MEDIA RELEASE

SINGAPORE BUSINESS LEADERS CONSIDER BENEFITS OF POLITICAL RISK INSURANCE

Jointly organized by IE Singapore and MIGA, the outreach seminar is a timely initiative to help companies mitigate risks of overseas investment and improve access to credit.

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Singapore, Tuesday, 17 March 2009

1. International Enterprise (IE) Singapore and the Multilateral Investment Guarantee Agency (MIGA), the political risk insurance arm of the World Bank Group, jointly organised a seminar in Singapore today to help Singapore-based companies understand the benefits of risk mitigation products for their investments in developing countries, in today's challenging economic environment. The **IE Singapore – MIGA Investor Roundtable: Facilitating Singapore Investments into Emerging Markets with MIGA Guarantees**, attended by 60 participants, included business representatives from various industries.

2. "Singapore is an important source of finance and investments into developing countries throughout the world," noted Mr Nabil Fawaz, MIGA's Sector Leader for Agribusiness, Manufacturing, and Services. "That is why MIGA is collaborating with IE Singapore to provide potential investors with more information on the current market environment and explaining how MIGA can work with investors to reduce risk – an issue that is particularly important for potential lenders."

3. Said Mr G Jayakrishnan, Deputy Director of International Organisations Division, IE Singapore, "IE Singapore is working closely with international organisations (IOs) like the World Bank Group to not only identify potential procurement and investment opportunities for Singapore-based companies, but also to raise awareness of how such IOs and their agencies can provide alternative instruments

like political risk insurance, debt and equity financing to facilitate overseas investments. We recognise companies are facing credit tightening issues for their projects overseas, and encourage them to explore risk mitigation products offered by MIGA to help alleviate some of the financing problems they may have."

4. Having worked closely with MIGA since 2000, IE Singapore and the Washington D.C.-based agency are working towards a Memorandum of Understanding to enhance the existing collaboration. IE Singapore is the lead agency for connecting Singapore-based companies to business opportunities offered by IOs. IE Singapore's International Organisations Division helps Singapore-based companies identify and tap project opportunities with multilateral development banks, non-government organisations (NGOs) and other international organisations that provide assistance to developing countries.

How MIGA's risk mitigation products work

5. To date, MIGA has provided about US$230 million worth of coverage for a number of investments made by Singapore-based companies in manufacturing, power, and water and wastewater sectors in emerging markets. The companies include: Darco Environmental Pte Ltd, Keppel FELS Energy Pte Ltd, and SembCorp Utilities Pte Ltd. MIGA's risk mitigation products include guarantees against the following political (non-commercial) risks: Expropriation, Transfer Restriction & Inconvertibility, War & Civil Disturbance, and Breach of Contract.

6. Investors covered by MIGA's political risk insurance also benefit from the dispute resolution services provided by the agency. This prevents disputes from escalating and keeps important investments on track. In 2005, MIGA resolved a dispute between Darco Environmental Pte Ltd of Singapore- and a sub-sovereign entity in China, protecting Darco's equity investment in a water treatment plant in the Province of Zhejiang. As a result, a settlement was reached and the water treatment plant was commissioned and now provides potable water to 450,000 people in Deqing County in the Province of Zhejiang.

7. MIGA hopes the availability of political risk coverage will give investors and lenders the assurance needed to continue investing in the developing world. "Now, more than ever, the world needs investors from countries such as Singapore," says Mr Fawaz. "Developing countries are facing a financing shortfall

of US$270-700 billion this year, and recent gains made in reducing poverty are beginning to erode."

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Note to Editor

Please use 'IE Singapore' or 'IE' if an acronym for 'International Enterprise Singapore' is required. In addition, unless otherwise stated, the use of statistics cited in our media releases, website or Statlink, should be attributed to IE Singapore.

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About International Enterprise Singapore

International Enterprise (IE) Singapore is an agency under the Ministry of Trade and Industry spearheading the development of Singapore's external economic wing.

Our mission is to promote the overseas growth of Singapore-based enterprises and international trade. With a global network in over 30 locations and our 3C framework of assistance – Connections, Competency, Capital, we offer services to help enterprises export, develop business capabilities, find overseas partners and enter new markets. At the same time, we work to position Singapore as a base for foreign businesses to expand into the region in partnership with Singapore-based companies.

Please visit **www.iesingapore.com** for more information.

About MIGA

MIGA was created in 1988 as a member of the World Bank Group to promote foreign direct investment into emerging economies to support economic growth, reduce poverty, and improve people's lives. MIGA fulfills this mandate by offering political risk insurance (guarantees) to investors and lenders, covering risks including expropriation, breach of contract, currency transfer restriction, and war and civil disturbance. MIGA works actively with investors and host countries, helping to resolve disputes before they reach a claims situation. The agency also offers technical assistance to its member countries and provides free online investment information services. Since its inception, MIGA has supported nearly 600 projects in 100 developing countries totaling US$19.5 billion in coverage. MIGA's gross exposure stands at US$6.7 billion.

Please visit **www.miga.org** for more information.