



News Release

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EX-IM BANK PROVIDES \$1 BILLION TO FINANCE SUB-SAHARAN AFRICAN PURCHASES OF HIV/AIDS MEDICINES FROM U.S. PHARMACEUTICAL FIRMS

The Export-Import Bank of the United States (Ex-Im Bank) will provide \$1 billion a year in five-year term financing to support sub-Saharan Africa's purchase of U.S. HIV/AIDS medications and related equipment and services. The Ex-Im Bank initiative is aimed at combating a plague that so far has left more than 13 million children of the region without mothers or both parents and, under current conditions, will kill more than one-third of all young adults in hard-hit countries.

The new pilot program will add flexibility minimize the cost and maximize the repayment terms of financing, making the overall cost of the medicines and supporting infrastructure as low as possible, Chairman James A. Harmon announced at a news conference at Ex-Im Bank headquarters. Ex-Im Bank will cooperate with several U.S. pharmaceutical manufacturers – those include **Merck & Co., Glaxo Wellcome, Boehringer Ingelheim, Bristol-Myers Squibb, and F. Hoffman-La Roche** – which have announced initiatives to help countries in need obtain more of the medicines at lower prices. Conversations with representatives of sub-Saharan Africa governments indicate a strong need for this kind of financing and an interest in using the Ex-Im Bank program.

“We are a trade agency, not an aid agency,” Harmon said. “But in our own small way, Ex-Im Bank is hoping to contribute to the broader international effort to confront this human tragedy and help the countries of sub-Saharan Africa reach their full potential. We will respond aggressively to this crisis by supporting these countries' acquisition of HIV/AIDS medications, while still fulfilling our Congressionally-mandated mission of financing creditworthy U.S. exports and creating U.S. jobs.”

The program will be available in the 24 sub-Saharan countries where Ex-Im Bank offers five-year financing: **Benin, Botswana, Burkina Faso, Cameroon, Cape Verde Island, Cote d'Ivoire, Gabon, The Gambia, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Senegal, Seychelles, South Africa, Swaziland, Tanzania, Uganda, and Zimbabwe.**

Ex-Im Bank will cooperate with its counterpart export credit agencies (ECAs) and other international entities to increase the standard repayment terms given for HIV/AIDS pharmaceutical sales to sub-Saharan Africa from six months to five years. “I believe ECAs in Europe and Japan will follow suit and support their pharmaceutical companies by offering five-year terms,” Harmon said.

More....

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For the 14 countries in which Ex-Im Bank is open in the public sector – **Benin, Botswana, Cape Verde Island, Ghana, Kenya, Lesotho, Mauritius, Namibia, Senegal, Seychelles, South Africa, Swaziland, Uganda, and Zimbabwe** – Ex-Im Bank can also use an element of concessionality to subsidize some small pieces of the financing costs for medicine sales. The Bank will finance packages of items combining HIV/AIDS medications with capital goods and services, with the full packages being given the longer repayment terms appropriate for capital goods.

UNAIDS estimates that \$2 billion a year is needed in global investment for AIDS in sub-Saharan Africa for prevention alone, whereas global investment for both prevention and care of AIDS this year totaled only \$300 million.

In fiscal year 1999, Ex-Im Bank supported more than \$600 million in sales to sub-Saharan Africa, up from nearly \$50 million the previous year. Ex-Im Bank is an independent U.S. government agency that helps finance the sale of U.S. exports primarily to emerging markets throughout the world, by providing loans, guarantees, and insurance. During fiscal year 1999, Ex-Im Bank supported nearly \$17 billion in US exports.

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