



BRITISH EXPORTERS ASSOCIATION

UK Export Finance

Exporting in the new “Normal”

December 2020

BExA’s 11th Annual Benchmarking, incorporating UKEF 2019-20 results

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BExA would like to thank all contributors with special thanks to Marcus Dolman (Rolls-Royce), Susan Ross (Aon), Guillaume Simonnet (Willis), Mark Donald (Bank ABC), Mark Norris (Sullivan & Worcester) and Adrian Jones (Boskalis Westminster).

BExA

I Foreword

This is BExA's eleventh annual benchmarking of UKEF against its peers. The UK Government provides the capital to enable UKEF to operate, and UKEF carries out its support at no net cost to the UK taxpayer. UKEF's mission¹ is to ensure that no viable UK export fails for lack of finance or insurance.

Over the past decade UKEF has developed into one of the world's leading Export Credit Agencies (ECAs) through adopting an open and collaborative culture. UKEF's willingness to listen to BExA as representatives of the users of its products in order to improve and expand on them has paid dividends for its global standing. There is still work to be done, principally in terms of interest rate support, accessibility and speed of response, and to extend existing products for the current economic environment.

The COVID-19 pandemic took hold in Q1 of 2020. Because of the time lag between provision of support and entering into new export contracts, UKEF's results for the year ending 31 March 2020 do not reflect support for the significant impact of COVID on business. In any case, for the first few months of global lockdowns, very little cross-border business was transacted while parties got used to new methods of negotiating via webinar. Staff were unable to travel to commission projects and there were delays from unavailability of components as supply chains were on hold, transport was affected by the shutdown in air travel, and ships were left at anchor while factories stopped output. COVID-19 also disrupted financial services: private sector providers' capacity for SME diminished; insurers and financiers making a 'flight to quality' as world economies have suffered.

Further disruption is on the near horizon with Brexit. At minimum we expect to see trade between the UK and EU slow in the weeks surrounding Brexit as companies get used to new processes of customs clearance and the challenges of reduced truck availability and congestion, plus tariffs.

A long-term view is needed for trade, including help to get SMEs exporting again, a through-the-cycle view of credit, cover for small value projects and of lower than usual credit quality, and to remember that large capital projects tend to draw in a multitude of SME products, and generate follow-on orders. UKEF's new EDG and GEF products have the potential to provide essential working capital finance to shore up liquidity to help companies work through the crisis. There is an urgent need for UKEF to provide seed insurance capacity for syndicated risks of all sizes where appetites are limited.

UKEF already strives to consistently improve its products and services in the global marketplace, but should look to stay competitive with the offerings and risk appetite of other ECAs around the world as they gear up post-COVID.

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December 2020

¹ <https://www.gov.uk/government/organisations/uk-export-finance/about>

II Summary of Recommendations

	Summary of 2019 recommendations	2019 Out-turn	Summary of 2020 recommendations
N UKEF EW			UKEF needs to transform its processes to promote speed, transparency and accessibility.
N UKEF EW			UKEF's risk appetite restricts its ability to support exporters. UKEF should adopt a more market-based risk appetite.
1 Whole Gov't	DIT needs to implement the aims and recommendations of the Export Strategy, specifically funding for UK exporters to enter new export markets.	Covid-19 has stalled Export Strategy	DIT needs to reinvigorate and implement the Export Strategy to ensure that the UK is placed to repair its economy post pandemic.
2 UKEF	Review phasing requirement of IFC/World Bank standard ESIA report for UKEF credit application so costs are only incurred when it is certain the project will be approved.	UKEF position is this is not possible.	As 2019 recommendation. BExA maintains this can be a Condition Precedent of drawdown.
3 UKEF	Increase DL Facility so it remains open for exporters, particularly SMEs, who need to offer fixed rate medium-term finance to compete internationally to supply capital goods / services.	Budget increased DL limits.	Continue to monitor Direct Lending use and ensure that capacity remains available.
4 UKEF	Continue education of financiers on the availability of fixed rate lending and improve access so fixed rate lending is seamlessly integrated with Direct Lending. Develop alternative non-DL CIRR fixed rate solutions.	Some work on CIRR alternatives.	DL is popular due to CIRR. Pressure on DL limits can be alleviated by making CIRR available on other products.
5 UKEF	Renew focus on lobbying for OECD Local Content rule improvements to reflect responsible modern trade.	Talks on OECD consensus halted.	UKEF to continue to work with OECD participants to reopen discussions and update the Local Content rule.
6 UKEF + DfID	Create framework for easy involvement by UK exporters in DfID projects. Allow concessional funding.	DfID merged with FCO now FCDO	Work with FCDO to promote UK exporters and develop a concessional lending product.
7 BBB & Non-Bank	Continue to develop non-bank lenders and provide SMEs with options when their exports test the appetite of their house bank.	Minimal progress	BBB provided good support to SMEs during pandemic. Build on this to provide a source of liquidity for UKEF products for SMEs.
8 UKEF for SME	Continue developing WCGS/GEF for SMEs including via Direct Lending; raise awareness of the bank delegation access route to UKEF products and add Non-Bank Lenders. Develop new products to support SMEs for market entry.	GEF launched in Dec 2020	GEF and larger EDG were both launched during 2020. These products now need to be marketed effectively to ensure as many exporters as possible can benefit.
9 UKEF for SME	Work with private market to cover SME FX risk in tradeable currency pairs without restrictive security requirements, i.e. avoid cash collateral covering amount and margin call.	Minimal progress. Action with BExA	As 2019 recommendation
10 UKEF	Finalise Supplier Credit Documentation adhering to Plain English standards, enabling faster delivery and lower cost. Update UKEF website to improve engagement and turnaround times.	Documentation still complex. Minimal progress on website	This is replaced by the first new recommendation above
11 UKEF	Renew focus on lobbying Basel regulations to allow capital allocation by banks financing UK capital exports in € and \$ to be eligible for same treatment as EU and US exporters financing in home currency.	Minimal progress.	As 2019 recommendation

