron Corp.	\$554,270,000	6.25%	29.19%
4	U.S. Capital Markets Investors ^b (Turkey)	\$550,000,000	6.20%	35.39%
5	Unocal	\$450,000,000	5.07%	40.47%
6	Bank of America, N.A.	\$430,000,000	4.85%	45.32%
7	Intergen (Shell/Bechtel joint venture)	\$300,000,000	3.38%	48.70%
8	AES Corporation	\$275,000,000	3.10%	51.80%
9	El Paso Corporation	\$271,300,000	3.06%	54.86%
10	CMS Energy Corporation ^c	\$240,000,000	2.71%	57.56%
Total:		\$8,870,535,330		100.00%

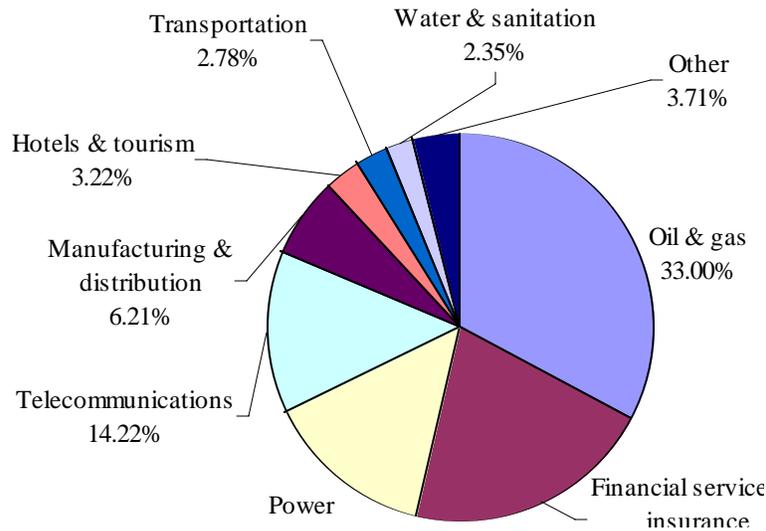
Source: *Overseas Private Investment Corporation Annual Report* (Washington: OPIC, various years).

^a Refers to total financing and insurance.

^b Indicates sovereign investments financed by U.S. bondholders.

^c Includes CMS Gas Transmission Company and CMS Oil and Gas (EG) LDC.

Figure 2
Distribution of OPIC Funds by Sector, FY1999–2002



Source: *Overseas Private Investment Corporation Annual Report* (Washington: OPIC, various years).

sive, highly profitable industries. Figure 2 shows, for example, that four industries accounted for 82 percent of OPIC activities in FY99–02: oil and gas (33 percent), financial services and insurance (20 percent), power (14 percent), and telecommunications (14 percent).

Is OPIC Good for Development?

OPIC asserts that it promotes lasting development and supports projects in regions shunned by private financial institutions. A look at some recent OPIC investments raises questions about the development impact of those projects or about the supposed lack of capital that beneficiary firms face:

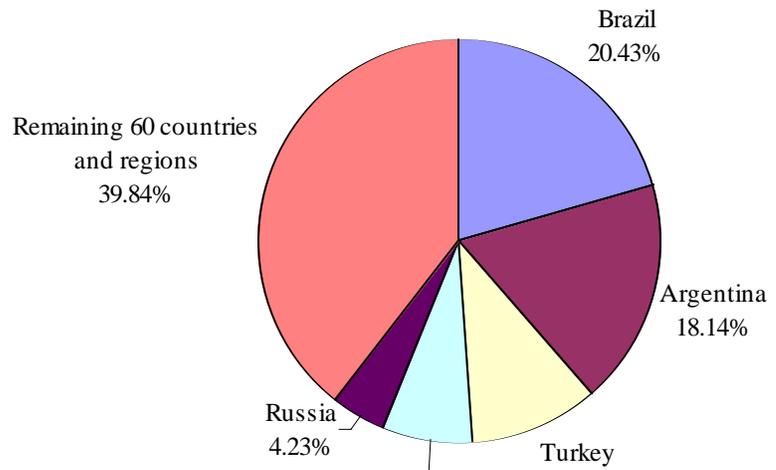
- \$50 million guaranty to MTV Russia for television broadcasting¹⁰
- \$30 million in financing to the Getty Family Trust for oil exploration in Russia¹¹

