

Fiem
YOUR CREDIT FROM SPAIN



GOBIERNO
DE ESPAÑA

MINISTERIO
DE ECONOMÍA, INDUSTRIA
Y COMPETITIVIDAD

SECRETARÍA DE ESTADO
DE COMERCIO

DIRECCIÓN GENERAL
DE COMERCIO INTERNACIONAL
E INVERSIONES



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OFFICIAL FINANCIAL SUPPORT FOR THE INTERNATIONALIZATION OF SPANISH COMPANIES

HOW TO BENEFIT FROM **FIEM**?

The Corporate Internationalization Fund (FIEM) is a public instrument managed by the Spanish Secretary of State for Trade aimed at promoting the presence of Spanish companies and products abroad.

The beneficiary must be a public or private company that is non-resident in Spain.

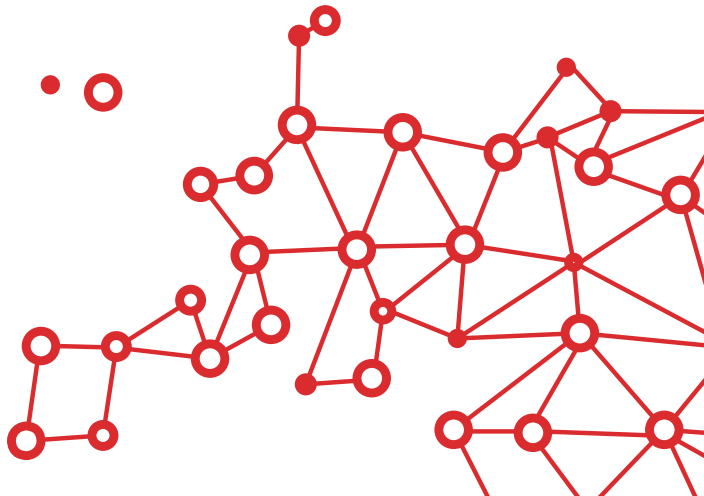
FIEM financing is available in different formats:

- Buyer credits (to finance the import of Spanish goods and/or Spanish services).
- Funding for projects under *Project Finance* schemes carried out by Spanish companies abroad.
- Financial support for investment in Spanish subsidiaries abroad.

The versatility of the fund enables access to finance for projects executed by Spanish companies in nearly any country in the world.

FIEM has a significant leverage capability: 1.5 billion euros-worth of FIEM loans have been approved until 2017, enabling the implementation of export and investment projects associated to funding of over 3 billion euros, evidence of their significant leverage capability.

88 operations have been approved in this period: ranging from major projects such as the construction of a petrochemical plant in Saudi Arabia for a FIEM loan value of 300 million dollars, to projects by Spanish SMEs worth under a million euros such as a factory in India.





FIEM project: construction of the Morelos gas pipeline,
Mexico – ELEC NOR-ENAGAS Consortium

Contract value: 200 million US dollars

FIEM loan value: 50 million US dollars

Beneficiary: Private. SAPI Gasoducto Morelos de CV.

Spanish companies: Enagás-Elec nor Consortium.

Interest rate: Floating.

Repayment term: 20 years

BASIC CHARACTERISTICS

Spanish public direct lending instrument to promote exports and direct investment of Spanish companies abroad.

- **Created** in 2010, it started operating in 2011.
- Export financing is subject to the OECD Arrangement on officially supported export credits.
- **Beneficiaries:** public or private companies non-resident in Spain.
- **Period:** medium-and long-term operations.
- **Approval:** FIEM committee and in some cases, by the Spanish Government's Cabinet.
- **Financial Agent:** Official Credit Institute (ICO).
- **Guarantees:** sovereign, sub-sovereign, private, *Project Finance* and others.
- **Sectors:** any sector except for defense, paramilitary and police equipment. Health and education projects are only eligible if they incorporate high technology content.
- **Eligible countries:** any country; the debtor's financial solvency is required for the Project eligibility.
- **Currency:** Euro or USD (other currencies may be used if the currency is recognised by the European Central Bank).





