

OCTOBER 17TH 2018

Bpifrance exposes its vision of the evolution of global trade during the Bern Union Annual General Meeting

Paris, October 17th, 2018 - A record number of over 300 senior executives from public and private export credit and investment insurers from more than 70 countries gathered in Paris this week for the 2018 Berne Union Annual General Meeting, hosted for the first time by Bpifrance, the French export credit agency and Berne Union member since January 2017.

On the occasion of the Bern Union Annual General Meeting, Bpifrance, which provides public guarantees to French companies for export on behalf of, for and under the control of the French State, presents its world economic outlook. As global growth prospects have weakened, it is important to identify the factors (rise of oil prices, threat of trade wars...) that could lead to a global downturn and affect global trade, still at its highest level since 2011 (*please refer to the study attached for further details*).

The 83 members of the Berne Union from 73 countries cover collectively around 13% of global cross-border trade, that represents a total amount of USD 2.03 trillion. The level of new business for the Bern Union members remained stable in the first half of 2018: USD 1.64 trillion in support of short term trade credit have been issued, USD 88.8 bn of new medium / long-term export credits have been insured and a cover of USD 18.6 bn has been provided for foreign investments. Western Europe still accounts for the majority of new business overall, with 28% of total. The biggest increase by volume 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%).

Although, 2018 might well be the 4th consecutive year of claims payments greater than USD 6 billion, as claims raised to USD 2.65 bn in the first half of the year (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, which is 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.

"Bringing together all the members of the Bern Union for the first time in Paris is a unique opportunity to express our combined ambition to improve international trade. Our mission at Bpifrance is to help French entrepreneurs, especially the thousands of French SMEs and medium-sized companies, accomplish their dreams in France and abroad by financing, but also coaching them. Export credit insurance is a very essential tool for French entrepreneurs who want to conquer the world", explains **Nicolas Dufourcq, CEO of Bpifrance**. Last year, 85,000 businesses of all sizes have received more than € 24 billion in investments, loans and guarantees from Bpifrance, and € 20 billion of credit insurance has been delivered to exporters by the French national investment bank.

*"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, according to **Berne Union Secretary General, Vinco David**. 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".*



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About Bpifrance

Bpifrance is the French national investment bank: it finances businesses – at every stage of their development – through loans, guarantees, equity investments and export insurances. Bpifrance also provides extrafinancial services (training, consultancy..). to help entrepreneurs meet their challenges (innovation, export...). For more information, please visit: www.bpifrance.fr and presse.bpifrance.fr - Follow us on Twitter: @Bpifrance - @BpifrancePresse

About the Berne Union

The Berne Union is the international association of export credit and investment insurers. The 83 members from 73 countries include government-backed export credit agencies, private credit and political risk insurers and multilateral agencies – 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