

Azadliq Prospekti 83  
370007 Baku, Azerbaijan  
Phone: ++ (99412) 498 03 35  
Fax: ++ (99412) 498 93 12  
E-mail: HuseynguliyevMM@state.gov

**RELEASE**  
**NEWS**

THE PUBLIC AFFAIRS SECTION / EMBASSY OF THE UNITED STATES OF AMERICA

**USDA Extends \$10 million in Agricultural Guarantees to Azerbaijan;  
Competitive Financing Will Support U.S.-Azerbaijan Business Partnerships**

March 15, 2002

On March 11, 2002, the U. S. Department of Agriculture authorized \$5 million in export credit guarantees to Azerbaijan under the Commodity Credit Corporation (CCC) Export Credit Guarantee Program (GSM-102). An additional \$5 million was approved under the CCC Supplier Credit Guarantee Program. The two programs support commercial financing for exports of U.S. foods and agricultural commodities and encourage U.S. exporters to develop new agricultural trading relationships with potential Azeri partners. The International Bank of Azerbaijan became the first Azeri bank to be accredited under these U.S. Department of Agriculture programs.

"These agricultural credit lines are an example of U.S. support for bilateral business development, particularly in Azerbaijan's potentially rich agricultural sector," remarked Ambassador Ross Wilson. "GSM-102 and the Supplier Credit Program will introduce competitive financing for future agricultural transactions and encourage U.S.-Azeri business partnerships in this key sector for Azerbaijan's economy. The waiver of Section 907 has opened a new era in U.S.-Azeri relations, and further economic reforms including privatization, improved tax administration, and a strong and independent court system will further encourage U.S. trade and investment in this country," added Ambassador Wilson.

GSM-102 guarantees cover up to 98 percent of the value of the commodity for a period of up to one year. The program normally operates through confirmed letters of credit between approved banks in the United States and the importing country. The International Bank of Azerbaijan has been pre-approved to participate in this program. During fiscal year 2001, GSM-102 guarantees helped finance approximately \$3 billion in U.S. agricultural product sales to importers in over fifty countries.

The Supplier Credit Program operates directly through promissory notes which are negotiated between the exporter and importer and can cover up to 65% of the value of the transaction for a period up to six months. This program is relatively new and financed about \$116 million dollars in U.S. agricultural products last year.

Thousands of different U.S. foods and agricultural products, including grains, oilseeds, meats and poultry, and other supermarket items, are eligible for financing under these programs. A complete list of eligible products and details about other CCC programs are available at the FAS website at [www.fas.usda.gov](http://www.fas.usda.gov) or [www.fasturkey.org](http://www.fasturkey.org).

For more information on doing business with U.S. firms, including U.S. agricultural suppliers, please contact Michael Lally, Commercial Counselor, at [Baku.Office.Box@mail.doc.gov](mailto:Baku.Office.Box@mail.doc.gov) or Fax: +994 12 98 61 17. For more information on USDA programs and support services please contact Susan Schayes, Regional Agricultural Counselor in Ankara, Turkey at +90 312 455-5555 x 2406 or e-mail at [agankara@fas.usda.gov](mailto:agankara@fas.usda.gov).