- \$350 million in financing to UNOCAL for oil and gas exploration and production in Indonesia¹²
- \$15 million in financing for mining of offshore diamond deposits in Namibia¹³
- \$61.1 million guaranty for the Hyatt International Corp., Brazil¹⁴
- \$50 million to the Ritz-Carlton corporation for the construction, operation, and maintenance of the Ritz-Carlton Hotel in Istanbul, Turkey¹⁵

Does anyone really believe that OPIC loans to a diamond mining firm operating in Namibia or \$50 million in OPIC guaranties to the Ritz-Carlton in Turkey is anything other than corporate welfare? The criteria by which OPIC determines whether or not an investment project significantly contributes to development are entirely unclear. Unfortunately, when OPIC supports projects such as the above, the beneficiaries are the companies, their shareholders, and their clients; average

Countries have less incentive to undertake necessary reform when they can attract investment subsidized by the U.S. government.

Figure 3
OPIC Country Distribution, FY1999–2002



Source: *Overseas Private Investment Corporation Annual Report* (Washington: OPIC, various years).

citizens of developing countries rarely benefit and are made often worse off.

To be sure, not all OPIC investments are as questionable as those cited above. But subsidizing almost any investment risk is an exceedingly poor way to promote development. It is frequently asserted, for example, that OPIC corrects for market failure by directing investment where the private sector is unwilling to provide finance or insurance. Yet there are often good reasons for such behavior. By withholding or offering funds, the market is providing important signals about a country's investment environment. By contrast, OPIC finance and insurance can be seen as a reward to host country governments for not implementing the kind of policies that will genuinely attract capital and lead to self-sustaining growth. Countries have less incentive to undertake necessary reform when they can attract investment subsidized by the U.S. government.

In the worst cases, risky investments and delayed reform result in a buildup of unsustainable debt. That is exactly the problem exhibited by the 42 nations on the World

Bank's list of heavily indebted poor countries. It is telling that 95 percent of the long-term debt of those countries, mostly in Africa, is public or publicly guaranteed. In other words, almost all of the debt problem in those countries has been caused by foreign aid agencies and government-backed finance schemes, of which OPIC is a part. When it comes to activist government promotion of development, including backing of the private sector, the hazards of government failure loom large.

The geographic distribution of OPIC support, which is concentrated in a handful of countries, also calls into question OPIC's supposed development mission. Since OPIC's last reauthorization, 60 percent of OPIC support has gone to companies operating in Brazil, Argentina, Turkey, Venezuela, and Russia (Figure 3). During that time, the top three beneficiaries—Brazil, Turkey, and Argentina—have each experienced severe economic strain or crisis in which debt mismanagement has played a prominent role. In all three cases the International Monetary Fund

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Table 2
OPIC vs. Total FDI in Top Five OPIC Countries, 1999–2002

Country	Total FDI, 1999–2002	OPIC Finance and Insurance, 1999–2002 ^a	OPIC Funds as Percentage of Total FDI
Brazil	\$100,378,000,000.00	\$1,812,330,092	1.81%
Argentina	\$39,330,000,000.00	\$1,608,750,000	4.09%
Turkey	\$5,617,000,000.00	\$916,504,720	16.32%
Venezuela	\$12,599,000,000.00	\$624,032,300	4.75%
Russia	\$10,911,000,000.00	\$375,110,400	3.44%
Total	\$168,462,700,000.00	\$5,336,727,512	3.16%

Source: Economist Intelligence Unit, *EIU Data Services*, August 2003, <http://www.eiu.com>.

