International
TRADE FINANCE

'Booming' trade receivables securitisations flagged up

The continuing popularity of trade receivables securitisations for banks and corporate borrowers was recently seen in Deutsche Bank's return to the market with the fifth iteration of its trade finance securitisation programme (ITF 861/3). "Trade receivables structures are booming – they have become more and more popular," according to Tom Huntingford, managing director of working capital structuring at UK-based supply chain finance platform Demica.

In a 1 February webinar hosted by Demica, Mr Huntingford and other industry professionals emphasised that although the perennial attractiveness of trade finance as an asset class remains a key driver of this trend, the more salient factor in the contemporary market is the near-global rise in interest rates, which has in turn triggered a search for lower-cost funding options. "There has been a very large increase in interest rates across the majority of developed markets, probably excluding only Japan," underlined Mr Huntingford. "Because what was once almost free money is no longer available, this has meant that corporates have been really looking for ways to reduce cost."

Banks have lifted interest rates "to levels that I've not seen in a generation", noted Cliff Pearce, global head of capital markets at Netherlands-based TMF Group, which provides capital market support to companies in over 80 countries. Pointing out that Turkey's central bank has raised interest rates to as high as 25 per cent, Mr Pearce observed that "it is ultimately the relatively high rates of interest that are embedded in trade receivables securitisations that appeal to private credit, which is looking for sensible, low risk avenues to park its capital".

He added: "The pricing tracks the underlying rates, so that you have a relatively high-yielding, transparent, short-term, self-liquidating asset that can be further credit enhanced with insurance if necessary."

From a regulatory angle, banks globally have come under increasing capital pressure whereby they must hold more and more capital against corporate exposures, and so are hitting ceilings on their limits to corporates, highlighted Salim Nathoo, a partner at law firm Allen and Overy who specialises in supply chain finance and trade receivables, among related areas. "Inevitably banks are looking through the corporates to structured trade assets, to more receivables-based financing, where they can use a pool of assets to create a different credit story, particularly if you go down to securitisations where there are beneficial capital arrangements for the bank."

He continued: "We've seen a market-wide trend where banks quite often encourage the borrowers to shift across to funding via trade receivables securitisation. It is a very effective, decades-old way of obtaining funding, from a number of very sophisticated providers who have been doing it very well for a long period of time in a competitive market. It is potentially cheaper than corporate funding and – once it starts running – relatively straightforward to

Continued on page 3

February 2024 • Issue 863

IN THIS ISSUE

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Editor's letter

A warning to the European Union (EU) against 'weaponising' the euro, which was recently overtaken by the renminbi as the second most used currency for trade finance, has come from the new head of Italy's central bank. According to Bank of Italy Governor Fabio Panetta, Europe should use its global reserve currency wisely, "because international relations are part of a 'repeated game'".

Mr Panetta, a former European Central Bank board member, stressed that the conflict around Ukraine has led steadily to an increase in the role of the Chinese renminbi at the expense of other currencies, especially in terms of the rising level of Russian trade now carried out in the Chinese currency. "Weaponizing a currency inevitably reduces its attractiveness and encourages the emergence of alternatives," Mr Panetta said, at a time when the EU has been contemplating the seizure of Russian state assets.

As Asia's infrastructure boom continues apace, global investment firm KKR & Co has raised $6.4bn for a new fund focused on infrastructure and energy related investments across the Asia Pacific (APAC) region. Marking the largest pan-regional infrastructure fund ever raised for APAC, the KKR Asia Pacific Infrastructure Investors II SCSp fund has a mandate covering sectors including renewables, power and utilities, water and wastewater, digital infrastructure, and transportation. KKR has already invested or committed more than half of its capital from the fund, lifting the volume of APAC infrastructure assets under its management to some $13bn.

In Africa, the Multilateral Investment Guarantee Agency (MIGA) has facilitated short-term trade funding for Côte d'Ivoire. According to MIGA its guarantee to South Africa's FirstRand Bank, acting through its Rand Merchant Bank division, to cover a trade loan facility of up to €95m, will support a continuation of critical imports for the West African country. MIGA's guarantee against the risk of non-payment by the Côte d'Ivoire government for one year represents its first policy covering losses resulting from the failure of a sovereign to make payments related to trade finance transactions. "Our guarantee helps the country unlock new liquidity from an existing lender," said Hiroshi Matano, MIGA's executive vice president.

Another World Bank arm, the International Finance Corporation (IFC), has made anchor investments in two landmark bonds issued by mobile network operator Sonatel to help expand reliable 4G coverage in Senegal. IFC said the bonds were part of the first securitisation in West Africa's telecoms sector, which garnered interest from a diverse pool of participants including banks, individual investors, pension funds, and insurance companies, among others.

Kevin Godier

Organisation index

Some of the organisations, banks and companies referred to in this issue of ITF

administrate. It helps the banks with their capital, by taking exposures off balance sheet, while reducing the cost of funding to the borrower. It's a win-win situation."

Other major banks to have deployed trade finance securitisation include BNP Paribas, Citi, Santander and Standard Chartered. Good examples of the paradigm were seen in 2023 deals structured by Stamford, Connecticut-based Finacity Corporation. In September, Finacity facilitated a $50m receivables securitisation programme for Swiss-based Kudelski SA, provider of digital security and convergent media solutions. The transaction included trade receivables originated by subsidiaries of Kudelski in the US and Switzerland (ITF 855/20).

In March, Finacity facilitated a €75m receivables securitisation program for advertising software platform MGI – Media and Games Invest SE, including trade receivables originated by MGI subsidiaries in the US and Germany (ITF 845/19). In both cases, the transaction allowed a senior tranche funded by a German-based bank, as well as an investment from Finacity Asset Management in the intermediate subordinated loan, to achieve off-balance sheet treatment under IFRS.

Mr Huntingford cited the case of a Demica client with asset-based lending whose banks pushed the company to use trade receivables securitisation "because it gave them a different type of exposure and the ability to collect, ultimately on their borrowing". For the part of the corporate, "it diversifies their funding, gives them more borrowing capacity and expands the total pool of capital that sponsors and corporates can access, while also reducing risk," he said.

Another provider of securitisation as a service, Tradeteq, securitises and distribute trade finance assets to institutional investors seeking tradable financial instruments. To date, Tradeteq has facilitated the issuance of more than $3bn worth of notes backed by trade finance assets.

The benefit for commercial companies of being able to access an alternative source of funding while banks continue to retrench on the credit side was emphasised by Mr Pearce. "We are in a part of the economic cycle, where, in addition to rising interest rates, banks are being more cautious on credit. One alternative if credit isn't readily available is to look at shortening your cashflow cycles and your credit terms, but that in turn places pressure on your customers, whilst also potentially making you less competitive against the wider market. Another is to look at trade receivables financing, where you can sell your receivables quickly to realise proceeds far more easily."

Mr Nathoo alluded to the "relatively seamless operation" in creating trade receivables securitisations, given "the very good understanding from investors, lawyers and other counterparties around how to set these things up". Further efficiency stems from being able to locate the associated special purpose vehicles in European Union (EU) jurisdictions such as Ireland, Luxembourg or the Netherlands, where "the ability to enforce the transferability of those assets under European law" is proven, underscored Mr Pearce.

EU payment environment

The webinar also addressed the potential fallout for the trade receivables securitisation market from the EU's planned law – still at the drafting stage - to cap payment terms at 30 days for all "commercial transactions". Allen and Overy's Mr Nathoo stressed that most commercial EU invoices already pay within 30 days. "And with a more certain regime around timing of payments, it might improve the advanced rates for the securitisations even more. It is potentially helpful or neutral friendly for the types of transactions that we are talking about."

Mr Pearce also pointed out that the average payment term is "already not very far from that 30-day deadline". He commented: "The requirement for these types of transactions may increase. Perhaps a corporate that before did not have any trade securitisation in place would all of a sudden need to pay a lot faster. And therefore it may decide to finance its own receivables in order to fund any gaps in working capital that might have cropped up."

Finance

Italian central bank chief urges caution on euro 'weaponisation'

At a time when the rise of Chinese renminbi as a trade finance currency has fallen under the spotlight, the new head of Italy's central bank has warned the European Union (EU) against 'weaponising' the euro. According to Bank of Italy Governor Fabio Panetta, Europe should use the power of having a global reserve currency wisely, given the potential for further undermining the status of the euro, which was recently overtaken by the renminbi as the second most used currency for trade finance.

"Weaponizing a currency inevitably reduces its attractiveness and encourages the emergence of alternatives," Mr Panetta said in a 26 January speech, at a time when the EU has been contemplating the seizure of Russian state assets. "This power must be used wisely, however, because international relations are part of a 'repeated game'."

European officials have been debating for months whether to confiscate frozen Russian assets totalling some $210bn, including central bank reserves, so as to use the cash to fund Ukraine's reconstruction. The US, which holds about $5bn in Russian central bank assets, has been pushing other G7 countries to go one step further and seize the assets themselves. But Italy is one of several EU member states including Germany and France that have been sceptical of such a move. A broad concern is that that the potential repercussions, from retaliation to loss of confidence in European assets among outside investors, might significantly outweigh the gains.

