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FOR IMMEDIATE RELEASE

HKECIC Introduces Special Enhanced Measures to Support Hong Kong Exporters

The Hong Kong Export Credit Insurance Corporation (HKECIC) today announces special enhanced measures to strengthen its support to Hong Kong exporters with a view to helping them combat the rising credit risks caused by the China-US trade disputes.

Over the years, the HKECIC has been providing timely support to the export community in Hong Kong. In view of the escalating China-US trade disputes, the HKECIC hopes to provide Hong Kong exporters, especially SMEs, with more support and protection through the special enhanced measures amid the unpredictable trade issues and rising credit risks.

The special enhanced measures are as follows:

- (i) To increase the number of free buyer credit assessment from 3 to 6 for each Hong Kong exporter.
- (ii) To provide special support to SMEs, the HKECIC **offers additional pre-shipment cover for free** to Small Business Policy ("SBP")¹ holders who are affected by the US tariff measures. Claims payment will be made according to the terms and conditions of the Policy if the insured buyer cancels the binding and valid contract or becomes insolvent before shipment, provided that the policyholder has fulfilled its obligations under the contract and has complied with the terms and conditions of the Policy.

The Government of the United States has started to impose tariff on certain Chinese imports since March this year. In consideration that the existing SBP holders may still have signed contracts with goods pending shipment, the free pre-shipment cover is retrospective to 1 April 2018² and the cover for the new SBP holders will commence on the effective dates of their respective Policies.

The above special enhanced measures (i) and (ii) are valid until 31 December 2018.

¹ Applicable to Hong Kong exporters with annual sales turnover less than HK\$50 million.

² Applicable to contracts signed after the effective date of the Policy and the policyholders must be unaware of the occurrence of any event of loss. The insurable contract must be in force before shipment and be evidenced in writing identifying the contracting parties, the description of goods, the contract price, the shipment dates and the payment terms.



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- (iii) The HKECIC will arrange free seminars and talks for its policyholders and Hong Kong exporters to enhance their understanding on the related trade issues and effects, as well as the Incoterms and the terms and details for drawing up a contract that they should be aware of. Knowledge on risk mitigation measures and actions to be taken in case of payment default or failure to take delivery of goods by the buyers will also be shared.

Apart from the special enhanced measures, the HKECIC will continue to provide updated market information on its website such that Hong Kong exporters would be in a better position to make informed commercial decisions. In addition, to strengthen its support to SMEs, the HKECIC will continue to allocate resources to develop a convenient and responsive online insurance platform as well as a tailor-made product for small businesses. The online insurance platform and the product will be launched within this year.

The HKECIC was established in 1966 under the Hong Kong Export Credit Insurance Corporation Ordinance (Chapter 1115). Through the provision of export credit insurance services, the HKECIC protects Hong Kong exporters who trade on credit terms with overseas buyers against non-payment risks and helps them conduct export business in a prudent manner. The HKSAR Government provides a guarantee of \$55 billion for the HKECIC's contingent liability.

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For further information on this press release, please contact:

Ms Gina San Tel: 2732 9998 E-mail: gina.san@hkecic.com