Note: FDI figures for Argentina and Venezuela for 2002 are estimates.

^a Refers to total OPIC finance and insurance awarded to companies operating in that country.

has responded by providing massive bailouts. The economic situation in Venezuela—recipient of the fourth largest amount of OPIC funds—has also been mismanaged and deteriorated significantly.

OPIC's record thus undermines the idea that it corrects for market failure. The bulk of OPIC activity, having been concentrated in troubled emerging market economies, has mirrored certain private-sector investment flows and may indeed have contributed to those countries' unsustainable buildup of debt. Even so, OPIC investment is a small fraction of total FDI in developing countries. During the period since the agency's last reauthorization, combined OPIC investments in the top five recipient countries amounted to only 3 percent of total FDI in those countries (Table 2).

Conclusion

OPIC's record since its last reauthorization in 1999 provides little evidence that it promotes development abroad or helps the U.S. economy. OPIC activities are more likely to discourage than to advance market reforms, and the agency's largesse is concentrated in a handful of countries. Likewise, OPIC reduces the productivity of the U.S. economy by shifting resources to politically favored activities. There is, on the other hand, plenty of evidence that certain companies benefit from OPIC support. Again, OPIC support is concentrated in a small number of firms and sectors. Congress should retire, not reauthorize, this blatant example of corporate welfare.

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Appendix: OPIC Projects, FY99–02

Country	Company	Description	Amount (\$)	Support	
<i>OPIC Projects: FY 1999</i>					
1	AFRICA REGIONAL	Sloan Financial Group	Investment Fund	227,500,000	Finance
2	ARGENTINA	U.S. Capital Markets Investors - Argentina	Banking Services	200,000,000	Insurance
3	ARGENTINA	U.S. Capital Markets Investors - Argentina	Residential Mortgage Securitization Services	200,000,000	Insurance
4	ARGENTINA	U.S. Capital Markets Investors - Argentina	Oil and Gas Development	200,000,000	Insurance
5	ARGENTINA	U.S. Capital Markets Investors - Argentina	Gas Pipeline	200,000,000	Insurance
6	VENEZUELA	U.S. Capital Markets Investors - Venezuela	Expansion and Upgrade of Power Facilities	200,000,000	Insurance

