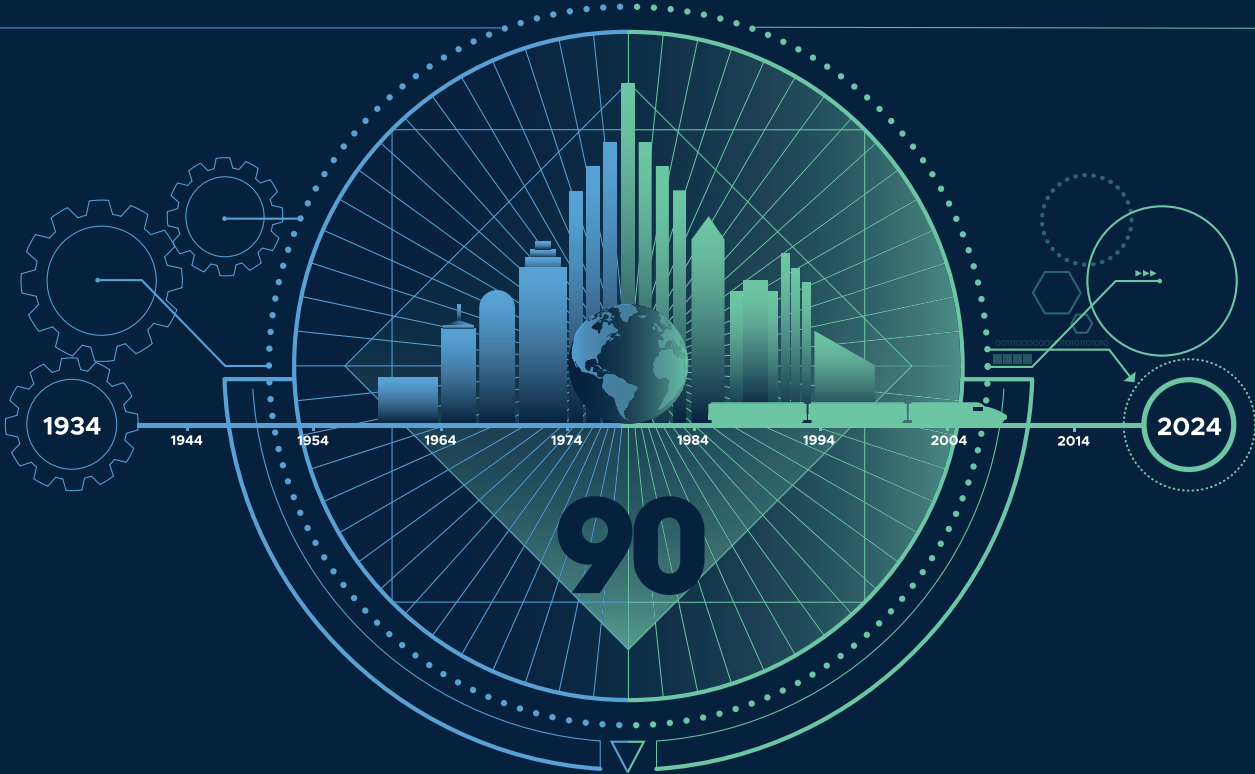


# berneunion 90

CELEBRATING 90 YEARS SUPPORTING TRADE AND INVESTMENT

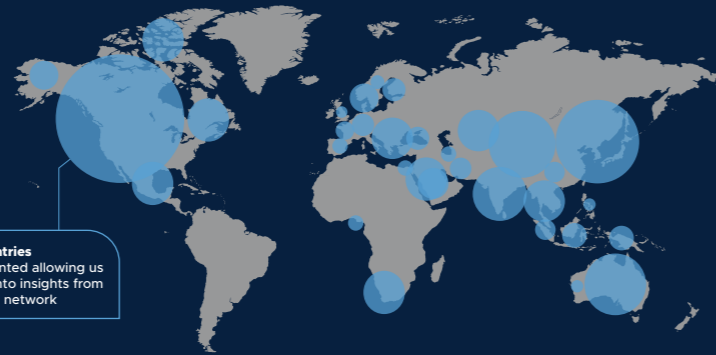


# ABOUT BERNE UNION AND ITS MEMBERS

Established in 1934, the Berne Union is the international association for export credit and investment insurance. We are an active community of 84 members from 64 countries around the world, gathering government backed official export credit agencies, multilateral financial institutions and private insurers.

