
MIGA NEWS

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Table of Contents

MIGA's Capital Stock Doubles: Expands Ability to Facilitate Foreign Investment in Developing Countries

MIGA Meets MITI: Increasing Japanese Investments in Developing Countries

Guarantee Results: Third Quarter FY99

MIGA Assists Bolivia Promote Private Sector Development

First MIGA/IFC Compliance Advisor/Ombudsman Appointed

MIGA Helps with the Hurricane Recovery Efforts in Honduras

CIDA, MIGA and the World Bank Collaborate on PrivatizationLink Russia

Aviation Summit to be Held in November

MIGA Participates in the APEC Investment Market

MIGA Featured at the Emerging Markets International Fair

Argentine Regions Seek Increased Inward Investment

New Member Countries

How to Contact MIGA

MIGA's Capital Stock Doubles: Expands Ability to Facilitate Foreign Investment in Developing Countries

A doubling of MIGA's capital resources was approved by the Agency's Council of Governors, comprising the Finance Ministers and other appointed representatives of its 149 industrialized and developing shareholder countries. In a move to complete the two-part funding package totaling US\$1 billion, the Council approved a US\$850 million capital increase by a special majority vote. The package will increase MIGA's capital and reserves to more than US\$2.0 billion*.



On the occasion of the signing of the treaty reinsurance agreement with XL Capital Ltd., on February 22, 1999, in Bermuda: Mr. Roger Pruneau (seated on left), Vice President of MIGA Guarantees and Ms. Christina Westholm-Schröder (standing), Manager of Business Development & Syndications, with Mr. Brian O'Hara, Chairman & CEO of XL. The agreement allows for a substantial increase in MIGA's country and project limits.

Mr. Motomichi Ikawa, Executive Vice President of MIGA, said:

"I deeply appreciate our shareholders' support of MIGA's operations and for the recent progress the Agency has made on a number of major policy reviews. With the capital increase, MIGA looks forward to being able to increase its underwriting in the coming years beyond its current limits. This will greatly benefit both large and small investors as well the recipient developing member countries. This endorsement of MIGA's success by its Board of Directors and the Council of Governors marks a momentous start to a new chapter in MIGA's history."

The funding package will boost MIGA's ability to substantially increase its guarantee services to foreign investors interested in investing in the Agency's 127 developing member countries.

Increase in Country and Project Limits to Serve Foreign Investors

The approval of the capital increase followed another landmark increase. The allowable limits of political risk insurance that MIGA may issue increased per project, from US\$75 million to US\$200 million, and per host country, from US\$350 million to US\$620 million. The capital increase will allow MIGA to expand these levels further in the future.

Further Increases in Insurance Coverage to Meet Growing Demand:

Treaty Reinsurance

The increase in the project and country limits includes the effects of the signing of treaty reinsurance agreements with two Bermuda-based private insurers, XL Insurance Company Ltd (XL) and ACE Bermuda Insurance Limited (ACE). Under the new agreements, ACE and XL will each reinsure up to US\$50 million per project and up to US\$150 million per country. The agreements substantially increase MIGA's ability to respond to the demand of its clients for insurance of foreign direct investments in developing countries.

Mr. Brian O'Hara, Chairman and Chief Executive Officer of XL Capital Ltd, welcomed the joint agreement with MIGA.

"We take great pride in establishing a close relationship with MIGA, which we believe is the most prestigious provider of political risk insurance worldwide. Also we are pleased that this relationship continues the symmetry of developing our political risk capabilities with ACE," he concluded.

XL Capital Ltd, through its wholly-owned subsidiaries, including XL Insurance Company Ltd., XL Capital Products and The Brockbank Group plc, provides insurance and reinsurance coverages and financial products worldwide.

MIGA had previously signed a treaty reinsurance agreement with ACE, the first of its kind between a private political risk insurer and a multilateral agency.

Mr. Brian Duperreault, Chairman and President of ACE Limited, also commented on the successful relationship with MIGA since ACE signed a treaty reinsurance agreement with the Agency in 1997.

"I welcome this extension of our collaboration with MIGA and XL's participation in this initiative," he said.

The ACE group of companies provides insurance and reinsurance for a diverse group of international clients, through its operating subsidiaries in Bermuda, the United States, the United Kingdom (Lloyd's), and the Republic of Ireland.