	Country	Company	Description	Amount (\$)	Support
7	RUSSIA	QUALCOMM Inc.	Telecommunications Services	200,000,000	Insurance
8	TURKEY	U.S. Capital Markets Investors - Turkey	Telecommunications Services	200,000,000	Insurance
9	TURKEY	U.S. Capital Markets Investors - Turkey	Vehicle Assembly	200,000,000	Insurance
10	ARGENTINA	U.S. Capital Markets Investors - Argentina	Water and Sewerage Services	150,000,000	Insurance
11	TURKEY	U.S. Capital Markets Investors - Turkey	Soft Drink Bottling	150,000,000	Insurance
12	BRAZIL	AES Corporation	Power Generation	115,000,000	Finance
13	BRAZIL	U.S. Capital Markets Investors - Brazil	Telecommunications Services	100,000,000	Insurance
14	GUATEMALA	NationsBank, N.A.	Electric Services	100,000,000	Insurance
15	INDIA	Enron Corp.	Power Generation	91,770,000	Insurance/Finance
16	BOLIVIA	Enron Corp.	Gas Pipeline	85,817,000	Finance
17	BRAZIL	Golden Managers Acceptance Corporation	Restaurant Franchising	67,000,000	Insurance
18	BANGLADESH	El Paso Corporation	Power Generation	65,000,000	Insurance
19	ANGOLA	American Commodity Associates, LLC	Food Production Facility	62,600,000	Insurance/Finance
20	BRAZIL	Enron Corp.	Energy Pipeline	62,310,000	Finance
21	PERU	Citibank, N.A.	Financial Services	62,000,000	Insurance
22	COLOMBIA	Citibank, N.A.	Financial Services	58,937,500	Insurance
23	JORDAN	Raytheon Infrastructure, Inc.	Railway Upgrade and Expansion	57,583,000	Insurance/Finance
24	ARGENTINA	Citibank, N.A.	Financial Services	55,000,000	Insurance
25	BRAZIL	Citibank, N.A.	Leasing Services	55,000,000	Insurance
26	VENEZUELA	PSEG Americas	Electric Services	54,210,600	Insurance
27	VENEZUELA	PSEG Americas	Electric Services	54,191,700	Insurance
28	NICARAGUA	Coastal Power Nicaragua Ltd.	Electric Services	54,000,000	Insurance
29	BRAZIL	Citibank, N.A.	Financial Services	52,108,000	Insurance
30	BRAZIL	Enron Corp.	Power Generation	51,873,000	Finance
31	BULGARIA	Seaboard Corporation	Beverage Production Facility	51,686,100	Insurance
32	ARGENTINA	CMS Gas Transmission and Storage Company	Natural Gas Transportation	50,000,000	Finance
33	BRAZIL	Citibank, N.A.	Telecommunications Services	50,000,000	Insurance
34	BRAZIL	Citibank, N.A.	Telecommunications Services	50,000,000	Insurance
35	BRAZIL	State Street Bank & Trust Company	Financial Services	50,000,000	Insurance
36	ZAMBIA	Seaboard Corporation	Flour Mill	43,740,049	Insurance
37	BRAZIL	Citibank, N.A.	Telecommunications Services	40,000,000	Insurance
38	VENEZUELA	Bank of America	Salt Production	40,000,000	Insurance
39	RUSSIA	Avalon International, LC	Oil and Gas Development	30,000,000	Finance
40	GHANA	Phyto-Riker Pharmaceuticals Ltd.	Pharmaceuticals	24,611,461	Insurance
41	INDONESIA	John Hancock Mutual Life Insurance Company	Group Pension and Life Insurance	22,820,000	Insurance
42	GAZA	Enron Corp.	Power Generation	22,500,000	Insurance
43	ARMENIA	A.K. Development, LLC	Hotel	18,000,000	Finance
44	EQUATORIAL GUINEA	CMS Oil and Gas (EG) LDC	Liquified Petroleum Gas Plant	17,000,000	Insurance
45	LESOTHO	Seaboard Corporation	Flour Mill	13,500,000	Insurance
46	COLOMBIA	Sector Resources Ltd.	Mining	12,950,000	Insurance
47	COLOMBIA	Citibank, N.A.	Telecommunications Services	8,400,000	Insurance
48	LEBANON	Elie Naim	Hotel	8,000,000	Finance
49	PAKISTAN	Align Technology, Inc.	Data Processing and Graphic Design	3,500,000	Insurance
50	ARGENTINA	Starlight Development Overseas Ltd.	Diners	2,500,000	Finance
51	VIETNAM	V-TRAC Holdings, Inc.	Equipment Distribution/ Maintenance	2,281,723	Finance
52	ANGOLA	Mampeza	Fish Processing Facility	1,800,000	Finance
53	GHANA	Camas International, Inc.	Cocoa Processing	1,675,000	Finance
54	BRAZIL	El Camino Resources De America Latina Inc.	Leasing Services	1,444,892	Insurance
55	KENYA	D&D Products, Inc.	Performance Bond for Lake Victoria Environmental Cleanup	1,408,572	Insurance
56	INDIA	Premier Medical Corporation	Medical Diagnostic Tests	1,200,000	Finance
57	ZIMBABWE	Ker & Downey	Hotel	1,100,000	Finance