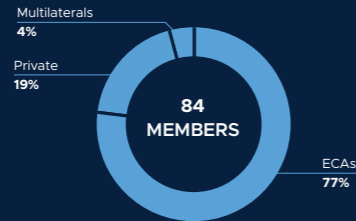
BU Members collectively provide around USD 3 trillion of payment risk protection to banks, exporters and investors annually – amounting to more than 13% of global cross border trade.

Our mission is to actively facilitate cross-border trade by supporting international acceptance of sound principles in export credit and foreign investment. We do this by providing a forum for professional exchange, sharing of expertise, networking among members and engagement in collaborative projects with other stakeholders from across the wider international finance community. The BU holds the most comprehensive set of data and a global network of expertise on the export credit insurance industry.



64 countries represented allowing us to tap into insights from a global network

### The BU in numbers



A diverse membership base bringing a wealth of expertise and perspectives

### In 2023 BU members provided:

- › USD 3tn in combined export credit and investment insurance
- › USD 211bn in long-term finance support
- › 65% supporting finance into EMDEs
- › Crucial finance for key sectors such as clean energy, urban and rural development and power infrastructure across the globe

## WHAT WE DO

Nearly a century of members' collective commitment helping to fuel economic growth and foster prosperous international trade relations

# \$3 trillion

Collective value of risk protection provided to banks, exporters and investors annually by BU members



- Industry networking and contacts:**
- › Meetings and webinars
  - › Online address book
  - › Young Professionals initiative



- Knowledge exchange and education:**
- › Berne Union Committees info sharing
  - › Specialist and technical groups
  - › Best practice and industry standards



- Data, Research & Insights:**
- › Comprehensive industry data
  - › Quarterly business confidence index
  - › Country risk attitude
  - › Top qualitative research



- Publications, media and outreach:**
- › Collective voice for the industry
  - › Thought leadership publications
  - › International outreach
  - › Briefings on credit insurance

MEMBERSHIP

DIVERSITY

IMPACT

REPRESENTATION

INFORMATION SHARING

COMMUNITY

# BU MEMBERS SUPPORT TRADE IN CHALLENGING CIRCUMSTANCES

We adapt and innovate to tackle crises, maintain business confidence and support exporters in all economic environments

In times of crisis, the BU member-supported share of global merchandise trade flows often increases, emphasising the counter-cyclical nature of the export industry and its ability to adapt and thrive during crucial moments of change.

By providing essential financial support and risk mitigation tools, BU members play a vital role in ensuring that trade continues despite economic headwinds

**Increased flexibility:**

Reduced application fees, flexible adjustments and expedited processes

**Maintaining capacity:**

Increased cover, Private market reinsurance, Targeted support and cooperation on moratoria

**Providing liquidity:**

New or expanded working capital facilities

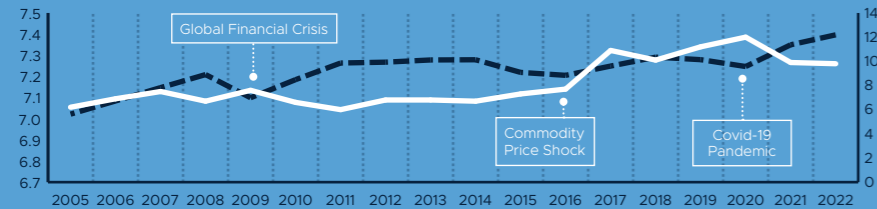
**Minimising defaults:**

Debt Restructuring, rescheduling, DSSI/ Common framework

The industry's response to covid-19 was strong and pragmatic.