Iraq seeks to ditch US dollar in oil trade

The Finance Committee in Iraq's parliament has urged the sale of national oil in currencies other than the US dollar, in a push to counter US sanctions on the Iraqi banking system. In a 1 February statement, the committee reiterated its "call on the government and the Central Bank of Iraq to take quick measures against the dominance of the dollar, by diversifying cash reserves from foreign currencies". The call came shortly after Washington imposed sanctions on Iraqi Al-Huda Bank, under claims of laundering money for Iran. Other Iraqi banks have been hit with similar sanctions over the past year, at a time when the US exercises significant control over the Iraqi financial system. In particular, Baghdad requires US permission to access Iraqi oil revenues that are transferred to the Federal Reserve Bank of New York, and reportedly now stand at over $100bn.

"The US Treasury still uses the pretext of money laundering to impose sanctions on Iraqi banks. This requires a national stance to put an end to these arbitrary decisions," the statement noted. "Imposing sanctions on Iraqi banks undermines and obstructs Central Bank efforts to stabilize the dollar exchange rate and reduce the selling gap between official and parallel rates," it added. The Finance Committee affirmed its "rejection of these practices, due to their repercussions on the livelihoods of citizens".

The government in Baghdad has faced pushback from Washington for its attempts to diplomatically facilitate a withdrawal of US troops from Iraq, and a transition of US presence in Iraq to an "advisory role". After a 28 January drone attack on a US military base in Jordan, the US launched strikes on 85 targets in Syria and Iraq. Washington subsequently banned 8 Iraqi banks from engaging in dollar transactions (see page 16).

Mr Panetta, a former European Central Bank board member, highlighted that the conflict around Ukraine has increasingly led to an increase in the role of the Chinese renminbi at the expense of other currencies, especially in terms of the rising level of Russian trade now carried out in the Chinese currency. "The Chinese authorities are explicitly promoting its role on the global stage and encouraging its use in other countries, including those sanctioned by the international community following the invasion of Ukraine," Mr Panetta said.

The share of Chinese trade financed in renminbi has also doubled in the past three years. Data from SWIFT have shown that the renminbi's share of global trade finance rose to 5.7 per cent in November, up from 5.1 per cent in October. That pushed the currency to second place just above the euro, which dropped below the renminbi for the first time in September (ITF 861/14).

Mr Panetta contended that Europe should look to strengthen the euro by making it more attractive, implementing long-delayed changes that would enhance its role as a reserve currency. He said this would include the completion of a banking union that would reduce the difficulty of cross-border banking, plus an efficient payment and market infrastructure system across the bloc , which could be helped by a digital central bank currency.

Project finance

Italian solar gigafactory expansion taps European financing package

To expand its 3Sun solar gigafactory in Catania, Sicily, Italy's Enel Green Power has secured a €560m financing package backed by SACE, three Italian banks and the European Investment Bank (EIB). A 24 January press release by the project participants highlighted that the financing for what will be Europe's biggest solar gigafactory – with full 3GW production capacity set to be attained this year – involves SACE providing an 80 per cent green guarantee to UniCredit for a €147.5m project financing facility. Similar SACE cover was extended to project loans worth €140m each from Banco BPM and BPER Bank.

UniCredit is also extending a separate €85m VAT loan. Supported by InvestEU, the EIB is providing €47.5m in direct funding to the project and has committed €118m in intermediated financing to UniCredit to lower project borrowing costs. The EIB has said this could potentially be increased to €342m in 2024, bringing its total intervention in support of 3Sun to €389.5m.

The project is aligned with the broader REPowerEU mission to end Europe's dependence on fossil fuel imports, contributing to the European Union's target of producing nearly 600GW of solar energy by 2030 while diversifying sourcing away from Chinese solar components, at a time when European producers are complaining that they cannot compete with Chinese exporters. "The gigafactory will act as a catalyst for reshoring the PV [photovoltaic] value chain in Europe," the EIB said. In July 2023, the multilateral bank committed to providing €45bn in additional financing to support REPowerEU, including funding to boost European manufacturing in state-of-the-art strategic net-zero technologies.

SACE backs sustainability credit for Saudi tissue manufacturer

Bahrain-based Bank ABC has concluded a €24.9m sustainability-linked credit arrangement for Saudi Paper Manufacturing Company, covered by SACE, Italy's export credit agency (ECA). The bank said on 31 January that the funding aims to facilitate the growth strategy of Saudi Paper, a publicly traded company on the Tadawul, by financing the acquisition of cutting-edge machinery from Italy-based Toscotec, which is expected to enhance SPM's operational efficiencies in the forthcoming years.

Bank ABC said the five-year financing, with accompanying order notes, marked its inaugural bilateral sustainability-linked ECA deal on a global scale. SPM's board member Abdulaziz Raed Al Mashal Mr. Al Mashal pointed out that "Bank ABC's competitive interest rates" played a role in the transaction.

KKR raises $6.4bn for biggest APAC infrastructure fund

Mirroring Asia's continuing need for infrastructure financing, global investment firm KKR & Co has raised

$6.4bn for a new fund focused on infrastructure and energy related investments across the Asia Pacific (APAC) region. Marking the largest pan-regional infrastructure fund to have been raised for the APAC area, the KKR Asia Pacific Infrastructure Investors II SCSp fund has a mandate covering sectors including renewables, power and utilities, water and wastewater, digital infrastructure, and transportation, New York-based KKR said in a 1 February statement.

The initiative follows KKR's inaugural Asia Pacific-dedicated infrastructure fund, KKR Asia Pacific Infrastructure Investors SCSp, which closed at $3.9bn in 2021 as the largest Asia-dedicated pan-regional fund at the time (ITF 799/18

"As Asia accounts for more than 60 per cent of global growth, driven by rising domestic consumption and productivity, rapid urbanization, and an enormous emerging middle class, the need for new infrastructure and sustainable energy sources will continue to accelerate," stressed Hardik Shah, a partner at KKR's infrastructure team based in Mumbai.

KKR said the fund received strong backing from new and existing global investors including public and corporate pensions, sovereign wealth funds, insurance companies, endowment funds, and asset managers. It noted that it has already invested or committed more than half of its capital from the fund across some 10 investments, helping to lift the volume of APAC infrastructure assets under its management to approximately $13bn.

KKR's recent regional deals include the acquisition of a 20 per cent stake in Singapore Telecommunications' regional data centre business for S$1.1bn ($821m) and a $400m investment in Malaysian subsea telecommunications cable services provider OMS Group. Having established its global infrastructure team and strategy in 2008, KKR said it now manages some $56bn in assets under management across more than 80 infrastructure investments globally.

Adding to the growing mergers and acquisitions activity in the infrastructure and energy space in recent years, the KKR statement followed a 12 January announcement by BlackRock that it would purchase Global Infrastructure Partners for $12.5bn. Shortly afterwards, US private equity firm General Atlantic said it had finalised a deal to buy UK-based infrastructure investor Actis.

US law firm Debevoise & Plimpton represented KKR as primary fund counsel for the new fund raising.

Agencies

EIFO backs Danish cybersecurity platform

The Export and Investment Fund of Denmark (EIFO) has linked up with HSBC Innovation Banking to provide a $40m refinancing package for Keepit, a specialist in SaaS backup and recovery.

EIFO, Denmark's export credit agency, announced the package on 9 January, emphasising that Keepit will use the fresh capital to sustain its growth and international expansion strategies, which entail introducing innovative products and advancing platform development for cutting-edge data protection solutions.

Founded in 2007 in Copenhagen, Denmark, Keepit claims to be the world's only vendor-independent cloud dedicated to SaaS data protection. The new $40m refinancing package follows Keepit's $30m Series A funding round in 2020, and a further $22m in debt financing in 2022 from Silicon Valley Bank UK, now HSBC Innovation Banking, and Vækstfonden, now incorporated into EIFO. According to Morten Felsvang, chief executive and co-founder at Keepit, the refinancing "means that we can continue our growth strategy at full throttle".

Anders Christian Andersen, EIFO's senior director, SME Digital Platforms, underlined that cybersecurity is among the world's top 10 business risks. "Keepit provides a solution to how businesses around the world can address the issue and safely back up their data," he said.

Green push

EIFO is also maintaining its support for Denmark's green industries, having been given a government mandate to administer a new, temporary investment scheme. This is targeted at companies that produce wind technology and electrolysers in Denmark as well as companies that produce key components for wind technology and Power-to-X production in Denmark. It also includes associated production and extraction of related critical raw materials.

The green investment scheme can provide either direct support or favourable loans and guarantees to companies that want to establish new or expand existing production within wind technology and electrolysis technology. The scheme also covers subcontractors. The move by Denmark is linked to a move by the European Union to temporarily allow state aid in 2024-2025 for investments in production facilities within selected green technologies. To be granted support from the scheme, there is a requirement that the investment project should have a positive, expected effect on Danish business and the economy.

EIFO's market maturation scheme, Green Accelerator, was also ready for a new round of applications from 2 February. EIFO said it has set aside Dkk85m ($12.36m) for the scheme, which is designed for companies that have plans for a green export project but have encountered barriers in relation to making it a reality. Subsidies can be given both to individual companies and to export alliances between at least two Danish companies, where the project aims to promote the sale of proven green technologies to customers abroad.

EIFO was one of eight official export credit financiers and underwriters that formed the first net-zero finance alliance comprising public institutions in December 2024. Under this umbrella, EIFO has committed to transition all operational and attributable greenhouse gas emissions from its business activities to align with pathways to net zero by mid-century, including CO2 emissions reaching net zero by 2050 (ITF 860/1).