	Country	Company	Description	Amount (\$)	Support
58	PANAMA	Colite Outdoor, LLC	Advertising Services	1,008,000	Insurance
59	PHILIPPINES	Counterpart International, Inc.	Environmental Development Facility	750,000	Finance
60	ERITREA	Fromherz Engineers, Inc.	Bid Bond for Water Treatment Plant	450,000	Insurance
61	RUSSIA	International Scientific Products Corporation	Optical Components Manufacturing	250,000	Insurance
62	RUSSIA	Russian Dairy Farms, Inc.	Dairy Operation	250,000	Finance
TOTAL				4,004,726,597	

OPIC Projects: FY 2000

1	BRAZIL	Bank of America	Cellular telecommunications services	200,000,000	Insurance
2	EQUATORIAL GUINEA	CMS Gas Transmission Company	Methanol plant	173,000,000	Finance
3	ARGENTINA	Citibank, N.A.	Power generation	140,000,000	Insurance
4	TURKEY	Intergen	Gas-fired power generation	123,000,000	Finance
5	TURKEY	Intergen	Gas-fired power generation	101,000,000	Finance
6	BULGARIA	Entergy Corporation	Modernizing of existing power plants	100,000,000	Insurance
7	EUROPE REGIONAL	Southeast Europe Equity Fund, LTD	Investment Fund	100,000,000	Finance
8	BRAZIL	Citibank, N.A.	Cellular telecommunications services	100,000,000	Insurance
9	BRAZIL	Unocal	Offshore oil and gas field development	100,000,000	Insurance
10	ALGERIA	Petrofac Resources LLC	Gas field development and production	93,000,000	Insurance
11	PAPUA NEW GUINEA	P.I.E. Group, LLC	Crude oil refinery	85,000,000	Finance
12	TURKEY	Intergen	Gas-fired power generation	76,000,000	Finance
13	PHILIPPINES	Edison Mission Energy	Gas-fired power generation	75,000,000	Insurance
14	BRAZIL	Hyatt International Corp.	Hotel	61,100,000	Finance
15	TRINIDAD & TOBAGO	Ionics, Incorporated	Desalination facility	53,400,000	Finance
16	RUSSIA	MTV Russia Holdings, Inc.	Television broadcasting	50,000,000	Insurance
17	TURKEY	Ritz-Carlton Hotel Company, LLC	Hotel	50,000,000	Insurance
18	BRAZIL	Citibank, N.A.	Cellular telecommunications services	50,000,000	Insurance
19	GUATEMALA	Enron Corp.	Gas-fired power generation	50,000,000	Finance
20	ARGENTINA	BankBoston, N.A.	General branch banking	47,000,000	Insurance
21	VENEZUELA	Caterpillar Financial Services Corporation	Passenger ferry	47,000,000	Insurance
22	JAMAICA	Citibank, N.A.	Cellular telecommunications services	40,000,000	Insurance
23	NICARAGUA	Roberto Zamora	Mortgage banking	30,000,000	Finance
24	SOUTH AFRICA	Ritz-Carlton Hotel Company, LLC	Hotel	26,500,000	Finance
25	GEORGIA	Nevis Corporation	Hotel and mixed-use building	26,000,000	Finance
26	DOMINICAN REP.	AES Corporation	Gas-fired power generation	25,000,000	Insurance
27	ARGENTINA	BankBoston, N.A.	Office Building	23,300,000	Insurance
28	LATIN AMERICA REGIONAL	PriceSmart, Inc.	Warehouse retail merchandising	10,000,000	Finance
29	VIETNAM	OPV International, Inc.	Pharmaceutical manufacturing facility	8,000,000	Finance
30	TURKEY	Istanbul International Community School	School	7,000,000	Finance
31	ANGOLA	Perini International Corp.	Fuel storage, piping and filling facilities	5,315,391	Insurance
32	LATIN AMERICA REGIONAL	Wavelink Systems, Inc.	Wireless telecom services	1,040,000	Finance