Counteractive measures ranged from raising risk capacity to launching new

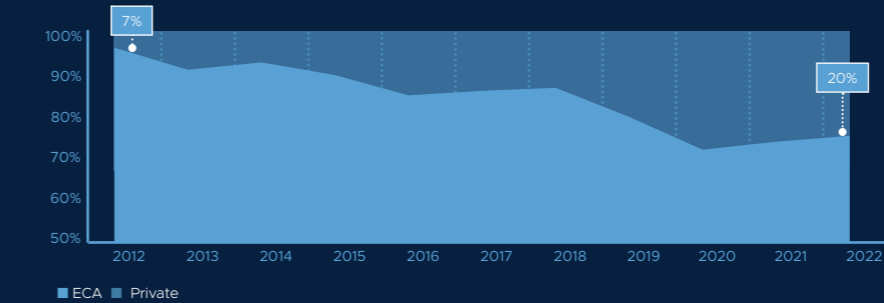
**World merchandise exports and share of Members coverage**



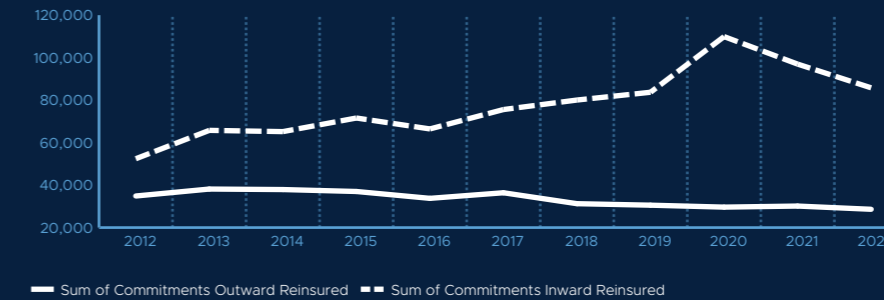
— Log of global merchandise exports (USD bn, lhs) — Member support as a share of global merchandise trade (% , rhs)

# PUBLIC AND PRIVATE SECTOR DYNAMICS

**Share of MLT New Commitments by Member Type**



**ECA outward vs. inward reinsurance USD mn**



Risk sharing and cooperation between public and private sector players amplifies capacity and provides flexibility across the market

The export credit industry has a well-established built-in dynamic between public and private sector. The BU connects the most significant players from both sides of the market and facilitates a collaborative and constructive dialogue between these as one of our primary objectives.

Over the past decade the private market has dramatically increase its capacity to support long-tenor business, creating a deeper and broader market through risk-sharing, reinsurance and co-insurance. Many ECAs and multilaterals leverage the private market to distribute risk, reduce constraints on sector country and counterparty exposure.

**Public and private synergies:**

- > Additional capacity
- > Reduced concentration risk
- > Halo effects
- > Long-term perspective
- > Sharing sector expertise

COUNTERCYCLICAL

GAP-FILLING

INNOVATIVE SUPPORT

PARTNERSHIP

FLEXIBLE CAPACITY

RISK SHARING

# BU MEMBERS SUPPORT ECONOMIC GROWTH IN BOTH DEVELOPED AND DEVELOPING MARKETS

Export credit supports vital flows of long-term finance into emerging markets and developing economies, helping to develop financial markets and critical infrastructure

65% of new long-tenor commitments made by BU members in 2022 (USD 210bn) were in support of finance into emerging Markets and Developing Economies (EMDEs.)