III UKEF

The role of Export Credit Agencies (ECAs) is to support exporters by complementing private sector options rather than competing with them. The primary ECA products are support for medium and long-term finance, working capital for SMEs, and non-payment and contract frustration risk on short-term sales to non-OECD countries.

Buyer and Supplier Credit guarantees (for medium and long-term credits) are attractive to exporters, overseas buyers and financiers alike thanks to (i) the nature of the guarantee (First demand guarantee from the UK), (ii) the percentage of the cover (100%) and (iii) the requirement of a 20% minimum UK Content.

UKEF has an excellent and broad product range, scoring 9/10. New innovations, the Export Development Guarantee (EDG) and the smaller, recently launched, General Export Facility (GEF) have the potential to be game-changing financial products for existing exporters and crucial for businesses embarking on exporting.

The missing mark out of 10 is down to a lack of Tender to Contract (TTC) foreign exchange rate cover. Arguably exchange transfer risk on fixed price bids is not needed for countries whose currency is, or is aligned to, the US dollar or Euro. But it is essential for the UK. TTC would especially benefit SMEs who consistently convey that foreign exchange rate risk is the reason why they do not export, or do not export more.

While the UK's excellent financial services sector pre-COVID had extensive appetite for risks, tenors, and innovation, as at the end of 2020, caution is widely apparent. At the start of COVID lockdowns, innovative UK Government support schemes (CBILS, Bounce Back loans, furloughing) were speedily implemented. We need some of that dynamism for UKEF to help the country emerge from this recession.

BExA believes that an improved UKEF risk appetite would provide impetus. While we are pleased that UKEF is profitable, growing, and recently attracted more investment from Treasury, we also argue that there is plenty of 'headroom' available for UKEF to increase its risk appetite and support more exports and exporters – see Graph D in Section V.

Over the last 5 years, UKEF collected £1 billion in premium while only paying a total of £23 million in claims, giving it a cumulative premium collected to claims paid ratio of between 18:1 and 52:1. Had UKEF aligned its premium to claim ratio with the average ratio of 1.5:1 of other ECAs, it would have paid claims *per annum* of a multiple of the actual claims figure. We are not suggesting that UKEF should pay more claims *per se*, just that UKEF should widen its appetite since it has the *capacity* to pay more claims. We also note UKEF (in common with the other ECAs) has enjoyed very strong levels of recoveries vs past claims, achieving total recoveries of £617 million over the last 5 years, further enhancing financial results.

Other areas of improvement would be as extensions to existing UKEF products:

- Wider availability of fixed interest rates (CIRR). The valuable Direct Lending (DL) scheme is popular for capital projects in developing markets as it provides access to CIRR fixed rate financing. However, it has been over-used because CIRR funding is not available on simple Buyer Credits, even where a Direct Lending tranche is involved.
- Ensure Letter of Credit (LC) support is not diminished following the removal of the LC support scheme. UKEF removed this product from its range because it was little used, however in the current environment such cover is necessary. UKEF

has stated that similar cover is available under existing products. UKEF should also allow LCs to be recognised as valid payment instruments under the Supplier Credit Facility (SCF).

- Extend the EDG and GEF so they are offered on a Revolving Credit basis to maximise their usefulness and flexibility.
- Enable the EXIP to accurately respond to the pre-credit risks on sales to both public and private sector buyers, including for construction works projects involving the provision of not only goods but also services, and which may involve bonds.
- Allow the EXIP and BIP to provide seed capacity in syndicated London Market placements for payment risk, contract frustration and bond cover.
- Draw UKEF and Aid support (previously DfID) closer to allow concessional lending for development projects in markets subject to sustainable lending constraints.

IV Actions

Whole Government Support for Exporters and Service Providers post COVID and Brexit

Co-ordinate the HMG (Her Majesty's Government) Departments for International Trade (DIT), Business, Energy and Industrial Strategy (BEIS), Foreign, Commonwealth & Development Office (FCDO), British Business Bank (BBB) and HM Treasury (HMT).

BExA has long campaigned for a joined-up approach to export from UK Government. UKEF works closely with DIT but it would benefit exporters if stronger ties were in place with the BBB and also with the FCDO overseas aid support (previously DfID) to ensure that the capabilities of UK plc are promoted and utilised overseas.

- UK export opportunities and UKEF support are better understood overseas now that DIT embassy staff are trained on UKEF products, and UKEF has created a network of overseas champions.
- Partnering with the BBB would assist the management and funding for smaller and SME export transactions that do not make financial sense for the traditional export finance banks.
- A closer working relationship with the FCDO and a concessional lending product would allow better financing for buyers of UK exports for infrastructure projects in sustainable lending constrained markets.