Additional amounts of coverage can be mobilized through MIGA's Cooperative Underwriting Program and other forms of coinsurance and facultative reinsurance with private insurers.

Facultative Reinsurance: Case of Lloyd's of London

In addition to treaty reinsurance agreements, other developments in increasing the availability of MIGA insurance for investments in developing countries include further expansion of the Agency's collaboration with other insurers through coinsurance and facultative reinsurance with private insurers, on a project-by-project basis. MIGA maintains close ties with private insurers such as the American International Group, Lloyd's of London, Sovereign Risk and Zurich-American Political Risk, as well as public insurers such as the Export Development Corporation of Canada, OPIC of the United States and EID/MITI of Japan (See article on **MIGA Meets MITI**).

For example, in FY99, MIGA signed its first reinsurance agreement with ACE Global Markets' Syndicate 488/2488 of Lloyd's of London, extending its close cooperation with private insurers so as to increase availability of political risk insurance for foreign investments in developing countries. The long-term (15 years) agreement with a multilateral insurer is groundbreaking for the Lloyd's market (see Lloyds Bank, Argentina project write-up).

Mr. Iain Cheyne, Managing Director, International Banking, Lloyds Bank Plc, said:

"We are pleased with MIGA's continued support in providing sufficient amounts of high-quality guarantee coverage for our loan investments in developing countries. We look forward to continuing our long-standing relationship with MIGA."

Mr. Jack Gressier, Deputy Underwriter, Syndicate 488/2488 London, said:

"We are honored to be associated with MIGA in reinsuring this project. This first step will be one of many for ACE Global Markets in building a successful long-term relationship with MIGA."

MIGA's collaboration with ACE Global Markets follows a coinsurance arrangement with Lloyd's of London's Brockbank Syndicate Management Ltd. under MIGA's Cooperative Underwriting Program. ACE Global Markets manages one of the largest managing agency groups at Lloyd's of London with approximately £635 million of capacity.

Conclusion

At the close of fiscal year 1999, MIGA met several challenges with great success. The approval of increased capital resources, Board approval of increased project and country limits, and extended collaboration with other insurers (private and national), has positioned MIGA very well to play a strategic role in promoting foreign direct investments in developing countries in the coming years.

MIGA Meets MITI: Increasing Japanese Investments in Developing Countries

MIGA opened a Mobile Office in the World Bank's Tokyo office in the first two weeks of April. The main objectives of the mobile office were to meet with prospective Japanese investors, corporations and financial institutions, interested in investing in developing countries and to sign a Memorandum of Understanding (MOU) on cooperation with Japan's national insurer, the Export, Import and Investment Insurance Department of the Ministry of International Trade and Industry (EID/MITI). Both aspects of the trip were covered extensively by the local and foreign media.



Mr. Motomichi Ikawa (left), Executive Vice President of MIGA, and Mr. Yukio Kitazume, Chairman of the Board of EID/MITI, signed the Memorandum of Understanding on cooperation, in Tokyo, on April 6, 1999.

MIGA's delegation met with senior management of most of the major Japanese trading companies and financial institutions. This resulted in a great demand for follow-up seminars and meetings on specific projects.

A briefing on MIGA's guarantee and investment marketing services and activities was also organized for commercial attaches of foreign embassies in Tokyo. MIGA staff met with representatives of prominent Japanese government institutions, such as the Ministry of Finance, the Japan Development Bank, Japan Eximbank, OECF, JTIO, Keidanren, Japan Machinery Center for Trade & Investment and EID/MITI.

MIGA and EID/MITI signed an MOU to increase cooperation on all aspects of investment insurance. The agreement generated a high level of interest and enthusiasm among Japanese investors. Subsequent to the signing, MIGA and EID/MITI held their first working session, during which both institutions outlined recent developments and their respective positions in certain countries.

MIGA also hosted seminars in Tokyo and Osaka. The Tokyo seminar brought together MIGA's three Executive Vice Presidents -Messrs. Yoshio Terasawa (1988-1992), Akira Iida (1992-1998) and Motomichi Ikawa(1998-present). Mr. Ikawa greeted the two former heads of MIGA and commended them on helping to build a strong and effective

organization. Messrs. Terasawa and Iida also reflected on their own personal experiences and cheered MIGA's most recent changes, especially the capital increase approval and the expansion of the project and country limits.