SACE guarantees €1bn loan to boost Italian-Saudi business

Maintaining the momentum of its "Push Strategy", Italian export credit agency SACE has supported a €1bn syndicated commercial loan to Saudi Arabia's Ministry of Finance (MoF), aimed at bolstering business and trade opportunities for Italian exporters.

Announcing the deal on 6 February, SACE said the transaction aims at providing 80 per cent coverage for the loan, which targets a strengthening of commercial and investment relations between the two countries. SACE said the benefits for Italian exporters could include potential participation in large-scale projects planned by Saudi Arabia in the coming years, in line with the economic diversification objectives of the Kingdom's "Saudi Vision 2030" development plan. It noted that Italian exports to Saudi Arabia surpassed €4bn in 2022 and could achieve 15 per cent and 5 per cent rises in 2023 and 2024, respectively.

SACE said that the Saudi MoF had shown interest in the "Push Strategy" operational model, which was launched in 2017 with the primary aim of using medium to long-term financing guaranteed by SACE to facilitate the positioning of Italian exporting companies in high-potential export markets and in the supply chains of large foreign corporations.

The borrower for the transaction was the Saudi National Debt Management Centre, representing the Saudi MoF. International banks involved in the transaction include HSBC Bank Middle East; Banco Bilbao Vizcaya Argentaria; Banco Santander; CaixaBank; and Crédit Agricole Corporate and Investment Bank. HSBC Bank Middle East acted as the ECA coordinating bank, while HSBC Bank plc acted as agent bank. Linklaters acted as legal advisers to SACE and the lenders, while Gibson, Dunn & Crutcher LLP acted as legal advisors to the MoF and contributed to finalising the transaction.

While the new initiative is designed to facilitate increased exports from Italy to Saudi Arabia, SACE has broadened the Push Strategy to include support for strategic imports of commodities and other goods to Italy (ITF 861/5; 856/7; 844/8).

UKEF supports Northern Irish tech player

A UK Export Finance (UKEF) guarantee to HSBC UK has allowed Northern Irish tech firm EOS IT Holdings to access up to $100m in credit. UKEF said on 1 February that the deal will help the Banbridge, County Down-based business to fund its growth plans and meet rising international demand for its products and services.

The UKEF guarantee covers an HSBC UK standby letter of credit facility, enabling EOS to invest in more equipment and create up to 100 jobs in Northern Ireland over the next two years as part of its plans to satisfy demand from Silicon Valley buyers. Sitting at the forefront of a growth industry, the firm sells audio-visual and video-conferencing technology as well as related design, installation and support services, managing a network of international subsidiaries from its Irish headquarters.

UKEF underlined that the transaction highlights the extent of new financing support available for local businesses in Northern Ireland. Last year, the London-based export credit agency helped to secure a £50m financing package for Ballymena manufacturer Wrightbus, which introduced the world's first hydrogen-powered double-decker bus in 2020 (ITF 850/6).

Insurance

MIGA bolsters import finance liquidity for Côte d'Ivoire

In a new funding paradigm for an African government, the World Bank's Multilateral Investment Guarantee Agency (MIGA) has partnered with Rand Merchant Bank (RMB) to extend short-term trade funding for Côte d'Ivoire. According to MIGA, the tie-up will help support a continuation of critical imports for the West African country, thereby meeting its development goals in a challenging global setting.

MIGA said on 29 January that it issued a guarantee to South Africa's FirstRand Bank, acting through its RMB division, to cover a trade loan facility of up to €95m. The guarantee will protect the bank against the risk of non-payment by the Côte d'Ivoire government for one year. MIGA highlighted that the initiative marks its first trade finance guarantee against losses resulting from the failure of a sovereign to make payments related to trade finance transactions.

Elaborating, it said the short-term revolving loan facility is designed to enhance Côte d'Ivoire's resilience in dealing with the lingering strains caused by the Covid-19 crisis and the current global inflationary environment. "The combined impact has created a need for short-term liquidity, working capital, and trade finance facilities to support the government's critical developmental needs," MIGA noted.

"Our guarantee helps the country unlock new liquidity from an existing lender," said Hiroshi Matano, MIGA's executive vice president. "It also contributes to maintaining a diversified lending base at a time when private sector players are retreating from core markets due to current economic conditions and capital considerations," he added.

Already the world's top exporter of cocoa and raw cashew nuts and a net exporter of oil, with a significant manufacturing sector, Côte d'Ivoire has a five-year national development plan that calls for a $100bn investment through 2025, prioritising access to education, drinking water, electricity, health care, social protection, and employment. The government has also earmarked

OECD export credit rates

Minimum interest rates for officially supported export credits

	15 Feb 14 Mar	15 Jan 14 Feb
Australian dollar 3 yrs	4.56	4.61
Australian dollar 10 yrs	4.98	4.96
Canadian dollar 3 yrs	4.78	4.83
Canadian dollar10 yrs	4.35	4.23
Czech koruna 3 yrs	4.87	5.04
Czech koruna 10 yrs	4.81	4.86
Danish krone 3 yrs	3.37	3.22
Danish krone 10 yrs	3.37	3.14
Euro 3 yrs	3.28	3.28
Euro 10 yrs	3.29	3.20
Hungarian forint 3 yrs	7.00	7.41
Hungarian forint 10 yrs	6.74	6.83
Japanese yen 3 yrs	1.05	1.08
Japanese yen 10 yrs	1.66	1.69
Korean won 3 yrs	4.27	4.35
Korean won 10 yrs	4.35	4.41
N. Zealand dollar 3 yrs	5.50	5.27
N. Zealand dollar 10 yrs	5.66	5.37
Norwegian krone 3 yrs	4.44	4.41
Norwegian krone 10 yrs	4.50	4.29
Polish zloty 3 yrs	5.98	5.98
Polish zloty 10 yrs	6.29	6.26
Swedish krona 3 yrs	3.43	3.47
Swedish krona 10 yrs	3.23	3.21
Swiss franc 3 yrs	1.85	1.84
Swiss franc 10 yrs	1.83	1.66
UK pound 3 yrs	4.77	4.82
UK pound 10 yrs	4.93	4.86
US dollar 3 yrs	5.11	5.19
US dollar 10 yrs	5.06	5.02

Following the CIRR reforms, ITF will publish the shortest tenor (3-year) and longest tenor (10-year) CIRR rate for each participant in the OECD Consensus. The CIRR rates for the full range of government bond maturities (over 3, 4, 5, 6, 7, 8, 9 and 10 years) can be found at http://www.oecd.org/trade/topics/export-credits/documents/cirrs.pdf

Rates published monthly, normally around mid–month. A premium of 0.2 is to be added to the credit rates when fixing at bid. Interest rates may not be fixed for more than 120 days.

A CIRR is fixed for each currency, including the euro, that is used by participants in the Consensus. CIRRs are subject to change on the 15 of each month.

transforming the private sector into a national economic driver. "With these national developmental goals in mind, the loan facility will be used to provide short-term loans to Côte d'Ivoire for trade-related payments to suppliers of critical imports in key sectors of the economy such as health care, infrastructure, and agriculture," MIGA observed.

"This is a first of its kind facility for an African sovereign and will pave the way for further MIGA guaranteed short-term facilities across the continent to assist with developmental initiatives, critical projects and the importation of crucial goods such as food, fertilizer and medicines alongside other resources," said Ben Bechet from RMB's trade and working capital, structured solutions team.

MIGA has outlined that its board is due to consider a similar guarantee for short-term trade finance to an African government. It said on its website that Standard Chartered would make the potential €190m facility available to Senegal's Ministry of Finance and Budget to provide trade finance liquidity, mainly in the agriculture sector.

ICIEC partners with AfDB to support sustainable Ivorian projects

In their first risk participation arrangement, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and the African Development Bank (AfDB) have signed a strategic risk sharing engagement aimed at fostering sustainable development in Côte d'Ivoire. ICIEC said on 31 January that it provided €194m in insurance capacity, backstopping almost half of a €400m Partial Credit Guarantee (PCG) issued by the AfDB against the non-payment risk associated with a €533m loan extended by Standard Chartered Bank to the government. It said the facility will be used to finance a range of eligible environmental and social projects, marking a major step by Côte d'Ivoire in enhancing its capacity to attract long-term, competitive financing dedicated to sustainable projects.

The AFDB will retain a €206m (51.5 per cent) stake in the PCG, optimising the multilateral bank's balance sheet by transferring a portion of the exposure to ICIEC, but also maintaining a significant residual exposure. "By providing this insurance cover, we are ...assisting in improving the country's funding terms under challenging market conditions," said Oussama Kaissi, ICIEC's chief executive. At the AFDB, chief financial officer Hassatou N'Sele described the partnership as "another strong example of collaboration with peer institutions to scale up lending in line with the G20 recommendations on capital adequacy".

Risk report

Allianz Trade study signals 'resilient' risk environment

In a global environment ranked as 'Medium Risk', "signs of resilience" in many markets were a notable characteristic of 2023, according to the latest Country Risk Atlas from Allianz Trade. This underlined that the credit insurer upgraded 21 economies that account for around 19 per cent of global GDP during the year, up from eight upgrades in 2022.