Export Strategy

The Export Strategy, published in August 2018, laid foundations for a whole Government approach to export with a stretching target to make export 35% of GDP. Whilst the Export Strategy has not been updated with other issues taking priority, DIT is continuing to develop underlying workstreams, such as the recent announcement of the Export Academy pilot².

We stand ready to support DIT in developing and enhancing how DIT supports exporters and delivers the UK Export Growth Plan.³

Refine Medium-Term Products to improve take-up

- Direct Lending (DL)

Following recommendation from BExA, exporters received a welcome boost in the 2020 Budget when the DL scheme limit was permanently increased by £5bn to £8bn. The increase was split into £2bn general increase, £2bn for green projects and £1bn for defence and security projects. BExA continues to remind UKEF that the attraction to DL is access to the CIRR rate and that widening the availability of CIRR would ensure that DL capacity always remains available for those exporters and projects that really need it.

² <https://www.great.gov.uk/campaigns/export-academy/#:~:text=The%20Export%20Academy%2C%20from%20the,around%20the%20world%20with%20confidence.&text=This%20pilot%20programme%20is%20designed,of%20up%20to%20%2C%2A3500%2C000>

³ <https://www.gov.uk/government/news/hmg-launches-export-growth-plan-to-help-businesses>

- **Environmental & Social Impact Assessment Reports (ESIA)**

BExA believes that transactions supported by UKEF should always meet environmental, social and human rights (ESHR) standards. UKEF makes clear that it will only support projects that meet these standards. This is understood by exporters, but meeting these standards comes at a cost to exporters. What exporters need is certainty as to what will be required and, most importantly, clear timetables as to the ESHR process.

UKEF’s published policy⁴ notes that UKEF’s “... [ESHR] staff are professionally qualified to undertake the necessary ESHR due diligence and provide advice to project sponsors and/or exporters and UKEF decision-takers. ...”. For project sponsors and/or exporters looking to export it is unclear how this advice can be accessed. To manage costs for exporters (particularly for SMEs) BExA wishes to see clear signposting as to how this advice can be accessed and what advice exporters can expect to receive.

BExA is concerned that transactions can be delayed because there is no clear timetable for ESHR approval. Furthermore, BExA would like to see a clear separation between the financial assessment by UKEF, which can often be concluded at an earlier stage, and the ESHR assessment. This would enable issuance of ‘promises of cover’ subject to a Condition Precedent (CP) relating to completion of the ESHR assessment by UKEF, bringing UKEF into line with other ECAs who enable this separation. This can be crucial for both exporters and financing banks as they line up their documentation and confirm commitments (subject to listed CPs).

The cost of ESHR planning can be substantial. SMEs in particular need certainty as to whether UKEF will provide support before they start to incur significant ESHR costs. There is a concern that, in the absence of clear timetables, underwriting can be delayed by UKEF’s ESHR due diligence. As noted above, part of the way that this can be addressed is clear signposting as to how exporters can access advice from UKEF’s ESHR team.

SME tendering: the expense of a Buyer Credit application for Ghana	
While UKEF does not charge for its Buyer Credit application, a variety of activities must be undertaken in support of the application. For certain developing countries, this includes an Environmental Social Impact Assessment which is completed by external consultants. Below is a real case showing costs for an SME tender for Ghana, and are in addition to the exporter’s own direct costs for tendering in the 2 to 3 years the process takes.	Cost
<ul style="list-style-type: none"> • Pre loan closure Environmental and Social Impact Assessment (ESIA) and Resettlement action plan, signed by an independent Engineer 	£250k
<ul style="list-style-type: none"> • Undertake a preliminary design for the project, as part of the ESIA 	£250k
<ul style="list-style-type: none"> • Underwrite the legal costs of preparing the loan agreements between the borrower and the lenders 	£130k
<ul style="list-style-type: none"> • Finance brokers to assist navigating through the loan application process 	£100k
Total of external costs for the account of the exporter until the ESIA and the loan between the borrower and the lender are signed.	£730k
<i>There is no guarantee that UKEF will approve the facility.</i>	

⁴ <https://www.gov.uk/government/publications/uk-export-finance-environmental-social-and-human-rights-policy/policy-and-practice-on-environmental-social-and-human-rights-due-diligence-and-monitoring>

- **Capital allocation reductions regulations and Local Content rules**

These topics require engagement with the OECD. Talks at the OECD have recently broken down on revising and reworking the consensus on export credits. We urge UKEF to do all it can to try to kick-start discussions and push through these changes so that UK exporters can compete on a level playing field with the non-OECD participants.

UKEF Accessibility, Small Value Exports, flexibility

UKEF recently extended its finance support to the supply chain of an export contract, thereby sustaining UK jobs and enabling more small companies' products to be exported. Short-term working capital support has been made easily accessible through being routed via the exporter's bank (the bank delegation model), the processes for which have been reviewed and improved. Time will tell if these changes are enough to lead to the hoped-for increases in supported exporter numbers.

From a large exporter and bank perspective, information requirements and timings for an application to UKEF are reasonable and in line with other ECAs. However, for smaller value exports – which are the bulk of our UK export capability – accessibility and timeliness is essential. Without the ability to apply easily and receive fast responses, exporters will take their own decisions about whether to take the risk or walk away from an export opportunity.

