



Export Credit Guarantees

Great possibilities to finance your import of capital goods

Finance Solutions for international trade

1

Is Funding also one of your biggest challenges when it comes to source capital goods?

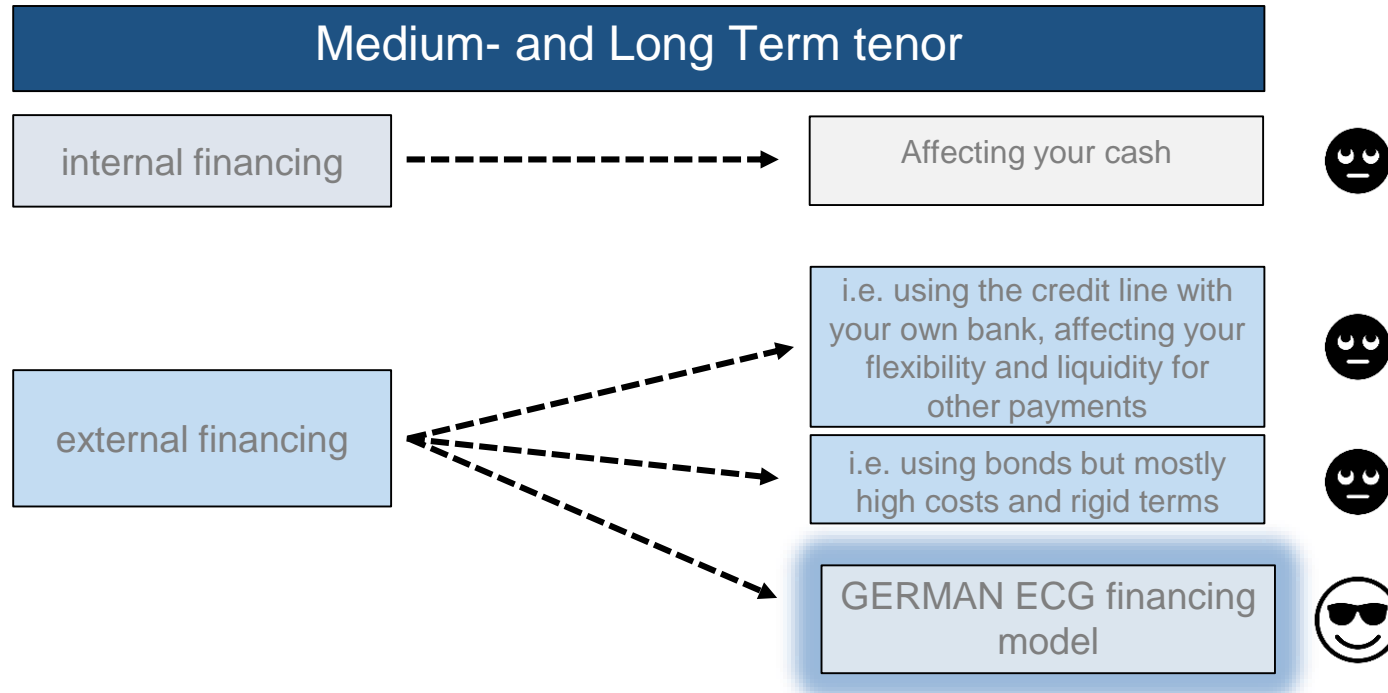
2

Which options do you use to get the import of goods financed?

3

What finance advantages do the german export credit guarantees offer?

Sources of CAPEX Finance



Export credit guarantees - Key benefits

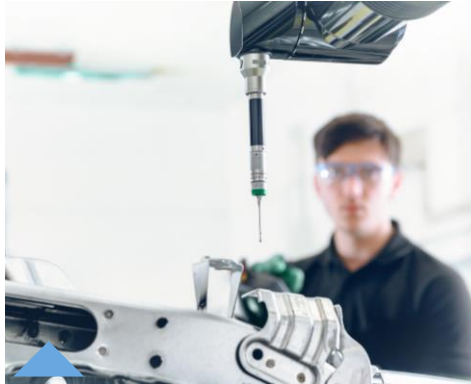
flexibility and
liquidity for your
company

longer tenor
and
larger tickets for
capital goods

fixed interest
rate
lower financing
costs

reliable partner
especially
during and after
a crisis

What are the german export credit guarantees?