Following the success of the relationships established during the Mobile Office, MIGA has hired a permanent representative in Tokyo. This effort will be instrumental in fostering a deeper understanding of MIGA's role and services among Japanese agencies and investors. It will be especially crucial to create closer ties and cooperation, as the agencies in some cases are involved in the same projects for which MIGA has issued political risk insurance. The Mobile Office has already resulted in a number of Preliminary Applications for coverage of Japanese investments which are currently under review. For further information on MIGA's presence in Japan, please contact Mr. Philippe Valahu at Tel: 1-202-473-8043.

Guarantee Results:

Third Quarter FY99

In the first three quarters of FY99, MIGA issued 33 guarantee contracts totaling US\$567.7 million in coverage for investments in 17 developing countries. Of these contracts, 18 were issued in the third quarter totaling US\$306.5 million in coverage of investments in Argentina, China, Colombia, Costa Rica, Malaysia, Mozambique, the Slovak Republic and Turkey.

In total, MIGA has issued over 380 guarantee contracts for almost US\$5.0 billion in coverage, facilitating investments in 63 developing countries and transition economies. MIGA's outstanding portfolio at the end of the third quarter of FY99 is US\$3.2 billion.

The guarantee contracts issued by MIGA during the third quarter of fiscal 1999 are as follows:

Guarantee Holder	Investor Country	Project Type	Host Country	Gross Exposure (US\$million)
Lloyds Bank Plc	United Kingdo	Financial	Argentina	45.0
Dunriding Company N.V	Netherlands	Thermal Power	Colombia	62.4
Empresas Comegua, S.A.	Panama	Manufacturing	Costa Rica	2.3
Scotia Mercantile Bank	Cayman Islands	Manufacturing	Costa Rica	13.9
Interface (2 contracts)	United States	Manufacturing	China	9.5
ABN AMRO Bank, N.V	Netherlands	Financial	Malaysia	67.5
Salvintur-Sociedade de Investimentos Turisticos, S.A. (2 contracts)	Portugal	Manufacturing	Mozambique	2.8
ABN AMRO Bank, N.V.	Netherlands	Financial	Slovak Republic	7.4
Citibank, N.A.	United States	Financial	Slovak Republic	7.4
Bank of America	United States	Financial	Slovak Republic	7.4
MediaOne International Holdings	United States	Financial	Slovak Republic	1.9
Bell Atlantic Investments,	United States	Financial	Slovak	1.9

Inc			Republic	
Westdeutsche Landesbank	Germany		Turkey	18.0
Siemens A.G. (2 contracts)	Germany	Leasing	Turkey	39.9
ING Bank, N.A.	United Kingdom	Netherlands	Turkey	20.0
GRAND TOTAL FOR FY99 = 33 contracts				567.7

ASIA

China

INTERFACE OVERSEAS HOLDINGS INC.

MIGA issued two guarantee contracts totaling US\$9.5 million in coverage to Interface Overseas Holdings Inc. for its equity investment in and shareholder loan investment to Shanghai Interface Carpet Co. Ltd. MIGA insurance covers the investments against the risks of transfer restriction, expropriation and war and civil disturbance.

The project involves the construction and operation of a manufacturing facility to produce and sell carpet tiles. The project will benefit from substantial technical and managerial expertise provided by Interface and will offer the Chinese market high grade carpet at competitive prices. Extensive technical, marketing and managerial training programs for employees have been offered on-site and in the United States. A social welfare program has also been established for local employees and their families.

Malaysia

ABN AMRO Bank N.V.

In its first project in Malaysia, MIGA insured ABN AMRO Bank N.V. Singapore for its US\$75 million loan to its Labuan branch. The branch primarily provides a range of offshore banking services in foreign currencies. Its clients include corporate customers and companies in the export-oriented sectors. These operations will be expanded to meet the growing demand for such banking services in the country. MIGA insurance of US\$67.5 million covers the loan against the risks of transfer restriction and expropriation.