 **FIEM Project:** introduction to the TDT, Kenya - APD

Contract value: 10,388,908 euros

FIEM loan value: 10,388,908 euros

Beneficiary: Public

Spanish company: Algoritmos, Procesos y Diseños, S.A.

Interest rate: 0.85%

Repayment term: 20 years

Grace period: 6 years

Concessionality level: 35%

FINANCING CHARACTERISTICS

EXPORT CREDITS IN COMMERCIAL TERMS

Following the OECD Arrangement on officially supported export credits, FIEM can offer credits at the same interest rate as the OECD Arrangement rate (CIRR) plus an annualized risk premium.

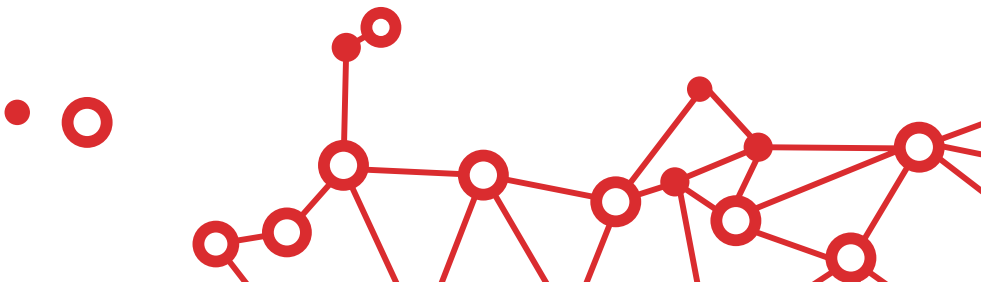
The beneficiary can obtain funds of up to 85 percent of the value of the export contract, with a maximum repayment term of 8.5 years for developed countries and 10 for all others. In some specific sectors it is possible to set longer repayment terms according to the specifications of the OECD Arrangement.

TIED FINANCIAL SUPPORT IN CONCESIONAL TERMS (SOFT)

In case of public beneficiaries, concessional loans may be granted to medium to low income countries according to the World Bank and OECD classification.

The eligible countries are listed in the FIEM guidelines, which are published annually on the website www.comercio.es/fiem. Elements such as the interest rate, grace period and repayment terms are taken into account in order to calculate the degree of concessionality.

- Funding limit: 100% of the contract.
- Minimum concessionality level: 35%
- Minimum concessionality level in Least Developed Countries (LDCs): 50%





FIEM Project: installation and modernization of airport control systems, Costa Rica and Belize – INDRA

Contract value: 16,100,000 dollars

FIEM loan value: 13,685,000 dollars

Beneficiary: Private company, Corporación Centroamericana de Navegación Aérea

Spanish company: INDRA S.A.

Interest rate: CIRR* + Prime

Repayment term: 10 years

*CIRR applied: 2.44% (dollars at over 8.5 years)

FINANCING CHARACTERISTICS

INVESTMENT

FIEM may participate in Spanish companies' productive or concessionary investment abroad. Financing can be provided through loans or senior debt. A broad scheme of guarantees ranging from corporate to project guarantees (*Project Finance* arrangements) may be considered.

- Commercial financing (FIEM offers senior debt and does not participate in equity).
- Independent assessment (*due diligence*) of the project is required.

CREDIT LINES

FIEM has four lines to complement financing:

- **FIEM-EU facilities line:** for co-funding operations with the European Union's foreign aid funds.
- **Line for small projects:** simplified loan granting procedures in projects up to 3 million euros for both SMEs and other companies.
- **SME country lines:** to grant funds to SMEs in the beneficiary country.
- **EVATIC line:** repayable credit for viability studies, technical assistance, engineering and consulting.





