

FOR IMMEDIATE RELEASE

HKECIC Extends Special Enhanced Measures to Mid-2020 to Support Hong Kong Exporters

Hong Kong Export Credit Insurance Corporation (HKECIC) today announces the extension of the special enhanced measures to 30 June 2020 to support Hong Kong exporters especially SMEs to cope with the rising credit risks and uncertain trading environment caused by escalation of the US-Mainland China trade conflict. HKECIC will also step up its support and risk protection to SMEs exporters by enhancing its underwriting capacity so as to assist them to overcome this difficult time and explore the export trade markets prudently.

The extended special enhanced measures are as follows:

- (i) Discount on premium for Small Business Policy (SBP)¹ holders increases to 30 per cent from the current 20 per cent.
- (ii) For SBP holders with credit limits on US buyers, each credit limit is raised by 20 per cent to a maximum of HK\$5 million.
- (iii) To provide special support to SMEs, the HKECIC offers additional pre-shipment cover for free to SBP 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.
- (iv) To offer 6 free buyer credit assessment for each Hong Kong exporter.

In addition, the HKECIC is enhancing its underwriting capacity towards SBP holders , providing greater support for SMEs exporters to cope with the rising credit risks and to facilitate them to obtain trade finance from banks. Exporters may explore export trade markets confidently amid the uncertainties of international trade environment.

¹ The HKECIC launched the tailor-made Small Business Policy (SBP) for SMEs to meet the exporter's needs in March 2013. This Policy is applicable to Hong Kong exporters with annual sales turnover less than HK\$50 million.

The Corporation will continue to provide credit risk protection on shipments made from offshore location (such as Southeast Asian countries) to their overseas buyers as long as the exporter is a Hong Kong registered company, and the insurance cover for a policyholder can also be extended to the sales contracts between its subsidiary² in Mainland China or other overseas markets and the subsidiary's local or overseas buyers.

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.

- End -

For further information on this press release, please contact:

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

² HKECIC continues to insure Hong Kong exporters for policy covers for sales contracts between their majority-owned subsidiary in Mainland China or other overseas markets and their local or overseas buyers.