EUROPE AND CENTRAL ASIA

Slovak Republic

MIGA EXPANDS COVERAGE FOR COMMERCIAL BANK LOANS

For the first time, MIGA provided 95 percent insurance coverage for commercial bank and shareholder debt financing, enhancing its ability to play an important role in international project finance. MIGA insured a portion of the

expansion of EuroTel Bratislava a.s., one of two nationwide wireless telecommunications providers in the Slovak Republic. MIGA issued Euro-denominated insurance equivalent to US\$21.3 million for long-term loans by Bank of America, Citibank N.A., and ABN-AMRO Bank N.V., and US\$3.8 million for shareholders' loans by MediaOne Group and Bell Atlantic Corporation.

The total cost of EuroTel's GSM expansion is estimated at US\$250 million, including a US\$150 million capital investment to increase network capacity and a US\$100 million refinancing of short-term bridge loans. The project will help to address rising demand for high-quality telecom services in the Slovak Republic. The resulting capacity increase is expected to accommodate approximately 250,000 new subscribers to EuroTel's digital wireless network in the next two years.

Mr. Steve Johnson of Bank of America's Structured Finance Group, London, congratulated the participants in the financing:

"It was really important for EuroTel, and I think the country as a whole. It was a real team effort and everybody who contributed to the deal should feel proud to have been involved."

Mr. Roger Pruneau, Vice President of MIGA Guarantees, reaffirmed MIGA's capability to insure loans by commercial banks:

"MIGA is proud to extend its guarantee facility to promote long-term loans by commercial banks, in developmentally sound, foreign-sponsored projects."

Turkey

SIEMENS A.G.

MIGA issued US\$40 million in guarantees to Siemens A.G. of Germany for its shareholder loan to its leasing company in Turkey. The guarantee covers the investment against the risks of transfer restriction and expropriation of funds.

The project will allow Siemens to expand its leasing activities in Turkey and, thereby, provide medium- and long-term financing. The project will employ 22 local personnel and approximately 50 percent of the leased products will be manufactured locally.

ING BANK, N.A.

MIGA has issued US\$20 million in coverage for a 15-year loan by ING Bank to expand ING's banking activities in Istanbul. ING Istanbul will focus on increasing its activities in corporate banking, financial institution banking, treasury securities trading and sales, and capital markets. The proposed loan is a multipurpose facility which will allow ING

Istanbul to provide medium- and long-term financing to multinational companies and major local firms.

MIGA insurance covers the loan against the risks of transfer restriction and expropriation.

***MIGA's Cooperative Underwriting Program:
Facilitating Investments through Collaboration with Private Insurers***

WESTDEUTSCHE LANDESBANK

MIGA insured Westdeutsche Landesbank Girozentrale Düsseldorf Münster (WestLB) of Germany for its shareholder loan to its branch in Turkey. The contract was issued under MIGA's Cooperative Underwriting Program (CUP), placing a portion of the coverage with three Lloyd's of London syndicates, M.D. Reith, Esq., And Others, Syndicate 861, M.E. Brockbank, Esq., And Others, Syndicate 1209, and N.J. Metcalfe, Esq., And Others, Syndicate 588.

MIGA created the CUP as a form of coinsurance in which the Agency acts as the insurer-of-record among other participating underwriters. The program is designed to increase available investment insurance capacity for investors by encouraging private insurers to offer coverage in developing countries where they might not have guaranteed investments without the involvement of a multilateral institution such as MIGA. This mechanism expands the available investment insurance in the marketplace and allows for increased flows of foreign investments in developing countries and transition economies.

The project will allow WestLB to expand its banking activities in Turkey, thereby providing financing to companies in the Turkish market, in particular for those involved in export generating activities and infrastructure projects. MIGA's US\$45 million guarantees cover the investment against the risks of transfer restriction and expropriation of funds.

LATIN AMERICA AND THE CARIBBEAN

Argentina

LLOYDS BANK

MIGA issued US\$45 million in coverage to Lloyds Bank Plc of the United Kingdom for its shareholder loan to its wholly-owned branch subsidiary in Argentina. The project expanded MIGA's collaboration with the private insurance industry and Lloyd's of London, in particular, in providing political risk insurance to foreign investors.

The guarantee contract was MIGA's first reinsurance agreement with ACE Global Markets Syndicate 488/2488 of Lloyd's of London for this project. The US\$31 million, long-term (15 years) agreement was groundbreaking for ACE Global Markets as it was the first agreement with a multilateral insurer. Reinsurance allowed MIGA to provide adequate coverage for this project, which will support the construction industry, the

fastest-growing sector in the Argentine economy and an important generator of employment.

