STATEMENTS ON EXPORT CREDITS AND THE FINANCIAL CRISIS

Statement: Export credits and the financial crisis[1]

OECD, Paris, 24 November 2008

OECD Members of the Working Party on Export Credits and Credit Guarantees,[2] the Participants to the Arrangement on Officially Supported Export Credits,[3] Non-Member Economies[4] and the WTO Secretariat met to discuss the impact of the global financial crisis on official export credits. Governments confirmed their strong commitment to continue to be reliable partners to exporters and financing banks; a global problem requires a coordinated global solution.

Official export credit support and finance play an enhanced key role in counterbalancing instability in periods of economic uncertainty and risk averse behaviours of economic players, by helping to fill the gap where market capacities are temporarily limited.

In the light of these considerations, these OECD member and non-member governments are determined to maintain their export credit support and ensure that sufficient capacity is available with the aim of supporting international trade flows, in line with sound underwriting principles, within the limits of their respective international obligations.

This action will, inter alia, contribute to the fulfilment of one of the undertakings identified in point 7 of the declaration by leaders of the G20 countries, expressed at the summit on financial markets and the world economy, held in Washington on 15 November, *i.e.* “help emerging and developing economies gain access to finance in current difficult financial conditions, including through liquidity facilities and programme support”.

During previous financial crises, governments developed experience of expedient and co-ordinated use of their schemes for officially supported export credits and are utilising this experience to limit the impact of the present crisis on the financing of trade transactions in the world. Members and non-member economies are closely monitoring developments, exchanging information and taking appropriate measures as deemed necessary and in accordance with their respective international obligations.

Statement: The global financial crisis and export credits[5]

OECD, Paris, 22 April 2009

OECD members that provide official export credits, Brazil, the People's Republic of China, Estonia, Indonesia, Israel, Romania, Singapore, Slovenia, together with the European Commission, IMF, World Bank, IFC, MIGA, WTO (hereafter referred to as "governments and participating institutions") and the International Union of Credit and Investment Insurers met in the OECD to discuss developments in export and trade finance for short term transactions and for capital goods and projects, in the context of the global financial and economic crisis and the outcomes of the G-20 London Summit held on 2 April 2009.

These governments and participating institutions:

- Welcome the commitment identified in points 5 and 22 of the G20 Communiqué "to ensure availability of at least USD 250 billion over the next two years to support trade finance through export credit and investment agencies and through the Multilateral Development Banks". This pledge reinforces the November 2008 OECD Statement on export credits and the financial crisis in which governments, the European Community and the WTO confirmed their strong commitment to continue to be reliable partners to exporters and financing banks and pledged to maintain their export credit support and ensure that sufficient capacity is available with the aim of supporting international trade flows.

- Agree that a recovery of world trade flows is a vital component in the broader recovery of the international economy and achieving sustainable growth. Recent declines in trade volumes are attributable to recessionary forces and frozen financial markets resulting in the declining availability and high price of trade finance in private markets both for short term transactions and for capital goods, services and infrastructure projects which, typically, are the subject of official export credits. These developments, in turn, could further reduce trade flows and export financing, especially for emerging markets and developing countries.

- Recognise that the measures they have already taken, together with the pledge of the G20 governments, should ensure the increased availability of both short-term and medium- and long-term export credits, especially to emerging markets and developing countries, in supporting the investments necessary for moves towards sustainable economic recovery. Additional measures could include co-operation among ECAs and MDBs, such as strengthening re-insurance schemes.

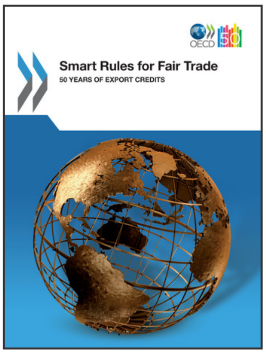
- Agree that any measures be in place until market conditions recover and should be consistent with their respective international obligations and in line with sound underwriting principles.

These governments and participating institutions recognise the need for a coordinated approach to implementation and, to this end, agree to meet regularly in the OECD to exchange information on the measures taken by these governments and participating institutions, in support of the G20 trade finance initiative, and to ensure the continuation of medium- and long-term export financing.

These governments and participating institutions invite other major providers of official export credits to join this Statement.

Notes

1. TAD/PG(2008)28/FINAL and TAD/ECG(2008)22/FINAL.
2. Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.
3. Australia, Canada, European Community, Japan, Korea, New Zealand, Norway, Switzerland and United States.
4. Brazil, Estonia, India, Israel, Romania, the Russian Federation and Slovenia.
5. TAD/PG(2009)14/REV and TAD/ECG(2009)3/REV.



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