Promotion
instrument of the
Federal Government

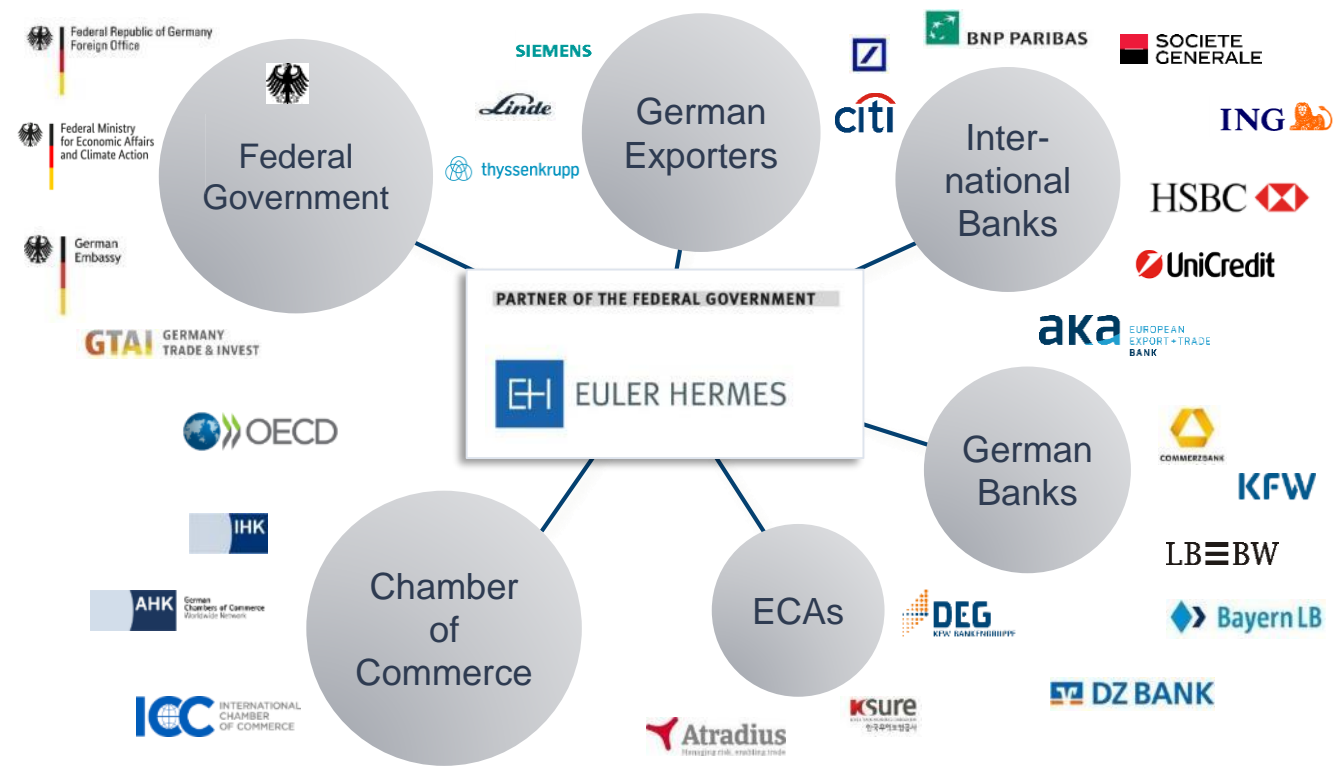


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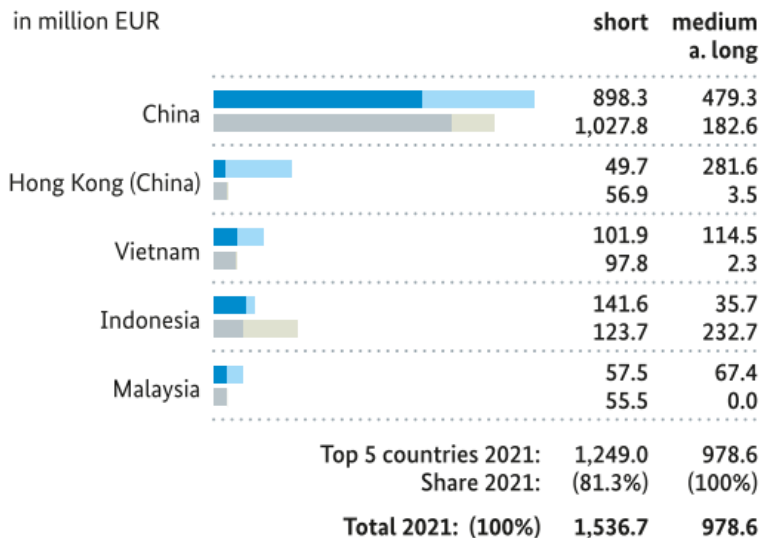
Federal Government
provide cover for
exports to more than
154 countries

German Trade Ecosystem



Top markets Asia 2021

Top 5 countries Guarantees for East Asian emerging economies and developing countries



■ 2021 short-term ■ 2021 medium and long-term
■ 2020 short-term ■ 2020 medium and long-term

But how do export credit guarantees work?

TRANSACTIONS ON SHORT CREDIT TERMS

Your German business partner will be able to obtain cover of transactions on short credit terms.

TRANSACTIONS ON MEDIUM AND LONG CREDIT TERMS

For these types of business a wide range of customized single transaction guarantees is available.

Your German business partner (in case of a supplier credit) or the German financing bank (in case of a buyer credit) will be able to obtain cover for this transaction.

Transactions on medium and long credit terms

HOW DOES SUPPLIER CREDIT COVER WORK?