UKEF could set itself apart by bringing in private sector ethos in relation to speed and accessibility as was seen with the UK Government's extensive COVID support schemes. This would have a real impact for small companies who are less attractive to financial institutions because of the extent of modern due diligence. With transparency of processes, defined delegated authorities at working level, plus flexibility allowed to policy wordings, the opaqueness of UKEF's process for assessing applications would be a thing of the past. Clear wordings, service level agreements, and monitoring of turnaround would give exporters and their overseas buyers the confidence to navigate the application process.

UKEF has made a good start at the commencement of the application journey by speeding up the turnaround on Expression of Interest letters (EoIs). However, from here on in there is no clear roadmap for the response to an application or reasonable expectation of timescales.

BExA has also been made aware of instances, on medium/long-term financings, where the initial indicative premium is not representative of the final charged premium. This leads to real dissatisfaction from overseas buyers and consequently reflects badly on UK exporters. The methodology for premium calculation must be transparent and published on UKEF's website. The current premium calculator is an Excel spreadsheet but this needs to be integrated into the website and include selectable credit levels (i.e. not just for sovereign risks).

Pre-credit risk

In previous benchmarkings, BExA compared the length and complexity of the EXIP wording with similar products from other ECAs. That messaging still stands, but there is an additional concern now that private sector appetites are diminished: a need for cover for work-in-progress, also known as pre-credit risk (PCR). This is the

work done by an exporter before the point in a contract when an invoice is raised. Where a product is bespoke, or requires on-site work and certification such as integration, installation, testing or commissioning, the PCR exposure can be extensive. At present, the EXIP wording does not respond adequately for exports involving high levels of work-in-progress or work at the overseas project site and there is inadequate protection for services supplied but which are not yet certified. The quantum of loss on contract frustration may include costs incurred plus additional costs for disposal of items that cannot be scrapped, and/or costs associated with demobilisation and clearance of the site. Added to this is the potential for related contract bonds to be called.

For these types of contracts, the EXIP needs to be able to address late payment of milestones, delays caused by the buyer and/or Engineer in Certification, variations in contract value or duration, plus concerns that a buyer has run out of cash. These contracts do not necessarily provide for work to stop (and/or plant and staff to be demobilised and leave the buyer's site) when there is late payment, and a buyer is unlikely to make good overdues if a project has stopped. The UK has thriving contracting and engineering sectors that deliver these complex and well-regarded projects and they deserve support.

Diversity

We welcome UKEF's commitment to diversity within UKEF and on being able to report that its "current workforce is the most diverse on ethnicity in [its] recent history". We note that UKEF is now leading the way amongst government departments with 30.9% of staff identifying as being from BAME groups, compared to 12.7% for the wider Civil Service.

2020 has seen a focus⁵ on diversity. It is critical that UKEF's commitment to diversity extends to the businesses and exporters that it supports. A number of other export credit agencies (including US Ex-Im and EDC) have dedicated programmes for minority-owned and women-owned exporters. We believe that UKEF should follow suit, have objectives and targets for supporting minority-owned and women-owned exporters and that the levels of support should be tracked and reported on an annual basis.

⁵ Federation of Small Businesses <https://www.fsb.org.uk/resource-report/unlock.html> and British Business Bank <https://www.british-business-bank.co.uk/research-alone-together/>.

V UKEF Benchmarking

A. UKEF product mix analysis

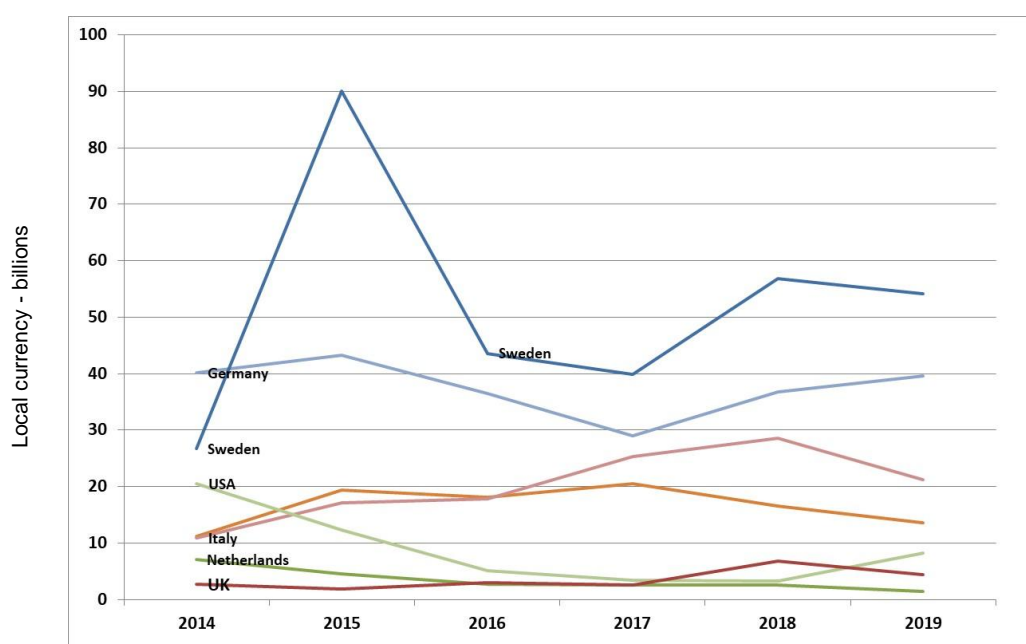
Table 1: UKEF's product range evolution since the inaugural BExA benchmarking paper.