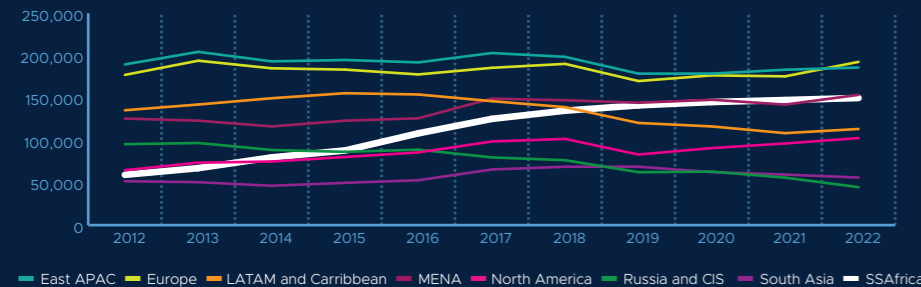
SSAfrica has seen continued and consistent growth in longer-tenor exposure in the past decade. In 2012, the region's

longer-tenor exposure was valued at USD59 billion. Fast forward to 2022, and that figure skyrocketed to an impressive USD150 billion.

SSAfrica had the 7th highest regional exposure (out of 8) in 2012 while ranked 4th in 2022.

In 2021 the BU established a working group on Sub-Saharan Africa aiming to increase collaboration, information gathering and knowledge sharing among members active in the region, addressing challenges to bankability and promoting cooperation

## BU members' Long Tenor Commitments Outstanding by region 2012-2022

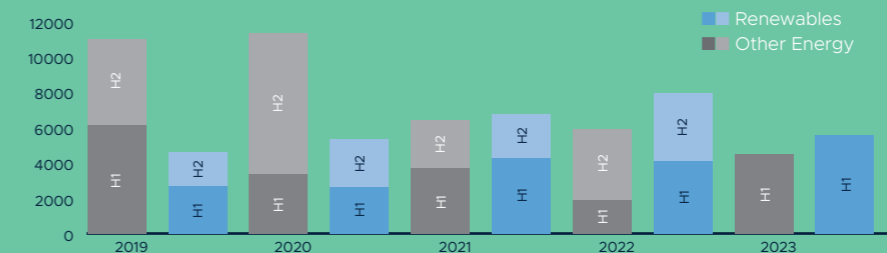


# USD 61bn in RE exposure in 2023

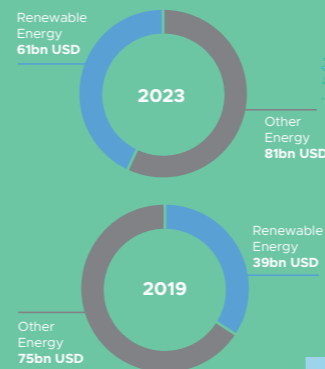
Exposure in the Renewables sector is now held by **35 members across 116 countries**. Angola, Argentina, UK, and Taiwan are top destinations.

# BU MEMBERS ACTIVELY SUPPORT CLIMATE AND ENERGY TRANSITION

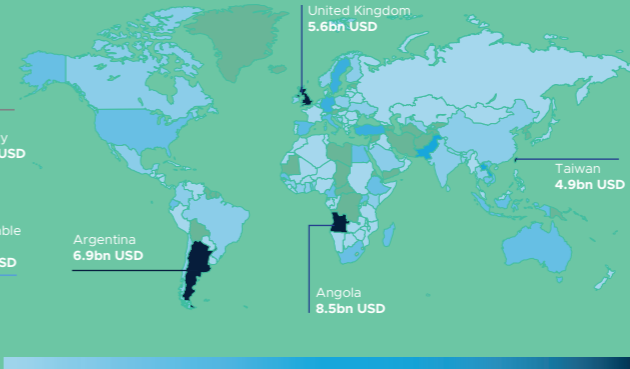
## New MLT Energy Sector Commitments USD mn



## MLT exposure



## Renewable Energy Longer-Tenor Exposure by Country



The export credit industry is well-placed to deliver positive impact for climate adaptation, resilience and support the global transition towards a low carbon, sustainable global economy

Bu Members are playing an important role in delivering a climate shift, both in domestic industry and abroad, incentivising the transition of their exporters, helping scale-up new technologies and enabling finance for green projects globally, including financial incentives.

