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NEWS RELEASE FOR IMMEDIATE RELEASE**Insurance experts essential to continued support for global trade**

As national governments and the international community respond to the world economic crisis, some of the key players in maintaining international trade and investment gathered in Istanbul, Turkey, to reaffirm the importance of credit and investment insurance in keeping trade flowing. Meeting from 4 - 6 May, members of the Berne Union – the world's leading export credit and investment insurers – assessed the effects of the measures they put in place to maintain world trade flows.

Berne Union Secretary-General, Kimberly Wiehl described how “those involved in trade finance are increasingly looking to credit and investment insurance as a means to mitigate risk in these uncertain times. Our latest survey of members shows that despite the rise in overall risk levels, there is ample capacity to cover acceptable risks.

This is to be expected, however, as many of our members have successfully played a counter-cyclical role in the international credit market over the past 30 years, and have long experience to draw from.”

Since the outbreak of the financial crisis last year, Berne Union's export credit agency members (ECAs) have responded to the challenge of recovering trade volumes in four main ways:

- **Raising the ceiling for the business volume:** EDC (Canada) increased its capital limit by Can\$1.5 billion; EKN's (Sweden) limit was increased by Skr150 billion; HKEC (Hong Kong) increased its maximum limit to HK\$15 billion
- **Raising the cover ratio:** COSEC (Portugal) increased its maximum cover percentage to 98%; MEHIB (Hungary) increased to 95-100%; SERV (Switzerland) increased to 95% for commercial risk
- **Supporting the working capital supply for the exporters:** NEXI (Japan) provides cover for bank loans to support global supply chains; US EXIMBANK (USA) provides working capital guarantees for goods sold to US companies for subsequent export
- **Providing liquidity to the exporters and related industries:** ASHRA (Israel) established a new exporter's fund of US\$125 million; FINNVERA (Finland) provides funding and refinancing up to €3.7 billion

Moreover, the ECA members underwrite a combined total of half a trillion dollars worth of risks yearly – and combined with the business volume of our private insurer members, the Berne Union covers approximately 10 per cent of world trade volume.

The Istanbul gathering also responded positively to the announcement on 2 April by G-20 leaders to provide US\$250 billion in additional support for trade finance activities.

Berne Union President, Hidehiro Konno from NEXI Japan, explained that “the recovery of world trade flows is vital to the broader recovery of the international economy and increasing the technical and financial capabilities of ECAs represents one of the most effective ways to meet the global economic challenge.

Our members have been working exceptionally hard to keep international trade flowing. And this announcement is testament not only to the global extent the crisis we are dealing with but also the importance of trade finance as a means to counteract it.

That is why we are confident that along with national governments and the international community we can play our part in sustaining and improving cross border trade and investment flows.”

Note to editors:**About the Berne Union**

Celebrating its 75th anniversary in 2009, 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 49 members of the Berne Union covered over US\$1.5 trillion worth of business in 2008, 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 WTO, World Bank, IMF, OECD and regional development banks.

The Secretary-General of the Berne Union is Ms Kimberly Wiehl, and the Secretariat is based in London.

See www.berneunion.org.uk for more information.

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