Products	Short-term insurance	Export Credit Schemes	Fixed Rate Financing (CIRR)	Foreign Exchange Risk Cover	Direct Lending	Investment Insurance	Bond support Scheme	Unfair Calling Insurance	Letter of Credit Guarantee Scheme	Working Capital Facility	Score (out of 10)	
											UKEF	EU ECA's Average
October 2019	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	9	7.93
December 2020	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	9	7.93

The continued absence of tender-to-contract foreign exchange risk cover (TTC) pegs UKEF's score at 9 out of 10. Availability and marketing of TTC would provide smaller exporters with comfort of being able to manage the risk of bidding in foreign currency. BExA also has concerns over the removal of the LC scheme and the ability for all of these risks to be covered under other existing products. We have marked this as amber in the table above and will review during the course of 2021 whether this mark should remain.

B. How did UKEF do in the last 12 months?

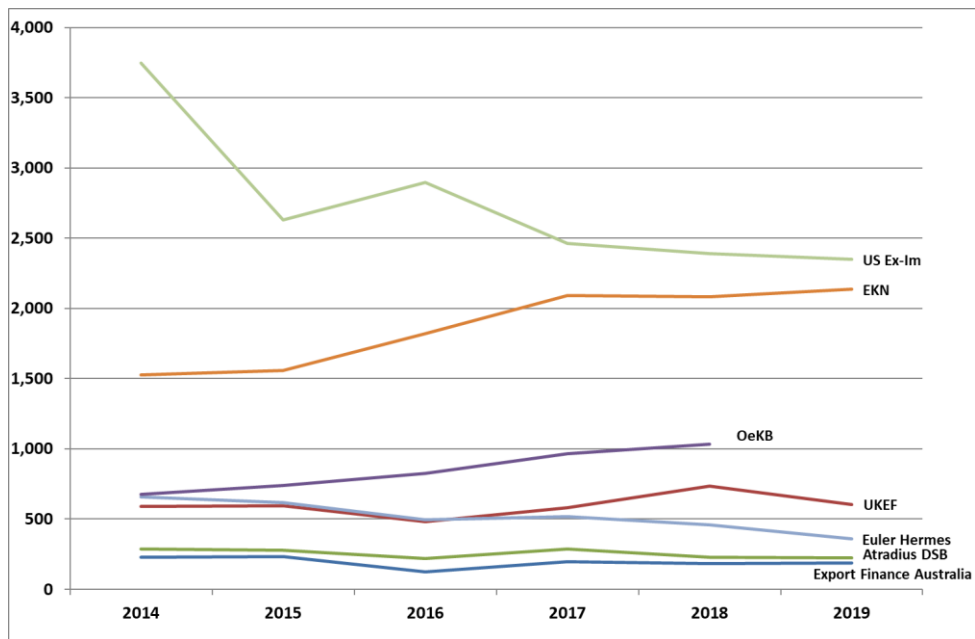
Graph 1: Comparison of selected ECAs' business volumes since 2014



UK volumes do not show the hoped-for increase. This will need to form part of the re-visited Export Strategy. US Ex-Im volumes have picked up now it is back in operational mode. We would normally review Sinosure on a separate scale because of its exponential growth but Sinosure has not published recent figures.

C. Activity

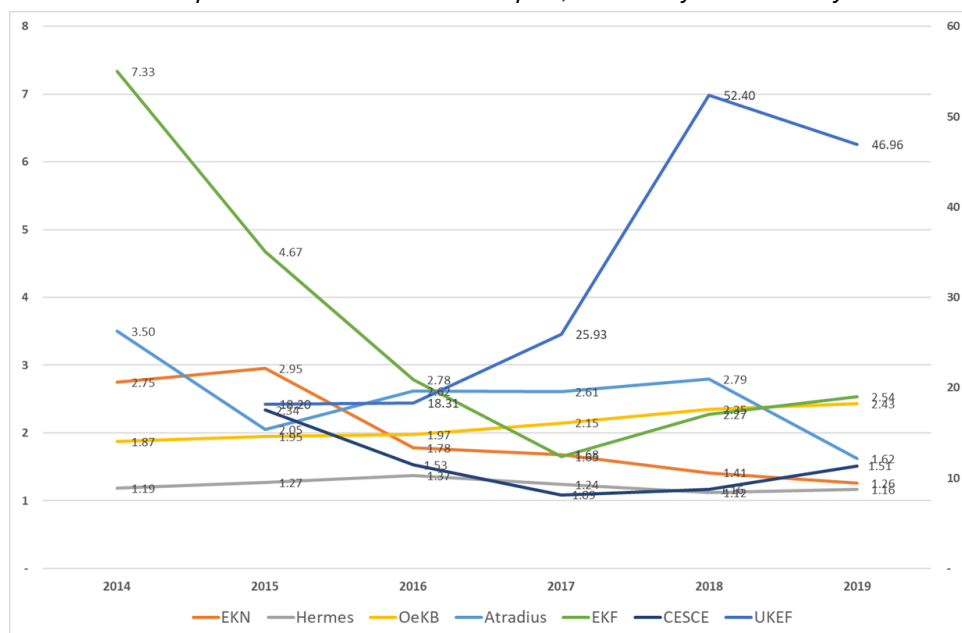
Graph 2: Number of issued guarantees/policies since 2014



In numbers of transactions, UKEF again does not show growth. Swedish exporters continue to benefit from EKN's investment in regional support for smaller companies.

