

Small Business Help for Pursuing Global Markets Gets Attention

An explanation of the programs and resources available to small businesses from the Overseas Private Investment Corporation (OPIC), the U.S. government agency responsible for supporting private-sector investment in developing countries, was outlined during the World Affairs Council luncheon on October 1 at the California Chamber of Commerce.

As more U.S. small businesses participate in the global marketplace, they are facing new challenges, Dr. Lawrence Spinelli, director of public affairs for OPIC, explained.

A lack of knowledge about government programs available to support overseas investment, limited access to private sector capital to pursue opportunities abroad, and concern over political risks in emerging markets all can prevent small businesses from expanding overseas.

“Since its establishment in 1971, OPIC has committed over \$6.4 billion in financing and political risk insurance to projects sponsored by companies in California, supporting more than 42,000 local jobs and \$2.5 billion in exports from the state,” Dr. Spinelli told attendees.

Stability/Economic Opportunity

OPIC works by mobilizing the U.S. private sector to advance U.S. foreign policy and development initiatives, Spinelli explained. Projects supported by OPIC expand economic developments, which encourage political stability and free market reforms.

OPIC is authorized to operate in 150 developing nations around the world, and supports projects in a range of industries from energy to housing, agriculture and financial services. It focuses its work on regions where the need is greatest and in

sectors that can have the greatest developmental impact, Dr. Spinelli told attendees.

Dr. Spinelli asserted that OPIC operates on a self-sustaining basis at no net cost to U.S. taxpayers. To date, OPIC has supported more than \$200 billion of investment in more than 4,000 projects,



generated an estimated \$75 billion in U.S. exports and supported more than 277,000 U.S. jobs.

“If we can mobilize U.S. private sector investment into a place like Afghanistan, we can create jobs there. If we can, through private sector investment, encourage political stability and democracy, that’s a good thing because it supports U.S. foreign policy objectives by encouraging development in regions that have experienced instability or conflict, yet offer promising growth opportunities,” he said.

More than 90% of the world’s consumers live outside the United States, Dr. Spinelli reminded listeners. OPIC’s work contributes to stability and economic opportunity, which helps mitigate

risk to U.S. companies investing abroad, and promotes a positive developmental effect for the host countries, he said.

Supports U.S. Small Businesses

U.S. small businesses are an OPIC priority, comprising on average 80% of projects supported by the agency annually, Dr. Spinelli told luncheon attendees. OPIC’s department of small and medium-sized enterprise finance offers qualified small businesses a streamlined approval process and direct loans from \$350,000 to \$10 million with terms from three to 15 years.

While the eligible U.S. small business must own at least 25% of the overseas project, OPIC may be able to finance up to 65% of the total project cost.

Expanding Horizons Workshop

Dr. Spinelli also invited California businesses to join OPIC on November 13 at the Expanding Horizons workshop in San Jose, California. Businesses interested in participating in the program will learn about:

- How expanding overseas can benefit their business at home.
- U.S. government programs offering assistance to small and medium-sized enterprises planning to go global.
- Political risk insurance and how it can protect their business.
- Accessing capital for overseas projects.
- Current opportunities in the renewable energy and clean technology sector.
- OPIC’s special finance products for small businesses.

Companies interested in attending may register online at www.opicevents.com.

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