FIEM Project: sale of driving simulators.
Brazil - EVERIS

Investment value: 45,800,000 euros

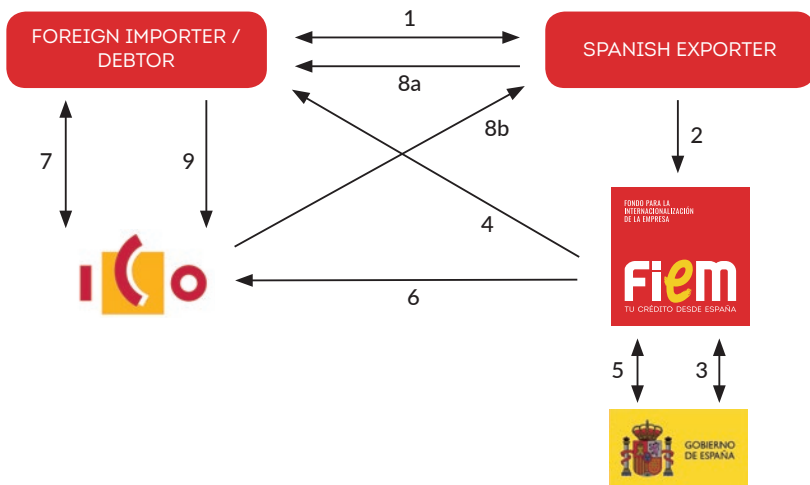
FIEM loan value: 32 million euros

Beneficiary: Private company. Prosimulador Tecnología de Tránsito S.A.

Spanish company: Everis

Repayment term: 5 years

HOW IS AN APPLICATION PROCESSED?



1. Contract.
2. Loan application (an application form is submitted with the relevant contract documentation).
3. Preliminary credit study (regulation, project, feasibility, the interest for Spain, solvency, beneficiary...).
4. The letter of intent/financial offer is sent.
5. The loan is approved.
6. Instructions to the financial agent, ICO, to negotiate and sign the credit agreement.
7. The credit agreement is negotiated and signed.
8. a) Execution of the commercial contract and
b) Payment according to each stage of achievement specified in the loan agreement.
9. Repayment of the loan by the client.

CONTACT US

As a general rule, the procedures for requesting funding from FIEM are done by the Spanish company, who should contact the Secretary of State for Trade in the Spanish Ministry of Economy, Industry and Competitiveness.

To submit projects or queries by geographic region:

- **Countries in Africa and the Middle East**
sgmedafom.sccc@comercio.mineco.es
- **Countries in Latin America and North America**
sgiberan.sccc@comercio.mineco.es
- **Countries in Europe (not EU), Asia and Oceania**
sgeo.sccc@comercio.mineco.es
- **Countries in the European Union**
sgpolcoue.sccc@comercio.mineco.es

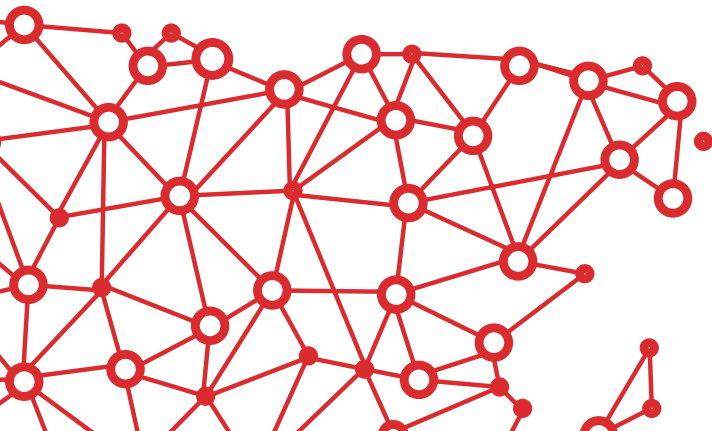
Other contact points:

- **Spanish Economic and Commercial Offices abroad**
www.oficinascomerciales.es

For general information:

fiem@comercio.mineco.es

More information available at www.comercio.es/fiem





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