	Country	Company	Description	Amount (\$)	Support
33	GHANA	International Foundation for Education & Self-Help	Microlending facility for small businesses	1,000,000	Finance
34	ZIMBABWE	K & S International, Inc./Sheffield Laboratories, a Div. of Faria, Ltd.	Toothpaste manufacturing facility	1,000,000	Finance
35	HUNGARY	Rami Zohar	Franchise of fast food restaurants	900,000	Finance
36	CENTRAL AMERICA	Ganzcorp Investments Inc.	Vehicle emission & safety testing facilities	765,000	Insurance
37	RUSSIA	Abamedia, L.P.	Electronic catalog/website for motion pictures	632,800	Finance
38	COSTA RICA	Ervin E. Portman	Medical device manufacturing and distribution facility	360,000	Finance
39	PANAMA	Rick Anderson	Franchise of Mail Boxes Etc.	115,200	Finance
40	ETHIOPIA	Norwest Mine Services, Inc.	Feasibility study	7,200	Insurance
TOTAL				2,081,435,591	

OPIC Projects: FY 2001

1	ARGENTINA	Bank of America	Gas pipeline expansion	190,000,000	Insurance
2	BRAZIL	Enron Corp.	Simple-cycle gas-fired power plant	190,000,000	Finance
3	VENEZUELA	The Williams Companies, Inc.	Gas compression facility	140,000,000	Finance
4	BRAZIL	El Paso Corporation	Combined gas-fired power plant	136,000,000	Insurance/Finance
5	BRAZIL	AES Corporation	Hydroelectric power	135,000,000	Insurance/Finance
6	GLOBAL	Great Circle Capital, LLC	Private equity investment fund —maritime industry	130,000,000	Funds
7	PERU	Bechtel Enterprises Inc.	Airport privatization	106,000,000	Finance
8	COLOMBIA	Chase Manhattan Bank	Cellular telecommunications expansion and refinancing	99,500,000	Insurance
9	ARGENTINA	Eligible U.S. Investors	Mortgage-backed bond issuance	60,000,000	Finance
10	ARGENTINA	Citibank, N.A.	Mortgage lending	50,000,000	Insurance
11	BRAZIL	BankBoston, N.A.	Internet service	50,000,000	Insurance
12	BRAZIL	Citibank, N.A.	Upgrade and expansion of cellular service	49,000,000	Insurance
13	BRAZIL	Marriott International, Inc.	Business/tourist hotel	45,439,200	Insurance
14	ARGENTINA	Tishman Speyer/Travelers Real Estate Ventures III, LLC	Office and retail complex	40,950,000	Finance
15	RUSSIA	API Glass Partners L.P.	Glass bottle manufacturing expansion	29,500,000	Finance
16	EUROPE REGIONAL	DVI, Inc.	Diagnostic medical equipment leasing and financing operation	28,000,000	Finance
17	COTE D'IVOIRE	Mondoil Enterprises LLC	Oil and gas field exploration, development and production	25,000,000	Insurance
18	PANAMA	El Paso Corporation	Hydroelectric power project privatization	24,300,000	Insurance
19	DOMINICAN REPUBLIC	Fort Point Real Estate Company	Residential housing/mortgages	22,500,000	Finance
20	ARMENIA	Marriott International, Inc.	Business/tourist hotel	15,344,171	Insurance
21	COLOMBIA	Kimberly-Clark Corporation	Disposable tissue products	10,000,000	Insurance
22	NIGERIA	Atlanta Global Resources, Inc.	Import and marketing of cement	4,770,000	Insurance
23	MEXICO	Cooperative Housing Foundation	Microcredit loans to individual homeowners for home improvements	2,500,000	Finance
24	PERU	Kimberly-Clark Corporation	Expansion of diaper manufacturing facility	2,430,000	Insurance
25	ZAMBIA	Quarry Investment Partners, LLC	Agribusiness	1,512,000	Insurance
26	VENEZUELA	BMI Financial Group, Inc.	Life and health insurance	1,380,000	Insurance