Releasing the report on 31 January, Allianz Trade picked out China, South Africa, Qatar, Algeria, Morocco, Oman, Bulgaria, Tanzania and Uruguay as emerging markets that "showcased their resilience to global shocks". Assessing non-payment risk in major economies, the study stressed that the outlook for several advanced economies also improved, including Croatia (with a double upgrade in Q1 and Q4), Cyprus, Greece, Iceland and Slovenia.

Leveraging its proprietary data on global insolvencies and insights on non-payment risk for companies in 84 economies, Allianz Trade downgraded four economies during the 12 months, most notably Egypt, due to a gloomier outlook for available liquidity and Israel due to increased political risk. By region, Africa experienced the most upgrades (10), followed by Europe (6), while only China and Uruguay saw their risk trajectories improve in Asia and the Americas, respectively.

African challenge

Notwithstanding its upgraded markets, "Africa remains the continent with the greatest difficulties in terms of liquidity and access to international markets at a time when liquidity risk is increasing almost everywhere," the study's executive summary noted. "Against this backdrop, the current cycle and enduring fiscal and monetary policy efforts may trigger further upgrades in the Americas, with Africa and the Middle East most likely to fall behind," it added.

Through a wider lens, the global risk of non-payment for companies "stands at Medium Risk, almost back to 2019 levels", said Allianz Trade. It detailed that Africa's average risk rating stands above three (Sensitive), while the Middle East, Latin America and Eastern Europe (including Russia) are close to but below three. Asia Pacific is ranked at slightly above two (Medium) and Western Europe and North America are categorised at close to one (Low).

Looking ahead, Allianz Trade cited five factors that will continue to pervade the risk landscape, led by "liquidity constraints in an environment of high public and private debt and high interest rates". Further, "below-potential" growth in most regions and lower pricing power for corporates will drive revenue growth downwards, it predicted. Third, business insolvencies are set to increase by 8 per cent globally in 2024, with Europe and the US leading the acceleration.

Moreover, changes in global supply chains "are taking a toll on economies with twin deficits, mainly on the current account balances", the credit insurer highlighted. Finally, increasingly polarised geopolitics are expected to lift uncertainty in a year packed with elections, with economies accounting for 60 per cent of global GDP heading to polls.

'Wall of debt'

At Allianz Trade's credit insurance rival, Coface, chief executive Xavier Durand has spoken of a coming "wall of debt" involving major 2025 due dates. In an interview published on 3 January by Coface, he noted that the current level of bankruptcies in France "is still close to the annual averages pre-Covid at around 50,000 a year".

However, he pointed out that companies have been financing themselves cheaply for years, while also benefitting immensely from government support during recent crises. He commented: "Around two-thirds of loans backed by state guarantees are still outstanding; so this is still a form of support compared to current financing conditions. But from next year, so-called "zombie" companies will be faced with a refinancing brick wall that some of them will have difficulty getting through. Market logic will get the upper hand again, and new winners and losers from the crisis will emerge."

Mr Durand contended that while corporate margins are still good, as are cash flows, monetary tightening will take time, especially as businesses have secured sources of financing over several years at very low rates. But Coface is "seeing a wall of debt coming up with substantial due dates in 2025", he cautioned. "Everything will hinge on the rate of normalisation."

In the wider credit and political risk market, a recent study by Allianz Trade's parent, Allianz, found that political risk and violence is perceived to be rising globally (ITF 862/8). Private (re)insurer Chaucer highlighted in early January that many companies globally are concerned that cash-strapped government could renege on commercial contracts (ITF 861/8).

Multilaterals

AIIB eyes huge Thai infrastructure scheme

The Asian Infrastructure Investment Bank (AIIB) is interested in financing Thailand's estimated THB1trn ($28bn) Land Bridge megaproject, according to Prime Minister Srettha Thavisin. Mr Srettha said on 3 February that after talking with visiting AIIB executives including its chairman, Jin Liqun, it emerged that the Beijing-headquartered AIIB could both invest in the construction of the proposed project in southern Thailand and also provide support for a feasibility study.

"They like our policies very much, especially the land bridge project. I am confident that they want to participate in the land bridge project," Srettha said, cited by local media. "The bank said they were ready to support in many ways, involving not only investment but also initial studies," the prime minister said.

Speaking at Bangkok's Don Mueang military airport before a flight to Sri Lanka, he added that the visiting AIIB executives also showed interest in taking part in the Thai government's plans to upgrade airports across the country. He said that further discussions will be held between AIIB officials and the government.

The land bridge project involves the construction of deep-sea ports in Chumphon and Ranong provinces and railway and highway links between the two ports, connecting the Gulf of Thailand and the Andaman Sea. The Thai government has been actively promoting the scheme in several countries and economic fora, hoping to attract foreign investment in the project. It is hoped that the Land Bridge will help transform Thailand into a new logistics hub in the region while easing congestion in the Strait of Malacca over the next 10 years.

China is the largest AIIB shareholder, with 26.61 per cent of the voting shares.

IFC anchors debut West African telecoms securitisation

To help expand reliable 4G coverage in Senegal, the International Finance Corporation (IFC) has made anchor investments in two bonds issued by a securitisation vehicle of mobile network operator Sonatel. IFC said on 23 January that proceeds from the bonds, the first securitisation in West Africa's telecoms sector, will support Sonatel's expansion of 4G coverage and fibre connectivity in rural parts of Senegal, increase bandwidth, and improve digital infrastructure, supporting job creation.

IFC invested XOF25bn ($41.6m) in the two bonds, representing a third of the total XOF75bn issuance in Senegal's local currency. The Emerging Africa Infrastructure Fund, the co-anchor investor, invested XOF23.5bn, following up on its bond support in 2020 for an XOF100bn issue raised by Sonatel for network extensions.

The remaining XOF26.5bn was publicly placed in the market. Of this, 57 per cent came from investors in Senegal; 42 per cent from investors in the West African Economic and Monetary Union (WAEMU) zone, excluding Senegal; and 1 percent from investors outside the WAEMU zone. IFC said the transaction garnered interest from a diversified pool of participants including banks, individual investors, pension funds, and insurance companies, among others.

Sonatel operates in five West African countries. Owned by Orange MEA and the government of Senegal, it will also use the proceeds to invest in new technologies. Olivier Buyoya, IFC's regional director for West Africa, said the securitisation "will help reduce the digital divide and position Senegal as a hub for digital transformation in the region".

The project falls under the World Bank's Joint Capital Markets Program (J-CAP) to develop and deepen the WAEMU capital market, which carries supported by the German and Norwegian governments. IFC said its investment will also be supported by the International Development Association 20 Private Sector Window Local Currency Facility, which helps provide longer-term local currency funding not readily available in the market.

OFID posts record results for 2023

The OPEC Fund for International Development (OFID) expanded its new commitments to $1.7bn across 55 projects globally in 2023, providing funding to address climate change and energy transition, support social and economic resilience and boost sustainable growth. The 2023 results represent a record in new commitments for the Vienna, Austria-headquartered multilateral development finance institution.

Commenting on the results on 29 January, OFID director-general Abdulhamid Alkhalifa said that OFID's 2023 multi-sectoral development activity took place "in a challenging global environment". He added: "We grew our lending program across the board in response to strong demand by our partner countries and thanks to our success in raising additional funds from the capital markets. We were also able to leverage our partnerships to mobilize development support by working with multilateral development banks and development finance institutions such as the Arab Coordination Group. And we are well on track with our 2030 target to commit 40 per cent of all new financing to climate action."

Analysed by region, 42 per cent of the OFID investments during the year involved Africa, with a further 20 per cent allocated to the broad Middle East and North Africa & Europe and Central Asia area. Latin America & the Caribbean absorbed 20 per cent, while the Asia and the Pacific zone took 18 per cent. OFID stressed that its operations were effected via public and private sector lending, trade finance and grants.

The largest share (31 per cent) of OFID's 2023 activity was dedicated to policy-based-lending. In cooperation with financing partners, the OPEC Fund supported sustainable development government programmes in Botswana ($100m), Cote d'Ivoire ($74m), Armenia ($54m), North Macedonia ($54m), Colombia ($150m) and Paraguay ($100m) to bolster economic, social and climate resilience.

Meanwhile the transport and storage sector received 14 per cent of OFID's 2023 support, including projects to build roads and sustainable transport infrastructure for improved connectivity in India ($100m) and Uzbekistan ($47m).

Support for renewable energy projects constituted nearly 60 per cent of all OFID lending in the energy sector. Aligning with its climate action plan, the fund backed the development of a solar plant in Niger ($25m), a 240MW wind farm in Azerbaijan ($50m) and two wind power plants in Uzbekistan totalling 1 GW of renewable energy capacity ($40m). The fund's energy sector investments also included projects to promote energy security in Tanzania ($30m) and Bangladesh ($60m).

Trade finance allocation

In the financial sector, OFID extended $171m, partnering with governments and local banks to provide on-lending to SMEs, promoting job creation and access to finance in Albania, Botswana, Paraguay and Vietnam. Importantly, $273m of trade finance was offered to partner banks to support the movement of critical commodities and goods in developing economies. OFID also provided $59m to promote agricultural sustainability and fisheries in Benin, Liberia and Zimbabwe.

2023 also saw OFID make its debut in the capital market, via a $1bn, three-year fixed rate inaugural benchmark bond issued in January 2023.