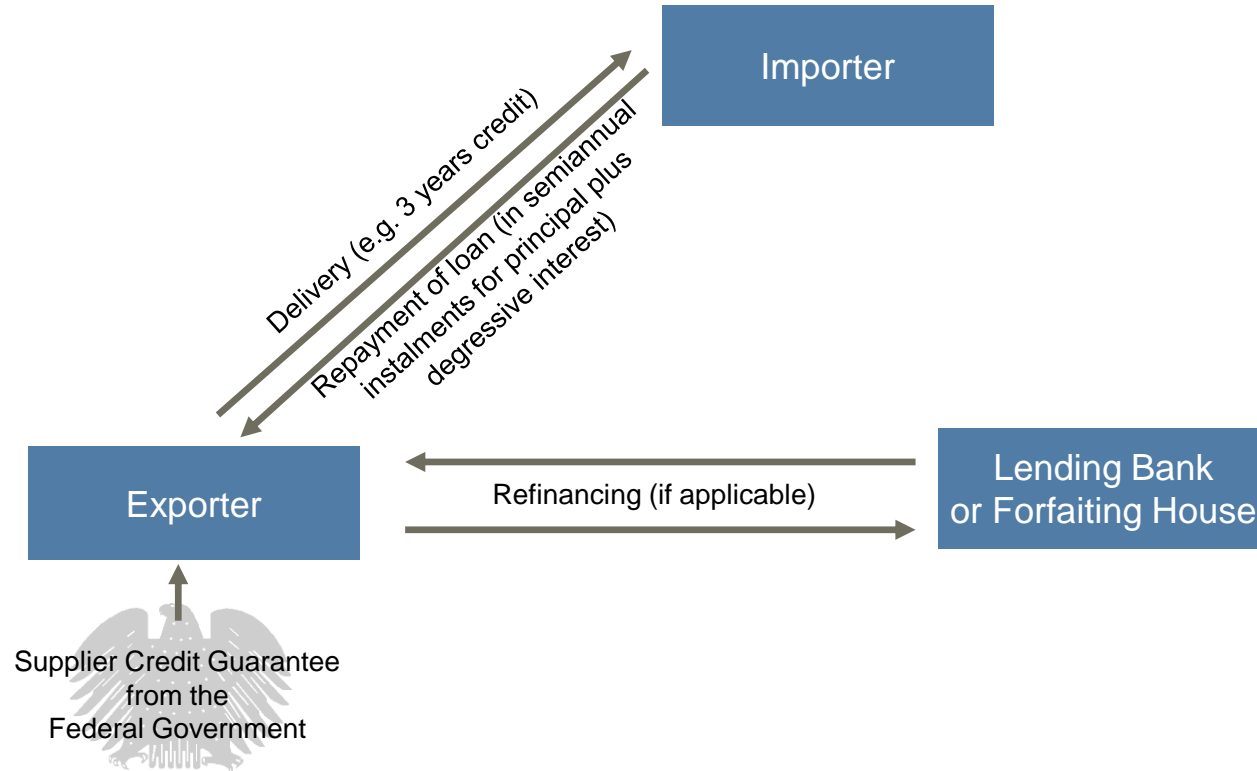


HOW DOES A BUYER CREDIT COVER WORK?

