

Press Release 17/10/2018 Paris

Press Contact: [pheaney@berneunion.org](mailto:pheaney@berneunion.org) / +44 207 841 1112

**Berne Union Credit and Investment Insurers continue to pay high claims: US\$ 2.65 bn in the first half of 2018** – *Currency and debt crises in Venezuela and Turkey contribute to high levels of defaults, threatening a 4<sup>th</sup> consecutive year of claims payments greater than USD 6 billion. Stable levels of new business and strong recoveries show industry is resilient.*

**PARIS, France 17 October, 2018** – over 300 senior executives from the global export credit and investment insurance industry today gathered in Paris, for the 2018 (75<sup>th</sup>) Berne Union Annual General Meeting, hosted by French export credit agency and Berne Union member – Bpifrance.

Nicolas Dufourcq, CEO of Bpifrance welcomed participants to the meeting, commenting that “bringing together all the members of the Berne Union for the first time in Paris is a unique opportunity to express our combined ambition to improve international trade. Credit insurance is an essential tool for French entrepreneurs who want to discover the world”.

In the keynote address, Odile Renaud-Basso, Director General of the French Treasury, remarked that "Exporting is so important for the economy, not only because of the immediate benefits, but also because it promotes modernisation and innovation from the exporting companies. By sharing experiences and best practice, international organisations like the Berne Union help to develop common professional values which in turn makes it easier for policy makers to develop common goals".

### **Berne Union Members' 2018 H1 Business Data Released**

Half-year results show stable business for credit and investment insurers, despite the uncertain environment for international trade and investment.

- US\$ 1,640 bn aggregate credit limits issued in support of cross border trade
- US\$ 88 bn of new medium / long-term export credits insured
- US\$ 18.6 bn cover provided for foreign investments

These figures are comparable to results from the previous period and indicate Members are collectively on-course to maintain the 13% share of global cross-border trade supported in 2017. Western Europe still accounts for the majority of new business overall, with 28% of total. The biggest increase by volume for this period was largely concentrated in North America (+6.9 bn) and East Asia (+7.8 bn) and the fastest growth was seen in North Africa (+18%).

US\$ 2.65 bn of total claims paid was split 47% for short term trade transactions and 53% for indemnifications in respect of medium / long-term exports for capital goods and infrastructure. Western Europe accounted for only 6% of claims – considerably lower than its share of exposure and despite a sharp increase in claims in the UK, while North America accounts for around 11% of each. The largest claims payments resulted from default by obligors located in Venezuela and Turkey, with Members paying US\$ 205 m and US\$ 196 m, respectively. Full statistics are available via the Berne Union website, or by direct contact.

At the meeting, members will address prevailing business trends, such as the threat of trade wars, sanctions and the future of the European Union.

Berne Union Secretary General, Vinco David, explains that: “The escalation of trade disputes, seen in both political rhetoric and concrete actions over the course of this year are deeply concerning for world trade. Trade barriers and political uncertainty are damaging to both supply chains and investor confidence and it is understandable that businesses take a cautious approach. In this environment, the protection provided by credit and investment insurance, against commercial default, or political risks is a vital support for maintaining a functional system of global trade”.

### **New Leadership Elected**

The 2018 Annual General Meeting will also see several elected officials of the Berne Union completing their two-year terms and the appointment of successors.

Today Beatriz Reguero, Chief Operating Officer of State Account Business, CESCE was appointed Berne Union President and Zhiqiang Huang, Vice President, SINOSURE Berne Union Vice President.

Beatriz Reguero told Members that she is “honoured and grateful to be given the opportunity to lead the Berne Union during such exciting times. Today the Berne Union is a much larger and diversified family, compared to when I first started attending. It is a time to continue to strengthen the ties among our members and to consolidate new relationships with other stake holders in the credit insurance and the export finance world. I assume this new responsibility with a firm commitment to work with VP Huang to move the BU forward and continue the great work undertaken by my predecessors”.

Outgoing President Topi Vesteri – Chief Credit Officer and Deputy CEO of Finish ECA, Finnvera – added that he is “excited to see the development of new initiatives and new ideas from those who are now picking up the mantle of Berne Union leadership. In the coming years I have no doubt that the Berne Union will continue to flourish, and that under the able leadership of Beatriz Reguero and Mr. Huang, in we will continue to look outward and to build our influence and engagement within our own industry and that of our partners, clients and other stakeholders. This is the way that we can effect real, lasting and positive change!”

Further elections for new Chairs and Vice Chairs for the Short Term and Investment Committees will be announced tomorrow.

### **About the Berne Union**

The Berne Union is the international association of export credit and investment insurers. The 83 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 13% 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.

**More information on the Berne Union and its members via [www.berneunion.org](http://www.berneunion.org)**