	Country	Company	Description	Amount (\$)	Support
27	MEXICO	Agroenlinea.com, Inc.	Online agricultural commodity exchange	1,200,000	Finance
28	EL SALVADOR	Colite Outdoor, LLC	Billboard advertising	1,080,000	Insurance
29	BRAZIL	Signs Now Corporation (Franchisor)	Franchise sign printer	1,055,000	Finance
30	BOLIVIA	Accion International	Financing of microloans	1,000,000	Finance
31	MEXICO	Accion International	Financing of microloans	1,000,000	Finance
32	ST. CHRISTOPHER-NEVIS	Allen Haddadi	Airline expansion, construction of airport hangar facilities	735,000	Finance
33	COSTA RICA	Colite Outdoor, LLC	Billboard advertising	500,000	Insurance
34	GUATEMALA	Walter Randolph Adams, et al.	Production/introduction of new coffee variety	300,000	Finance
35	UGANDA	Tucson Transatlantic Trade, Inc.	Assembly and sale of solar ovens	300,000	Finance
36	KENYA	Living Water International	Drilling potable water wells	200,000	Finance
37	MEXICO	Dexter Safety and Industrial Products, Inc.	Industrial protection products	100,000	Finance
38	SRI LANKA	Solar Electric Light Company, Inc.	Solar energy home system	100,000	Finance
TOTAL				1,596,695,371	

OPIC Projects: FY 2002

1	INDONESIA	Unocal	Oil and gas exploration and production	350,000,000	Finance
2	NIS REGIONAL & CAUCASUS	Citibank, N.A.	On-lending facility	150,000,000	Finance
3	PAKISTAN	Remington Holdings, Inc.	Purchase oil and gas concessions	130,750,000	Finance
4	CHAD	Pride International, Inc.	Oil and Gas Drilling	100,000,000	Insurance
5	PAKISTAN	Citibank, N.A.	On-lending facility	75,000,000	Finance
6	VENEZUELA	Caterpillar Financial Services Corporation	Purchase and operation of a passenger ferry	35,000,000	Insurance
7	RUSSIA	Gordon P. Getty Family Trust	Oil and gas exploration and production	30,000,000	Finance
8	RUSSIA	Soros Economic Development Fund	On-lending facility for micro and small companies	30,000,000	Finance
9	GUATEMALA	Texas Overseas Gas Corp.	Liquefied petroleum gas distribution	25,000,000	Insurance
10	HAITI	Harding Enterprises, Inc.	Tourism/hotels	25,000,000	Insurance
11	VENEZUELA	Wilpro Energy Services (El Furrial) Ltd.	Gas compression	25,000,000	Insurance
12	VENEZUELA	Wilpro Energy Services (PIGAP II) Ltd.	Gas compression	25,000,000	Insurance
13	PAKISTAN	El Paso Corporation	Power Plant	23,000,000	Insurance
14	PAKISTAN	El Paso Corporation	Power Plant	23,000,000	Insurance
15	HAITI	Western Wireless International Corporation	Building and operation of a cellular network	18,000,000	Insurance
16	GUATEMALA	Mercury Mortgage Finance	Mortgage securitization	15,000,000	Insurance
17	NAMIBIA	Diamond Fields International Ltd.	Mining of off shore diamond deposits	15,000,000	Finance
18	SOUTH AFRICA	Soros Economic Development Fund	Low-income residential housing construction	15,000,000	Finance
19	TOGO	Sterling Merchant Finance Ltd.	Banking	13,500,000	Insurance
20	SRI LANKA	General Electric International, Inc.	Power Plant	9,000,000	Insurance
21	PAKISTAN	Avaz Networks, Inc.	Software development	7,000,000	Insurance
22	GEORGIA	Steadfast Insurance Company	Hotel development	4,349,250	Insurance
23	TURKS & CAICOS ISLANDS	Blanchard TCI Ltd.	Telecommunications	4,273,114	Insurance
24	EL SALVADOR	ECSI International, Inc. Gun Registration	Computer information systems	4,250,000	Insurance

