

US Exim Bank seeks vote on \$5bn loan to Mozambique LNG project



The US Export-Import (Exim) Bank said on Thursday its board intends to vote on a \$5-billion direct loan for the development of a liquefied natural gas (LNG) project in Mozambique, the bank's biggest export financing deal in years.

The government export lender said it has notified the US Congress of the transaction, which will be ready for a final board vote in 35 days.

If approved, the transaction would support US exports of goods and services for the engineering, procurement and construction of the onshore LNG plant and related facilities on the Afungi Peninsula in northern Mozambique.

Exim said over the five-year construction period the financing

could support 16 400 American jobs among suppliers in Texas, Pennsylvania, Georgia, New York, Tennessee, Florida and the District of Columbia.

It estimated interest and fee income from the transaction of more than \$600-million from a consortium led by Occidental Petroleum Corp.'s recently acquired Anadarko Petroleum Co.

US exports to supply the project, however, face competition from financing offered by foreign export credit agencies.

The project would be the single biggest financing deal since Exim's full lending powers were restored in May with the confirmation of three new board members. That ended a drought of nearly four years in which the bank could not approve loans and guarantees of more than \$10-million due to a protracted fight in Congress over its future.

The bank, seen by some conservatives as providing taxpayer-backed "corporate welfare" and "crony capitalism," was unable to finance major infrastructure projects like the Mozambique LNG plant and commercial aircraft built by Boeing. It needs Congress to renew its charter before September 30 to keep operating.

US President **Donald Trump**'s administration views the bank as a tool to boost US exports in an increasingly competitive trade environment.

"This critical project is not only a win for American companies and workers, supporting over 10 000 jobs in the US, but also for the people of Mozambique as well," US Commerce Secretary **Wilbur Ross** said in a statement.

Exim said the Mozambique LNG project would begin to develop the Rovuma Basin, one of the world's most extensive untapped reserves of natural gas, with a major impact on Mozambique's economy.