- USD 30bn cumulative new MLT renewable energy commitments since 2019
- USD 61bn in sector exposure in 2023 held by 35 members across 116 countries
- 2X! New commitments in 2023 double those in 2019
- 55% increase in renewables exposure from 2019 – 2023
- 34 members reported new commitments in 2023, compared to 12 in 2019
- New over in 44 countries in 2023 compared to 28 in 2019

# ABOUT THE CLIMATE WORKING GROUP

Established in 2022, the Group brings together experts from various fields and industries, united by a shared commitment to creating a sustainable future

The BU Climate Working Group works closely with existing climate initiatives, such as the UN-convened Net-Zero Export Credit Agencies Alliance (NZECA) and the Export Finance For Future coalition (E3F), to promote alignment on decarbonisation approaches through knowledge-sharing promotion of best practices.






BU members are committed to fostering a greener future, playing an active role in addressing global climate challenges and actively contributing to sustainable development solutions



## FRUITFUL EXCHANGE THROUGH BU SPECIALIST GROUPS

In our commitment to facilitate industry-wide learning and development, the BU organises a regular rotation of specialist-focused meetings that cover a range of key topics and business functions relevant to the export credit insurance industry.

The purpose of the Specialist Groups is to collect and share information, organize technical meetings and webinars and connect specialist practitioners directly with their peers.

-  **SME business:** Exploring strategies to support small and medium-sized enterprises (SMEs) in accessing export credit insurance services, promoting their international trade activities, and mitigating risks effectively
-  **Claims and Recoveries:** Delving into the intricacies of claims management processes, recovery procedures, dispute resolution mechanisms, and lessons learned from successful case studies
-  **Digitalization:** Embracing digital transformation within the export credit insurance sector by discussing emerging technologies such as artificial intelligence (AI), blockchain, data analytics, online platforms, and automation tools.
-  **Project Finance:** Examining project finance structures related to large-scale infrastructure projects across various industries such as energy, transportation, construction, telecommunications, etc., while understanding associated risks
-  **Country Risk Analysis:** Assessing the political, economic, and financial risks associated with different countries and regions to make informed decisions regarding credit insurance policies and risk management strategies.
-  **Rating and Pricing:** Understanding rating methodologies utilized in assessing creditworthiness within the export credit and insurance industry. Gaining insights into pricing strategies tailored to specific market segments or sectors.

CLIMATE FINANCE  
ENERGY TRANSITION  
GREEN ECONOMY

PEER EXCHANGE  
CASE STUDIES  
TECHNICAL KNOWLEDGE

# THE BU AND THE EXPORT INDUSTRY ARE EMBRACING A DIGITAL FUTURE

**Our industry is embracing technology and developing innovative ways to support clients, understand, assess and manage risks more efficiently, supporting secure and seamless trade globally**

The fast moving digital transformation promises to deliver data-driven decision-making, streamlined processes and enhanced operational agility, allowing BU members to support trade as it evolves.

In recognition of this, in 2022 the Berne Union organised its first **Digitalisation Specialist Meeting**, a platform dedicated to fostering knowledge sharing and collaboration among professionals leading the digital transformation journey in their organizations.