Forfaiting newsbrief and country list — 1st Quarter 2024

EUROPE

Country	Years Max
Austria	5
Belarus	1
Belgium	5
Bosnia-Herzegovina	2
Bulgaria	3
Croatia	3
Cyprus	0
Czech Republic	3
Denmark	5
Estonia	2
Finland	5
France	5
Georgia	1
Germany	5
Gibraltar	5
Greece	1
Hungary	2
Iceland	1
Ireland	3
Italy	3
Latvia	2
Liechtenstein	5
Lithuania	2
Luxembourg	5
Macedonia	3
Malta	5
Netherlands	5
Norway	5
Poland	3
Portugal	3
Romania	3
Russia	1
Serbia	*
Slovakia	2
Slovenia	1
Spain	5
Sweden	5
Switzerland	5
Turkey	1
Ukraine	*
UK	5

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ASIA PACIFIC

Country	Years Max
Australia	5
Bangladesh	1
Brunei	3
China	5
Hong Kong	5
India	5
Indonesia	3
Japan	5
Kazakhstan	2
Macau	5
Malaysia	5
Mongolia	*
New Zealand	5
Pakistan	*
Philippines	3
Singapore	5
South Korea	5
Sri Lanka	*
Taiwan	5
Thailand	5
Uzbekistan	1
Vietnam	2

AMERICAS

Country	Years Max
Argentina	*
Bahamas	3
Barbados	3
Bermuda	3
Bolivia	1
Brazil	3
Canada	5
Cayman Islands	3
Chile	5
Colombia	5
Costa Rica	1
Dominican Republic	1
Ecuador	1
El Salvador	*
Guatemala	1
Honduras	*
Mexico	5
Nicaragua	*
Panama	2
Paraguay	1
Peru	5
Puerto Rico	*
Trinidad & Tobago	1
Uruguay	2
USA	5
Venezuela	*

MIDDLE EAST

Country	Years Max
Bahrain	3
Iraq	*
Jordan	3
Kuwait	3
Lebanon	*
Oman	3
Qatar	3
Saudi Arabia	3
UAE	3
Yemen	*

AFRICA

Country	Years Max
Algeria	2
Angola	2
Benin	*
Botswana	1
Burkina Faso	*
Cameroon	*
Cote d'Ivoire	2
Equatorial Guinea	1
Egypt	1
Ethiopia	*
Gabon	*
Ghana	*
Kenya	1
Libya	*
Mali	*
Mauritania	*
Mauritius	3
Morocco	3
Namibia	2
Niger	1
Nigeria	2
Rwanda	1
Senegal	2
South Africa	3
Tanzania	1
Togo	*
Tunisia	*
Uganda	1
Zambia	*

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Detailed above, is an updated list of countries and credit periods which can currently be considered. For your ease of reference, recent changes are indicated in brackets either (deteriorated) or (improved).

In addition to being able to discount bills of exchange, promissory notes and deferred payment letters in these markets, London Forfaiting can also consider adding their silent confirmation to unconfirmed letters of credit dependent on specific transaction details. For many exporters, premium increases, market rate additions, non availability and additional restrictions continue to make silent confirmations of unconfirmed letters of credit a cost effective alternative to credit insurance.

Please contact London Forfaiting at the office below to discuss indicative terms for any of your current and future business. Alternatively, you can always visit their website at www.forfaiting.com, to check the latest Country List on line or obtain general information on forfeiting and the other services they provide.

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Emerging markets risk indicators

Africa — Italy unveils African financing package

Italy has unveiled a near $6bn plan to support African development. Speaking at a one-day forum in in Rome on 29 January, Italian Prime Minister Georgia Meloni said her government would set aside an initial €5.5bn for the so-called Mattei plan, including €2.5bn for public guarantees for investment projects and €3bn from a climate fund set up in 2021 to promote international environmental projects. Ms Meloni said her government would also work with state-lender Cassa Depositi e Prestiti (CDP) on a new financial tool to lure private investment into the Mattei plan.

CDP and state agencies SACE and SIMEST will also open new offices in Africa, including in Morocco and Egypt. She said Rome was also looking to involve international financial institutions, the European Union and other nations in financing the plan.

The Democratic Republic of Congo (DRC) is looking to attract "modern investors" to develop its estimated $24trn of untapped mineral deposits in partnership with Congolese companies, according to Miguel Kashal Katemb the leader of its private sector regulatory body. Speaking at the 30th annual Mining Indaba in Cape Town, South Africa, Mr Katemb said the "DRC is open to all investors" but is looking to partner with "modern investors" who can support the country's economic development. The DRC and China are discussing $7bn in financing as part of a renegotiated minerals-for-infrastructure deal, re-elected President Felix Tshisekedi said. He was sworn in for a second five-year term on 20 January after taking over 70 per cent of ballots in December. The IMF approved a $941m lending boost to Kenya on 17 January, with an immediate disbursement of $624.5m. Kenya is grappling with acute liquidity challenges amid uncertainty over its ability to access funding from financial markets before a $2bn Eurobond matures in June.

Credendo downgraded Burundi's short-term (ST) political risk from 6/7 to its lowest 7/7 category, reversing a September 2022 upgrade. Credendo cited FX reserves that have declined since an October 2021 peak, to a point where reserves hit a meagre $59.7m in mid-September, covering about two weeks of imports. Credendo also demoted Senegal's short-term political risk classification from 4/7 to 5/7, the standard ST political risk classification for West African Economic and Monetary Union member states. It attributed the move to ongoing pressure on liquidity levels due to worsened terms of trade. Malawi has improved its FX situation via a $178m, four-year Extended Credit Facility from the IMF. Credendo noted FX reserves of below 1 month of import cover since 2020.

Moody's Investors Service downgraded Egypt's long-term foreign and local currency issuer ratings to Caa1 from B3 in October, noting that continued drawdowns in foreign currency liquidity through the monetary system left a $26bn net foreign liability position at end-August. Ethiopia reached an agreement with bilateral creditors on an interim debt-service suspension in November, indicating it will begin talks on restructuring a $1bn eurobond maturing in 2024. Moody's downgraded Ethiopia's FC long-term issuer and senior unsecured ratings to Caa3 from Caa2.

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch country ceiling	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Algeria	CLC	D	—	—	3	5	5
Angola	CLC	C	B3	B-	5	6	5
Benin	ILC	B	B1	BB-	5	6	–
Botswana	OA	A4	A3	—	1	3	4
Burkina Faso	CLC	D	—	—	6	6	–
Burundi	CLC	D	—	—	7	7	–
Cameroon	CLC	C	Caa1	B+	5	6	6
Central African Republic	CIA	D	—	—	7	7	–
Chad	CLC	D	—	—	5	7	–
Comoros	CLC	—	—	—	5	7	–
Congo (Republic)	CLC	C	Caa2	B-	5	7	6
Cote d'Ivoire	CLC	B	Ba3	BB	4	5	5
Djibouti	CLC	C	—	—	4	7	–
DR Congo	CLC	D	B3	—	6	7	
Egypt	ILC	C	Caa1	B-	6	6	5
Equatorial Guinea	CLC	D	—	—	5	7	–
Eritrea	CIA	E	—	—	7	7	–
Eswatini	CLC	—	B3	—	4	5	–
Ethiopia	CLC	C	Caa3	B-	6	6	6
Gabon	CLC	C	Caa1	B	5	7	6
Gambia	CLC	—	—	—	6	7	–
Ghana	CLC	C	Ca	B-	6	6	6
Guinea	CLC	C	—	—	6	7	–
Guinea-Bissau	—	—	—	—	5	7	–
Kenya	ILC	C	B3	B	5	7	5

Emerging markets risk indicators

Africa (continued)

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch country ceiling	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Liberia	CLC	D	—	—	7	7	–
Libya	CIA	E	—	—	7	7	7
Madagascar	CLC	C	—	—	4	7	–
Malawi	CLC	D	—	—	7	7	6
Mali	CLC	D	Caa2	—	6	7	–
Mauritania	CLC	C	—	—	4	6	–
Mauritius	OA	A4	Baa3	—	2	3	4
Morocco	ILC	B	Ba1	BB+	2	4	5
Mozambique	CLC	D	Caa2	B-	7	7	6
Namibia	ILC	C	B1	BB	3	6	4
Niger	CLC	D	Caa2	—	5	7	–
Nigeria	CLC	C	Caa1	B-	5	6	6
Rwanda	ILC	B	B2	BB-	4	7	–
Senegal	ILC	B	Ba3	—	5	5	4
Seychelles	ILC	—	—	BBB-	3	5	–
Sierra Leone	CLC	D	—	—	5	7	6
South Africa	ILC	C	Ba2	BB	3	4	5
Sudan	CIA	E	—	—	7	7	7
Tanzania	ILC	B	B2	B+	4	6	5
Togo	ILC	C	B3	—	5	6	–
Tunisia	CLC	C	Caa2	B-	6	7	6
Uganda	ILC	C	B2	B+	4	6	5
Zambia	CLC	D	Ca	B-	5	7	5
Zimbabwe	CIA	E	—	—	7	7	6

Americas – Argentinian leader defers dollarisation plans

Dollarisation of Argentina's economy will be the final step in a longer list of reforms, according to the country's new president. In an interview on the local Cenital website, Javier Milei stressed that his government would work initially to clear up the central bank's balance sheets through June, before implementing changes to the banking system. Institutions will then be able to pay the central bank in any tender, Mr Milei outlined, with the dollar likely being the easiest to use. The banking system could be reformed within a year, he said. During his 2023 campaign, Mr Milei touted dollarisation as the way to fix triple-digit inflation and pull the country away from its sixth recession in a decade. Instead, his presidency has so far overseen a major peso devaluation, while pushing massive reform initiatives including efforts to privatise state entities and reduce subsidies. Argentina and the IMF recently finalised agreement on releasing $4.7bn as part of a debt restructuring plan for Latin America's third-biggest economy, where inflation tops 160 per cent year-on-year.

