14% of global cross-border trade supported in 2017 by export credit and investment insurers – Berne Union announces strong growth in members’ new business as it releases 2017 year-end data at its General Meeting in Kenya

KILIFI, Kenya 21 March, 2018 – over 200 senior executives from the global export credit and investment insurance industry today gathered in Kilifi, Kenya, for the 2018 Berne Union Spring Meeting, hosted by member – The African Trade Insurance Agency (ATI).

In his opening remarks, Dr. Eng Joseph K. Njoro, CBS, Principal Secretary for Energy of the Government of Kenya, stated “Kenya is honoured to be hosting this important meeting of these insurers that underpin a large amount of global investments and financing. In fact, this meeting is shining the spotlight on Africa at an opportune moment. The continent now has six of the world’s ten fastest growing economies. Add to this, Africa’s renewed emphasis on infrastructure development combined with innovation, natural resources and improved regulatory structures. Quite simply, the message we would like to relay to the global investment community through this meeting, is that Africa is brimming with opportunities.”

Berne Union 2017 Business Data Released

The meeting also saw the launch of the Berne Union’s 2017 Year-end Business Data.

New business underwritten globally by members of the Berne Union in 2017 totalled US$ 2,330 billion, split among the following lines of business:

- Cross border trade (short term) US$ 2,088 billion
- Export credits (Medium / long-term) US$ 179 billion
- Investment insurance US$ 64 billion

This increases the Berne Union members’ share of world trade to over 14%.

Following the trend established in 2015 and 2016, Members again paid over US$ 6 billion in claims through the course of 2017. This is well above the 10-year average of US$ 4.5 billion, but still 2.4% lower than the recent peak in 2016.

Berne Union President, Topi Vesteri, commented that “by all accounts 2017 was an excellent year for Berne Union members and once again we made a tremendous positive impact on global cross-border trade and investment. Business is growing, which is positive news both for insurers and the real economy in which trade is insured. While indemnifications are also high, this is good news for the insured, who are thus able to maintain their business, despite the inherent trade risks. For we insurers, measures of long-term sustainability are positive and we are well-placed and well-resourced to adapt and to continually improve our support to trade and investment globally”.

Full statistics are available via the Berne Union website at: www.berneunion.org

1 Based on WTO stats, with world merchandise trade estimated to have grown by approximately 3.6% in 2017, to US$ 16.6 trillion.
International Meeting on African Regional Development

This week the Berne Union also plays host to a meeting of international and regional institutions financing trade and projects essential to development in Africa. As well as Berne Union members (export credit agencies (ECAs), multilateral agencies and private credit and political risk insurers), participants include local and regional development banks, multilateral and bilateral organisations who are active in finance, capacity building and risk transfer activities relating to trade and investment in Africa.

Participants will explore case studies highlighting cooperative risk-sharing amongst different institutions with the aim to identify replicable structures which can be applied to future initiatives to increase financing capacity for the continent.

Vinco David, the Secretary General of Berne Union noted “In 2017 Berne Union members collectively covered trade to African countries for an amount of USD 80 billion. That is a significant support for the development of this continent. In addition, last year Berne Union members also supported USD 9 billion of foreign direct investment into Africa in areas such as infrastructure, power generation including renewable energy, and mining.”

One case study will look at the African Energy Guarantee Facility (AEGF) – launched this week by ATI, in partnership with Munich Re and the European Investment Bank (EIB) – A USD1 billion facility providing significant long-term insurance capacity for African sustainable energy projects. The facility is expected to mobilise significant private financing in the form of debt and equity from banks and developers that are currently constrained to participate in the African energy sector. The programme should help start many new sustainable energy projects on the continent

George Otieno, the CEO of ATI commented during the event, “ATI is making tremendous inroads to attract the necessary insurance capacity to cover, in particular, Africa’s infrastructure ambitions. Our membership to the Berne Union and ATI’s ability to host this meeting successfully, with the support of the Government of Kenya, is proof that we are fulfilling our mandate: to change global perceptions about African risks and quite simply, to make these risks bankable. This is how we plan to continue paving the way at help Africa draw even greater levels of investments.”

About the Berne Union
The Berne Union is the international association of export credit and investment insurers. The 85 members include government-backed export credit agencies, private credit and political risk insurers and multilateral agencies from from 73 countries – representing all aspects of the industry worldwide.

Members collectively provide payment risk protection equivalent to approximately 14% of annual world trade, compensating banks and exporters for losses suffered due to defaults by buyers or other obligors and providing flexible risk capacity to support international trade transactions.

For more information and a list of members, please visit www.berneunion.org