The project will expand residential mortgage lending operations of BLSA. The funds will be on-lent through Lloyds Bank's network of 51 offices in Argentina for residential mortgages. The project will help to create a large number of jobs in the construction industry and will have significant downstream effects, such as increasing demand for manufacturers of building products, furniture, household appliances and related consumer goods. MIGA insurance covers the loan against the risks of transfer restriction, expropriation, and war and civil disturbance.

Colombia

DUNRIDING COMPANY N.V.

MIGA insurance of US\$62.4 million covers an investment by Dunriding Company N.V. of the Netherlands Antilles, a subsidiary of the Scupper Latin American Power Fund. The investment will be used for the acquisition, expansion and modernization of a 150-megawatt coal-fired thermal plant near Cucuta city, in Colombia.

The project, Termotasajero S.A. E.S.P., will upgrade the environmental monitoring and compliance, and expand the distribution activities of the thermal plant. A phased expansion will increase capacity by 300 megawatts in two years.

The project will involve transfer of technology. Training will be provided in plant operations, maintenance and use of technology. Management courses for plant executives and computer training will be offered. Downstream businesses that will benefit from the project include engineering firms, equipment suppliers, plant operators, fuel specialists, technology providers, and insurance and financial services firms.

MIGA insures the investment against the risks of transfer restriction and war and civil disturbance.

Costa Rica

EMPRESAS COMEGUA, S.A. AND SCOTIA MERCANTILE BANK

In its first project with a Panamanian investor, MIGA covered a loan guaranty by Empresas Comegua, S.A., and a loan by Scotia Mercantile Bank of the Cayman Islands to expand and modernize a glass melting furnace in San Nicolás de Cartago, Costa Rica. The loan guaranty by Empresas guarantees a loan by its subsidiary, Fomento Industrial Centroamericano, which has indirect ownership of the project enterprise, Vidriera Centroamericana, S.A. (Vicesa). MIGA coverage totaling US\$16.2 million was issued to cover these loans against the risk of transfer restriction.

The manufacturing plant, Vicesa, is part of a consolidated group of companies held by Comegua, which is a joint venture between Mexican, Costa Rican and Guatemalan glass

manufacturers. The Vicesa project will manufacture, process and sell several types of melted glass containers for the beverage and food juice processing industries in Costa Rica.

The expansion of the project involves the construction and installation of a 200 metric ton glass melting furnace to help meet the projected demand for glass containers in Central America and the Caribbean. Vicesa is the only glass melting furnace in Costa Rica and will complement the facilities in Guatemala which currently serve the region's demand for the containers. The furnace will use state-of-the-art technology and will have direct support from its European equipment suppliers.

AFRICA

Mozambique

SALVINTUR-SOCIEDADE DE INVESTIMENTOS TURÍSTICOS, S.A.

MIGA issued two guarantee contracts totaling US\$2.8million to Salvintur-Sociedade of Portugal, for its equity investment and shareholder loan to renovate a hotel facility in central Maputo.

The 220-room Rovuma Carlton Hotel, one of the first international hotels in Mozambique, will help to respond to the rising demand posed by the country's growing tourism industry. It will also provide Maputo with the first modern shopping mall consisting of restaurants, some 40 retail stores and office space. This is expected to generate a substantial multiplier effect for other downstream businesses such as dry cleaning, food and beverage, local handicrafts and marketing services.

MIGA insurance covers the investments against the risks of transfer restriction, expropriation and war and civil disturbance.

MIGA Assists Bolivia Promote Private Sector Development

A MIGA delegation led by Vice President Luis Doderó, together with delegations of the IFC and World Bank, met with top-level representatives of the investment community in Bolivia, in March, to promote investments in the country. The visit was the outcome of an invitation from the Bolivian Ambassador in Washington, D.C., Mr. Marcelo Pérez Monasterio, who has shown great interest in the activities of the World Bank Group in promoting private sector development through foreign direct investment.



MIGA Vice President Luis Dodero with President of Bolivia, Mr. Hugo Banzer Suárez and Bolivian Ambassador to the United States, Mr. Marcelo Pérez Monasterio

The delegation met with Bolivia's President Hugo Banzer Suárez, Vice President Quiroga, and other high-level government officials in La Paz. They held discussions with a number of business associations, chambers of commerce and commercial counsels on the services that MIGA provides in attracting foreign investments to its developing member countries through political risk insurance and investment marketing services.