D. Premium to claims ratio (cumulative)

Graph 3 shows the ratio of premium to each unit of claim paid, in currency of the country⁶

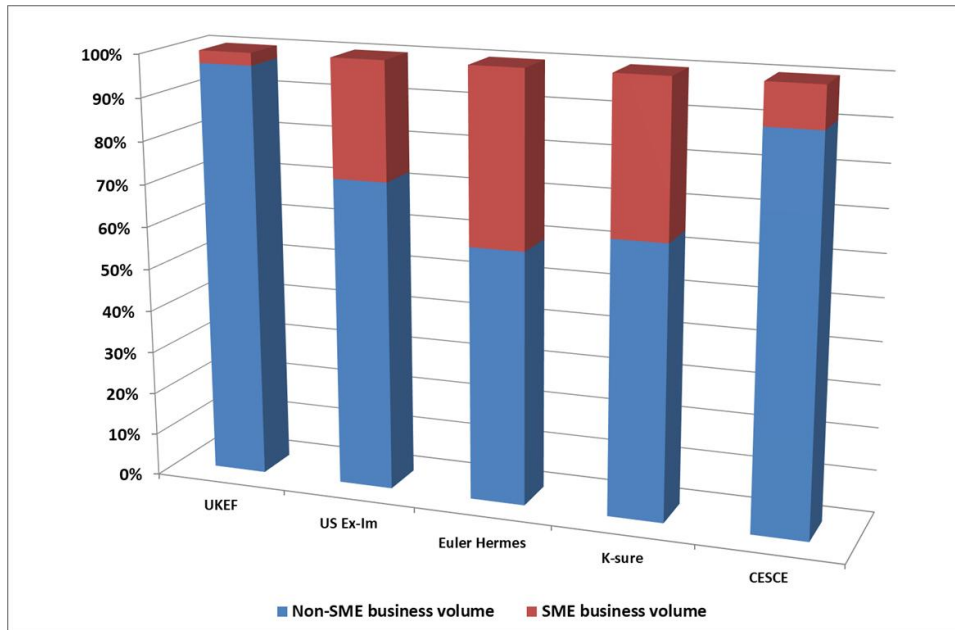


⁶ Footnote: The double axis on the above graph has been used to demonstrate the ratios, with the cumulative premium collected to claims paid ratios of the first 6 ECAs shown on the left hand axis while UKEF's cumulative premium collected to claims paid ratio is shown on the right hand axis. Attempting to show this on a single axis did not demonstrate the differentials between the other ECAs clearly (as their results were so similar). UKEF's ratios needed to be on a separate scale within the same graph because UKEF's results differ by several orders of magnitude

In the above graph we compare the cumulative claim to premium ratio as a proxy for risk appetite. OECD guidelines for ECAs are that they break even or make a small profit through the business cycle. Atradius, Hermes, CESCE, OeKB and EKN perform consistently within a range that for every €/SEK of claim paid, the premium collected was 1-5 times that value. EKF's ratio, while high in 2014, has been brought in line.

E. SME business volume split during 2019

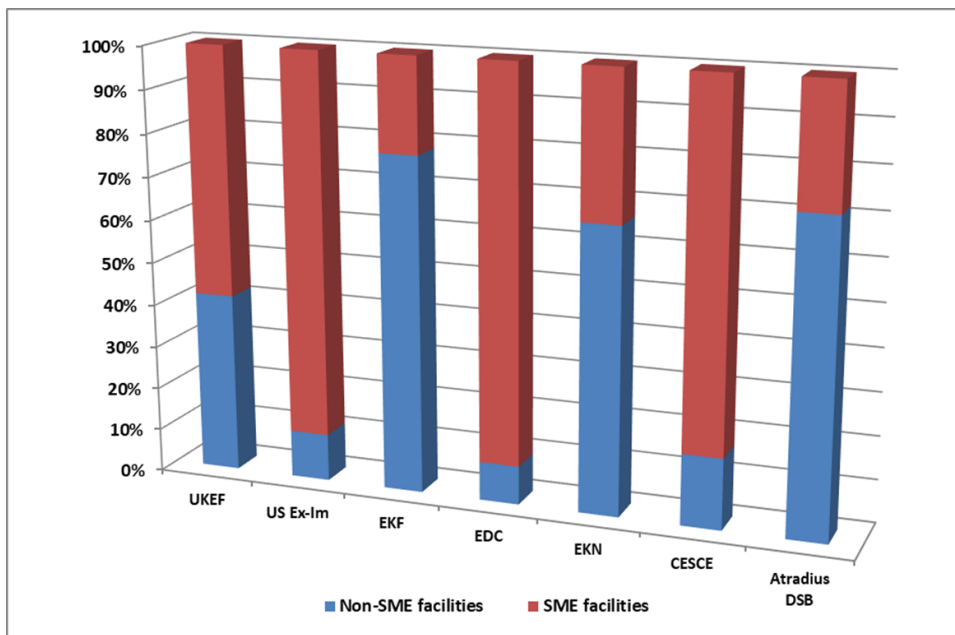
Graph 4: ECA volumes supported in 2019, split by SME/Non-SME



UKEF has been investing in developing facilities for SMEs in the ten years since BExA commenced the benchmarking, but there is still some way to go before achieving similar proportions of SME support as other ECAs.