Brazil's government unveiled plans on 22 January to invest BRL300bn ($60.1bn) into Brazil's industries, in a bid to boost Latin America's largest economy. Under a proposal the government termed 'New Industry Brazil', the plan is to provide credit and funding to sectors like health, defence and agribusiness. About BRL250bn of the funding will come from national development bank BNDES. The government recently submitted a bill to congress proposing to diversify the funding of local development banks, including BNDES. According to BNDES, the new mechanism could add BRL10bn per year of development bank financing.

The US Treasury issued a six-month licence in October allowing Venezuela to export crude oil and gas to anywhere except Russia until April 2024. Credendo stressed that European Union based banks continue to shy away from cross-border payments and other transactions with Venezuela, due principally to remaining sanctions and reputational risk. Moody's Investors Service has withdrawn Cuba's Ca long-term domestic and foreign currency issuer ratings due to lack of sufficient information to support the ratings' maintenance. The outlook at the time of withdrawal was stable.

Moody's downgraded Panama's long-term issuer and senior unsecured ratings to Baa3 from Baa2 at end-October. Moody's said the move mirrors "Panama's lack of an effective policy response to structural fiscal challenges that have been rising over time", arguing that this will deplete Panama's overall fiscal strength. Moody's upgraded Jamaica's long-term issuer and senior unsecured ratings to B1 from B2 in mid-October, attributing the move to "the government's sustained commitment to fiscal consolidation and debt reduction", increasing overall shock absorption capacity. Colombia's economy grew at its fastest pace in nine months in November, beating all forecasts and calming fears of a recession. After GDP rose 2.3 per cent from one year earlier, its first expansion in four months, President Gustavo Petro has called for interest rate cuts.

Emerging markets risk indicators

Americas (continued)

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch country ceiling	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Anguilla	ILC	—	—	—	5	6	–
Antigua	ILC	—	—	—	5	7	–
Argentina	CLC	D	Ca	B-	6	7	6
Aruba	ILC	—	—	BB+	2	5	–
Bahamas	ILC	—	B1	—	4	4	–
Barbados	CLC	C	B3	B	3	4	–
Belize	CLC	C	Caa2	—	3	7	–
Bermuda	30/SD	—	A2	AA	2	3	–
Bolivia	ILC	D	Caa1	B-	6	7	5
Brazil	ILC/OA	B	Ba2	BB+	2	4	5
Cayman Islands	SD	—	Aa3	—	2	3	–
Chile	OA	A4	A2	A+	2	3	4
Colombia	ILC	C	Baa2	BBB-	3	5	5
Costa Rica	ILC	C	B1	BB	3	3	4
Cuba	CIA/CLC	E	—	—	7	7	6
Dominica	ILC	—	—	—	4	6	–
Dominican Republic	ILC	B	Ba3	BB-	2	4	4
Ecuador	CLC	C	Caa3	B	4	6	6
El Salvador	CLC	D	Caa3	B-	5	7	5
Grenada	ILC	—	—	—	4	6	–
Guatemala	ILC	C	Ba1	BB+	2	4	5
Guyana	CLC	D	—	—	4	4	–
Haiti	CIA/CLC	E	—	—	7	7	–
Honduras	ILC	C	B1	—	2	4	6
Jamaica	ILC	C	B2	BB-	3	5	5
Mexico	OA	B	Baa2	BBB+	1	3	4
Montserrat	ILC	—	—	—	4	7	–
Netherlands Antilles	OA	—	—	—	2	5	–
Nicaragua	CLC	D	B3	B-	5	6	6
Panama	OA	B	Baa3	AA-	3	4	3
Paraguay	ILC	B	Ba1	BBB-	3	4	5
Peru	OA	B	Baa1	A-	1	3	5
Puerto Rico	CLC	—	B2	BB	2	2	–
St Kitts	SD	—	—	—	4	5	–
St Lucia	ILC	—	—	—	4	7	–
St Vincent	ILC	—	B3	—	5	5	–
Suriname	CLC	D	Caa3	CCC	5	6	–
Trinidad & Tobago	ILC	B	Ba2	—	2	3	5
Turks & Caicos Islands	SD	—	—	—	2	2	–
Uruguay	ILC	A4	Baa2	A-	3	3	4
Venezuela	CIA	E	C	CC	7	7	6

Emerging markets risk indicators

Asia — Pakistan votes before critical junctures

Pakistan went to the polls on 8 February after nearly two years of political instability and a perennial threat of debt default. With a current IMF programme concluding in March, just as the new government will take power, analysts have stressed that the winning party's first order of business must be to re-enter negotiations with the global lender to maintain stability. With external debt of around $127bn, and FX exchange reserves enough to pay for only a few weeks' worth of controlled imports, the central bank has reported $24bn of external debt obligations due by June 2024.

Bangladesh's central bank increased the all-in-cost ceiling for short-term trade finance in foreign currencies to 4 per cent over benchmark rates on 31 January. The previous rate, SOFR plus 3.5 per cent, was set in September 2022. Dhaka is taking fewer market-based loans due to rising global interest rates caused by the Russia-Ukraine war, according to the government's Economic Relations Division. Fitch has forecast FX reserves averaging $34bn, or 4.7 months of current external payments, in 2023-2024.

Although China's GDP for Q4 rose officially by 5.2 per cent, Moody's predicted in mid-January that pan-Asian GDP growth will slow to 4 per cent this year and next, from the 2014-23 average of 6 per cent. Moody's said high interest rates will stymy debt affordability, though rates are expected to ease gradually. As a result, international financing will remain difficult for lower-rated sovereigns.

Businesses in South Korea will be able to pay trade partners from ASEAN countries in Korean won, starting in H2 2024 at the earliest, the Korea Times reported. The new payment method marks a push by Seoul to cut transaction fees for converting won, usually to US dollars or vice versa, and to curb risks associated with fluctuating exchange rates. The IMF released a second $337m tranche of a $3bn bailout facility to Sri Lanka in December, after initially withholding funds from a 4-year programme agreed in March 2023. State Minister for Finance Shehan Semasinghe said the government would "settle arrears owed to multilateral creditors while expediting the debt restructuring process". Fitch predicted Vietnam's coverage of current external payments will average about 2.7 months in 2024. After a weaker 2023 (forecast at 4.7 per cent), GDP growth is expected by Credendo to accelerate to 5.8 per cent this year, supported by infrastructure spending and fiscal stimuli.

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch country ceiling	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Afghanistan	CIA	E	—	—	7	7	7
Bangladesh	ILC	C	B1	BB-	4	4	6
Brunei	ILC	—	—	—	2	2	–
Cambodia	CLC	C	B2	—	3	6	6
China	ILC	B	A1	A+	1	2	4
Fiji	ILC	—	B1	—	3	5	5
Hong Kong	OA	A3	Aa3	AAA	1	2	3
India	ILC	B	Baa3	BBB–	2	3	4
Indonesia	OA	A4	Baa2	BBB	1	3	4
Korea (North)	CLC	E	—	—	7	7	–
Korea (South)	OA	A2	Aa2	AA+	1	1	3
Laos	CLC	D	Caa3	B-	6	7	–
Macau	ILC	—	Aa3	AAA	1	2	–
Malaysia	OA	A3	A3	A	2	2	4
Mongolia	CLC	C	B3	B+	5	7	–
Myanmar (Burma)	CLC	D	—	—	6	6	7
Nauru	ILC	—	—	—	3	5	–
Nepal	CLC	C	—	—	3	6	6
New Caledonia	ILC	—	—	—	2	4	–
Pakistan	CLC	D	Caa3	B-	5	7	6
Palau	ILC	—	—	—	6	4	–
Papua New Guinea	CLC	B	B2	—	4	5	5
Philippines	OA	A4	Baa2	BBB+	2	3	4
Singapore	OA	A2	Aaa	AAA	1	1	3
Sri Lanka	CLC	D	Ca	B-	6	7	6
Thailand	OA	A4	Baa1	A-	2	3	4
Vanuatu	ILC	—	—	—	3	4	–
Vietnam	ILC	B	Ba2	BB+	2	4	4

Emerging markets risk indicators

Eastern Europe/CIS — EBRD posts record Ukraine financing

The European Bank for Reconstruction and Development (EBRD) deployed a record €2.1bn in Ukraine in 2023, following a €1.7bn volume disbursed in 2022. €1bn of the 2023 volume went to Ukraine's private sector alone, including €400m million of turnover through its Trade Facilitation Programme. Through 2022 and 2023, the EBRD mobilised nearly €1.6bn for Ukraine in donor funds, including unfunded guarantees. EBRD said it is also helping Ukraine prepare to effectively absorb the vast financing that reconstruction is expected to bring. It is also helping ministries and agencies build institutional capacity, while providing myriad technical assistance.