MIGA has already issued US\$62.5 million in insurance to cover an investment by a Swedish power company in the expansion and modernization of Compañía Boliviana de Energía Eléctrica, S.A., a power generation facility in the country's Zongo Valley. MIGA also has a promising pipeline of applications for coverage of other investments in Bolivia.

Mr. Dodero commented that the investment climate in Bolivia has built a good momentum to push its private sector:

"Many foreign enterprises are recovering their trust in Bolivia, due to the efforts being made by the government to improve the foreign investment climate in the country. MIGA's guarantees and technical assistance services will help to support these foreign investment flows," Dodero said.

FIRST MIGA/IFC COMPLIANCE ADVISOR/OMBUDSMAN APPOINTED: Enhancing Public Accountability and Improving Environmental and Social Performance for Private Sector Institutions

World Bank Group President James D. Wolfensohn appointed Ms. Meg Taylor as the first Compliance Advisor/Ombudsman for MIGA and the International Finance Corporation (IFC). Ms. Taylor will help to address the concerns of local communities who may be adversely affected by a MIGA or IFC supported project, and will also advise senior management on issues arising from environmental, social and information disclosure policies. The newly created vice presidential-level post, the first of its kind in a multilateral development institution, will report directly to President Wolfensohn.

Ms. Taylor's appointment is the result of joint efforts by MIGA and IFC, their shareholders, members of civil society and the business community, to find a workable and constructive approach to dealing with environmental, social and other concerns of individuals directly affected by MIGA and IFC projects.

Ms. Taylor, a national of Papua New Guinea, received her LL.B. degree from Melbourne University, Australia, in 1974 and her LL.M. degree from Harvard University in 1986. She served as a member of the Law Reform Commission in Papua New Guinea and represented the country as Ambassador to the United States in Washington, D.C., from 1989 to 1994. She was also accredited to Mexico and Canada. She is co-founder and Chairperson of Conservation Melanesia, a community-based conservation organization that works on terrestrial and marine issues, and is presently a board member of the World Wildlife Fund USA and the World Resources Institute. She has been a member of the World Forestry Commission and has carried out a number of environmental and social reviews as a consultant. In addition, Ms. Taylor is a member of the board of several private sector companies in Papua New Guinea, in the natural resources, financial and agricultural sectors. Ms. Taylor is expected to assume the CAO position in June.

More information on MIGA and IFC's environmental, social and disclosure policies and procedures is available at their respective websites on:

www.miga.org/welcome.htm and
www.ifc.org/enviro

MIGA Helps with the Hurricane Recovery Efforts in Honduras

The World Bank Group organized a series of visits earlier this year to assist the recovery efforts in Honduras in the aftermath of Hurricane Mitch. MIGA staff visited Honduras in March and met with representatives of the private investment community to discuss ways in which MIGA's political risk insurance and investment marketing services could help to attract foreign private investment to Honduras.

A conference was organized by the Chamber of Commerce of Cortés in San Pedro Sula and was attended by members from local banks and the media. The audience was interested to learn about MIGA's guarantee program and the technical assistance services available to improve the investment climate for foreign investors in Honduras.

Honduras became a member of MIGA in 1992 and the Agency insured its first project in the country in 1995. The project was a 60 megawatt power plant, Electricidad de Cortes S. de R.L. de C.V. in Puerto Cortés. MIGA worked actively with multilateral and bilateral institutions, including the International Finance Corporation, to facilitate financing for the project. The project, the first Independent Power Producer in Honduras, has had a significant impact on the Honduran power system by helping to alleviate the chronic power shortages and has resulted in upgrading the existing local power network. MIGA insurance for US\$57 million has facilitated US\$71 million in foreign direct investment. MIGA insurance was issued to cover equity investments and loans by five foreign investors in the project.



Texaco Inc., supplies fuel to Elcosa and is responsible for disposing off sludge from the plant, using a special Land Farming Treatment Unit, the first of its kind built in Central America. The unit dispenses the sludge into a neighboring plot of

land and treats it through continuous plowing, converting it into carbon-dioxide and water, for biodegradation. Eventually the land will be used for cultivation of crops.

