



Joaquín Almunia
Vice-President of the European Commission,
Responsible for competition policy
European Commission
1049 Bruxelles

23 July 2012

Dear Vice-President,

RE: Consultation on the draft Communication on short term export credit insurance

We would like to share with you our comments on the review on short term export credit insurance in view of the multilateral meeting that will take place on 24 July.

Access to short term export credit insurance is crucial for many European companies. It allows businesses to uphold trade relations through challenging times and provides the necessary confidence to venture into business with new customers. Developments during the last four years have shown that access to short term export credit insurance is also important to ensure access to credit, as banks consider it as one element in their credit rating.

BUSINESSEUROPE has therefore followed the review of the Communication on short term export credit insurance closely. Reading the draft Communication on published 29 June, we are therefore pleased to note that the Commission has taken some of the concerns we have voiced on previous occasions into consideration. However, at this point we would like to point to three main issues which we feel are critical to ensure the competitiveness of European exporters:

1: A level playing field for exporters inside and outside the EU

It is mentioned in the draft Communication that the purpose of it is to “*prevent state aid from distorting competition among private and public or publicly supported export credit insurers and to create a level playing field among exporters*”. BUSINESSEUROPE fully supports this statement. However, experience from the crisis shows that European exporters were disadvantaged because EU is the only region in the world that regulates this field. We would therefore kindly ask the Commission to consider how the Communication can take into consideration competition with the rest of the world.

2: Focusing the scope of the Communication at the correct risk term

While we feel it is important to avoid state aid, it should be done in a fashion so that exporters are not harmed due to the choices of the private credit insurers, who may or may not choose to offer certain products for certain markets. We therefore strongly urge the Commission to consider changing the scope of the draft Communication to export credit insurance with a risk period of less than 180 days. We commend that the Commission recognizes that there is a gap and urge the Commission to complete the analysis and take the right action with a changed scope. We would be happy to provide



cases that show that risk periods between 181 days and 2 years are in fact unmarketable.

3: A flexible system that provides fast responses to changes in the market is of the essence

Experience from the years since the crisis broke out in 2008 tells us that speedy responses to market changes are essential. If exporters are left without access to credit insurance for a period of time, they are forced to stop planned shipments and put agreed contracts on hold. Foreign competitors are eager to take their place, which means that many sometimes long-standing trading relationships have been lost and European exports has suffered as a result. It is therefore of the utmost importance that the draft Communication provides a framework that allows for speedy responses. In that respect, we would kindly ask the Commission to reconsider the need for notification in cases where the conditions for the provision of cover for exempted marketable risks are met. BUSINESSEUROPE believes that a system of standardized reporting would be more flexible and allow for quick responses and supporting the objective of a level playing field.

Furthermore, we would like to commend the inclusion of art. 18 (b) to ensure access to short term export credit insurance for SMEs. However, the limit of EUR 2 million export turnover is so low that it applies to very few companies. BUSINESSEUROPE would consider a limit of EUR 5 million more appropriate and in line with the Commission's objective of supporting internationalisation of SMEs.

We would be pleased to provide you with any further information, and are at your disposal for further dialogue on these issues.

This letter was also sent to Vice-President Tajani and Commissioner De Gucht.

Yours sincerely,

*Best regards,
Philippe*

Philippe de Buck