	Country	Company	Description	Amount (\$)	Support
25	LATVIA	Vernon E. Sandy Contractors, Ltd.	Hotel development	4,145,850	Insurance
26	TURKEY	National Union Fire Insurance Company of Pittsburgh	Gas power plant	3,709,440	Insurance
27	TURKEY	National Union Fire Insurance Company of Pittsburgh	Gas power plant	3,669,840	Insurance
28	ROMANIA	Cooperative Housing Foundation	Loan program to SME's/ homeowner associations	2,500,000	Finance
29	RUSSIA	Scott Nicol	Bulk bottled water & water cooler distribution	2,500,000	Finance
30	VENEZUELA	Saul Siegel	Concrete pile manufacturing facility	2,250,000	Finance
31	TURKEY	National Union Fire Insurance Company of Pittsburgh	Gas power plant	2,125,440	Insurance
32	GHANA	Jewell Industries, Inc.	Dehydration facility to process spices, dried fruit and nuts	2,000,000	Finance
33	NICARAGUA	American & Caribbean International Corp.	Power Plant	2,000,000	Insurance
34	MEXICO	Brad Schwartz/Marvin Schwartz/Benny Cherry	Curbside water purification and distribution sites	1,500,000	Finance
35	MEXICO	Heron, Ltd.	Restaurant franchises	1,219,000	Finance
36	RUSSIA	Russian Dairy Farms, Inc.	Dairy farm	1,200,000	Finance
37	NIGERIA	Decision Technologies International, Inc.	Software business center development	1,080,000	Insurance
38	RUSSIA	International Scientific Products Corporation	Expansion of an optic components manufacturing facility	777,600	Insurance
39	ANGOLA	S&N International, LLC	Pump and motor distribution and repair facility	750,000	Insurance
40	MOLDOVA	Foodpro International, Inc.	Walnut and dried fruit processing plant	675,000	Insurance
41	THAILAND	Pacifica Subsea Saipan, Inc.	Underwater submarine tourism	600,000	Finance
42	ANGOLA	S&N Pump Company	Pump and motor distribution and repair facility	495,000	Finance
43	ETHIOPIA	Mr. Tilaye Berihune	Medical diagnostic testing facility	489,677	Finance
44	ECUADOR	James Besch	Agriculture (farm)	450,000	Finance
45	GUATEMALA	Colite Outdoor, LLC	Outdoor advertising, billboards	350,000	Insurance
46	MOLDOVA	International Communication Systems, Inc.	Transit & traffic routing	300,000	Insurance
47	MONGOLIA	Mr. Lee Cashell	Tourist camps to provide adventure travel activities	250,000	Finance
48	GHANA	B&C Management, Inc.	Operation of a gravel quarry	168,560	Finance
49	NICARAGUA	Colite Outdoor, LLC	Outdoor advertising, billboards	150,000	Insurance
50	BELIZE	Jennifer Lovell	Operation of retail center	100,000	Finance
51	GHANA	Living Water International	Drilling potable-water wells	100,000	Finance
TOTAL				1,187,677,771	

Sources: *Overseas Private Investment Corporation Annual Reports: 1999, 2000, 2001, 2002* (Washington: OPIC).

Notes

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2. 22 U.S.C. § 2191.
3. Ruth Harkin, OPIC, Statement before the Subcommittee on International Economic Policy and Trade of the House Committee on International Relations, March 18, 1997.
4. George Muñoz, OPIC, Statement before the Subcommittee on International Economic Policy and Trade of the House Committee on International Relations, April 14, 1999.
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6. Theodore Moran, *Reforming OPIC for the 21st Century* (Washington: Institute for International Economics, 2003).
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8. James K. Jackson, "OPIC: Employment and Other Economic Effects," Congressional Research Service Report for Congress, May 23, 1997, p. 6.
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11. *Overseas Private Investment Corporation Annual Report, 2002* (Washington: OPIC, 2003).
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