

**FOR IMMEDIATE RELEASE**

## **Berne Union members on track to support \$1.4 trillion of global trade and investment in 2011**

"The results from the first half of 2011 clearly show the commitment of our members to support global trade and investment in a difficult environment", said Angus Armour, President of the Berne Union, "but the outlook for the global economy continues to be a concern for our members."

"This result reflects strong demand from our clients, consistent with the levels achieved in 2010, which would again represent 10% of global trade" said Lennart Skarp, Acting Secretary General. "This is remarkably resilient given the volatility experienced in global financial markets."

"A record number of people attended this year's Annual General Meeting in Budapest to share insights into the global economy and political events" said Dan Riordan, Vice President of the Berne Union. "Due to the extent of our global activity, this dialogue allows us to better manage risk and, as a consequence, to develop innovative and sustainable ways to support our clients."

For the short term business (ST) – insurance of trade transactions with payment terms of typically 30 to 90 days – Beatriz Reguero of CESCE, Spain, noted: "Members increased levels of support for trade in the first half of 2011, reaching pre-crisis levels for all the regions of the world. Despite the current economic volatility, claims continue to decline relative to the previous two years. This reflects the focus of Berne Union members to adapt their risk management tools in response to the lessons learnt from 2008." Credit insurance capacity provided stood at US\$ 904 billion at the end of the first half 2011, a level last reached 2007.

In the field of medium to long term insurance (MLT), covering transactions on terms up to ten years or more, the volume of export credits under cover stand at an all-time high of US\$569 billion at the end of June 2011. "There is sustained demand for our risk mitigation products for longer term transactions, and ECAs are well equipped to deal with these risks", said Topi Vesteri of FINNVERA (Finland). "However, we are facing a serious challenge: banks are struggling to fund these transactions, and increasing capital requirements will contribute to shortfalls in bank capacity." Claims paid to indemnify clients for defaults in medium to long term transactions continued to fall.

For members of the investment insurance committee, the flow of new business reached US\$43 billion in the first half of 2011 and demand is increasing. "Members are reporting higher claims notifications, in the MENA region and elsewhere", remarked Joanne Palmer of EDC (Canada).

"Despite these positive results, members expressed serious concerns with the capacity of banks to fund trade given proposed regulatory changes and the funding challenges that many financial institutions are facing", said Angus Armour. "Any deterioration in bank capacity for trade and export finance could have serious consequences for global trade and economic recovery."

The Berne Union Annual General Meeting 2011 was hosted by MEHIB, Hungarian Export Credit Insurance Pte Ltd.

## **Membership and Elections**

The Office du Ducroire (Luxembourg) was admitted as an observer member to the Berne Union.

Johan Schrijver, Director of ATRADIUS Dutch State Business (Netherlands), was elected as the incoming President of the Berne Union.

Geetha Muralidhar, Executive Director of ECGC (India) was elected as the incoming Vice President of the Berne Union.

Beatriz Reguero, CESCE (Spain) and PJ Kim, KSURE (Korea) were re-elected as Chair and Vice Chair of the Short Term Committee.

Ken Tinsley, US EXIMBANK (USA) and Hans-Joachim Pflocks, EULER HERMES Kreditversicherungs-AG (Germany) were elected as incoming Chair and Vice Chair of the Medium/Long Term Committee.

Joanne Palmer, EDC (Canada) and Ferdinand Schipfer OeKB (Austria) were re-elected as Chair and Vice Chair of the Investment Insurance Committee.

The appointment of Fabrice Morel as Deputy Secretary General of the Berne Union was announced.

## **Berne Union executives**

Angus Armour, MD and CEO of EFIC (Australia), is the President of the Berne Union.

Daniel Riordan, President Specialty Products at ZURICH North America (USA), is Vice President.

Beatriz Reguero, CESCE (Spain) is the Chair of the Short Term Committee, with PJ Kim, KSURE (Korea) as Vice Chair.

Topi Vesteri, FINNVERA (Finland) is Chair of the Medium/Long Term Committee, with Teresa Saponara, SACE (Italy) as Vice Chair.

Joanne Palmer, EDC (Canada) is the Chair of the Investment Insurance Committee, with Ferdinand Schipfer OeKB (Austria) as Vice Chair.

## **Note to editors:**

### **About the Berne Union**

The Berne Union (International Union of Credit & Investment Insurers) is the leading international association for the export credit and investment insurance industry. It works for cooperation and stability in cross-border trade by supporting the international acceptance of sound principles in export credits and foreign investments and by providing a forum for professional exchange among its members.

### **Members**

The 48 members of the Berne Union covered over US\$1.4 trillion worth of business in 2010, which is about 10% of the world's total export trade. Members are both private companies, offering worldwide risk management solutions, and state backed export credit agencies, focusing upon the support of national exports and outward investments.

### **Interaction**

Members benefit from the highest quality information exchange through several yearly meetings, seminars and workshops, and interactively online. Exchanges focus on technical aspects of international trade, as well as developing and promoting best practices.

## Links

The Berne Union has well established links with other organisations that play important roles in world trade including the ICC, IMF, OECD, World Bank, WTO and regional development banks.

The Acting Secretary General of the Berne Union is Mr Lennart Skarp, and the Secretariat is based in London.

See [www.berneunion.org.uk](http://www.berneunion.org.uk) for more information.

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