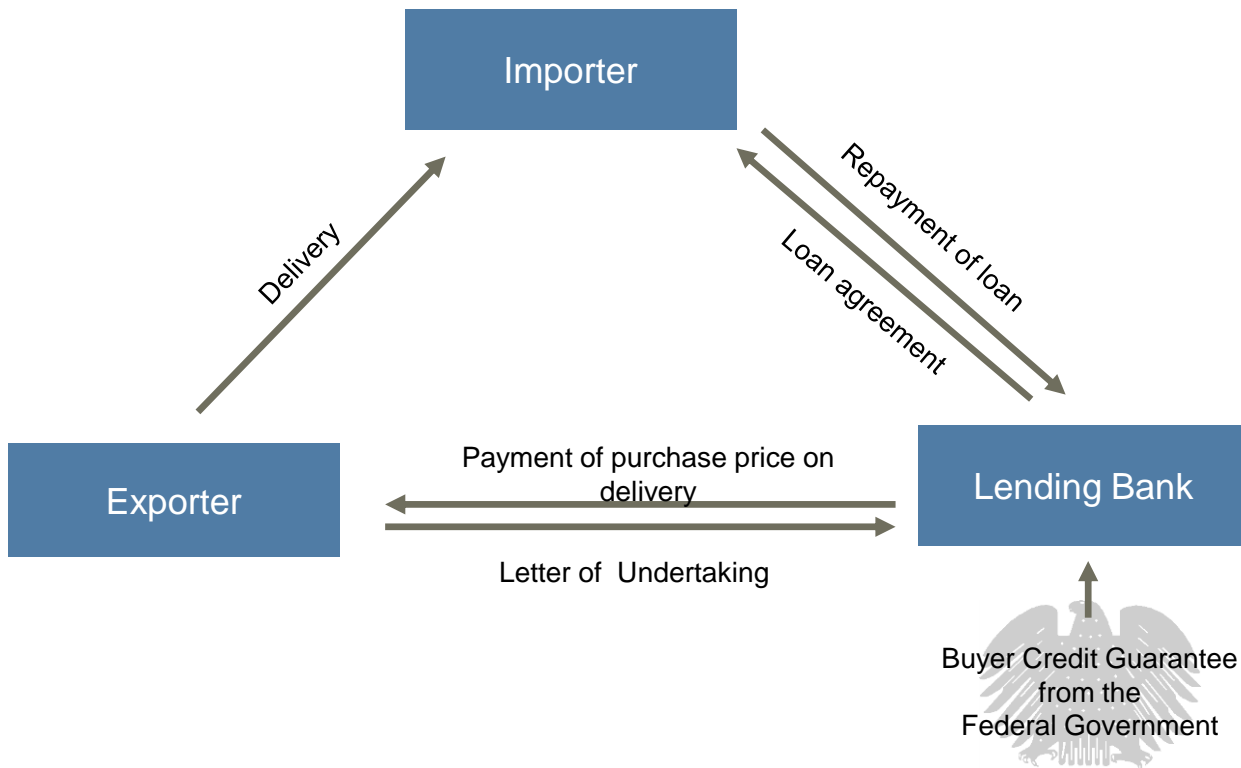


As a rule a down-payment amounting to 15% of the contract value and payment of the remaining 85% in at least semi-annual instalments