MIGA currently has 15 applications for future investments in the country's electricity, mining, telecommunications, tourism and eco-tourism sectors. The Agency is committed to supporting the rebuilding initiatives in the Honduran infrastructure sector through its investment guarantees and technical assistance services.

CIDA, MIGA and the World Bank Collaborate on PrivatizationLink



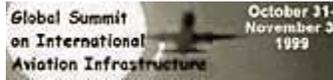
MIGA's Investment Marketing Services group is embarking on the development of *PrivatizationLink Russia*, an on-line service featuring background information and the latest updates on privatization-related investment opportunities in Russia. This new information resource will be available to domestic and foreign investors free of charge. Through this service MIGA seeks to encourage the transparency of Russia's privatization program and increase foreign investor involvement in the development of Russia's private sector. Joining MIGA in the development of *PrivatizationLink Russia* is the Canadian International Development Agency (CIDA), which is providing financial and logistical resources to this effort. *PrivatizationLink Russia* will be launched with the support of field staff within the Europe and Central Asia Department of the World Bank in conjunction with Russia's Federal Property Fund and the Ministry of State Property. Ultimately, the Web site of *PrivatizationLink Russia* will be housed in the Federal Property Fund.

In developing *PrivatizationLink Russia*, MIGA will draw upon its experience with [PrivatizationLink](#), a specialized Web-based service launched in 1998 featuring information on privatization-related investment opportunities in Africa and Central and Eastern Europe. This service features profiles of state-owned companies for sale to the private sector, as well as legal and other privatization-related information, free to users. *PrivatizationLink Russia* will be tailored to suit the specific requirements of Russia's privatization program and to reflect the country's unique challenges and opportunities.

Capacity-building within the Federal Property Fund and the Ministry of State Property will be an important component of *PrivatizationLink Russia*. Staff of the Fund and the Ministry will be trained in collecting and generating the information required for updating the PrivatizationLink Russia Web site. The objective will be to ensure the continuous flow of timely, quality information on privatization opportunities in the Russian Federation. The launch of *PrivatizationLink Russia* will be advertised in Russia

and abroad via the Internet and through promotional events in Canada and the United States.

Aviation Summit to be Held in November



In collaboration with MIGA, the U.S. Department of Transportation, the World Travel & Tourism Council, and the Air Transportation Action Group, the George Washington University is organizing the Global Summit on International Aviation Infrastructure to be held in Washington, D.C., October 31 to November 3, 1999. Summit tracks will include Airports, Institutional Challenges, Investment and Finance, Regulatory and Safety Issues, and the Users' Perspective. The Summit will be chaired by the Honorable Norman Y. Mineta, former Congressman, Chairman of the House Public Works and Transportation Committee, and Chairman of the National Civil Aviation Review Commission. Sessions will feature transportation ministers, heads of civil aviation authorities, chief executive officers of airlines, construction companies and airport-management firms.

- The primary objectives of the Summit are to:
- Encourage development of a robust, safe environment for international aviation;
- Promote local capacity, including human resources and physical infrastructure;
- Reduce barriers to growth; and,

Foster strategic linkages among businesses, associations, the World Bank Group, regional development banks, academic institutions, and governments to ensure travel and tourism development that is economically, socially and ecologically supportable.

The Summit will be an important venue for major players in the aviation industry to direct, influence, and manage the changes that will affect them in the coming decades. Builders of aviation infrastructure, suppliers of equipment to the aviation industry, managers of airports and airways systems, airlines and other users of the world's systems of air travel, and institutions financing the aviation industry will find the conference a key opportunity to interact with their clients.

The Summit will focus on avoiding aviation gridlock and reducing barriers to sustainable economic growth in the first decade of the 21st century. Throughout 1999, a series of meetings will be held, each examining one of the six main subjects of the Summit. Additionally, a call for papers has been issued. Proceedings from each of the pre-conference meetings and articles submitted as a result of the call for papers will be assembled into a book to be published in advance of the conference, which will be distributed to the delegates. To carry the work to other regions of the world, locally focused gatherings will be conducted throughout the year 2000. The first such regional follow-up, meant to examine infrastructure development in Latin America and the Caribbean Basin, will be held in 2000 in San Juan, Puerto Rico.

