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Pressure builds on global transaction banking

Sibos 2011 Toronto special edition



Deutsche Bank reorganises STEF

Akbank sets Turkish benchmark

Brazil's Multigrain hits PXF trail

Sealane II gives securitisation a boost

ECAs scope out Mongolian mining

Canadian trade finance in the spotlight

► from commercial banks and would part-fund a pulp mill, captive biomass power plant, and associated shipping and logistics facilities.

Chile's Celulosa Arauco y Constitucion and Stora Enso of Finland, each with 50%, are the sponsors of Celulosa y Energia Punta Pereira, which will own the mill and plant, and Zona Franca Punta Pereira, which will own the port, located in a newly-established free trade zone.

The \$2.3 billion project's mill will have a capacity of 1.3 million tonnes per year of air-dried eucalyptus pulp, which will process feedstock from plantations inside Uruguay. The joint venture will own 75% of the plantations supplying the mill, and lease the rest, making it one of the country's largest landowners. The biomass plant will have a capacity of 160MW, and sell excess power to state-owned power utility Usinas y Transmisiones Electricas (UTE). The IADB A-loan has a tenor of 12 years and a three-year grace period.

The commercial banks linked to the project are BNP Paribas, DnB Nor, Nordea, and Banco Santander and an export credit contract is believed to be under negotiation with Finnvera.

Monte del Plata is the second large-scale pulp mill development in Uruguay, after the Orion pulp mill, sponsored by Metsa Botnia, which closed financing in 2007, and also runs on eucalyptus. Orion was located on the Uruguay River, near Fray Bentos, and sparked a protracted border dispute between Uruguay and Argentina, which has only recently subsided.

Deutsche discounts Panama hospitals

Deutsche Bank has structured a \$237 million receivables-discounting facility for five state hospitals financed with Panama's first Pidiregas scheme, a deferred payment method commonly used in Mexican government projects.

Trade Finance Magazine has learned that a second facility of a similar amount is due to be finalised

in the next month, while Spanish export credit agency Cesce has already granted preliminary approval to a buyer credit facility which will partly refinance Panama's debt.

Four of the hospitals are being built by a consortium led by IBT, a Miami-based firm which is part of Spanish conglomerate Grupo Eurofinsa. A fifth hospital is being built by one of Spain's largest construction companies FCC.

The Ministry of Health in Panama will pay the contractors on completion, in line with Proyectos de Inversión Diferida En El Registro del Gasto (Pidiregas) – a deferred financing scheme devised by the Mexican government in 1995.

To ensure the contractor has working capital, Deutsche Bank has arranged a receivables-discounting instrument with the Republic of Panama. IBT will invoice the Ministry of Health monthly based on work performed and equipment services rendered. These contracts will then be discounted by the bank.

The terms of the first credit facility were signed in June 2011, and it is co-financed by BBVA. The facility is split into four tranches: \$36.5 million, \$59.5 million, \$30.6 million and \$110.5 million. The first and third tranche have tenors of two years and the others mature in three years.

A second agreement, based on the same terms, amounts, and financial partners is expected to be finalised in three to four weeks. This will also relate to contracts awarded to IBT. Financing for FCC's work on the fifth hospital is being negotiated, possibly with other commercial lenders.

Trade Finance Magazine understands that Deutsche Bank and Cesce have already reached an agreement to refinance a portion of Panama's debt through a traditional buyer credit facility. This will amount to approximately 40-50% of the debt amount, estimated to be around \$200

In Brief

Citi arranges Avianca's A320

Colombian airline Avianca has taken delivery of an Airbus A320-200. The export finance on the aircraft was arranged by Citi.

European ECAs Coface, Euler Hermes and ECGD provided cover on the loan, which reached financial close on the day of delivery, 12 July 2011. The debt has a tenor of 12 years. The aircraft has a list price of \$85 million.

million, solely associated with Spanish exports. This facility will have a tenor of 8.5 years, but is not expected to be disbursed until completion of the project in another 18-20 months.

EKF looks to Caribbean wind

Danish export credit agency, EKF and facility agent Dexia are set to conclude financing for a \$76 million wind project in Caribbean island nation Curacao.

Wind developer NuCapital will borrow \$53 million to build the two 15MW facilities in the Dutch colonial outpost.

EKF is also set to offer \$26.5 million in direct financing, with the remaining funds to be supplemented by local lender First Caribbean International Bank.

EKF is set to adopt commercial risk on 12-year loan. Dexia will also assume 30% risk on the borrower.

Denmark-based Vestas Wind Systems has contracts in place to build the turbines.

The debt will carry an annual rate of approximately 6.5%, which includes a 2.5% percentage-point premium for EKF's guarantees.