An IMF update to its World Economic Outlook in January estimated that Russia's economy outperformed both the US and Europe in 2023, despite unprecedented sanctions on Moscow. The Outlook reported a 2.5 per cent real growth rate in US GDP, just 0.1 per cent for the Eurozone and 3 per cent for the Russian economy. Uzbekistan has targeted increasing bilateral trade turnover with China to $20bn "in the near future," following a 24 January meeting between Uzbek President Shavkat Mirziyoyev and Chinese leader Xi Jinping. Bilateral trade in 2023 hit $14bn. Mr Mirziyoyev's office said Chinese investment in Uzbekistan has seen a fivefold increase "in recent years." Mr Mirziyoyev also met in late January with Wu Fulin, the head of the Export-Import Bank of China, which plans to open a branch in Uzbekistan. In August Fitch affirmed Uzbekistan's rating at BB-, highlighting FX reserves covering 9.4 month of current account payables.

Credendo upgraded Albania's medium- to long-term (MLT) political risk from 5/7 to 4/7. It said that "macroeconomic fundamentals, notably external debt sustainability, have gradually strengthened, allowing greater resilience to external shocks". FX reserves cover 6 months of imports. Credendo downgraded Kyrgyzstan's short-term political risk to category 6/7. Despite positives including an expected rise in 2023 current account receipts and recent FX reserve increases, the downgrade was based on risks related to sanctions on Russia, Credendo noted.

Fitch Ratings upgraded Greece's long-term foreign currency issuer default rating to BBB- from BB+. Fitch said on 1 December that it anticipates general government debt/GDP "to remain on a sharp downward trend, thanks to solid nominal growth, budget over-execution and a favourable debt-servicing structure". Moody's upgraded Greece's credit rating by two notches in mid-September.

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch country ceiling	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Albania	CLC	C	B1	—	3	4	5
Armenia	ILC	B	Ba3	BB	3	6	–
Azerbaijan	ILC	B	Ba1	BB+	3	4	5
Belarus	CIA/CLC	D	C	—	7	7	6
Bosnia and Herzegovina	CLC	C	B3	—	5	6	6
Bulgaria	OA	B	Baa1	A-	1	2	4
Croatia	OA	A3	Baa2	AA+	1	3	3
Estonia	OA	A3	A1	AAA	1	1	4
Georgia	CLC	C	Ba2	BBB-	5	6	5
Greece	OA	A4	Ba1	AA-	1	5	3
Hungary	OA	A4	Baa2	A	2	4	4
Kazakhstan	ILC	B	Baa2	BBB+	3	5	5
Kosovo	CLC	—	—	—	3	6	–
Kyrgyzstan	CLC	C	B3	—	3	6	6
Latvia	OA	A4	A3	AAA	1	2	4
Lithuania	OA	A4	A2	AAA	1	1	4
Moldova	CLC	C	B3	—	6	6	–
Montenegro	ILC	C	B1	—	2	6	–
North Macedonia	CLC	C	—	BBB-	3	5	5
Romania	OA	B	Baa3	BBB+	1	2	4
Russia	CIA/CLC	D	Ca	BBB	7	7	6
Serbia	ILC	C	Ba2	BBB-	2	4	5
Slovenia	OA	A3	A3	AAA	1	1	5
Tajikistan	CLC	D	B3	—	5	7	6
Turkmenistan	CIA/CLC	D	—	B+	6	7	6
Ukraine	CIA/CLC	D	Ca	B-	4	7	6
Uzbekistan	ILC	B	Ba3	BB-	3	5	6

*WR = withdrawn rating

Emerging markets risk indicators

Middle East — Moody's upgrades Qatar

Moody's Investors Service has upgraded Qatar's local and foreign currency long-term issuer and foreign currency senior unsecured debt ratings to Aa2 from Aa3. Moody's said the move mirrors its view that "the significant improvement in Qatar's fiscal metrics, achieved during 2021-23, will be sustained in the medium term", based on Doha's fiscal prudence in parallel with a ramp-up in liquefied natural gas production, on track for 2026-28. Moody's stressed the sovereign's "extremely low transfer and convertibility risks" given the central bank's robust FX reserves and the rating agency's view that "Qatar's very large sovereign wealth fund assets could also be used to support the balance of payments if needed".

Iraq has banned eight local commercial banks from engaging in US dollar transactions, Reuters reported on 4 February. It said the banks are banned from accessing the Iraqi central bank's daily dollar auction, in a measure taken to reduce the siphoning of dollars to Iran, among other illegal uses of the US currency. Reuters said the banned banks are Ahsur International Bank for Investment; Investment Bank of Iraq; Union Bank of Iraq; Kurdistan International Islamic Bank for Investment and Development; Al Huda Bank; Al Janoob Islamic Bank for Investment and Finance; Arabia Islamic Bank and Hammurabi Commercial Bank. Nearly a third of Iraq's 72 banks are thus blacklisted, Reuters reported. Tourism to Israel has mostly evaporated, further hammering an economy upended by war. Fitch placed Israel's long-term foreign and local currency Issuer Default Ratings of A+ and three other sets of ratings on Rating Watch Negative, due to "the heightened risk of a widening of Israel's current conflict…over a sustained period". Attacks on Israel-linked vessels in the Red Sea by Yemen-based Houthi militias backed by Iran, have increased in frequency.

Moody's Investors Service upgraded Oman's long-term issuer and long-term senior unsecured ratings to Ba1 from Ba2. The 10 December move reflects an "expectation that the further improvements in Oman's debt burden and debt affordability metrics during 2023 will last, as the government's actions amplify the oil prices windfall gains through spending restraint and prioritization of debt repayment", Moody's said.

The European Bank for Reconstruction and Development invested a record €2.48bn in Turkey in 2023.

Country	Preferred payment terms	Coface grading	Moody's sovereign rating	Fitch sovereign rating	Credendo short-term political risk rating	Credendo medium- to long-term political risk rating	D&B rating
Bahrain	ILC	D	B2	BB+	3	6	4
Iran	CIA/CLC	E	—	—	7	7	6
Iraq	CLC	E	Caa1	B–	7	7	6
Israel	OA	A3	A1	AA	3	3	4
Jordan	ILC	C	B1	BB	5	5	5
Kuwait	OA	A4	A1	AA+	4	3	4
Lebanon	CLC	D	C	CCC+	7	7	6
Oman	ILC	C	Ba1	BBB-	3	5	4
Palestine	CLC	D	—	—	7	7	–
Qatar	OA	A3	Aa2	AA+	2	4	3
Saudi Arabia	OA	A4	A1	AA-	2	3	3
Syria	CIA	E	—	—	7	7	7
Turkey	ILC	C	B3	B	5	5	5
United Arab Emirates	OA	A3	Aa2	AA+	2	3	3
Yemen	CIA/CLC	E	—	—	7	7	7

Glossary

CAD = Cash against documents
CIA = Cash in advance
CLC = Confirmed letter of credit
ILC = Irrevocable letter of credit
NA = Not available
OA = Open account
SD = Sight draft;
30/SD to 180/SD — days sight draft
WR = Withheld rating

Sources

Coface, EDC, Fitch, Moody's, Credendo, D&B.

Development finance update

AFRICA: The African Development Bank (AfDB) launched and priced a $2bn, 3-year social global benchmark bond due 25 February 2027.
The AfDB said the 3-year issue marked its first social bond issued under its new Sustainable Bond Framework, established in September 2023. The final orderbook closed in excess of $3.5bn, attracting over 70 orders. The trade officially priced at a reoffer yield of 4.221 per cent, equivalent to a spread of 10.3bp over US Treasuries. Lead managers were BNP Paribas, BofA Securities, Credit Agricole CIB, JP Morgan and Nomura. CastleOak Securities acted as co-lead manager.

CENTRAL ASIA: EIB Global signed project co-financing memorandums of understanding for a total €1.47bn.
The European Investment Bank (EIB) arm said the agreements with Kazakhstan, Kyrgyzstan and Uzbekistan and with the Development Bank of Kazakhstan will help upgrade the transport sector in Central Asia through EIB co-financing provided under favourable terms. The financing is expected to mobilise additional capital resulting in total support to sustainable transport projects of €3bn.

GHANA: The World Bank's International Development Association (IDA) approved a $300m development policy operation.
"Restoring fiscal and debt sustainability, bolstering growth prospects, curbing inflation, and protecting the most vulnerable – measures supported by this financing – are urgent priorities for Ghana," said Ousmane Diagana, World Bank vice president for Western and Central Africa. "They are also essential steps to allow the country to attract more foreign investment, revitalize its domestic private sector, build resilience against climate change, and improve the quality of life of its people."

GLOBAL: The Islamic Development Bank (IsDB) and Asian Infrastructure Investment Bank (AIIB) committed to jointly coordinate global action.
A new MOU aims to renew and complement an existing framework of cooperation signed in 2018 through co-financing activities. The banks said the focus will be on strengthening sustainable and climate-resilient infrastructure; reducing the digital infrastructure gap in Asia; enabling regional cooperation through cross-border trade and connectivity; and facilitating joint efforts to scale up resource mobilisation.