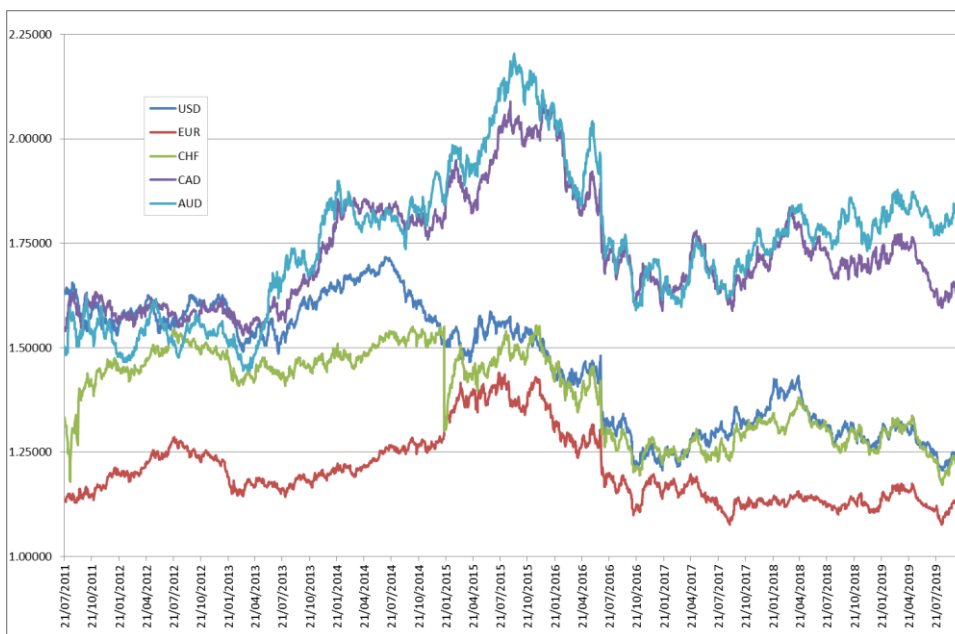
F. Facilities provided to SMEs during 2019

Graph 5: ECA Facilities issued in 2019, split by SME/Non-SME customers



G. Historical foreign exchange rate volatility vs. GBP

Graph 6: Previous 5 years daily closing Spot rate of sterling - source: Bloomberg



GBP volatility could easily wipe out a UK exporter's profit on bid without FX protection – unfortunately most SMEs take this risk because of the cost of hedging instruments.

VI 2020 Developments

BExA's benchmarking for 2020 would not be complete without mentioning recent activity:

- COVID-19 – needs little introduction and commentary. As we all know this has been a global disruptor on an unprecedented scale.
- Brexit – talks continue, to likely the 11th hour, on a trade deal between the UK and EU to become effective when Transition ends and the UK leaves the EU on 31 December 2020.
- The US voted for a new President and a change of direction. The inauguration of Joe Biden and his initial policy decisions will be watched closely to see if there is a greater focus on trade.

VII Appendices

A. Glossary

CIRR	Commercial Interest Reference Rate
DIT	Department for International Trade
DG	Director General
EC	European Commission
ECA	Export Credit Agency
ECGD	Export Credits Guarantee Department (now called UKEF)
EDG	Export Development Guarantee
EFM	Export Finance Manager
EU	European Union
EXIP	Export Insurance Policy
FCDO	Foreign, Commonwealth & Development Office
HMG	Her Majesty's Government
GEF	General Export Facility (from UKEF)
LMA	Loan Market Association
OECD	Organisation for Economic Cooperation and Development
SME	Small and Medium sized Enterprise
SBEEA	Small Business Enterprise and Employment Act
TTC	Tender to Contract (exchange risk) cover
UKEF	UK Export Finance
UKTI	UK Trade and Investment (now DIT)
WTO	World Trade Organisation