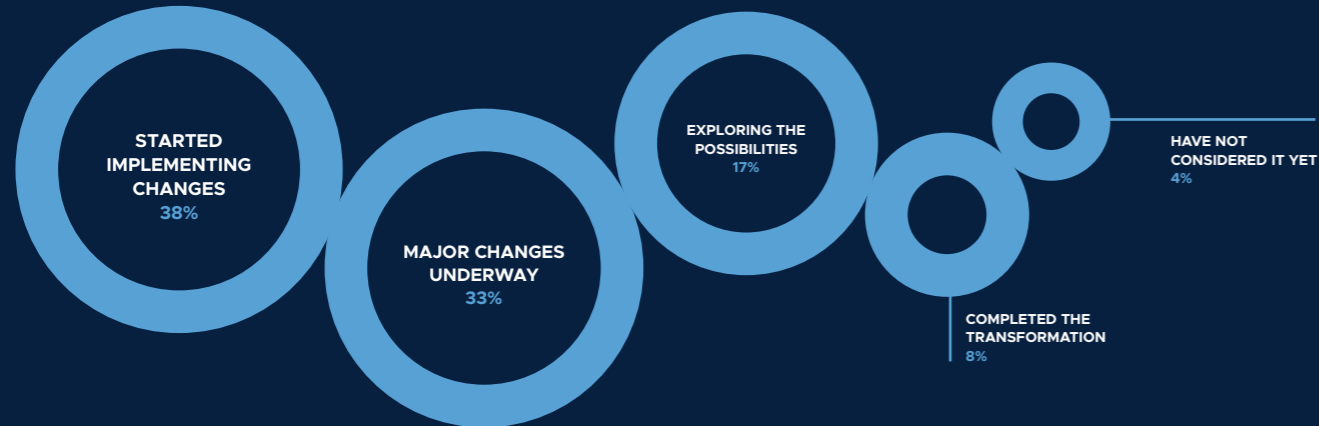
In 2022, 71% of respondents to a BU survey indicated they had already taken steps to implement changes

Since then, Berne Union members have continued to gain momentum in embracing

integrated innovations and many have been full-fledged adopters of AI-driven tools for business benchmarking, marketing and risk management activities.

By coming together as a community and sharing experiences and best practices, BU members can accelerate progress and drive impactful change in the export credit and investment insurance industry

## What stage is your organization in its digital transformation?



## We are working to develop the potential of the next generation of young professionals who will lead our industry in the years to come

Launched in 2019, the goal of the Young Professionals (YP) initiative is to increase the role and exposure of young professionals by providing a platform which promotes engagement, development, and networking opportunities for young, junior and rising professionals in the export credit and investment insurance industry.

## WE SUPPORT THE DEVELOPMENT OF YOUNG PROFESSIONALS

The YP Initiative is founded on 3 pillars: **networking, technical skill development, and industry knowledge.**



**170 + Young professionals** in 2023 – having started with just 15 back in 2019



**BU Pulse:** newsletter communication to the YP community within the BU membership to educate, promote and spread information on upcoming events, new members, different ways of working as well as BU organizational updates and new features



**Annual in-person forum:** in-person gathering for the BU YP community. Objective is to inform, educate, network, and provide insights into industry best practices.

**YP Hangouts:** Dedicated times set for YPs from the BUs membership to meet, network, and socialize together.

**Technical Webinars:** technical workshops or educational webinars to bring to the attention of the YP community hot topics, industry insights, and alternative ways of working.

**Mentorship programme:** connecting young professionals with experienced industry leaders to help support and guide development within the industry.

DIGITAL TRANSFORMATION

DATA-DRIVEN STRATEGIES

CHANGE ADAPTATION

NEXT GENERATION

PROFESSIONAL DEVELOPMENT

HUMAN CAPITAL

# BERNE UNION DATA & PUBLICATIONS

The BU holds by far the most comprehensive data set on the business of export credit and investment insurance. We collect detailed information on risk exposure, commitments, claims and more

We highlight and analyse trends by provider, business line, country, sector and obligor and we regularly survey our members to assess levels of demand, risk appetite and forward pipelines

We produce a range of publications throughout the year focused on providing data, research and industry insights, including



**Our Bulletin Industry Newsletter:** a bi-monthly digest of news, views and statistics from the global export credit and investment insurance industry, curated by the Berne Union.



**Our Quarterly Business Confidence Index:** tracks perceived demand, risk appetite and claims in the export credit insurance industry. It is based on quarterly surveys of Berne Union Members. Member participation in this survey is voluntary, but the commitment is low (the survey can be completed in around 10-minutes, once a quarter).



**Our Yearbook:** features a collection of topical articles on export credit and investment insurance written by Berne Union members and leading international financial institutions.



**State of the Industry Report:** presents an overview of top-level trends in the export credit and investment insurance industry, based upon analysis of BU data.