are required for transactions with credit terms of more than one year.

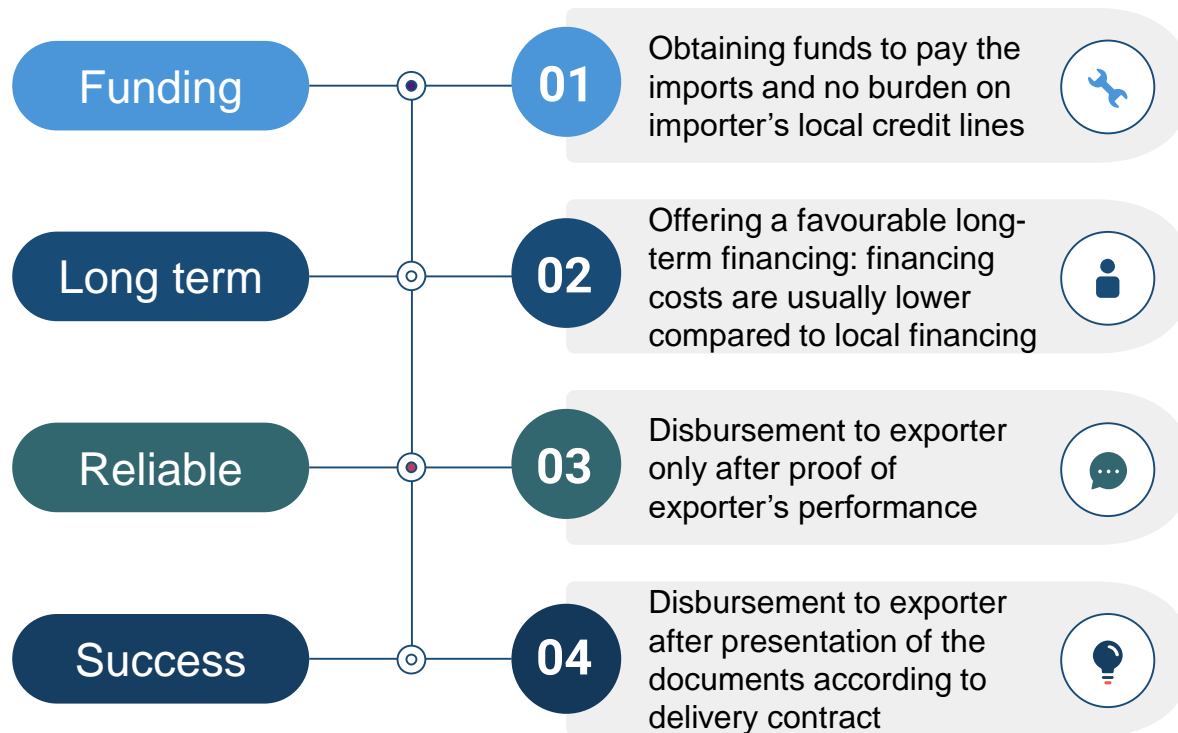
Supplier Credit: extended payment terms from supplier



