

Press Release

HKECIC's New Enhanced Measures to Support Hong Kong Exporters

Hong Kong Export Credit Insurance Corporation (HKECIC) today announces the launch of a new round of enhanced measures to support Hong Kong exporters, in particular SMEs, in view of the COVID-19 outbreak, which has disrupted the supply chain and business activities, putting high pressure on the already difficult operating environment. With these new measures, it is hoped that Hong Kong exporters can overcome this difficult time and would be able to explore export trade markets with more confidence.

These new enhanced measures aim at helping HKECIC policyholders to reduce risks and alleviate their financial burden, and will be effective for one year until 31 March 2021, covering policies effective as from 1 April 2020. The details are as follows:

(I) For holders of Small Business Policy (SBP)¹

1. Free pre-shipment cover in all HKECIC insured markets² for buyers approved for such cover. 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.
2. A 20% uplift in all valid credit limit(s) for all HKECIC insured markets², up to a maximum of \$5 million.
3. Extension of premium payment due date for one month.
4. Premium discount for each SBP holder increased from 30% to 50%.

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.

² All markets represent insurable markets as defined by HKECIC, but excluding buyers where risks not allowed. SBP holders affected by the tariff measures imposed by the US are already covered under the special enhanced measures launched in response to the US-China trade dispute (credit limits for relevant US buyers have already been increased by 20% to a maximum of HK\$5 million)



(II) For all policyholders

5. Waiver of Annual Policy Fee.
6. Granting across the board payment term of 120 days.
7. Waiver of additional premium for extended / new payment term.
8. Expediting claims settlement process involving amount up to \$1,000,000. Claims payment will be made within 5 days upon receipt of relevant documents.
9. Simplifying procedures and exercising flexibility in processing claims cases of payment difficulty.
10. Providing policyholders 10 additional free credit check facility.

In the meantime, the Corporation will continue to regularly provide policyholders and exporters with updated news regarding the impact of COVID-19 on business or industry through the Weekly News Bulletin on its website, webinar and other channels.

The HKECIC has rolled out special enhanced measures to support exporters to counter the challenges brought by the US-Mainland China trade conflict since June 2018. Such measures are effective until 30 June 2022. For enquiries, please contact our hotline at 2732 9933 or visit our website www.hkecic.com.

Meanwhile, the Corporation will continue to provide credit risk protection on shipments made from offshore location (such as the Europe, the US and Asian countries, etc.) 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 subsidiary³ in Mainland China or 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.

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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

³ HKECIC continues to insure Hong Kong exporters for policy covers for sales contracts between their majority-owned subsidiary in Mainland China or overseas markets and their local or overseas buyers.