For more information, visit the [Summit's Homepage](#)

MIGA Participates in the APEC Investment Mart



The 21 APEC countries hosted a major Investment Mart earlier this month to highlight improvements in the investment environment within Asian countries and to present project opportunities in the region. APEC's members showcased their policies and business climates, and presented specific investment opportunities. Each member economy operated a pavilion offering foreign investors a chance to discuss individual projects. CEOs of multinational corporations, renowned economists and representatives of international organizations analyzed the region's future and worldwide trends. The APEC Investment Mart showcased the Asia-Pacific region's renewed commitment to transparency in the investment and business environment, in response to the recent financial crisis.

The event, held in Seoul, Republic of Korea from 2-5 June 1999, was supported by the Asian Development Bank, UNCTAD, the Government of the Republic of Korea and the Korea Trade Investment Promotion Agency. MIGA lent its support to this initiative and hosted a stand, along with other World Bank Group members. MIGA also assisted with inviting participants and speakers for the event.

For more information on investment opportunities in the APEC region, contact:

MIGA's Program Manager

Mr. David Bridgman, dbridgman@worldbank.org, or

Mr. Kang-Man Lee at kmlee@mail.kotra.or.kr

Phone: 82-2-551-4344;

Fax: 82-2-551-4342, or visit the [Investment Mart Web site](#)

MIGA Featured at the Emerging Markets International Fair



Thousands of business opportunities in more than sixty exhibiting countries, including privatization offers, projects to finance, enterprises to develop, and commercial partnerships, were presented at the Emerging Markets International (EMA) Fair in Geneva, Switzerland, May 26-29, 1999 (<http://www.ema1999.ch/>). A series of conferences supplied investors with practical advice on financing alternatives, project development support and methods for evaluating political, legal and economic risks. Investments and partnership opportunities were available on-site via the electronic business exchange, and in the EMA publications which were distributed to every visitor. EMA also featured six half-day presentations on topics of interest to investors, including risk management and investment guarantees, privatization, small and medium-sized enterprises, micro-investments, culture and investment, and European investments in emerging markets. The Fair featured numerous promotional activities aimed at informing investors and company managers about the plethora of business opportunities presented

at the Fair. The event was sponsored by SOFI (Swiss Organisation for Facilitating Investments), Agence de la Francophonie and UNCTAD.

MIGA also presented the results of its research into best practices in Internet-based investment promotion at the Fourth Annual Conference of the World Association of Investment Promotion Agencies(WAIPA), which coincided with the EMA Fair. WAIPA is the primary international organization of national investment promotion intermediaries, with some 100 members worldwide.

*More information can be obtained
at their Web site:*

<http://www.unctad.org/en/subsites/waipa/waiplead.htm>

Argentine Regions Seek Increased Inward Investment

Two regional authorities in Argentina are working with MIGA's IMS Department to develop and implement a high-profile strategy to attract investment. Following an investigative visit by IMS in September 1998, the Argentine Industrial Union, requested MIGA to conduct two regional workshops. With much of the foreign direct investment concentrating near Buenos Aires, both the City of Mar del Plata and the Province of Mendoza are aiming to raise their visibility as locations for investment. In May, a MIGA team conducted two workshops covering image building, investment generation, investor servicing, and promotion strategy techniques. The audiences included municipal authorities, regional politicians, business associations, company directors, and representatives from the banking and telecommunications sectors. The sessions concluded with the formulation of concrete steps to implement the promotion strategies in the upcoming months.



MIGA representatives meet with Mendoza province business leaders to discuss investment promotion

NEW MEMBER COUNTRIES

In 1999, Australia, Iceland, Latvia and Mongolia became members of MIGA.

Member countries now total 149 industrialized and developing countries.

Signatories to the MIGA Convention include 165 countries.

A completed list of these countries is on page 11 of this newsletter.



On the occasion of the signing of the MIGA Convention, Mr. Motomichi Ikawa, Executive Vice President of MIGA (seated on left) with His Excellency Jon B. Hannibalsson, Ambassador Extraordinary of Iceland to the U.S. (seated on right). Standing: Mr. Luis Dodero, General Counsel of MIGA (left) and Mr. Roger Pruneau, Vice President of Guarantees(right).

** This amount includes subscribed capital, retained earnings and general claims reserves. MIGA received the first part of the funding package, a US\$150 million grant, from the World Bank, earlier in 1998.*

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