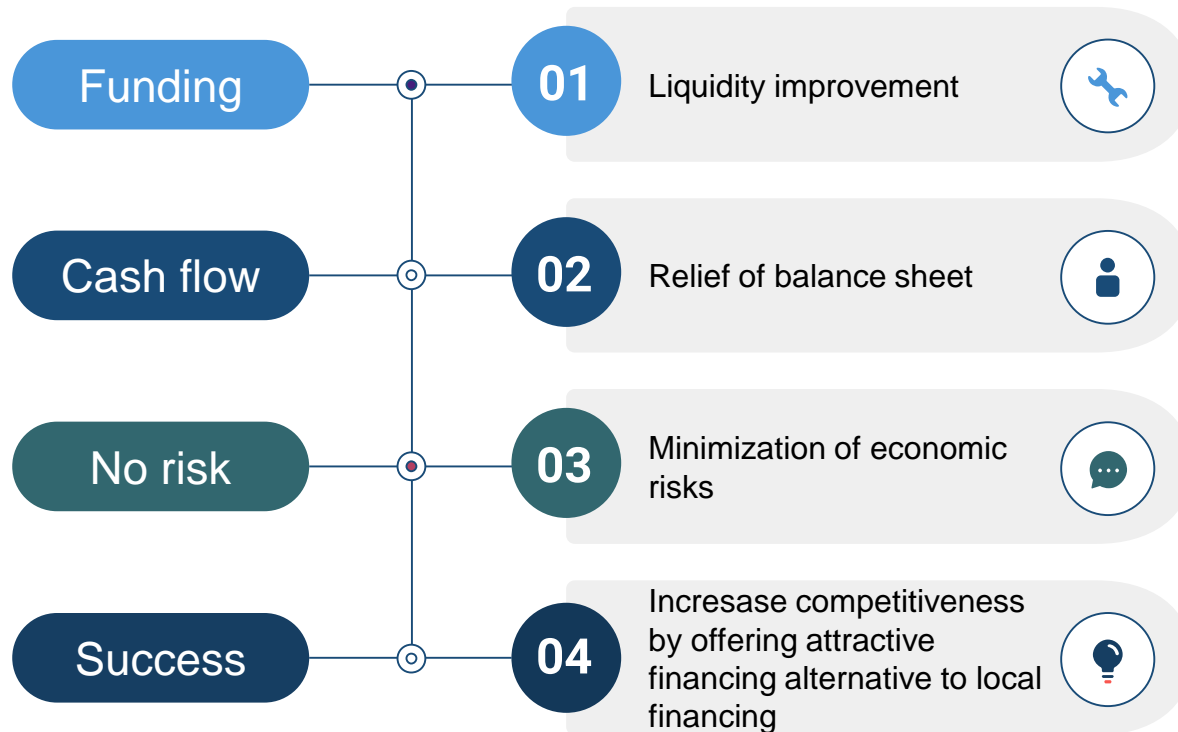
Buyer Credit: A loan backed by the German ECA



Benefits for importers



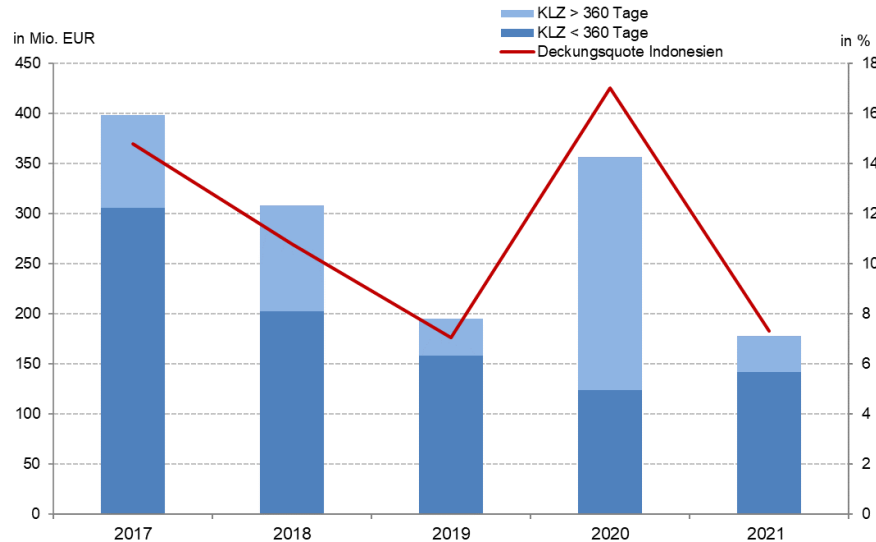
Benefits for exporters





Indonesia

Volume of Cover and Policy



Year	Volume of Cover (Mio. EUR)	TOP 40
2021	177	23
2020	359	9
2019	195	22

Cover Policy

Short-term Business:

There are no formal restrictions on cover.

