



EIB substantially increases partnership in Asia and Latin America

In 2009, the EIB lent EUR 1 288m in Asia and Latin America (ALA), almost three times the lending figure of 2008, which amounted to EUR 469m.

EIB lending in Asia and Latin America is governed by a *mandate* of the European Union (EU). Under the current ALA mandate, covering the period 2007-2013, the EIB can lend up to EUR 3.8bn for operations in ALA partner countries, with a guarantee from the European Union. This represents a substantial increase of 53% compared to the previous mandate for the period 2000-2006. The mandate has been subdivided into two indicative regional ceilings of EUR 2.8bn for Latin America and EUR 1bn for Asia.

The Bank's activities in ALA complement the EU cooperation strategy with these regions. In sector terms, the lending objectives for Asia and Latin America under the current mandate are broader than previously. In addition to the traditional support for the EU's presence through foreign direct investment and the transfer of technology and know-how, the EIB is also lending for targeted environmental protection projects, which include climate change mitigation, and for projects that contribute to the energy security of the EU.

Activity in 2009

In 2009, EIB lending for projects located in Asia and Latin America totalled EUR 1 288m, of which EUR 465.6m for five projects in Asia (China, India, Pakistan and two in Vietnam) and EUR 822.6m for five more projects in Latin America (Argentina, Colombia, Nicaragua and two in Panama).

In Asia, the Bank signed the following loans:

China: a EUR 118.6m loan contributed to the financing of the reconstruction plan set up by the Chinese Government for the areas hit by the May 2008 Sichuan earthquake. Investments included the restoration of some 100 000 ha of forest destroyed by landslides and consolidation works in irrigation and drinking water reservoirs, concerning 528 dams.

India: a EUR 100m loan to VW India financed a new car manufacturing facility in the state of Maharashtra, where this subsidiary of the VW Group will produce small cars specifically adapted to the Indian market.

Pakistan: EUR 100m went to a framework scheme supporting the government's multi-year programme to develop the renewable energy sector in the country. This operation was co-financed by the Asian Development Bank.

Vietnam: EUR 100m supported a framework scheme designed to finance investments that will contribute to the mitigation of climate change in Vietnam through renewable energy or energy efficiency projects. One third of the loan will go to support the European presence in Vietnam, as laid down in the EU mandate for lending in Asia.

Vietnam: a EUR 47m loan to Metro Cash and Carry Vietnam Ltd., a subsidiary of Germany's Metro AG, helped finance the construction of five wholesale stores. This project is helping to modernise the distribution sector in Vietnam, increasing competition and promoting a more efficient use of resources, so enhancing efficiency in the Vietnamese economy as a whole.



In Latin America, the Bank signed the loans below:

Argentina: EUR 170m loan went to VW Argentina to finance investment in the production of a light commercial vehicle specially adapted for use on country roads in Latin America in the company's existing car manufacturing facility near Buenos Aires. The new vehicle will be equipped with VW's most advanced technology concerning safety, fuel consumption and lower carbon dioxide emissions.

Colombia: a EUR 100m loan supported the investment programme of Telefónica Móviles Colombia SA, a subsidiary of Spain's Telefónica Group. This project is contributing to the economic development of Colombia, as efficient communication plays a key role in enabling the growth of economic and commercial activities.

Nicaragua: a USD 20.4m loan contributed to the financing of the Nicaraguan Government's programme of rehabilitation and upgrading of key parts of the country's power sector. This includes the rehabilitation of two hydropower plants in north-east Nicaragua, the extension and upgrading of the power distribution grid and the preparation of studies on new investments in renewable energies.

Panama: a USD 500m loan helped to finance the widening of the Panama Canal, a top priority project for the country. The expansion of the canal's capacity is needed to manage the forecast growth in cargo volumes and enable the passage of larger container vessels, generating economies of scale and increasing productivity.

Panama: USD 211m went to two subsidiaries of the Gas de France-Suez Group holding the concession for the construction and operation of three hydropower plants on the Chiriquí river in western Panama. The project will help to meet the rapidly growing electricity demand in Panama in an environmentally sustainable way using available water resources. This loan was granted under the *Sustainable Energy and Security of Supply Facility*, a multiannual EUR 3bn credit line set up to finance projects in developing countries underpinning sustainable energy and security of energy supply objectives.

For further information on the EIB, visit its website www.eib.org

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