B. ECA Product Ranges (2019 figures)

Countries	ECAs/Other government agencies	OECD member	Short-term insurance	Medium/Long-term export credit schemes	Fixed rate financing (CIRR)	Foreign exchange fluctuation cover	Direct lending	Investment insurance	Bond support scheme/issuance	Unfair calling insurance	Letter of credit guarantee scheme	Working capital facility
United Kingdom	UKEF	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Australia	EFIC	Yes	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓
Austria	OeKB/OeEB/Exportfonds	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗
Belgium	ONDD	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓
Brazil	SBCE/BNDES	No	✓	✓	✓	?	✓	?	✗	?	?	✓
Bulgaria	BAEZ	No	✓	✓	?	?	✗	✓	?	✓	✓	✓
Canada	EDC	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
China	Sinosure/China Eximbank	No	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓
Croatia	HBOR	No	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Czech Republic	EGAP/CEB	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Denmark	EKF	Yes	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓
Finland	Finnvera/FEC	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
France	Coface/BPI	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Germany	Euler Hermes/KfW	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Greece	ECIO	Yes	✓	✓	✗	✓	✗	✓	✗	✗	✗	✗
Hungary	MEHIB/Eximbank	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
India	ECGC/Exim Bank	No	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Italy	SACE/SIMEST/CDP	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Japan	NEXI/JBIC	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Luxembourg	ODL/SNCI	Yes	✓	✓	✓	✗	✓	✓	✗	✓	✗	✓
Malaysia	Exim Bank	No	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Mexico	Bancomext	Yes	✓	✓	✗	✓	✓	✗	✓	?	✓	✓
Netherlands	Atradius	Yes	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓
New Zealand	NZECO	Yes	✓	✓	✗	✗	✗	✗	✓	✓	✓	✓
Norway	GIEK/ECN	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Poland	KUKE/BGK	Yes	✓	✓	✓	✗	✓	✓	✓	?	✓	✗
Portugal	COSEC	Yes	✓	✓	✗	✗	✗	✓	✓	✗	✗	✓
Romania	EximBank	No	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓
Russia	EXIAR	No	✓	✓	✗	✗	✓	✓	✓	?	✓	✓
Slovakia	Eximbanka SR	Yes	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓
Slovenia	SID Bank	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
South Africa	ECIC SA	No	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓
South Korea	K-sure/KEXIM	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Spain	CESCE/CO	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Sweden	EKN/SEK/ALMI	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Switzerland	SERV	Yes	✓	✓	✗	✗	✓	✗	✓	✓	✓	✓
Taiwan	Eximbank	No	✓	✓	✗	✗	✓	✓	✓	?	✓	✓
Thailand	Eximbank	No	✓	✓	✗	✓	✓	✓	✓	?	✓	✓
Turkey	Eximbank	Yes	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓
USA	Ex-Im/OPIC	Yes	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Total countries providing this product			39	40	25	8	34	35	35	30	32	37

Methodology

BExA sourced data from ECA websites, supplemented by some direct contact. Where an ECA relies on another government department or institution to provide a product, e.g. direct lending, BExA took this into account. A 'point' was allocated for each of 10 key products or services. Where it was not certain if a particular product or service was offered, BExA did not give a point.

C. Sources

United Kingdom	www.gov.uk/government/organisations/uk-export-finance	Luxembourg	www.ducroire.lu
Argentina	www.bice.com.ar	Malaysia	www.exim.com.my
Australia	www.efic.gov.au	Mexico	www.bancomext.com
Austria	www.oekb.at/en	Netherlands	www.atradius.com/nl/en/dutchstatebusiness
Belgium	www.ondd.be	New Zealand	www.nzeco.govt.nz
Brazil	www.sbce.com.br	Norway	www.gjek.no
Bulgaria	www.baebz-bg.com	Poland	www.kuke.com.pl and www.bgk.com.pl
Canada	www.edc.ca	Portugal	www.cosec.pt
China	www.sinosure.com.cn and english.eximbank.gov.cn	Romania	www.eximbank.ro
Croatia	www.hbor.hr	Russia	www.exiar.ru
Czech Republic	www.egap.cz and www.ceb.cz	Slovakia	www.eximbanka.sk
Denmark	www.ekf.dk	Slovenia	www.sid.si
Estonia	www.kredex.ee	South Africa	www.dti.gov.za and www.ecic.co.za
Finland	www.finnvera.fi	South Korea	www.koreaexim.go.kr and www.keic.or.kr
France	www.coface.fr and http://www.bpifrance.fr	Spain	www.cesce.com and www.mcx.es
Germany	www.eulerhermes.de/en/products/products.html , www.agaportal.de/en/index.html and www.akabank.de/english/index.html	Sweden	www.ekn.se
Greece	www.ecio.gr	Switzerland	www.serv-ch.com
Hungary	www.exim.hu	Taiwan	www.eximbank.com.tw
India	www.ecgc.in and www.eximbankindia.com	Thailand	www.exim.go.th
Italy	www.sace.it	Turkey	www.eximbank.gov.tr
Japan	www.nexi.go.jp and www.jbic.go.jp	USA	www.exim.gov

D. International framework for ECAs

UKEF, the UK's official ECA, provides export credit insurance and finance support to complement and enable rather than compete with commercial offerings. UKEF support is highly regulated. International agreements aim to prevent undue subsidies, and/or a credit race.

These include:

- OECD “Arrangement on Guidelines for Officially Supported Export Credits” applies to the official support of credits longer than 24 months.
- Compliant support is a recognised exception to Article 3 of the WTO Agreement on Subsidies and Countervailing Measures which otherwise prohibits export subsidy.
- Agricultural commodities and military equipment have different frameworks.
- Chile, Iceland and Israel, while members of the OECD, do not comply with the Arrangement.
- The Arrangement is incorporated into EC law and therefore compliance is mandatory for the EU. (Council Decision 93/112/EEC, amended by Decision 97/530/EC)⁷.
- The EC DG Trade co-ordinates policy (Council Decisions 73/391/EEC and 76/641/EEC) which provide for consultations among member states on official support for long term export credits.
- EU members may not provide “State Aid” for intra-EU exports.
- EU ECAs are not allowed to provide short term export credit insurance to ‘marketable’ countries, including North America, Australasia and Japan. The ECAs of these countries, on the other hand, have no such restrictions on providing cover for sales to the EU.
- Poland’s ECA, KUKE, describes the international framework and co-operation between ECAs⁸.

⁷ <http://eur-lex.europa.eu/JOIndex.do>

⁸ http://www.kuke.com.pl/international_cooperation.php

BExA is a politically independent national trade association representing the interests of the export community

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