Medium/long-term Business:

There are no formal restrictions on cover.

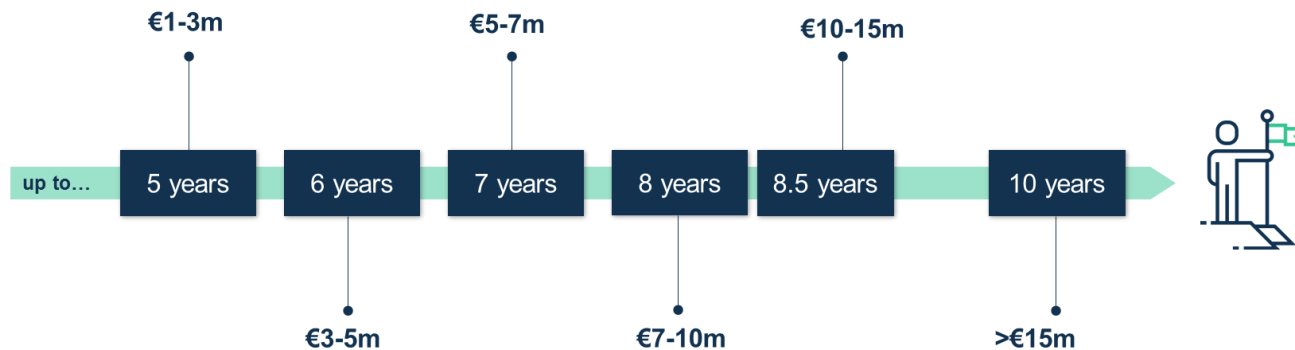
Collateral:

Collateral is not normally required.

Country Risk Category: 3 of 7

ECA-covered Buyer's Credit

Maximum Loan Tenors vs. Contract Amount



- According to the **OECD consensus**.
- ECA-Covered Buyer's Credit needs **volumes > €3m** to be an efficient financing instrument.
- Shorter than maximum tenor could be applicable:
 - if a longer financing tenor is untypical for the delivered equipment/exceeds commercial life of equipment
 - if risk situation would not allow maximum loan tenor



Tight time schedule on the supply contract? The buyer may pay the supplier from other sources and the Buyer's Credit could be disbursed to the borrower on reimbursement basis.

Financial Experts in Importer Markets

Competence Center for German Export
Finance – Delegation of the German
Economy Southeast Asia



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Thank you for your attention!

Export Credit Guarantees and Untied Loan Guarantees:
instruments to promote foreign trade and investment
provided by the



Federal Ministry
for Economic Affairs
and Climate Action

Commissioned to implement the federal
funding instruments Export Credit Guarantees
and Untied Loan Guarantees:



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Cover from the Federal Republic of Germany for foreign business

Export Credit Guarantees and Untied Loan Guarantees have been established and effective foreign trade promotion instruments of the Federal Government for decades. Export Credit Guarantees (so-called Hermes Cover) protect German exporters and banks financing exports against political and commercial risks. Untied Loan Guarantees are to support raw material projects abroad regarded as eligible for promotion by the Federal Government. Both promotion instruments play an important role in fostering economic growth as well as in protecting and creating jobs. Federal Government commissioned Euler Hermes Aktiengesellschaft to manage the federal funding instruments Export Credit Guarantees and Untied Loan Guarantees.

Information on other foreign trade promotion instruments of the Federal Government can be found at www.bmwk.de/en under the heading Promotion of Foreign Trade and Investment.

EXPORT CREDIT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**



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