

## **Leading trade & investment insurers reaffirm commitment to the global economy**

At the Annual General Meeting of the Berne Union – the world’s leading association of export credit and investment insurers – discussions were dominated by the industry’s response to the global credit crisis. In the prevailing climate of market uncertainty, with finance options being squeezed, members reaffirmed their commitment to support their exporters. Seeing the early warning signs, Berne Union members actively positioned their risk profiles, so that they continue to provide insurance capacity for the testing times today. These insurers are, now as much as ever, playing a vital role in sustaining international channels of commerce.

### **New business growth**

In 2007, Berne Union members covered over 10% of global cross-border trade. From \$1.3 trillion at year end, these levels continued growing during the first half of 2008, with exporters and banks increasingly seeking protection against credit losses. With demand still rising, it’s clear that customers are seeing the real value of credit and investment insurance as an effective means to maintain positive cash flow and access to liquidity.

### **Promoting cooperation and stability**

Speaking after the closing session, newly re-elected Berne Union President, Hidehiro Konno from NEXI Japan spelled out the importance of Berne Union members to the world economy. “It is precisely at times such as these, that our role in promoting cooperation and stability in international trade is most significant. With our diverse membership of government and private institutions, we have the ability to act counter to the prevailing downward cycle and support trade through difficult circumstances.

We have just adopted specific guidelines that make our overarching Guiding Principles more concrete and operational. These are a statement of our dedication to sustaining global commerce and investment and to conducting business on a professional, responsible basis.”

### **Joint Support**

Drawing on their experience in previous financial crises in Asia and Russia, Berne Union members developed an industry-wide network which can be mobilised quickly to sustain trade flows in critical sectors and countries during economic difficulties. This infrastructure for sharing risk, which offers various means of coordination among members including reinsurance, is based on established cooperation agreements, personal contacts and real-time knowledge exchange.

As Berne Union Secretary-General, Kimberly Wiehl explained, “Our coordinated response is important in supporting the global economy but so too is our work with other international financial institutions. OECD and IMF representatives have, once again, taken part in our annual meeting and we will join the WTO and key private and public bankers to discuss the impact of the credit crunch on trade finance. As a network of members and as an institutional actor, the Berne Union is playing an active role in maintaining international trade and investment through this period of uncertainty.”

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

Established in 1934, 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 51 members of the Berne Union covered over US\$1.3 trillion worth of business in 2007, 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](http://www.berneunion.org.uk) for more information.

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