INDIA: The Asian Development Bank (ADB) extended a INR12.23bn ($147.2m) loan to renewable energy company SAEL Industries.
SAEL Solar P4 Private Limited signed the loan for the development of a 400MW greenfield solar power plant in Gujarat, to support the country's ongoing clean energy transition. The financing package included a parallel INR6.11bn loan underwritten by Tata Capital. The ADB led the financial structuring and also the mobilisation of domestic private capital. SAEL Solar P4 Private will build and operate the plant, situated within the Khavda Ultra Mega Solar Park in Gujarat. The project electricity will be supplied to state-owned power distribution company Gujarat Urja Vikas Nigam, via a 25-year purchase agreement.

MAURITANIA: The African Development Bank (AfDB) funded two energy sector projects worth a total $289.5m.
The larger project involves building a 225 kV electricity interconnection to link Mauritania to Mali as part of the Desert to Power Initiative. The programme will develop solar power plants and establish a 1,373km high-voltage power line, with a transit capacity of 600MW between the two countries. The project is financed on the Mauritanian side by a $272m loan from the AfDB's African Development Fund concessional window and a $1.5m grant from the Green Climate Fund. The financing is the largest ever granted by the African Development Bank to Mauritania. The second project involves rural electrification for 40 localities in south-eastern Mauritania. Receiving a $16m grant from the Sustainable Energy Fund for Africa (SEFA), it entails the installation of hybrid mini photovoltaic power plants combining a photovoltaic park and a back-up electricity generator; and constructing connecting lines to link the power plants to villages.

MOLDOVA: The Black Sea Trade and Development Bank (BSTDB) extended a new €10m short-term facility to TransOil Group.
The BSTDB said its financing will support TransOil's working capital needs and help the company expand its exports of sunflower products and other agricultural commodities, primarily to other BSTDB member countries, including Romania and Turkey. "While our focus is on bolstering the Moldovan economy, this financial support indirectly assists other Black Sea countries by addressing the trade and supply chain challenges arising from the ongoing conflict," said Serhat Koksal, BSTDB president.

SERBIA: The European Bank for Reconstruction and Development (EBRD) invested a record €846m in 2023.
The Bank's Serbian tally was up by nearly €200m from 2022 and well above a previous all-time high of €679m notched up in 2020. In 2023, the bank financed 28 projects in Serbia, with a strong focus on the green transition, digital advancement and economic inclusion.

Two weeks in trade finance

AFRICA: Equatorial Guinea and Ghana recently signed the Fund for Export Development in Africa (FEDA) establishment agreement.
The FEDA is the development impact-focused subsidiary of the African Export-Import Bank (Afreximbank), which said the signings mark the two countries' support for its efforts to extend FEDA's impact investing objectives across the continent.

BANGLADESH: Wells Fargo extended a $20m trade finance loan to Eastern Bank PLC (EBL).
A press release said the transaction marks both the largest trade loan extended to EBL and also the largest loan provided by Wells Fargo to any bank in Bangladesh. It said the loan will prioritise social safeguards, ensuring responsible and sustainable practices in trade transactions and finance. It stressed that social risk assessments of imported goods, particularly from industries with higher social risk profiles, comprise a major criterion for disbursement from the trade loan.

CAMEROON: The African Export-Import Bank (Afreximbank) provided €200m to support the government's National Development Strategy.
Under the agreement terms, the government will deploy the financing facility to implement trade enabling infrastructure projects. "The financing will also pave the way for additional partnerships to be developed between Afreximbank and the government to support the structural transformation of the economy," said George Elombi, executive vice-president, governance, legal and corporate services.

CHINA: China Export & Credit Insurance Corporation (SINOSURE) reported steady business growth in 2023.
SINOSURE said it served over 200,000 clients and underwrote over $928.6bn worth of insurance business in 2023, with both figures representing record highs. The export insurer offered approximately $770.8bn of short-term insurance, up 3.4 per cent year-on-year. SINOSURE said it stepped up its support for new forms of foreign trade exports, cross-border e-commerce and services trade exports in 2023.

DJIBOUTI: The International Islamic Trade Finance Corporation (ITFC) extended a $90m Master Murabaha agreement.
The International Hydrocarbons Company of Djibouti (SIHD) is the executing agency. ITFC said the facility aims to support SIHD's mandate of securing energy supply through the importation of petroleum products that are essential for electricity generation to boost all the sectors of the economy. ITFC said it has approved $1.6bn for Djibouti, across 33 operations targeting the energy and health sectors. The new agreement also aligns with a $600m 3-year framework agreement signed by ITFC for Djibouti in May 2023.

EUROPE: Allianz Trade appointed Richard Miller as head of midterm for Northern Europe.
London-based, Mr Miller joins after 18 months as trade credit and surety director at Bridge Insurance Brokers. He was previously head of trade credit, political risk and surety at Arden Insurance Brokers.

EUROPE: Tradewind Finance funded two new apparel and textile sector clients.
Tradewind said it structured a €3m credit facility for a German company that trades in polyester fibres used for bedding, furniture, and other applications. It also provided €650,000 for a Turkish clothing manufacturer that makes denim and non-denim apparel including jackets, pants and skirts. Both clients, which export to the European Union, used export factoring products.

GLOBAL: The International Trade and Forfaiting Association (ITFA) unveiled workstreams to transform trade finance investment ecosystems.
It said it expected the three workstreams to have a significant impact on the evolution of trade finance as an investable asset class, by bolstering efficiency, pragmatism, standardisation and digitisation to improve risk transfer to a broader set of investors in the trade finance market. Stream A, co-led by Suresh Hegde of Goldman Sachs Asset Management and Guy Brooks of Pemberton Asset Management, will focus on articulating institutional and alternative finance investors' needs to trade finance asset originators. Stream B, guided by Geoff Wynne of Sullivan & Worcester and Paul Coles of Orbian, is dedicated to developing an investor guide for distribution. Stream C, co-led by Matt Wreford of Demica and André Casterman of Casterman Advisory, will drive efforts in automating trade finance distribution.

GLOBAL: Canopius Group expanded its global credit & political risk team with the addition of four new members.
Angelos Deftereos was appointed as head of structured credit, moving from his role as managing director – structured finance at Volante Global. Boris Medimorec (formerly with UK Export Finance) and Virad Patel (previously with ING) joined as underwriters. All three are based in London. Dimitri Plastiras was hired as an underwriter in the APAC region. He will take up the role in Sydney before moving to Singapore later in the year. Mr Plastiras was previously associate director for debt advisory services at KPMG in Sydney.

Two weeks in trade finance

GLOBAL: Coface joined the Net Zero Asset Owner Alliance (NZAOA) and signed the Principles for Responsible Investment (PRI).

Launched in September 2019 under UN auspices, the NZAOA is a group of international institutional investors committed to moving their investment portfolios towards carbon neutrality by 2050. In joining, Coface committed to actively manage its investment portfolio by engaging the 20 main contributors to emissions to reduce their carbon footprint; reducing the carbon footprint of its investment portfolio by 30 per cent by 2025 and by at least 40 per cent by 2030; and showing progress in financing the energy transition. The PRI is a global initiative, also launched by the UN, encouraging companies to adopt environmental issues into their investment practices. Coface stressed that it has already reviewed its credit insurance underwriting policy to exclude new policies covering oil and gas-related activities. It said these exclusions are in addition to those for coal-related activities, which have already been in place for many years.

GREECE: FCI welcomed Pancreta Factors as a new associate member.

Headquartered in Athens, the company is a wholly owned subsidiary of Pancreta Bank that offers a range of domestic factoring products and services. As an FCI member, Pancreta Factors will now extend its services to international factoring, including recourse and non-recourse export factoring but also import factoring services by utilising the FCI network of worldwide members.

MEXICO: Japan Bank for International Cooperation (JBIC) signed $900m loan for NR Finance Mexico (NRFM).

The loan was co-financed with private financial institutions, including Mexican bank Banco Mercantil del Norte, S.A., bringing the total co-financing amount to $1.64bn. JBIC said the loan is intended to provide funds for NFRM, a Mexican subsidiary of Nissan, to conduct sales finance business for Nissan-branded automobiles in Mexico. JBIC said the loan will contribute toward strengthening the resilience of supply chains and bolstering the competitiveness of the Japanese automobile industry in Mexico, which serves as a production base for exports to countries in the Americas, but also as a domestic sales market.

NORDICS: Trade finance fintech Mitigram hired Ted Scheiman as chief strategy officer, a new role at the firm.

Mr Scheiman started at Mitigram in late January, based in Stockholm. He is charged with driving the Swedish company's growth strategy, expanding its network of partners and encouraging innovation and collaboration. Mr Scheiman served as head of Nordics & Baltics at SWIFT from mid-2021, after working as head of Swedbank's fintech partnership and investment unit for nearly a decade. He has also held banking and strategy roles at Commerzbank, Deloitte and JP Morgan.

PAKISTAN: The International Islamic Trade Finance Corporation (ITFC) and Saudi Export-Import Bank signed a $25m line of financing for Bank Al Habib.

ITFC said the agreement is strategically designed to enable the Saudi SME sector, facilitating exports of non-oil products to Pakistan.

SAUDI ARABIA: Abu Dhabi Commercial Bank (ADCB) unveiled plans to open a branch in Riyadh.

After being awarded a foreign banking licence by the Saudi Central Bank, the UAE's third-largest lender said the new unit will provide a range of services, including financing and working capital solutions, to corporate and institutional clients.

SAUDI ARABIA: FCI welcomed Saudi Awwal Bank (SAB) as a new affiliate member.

FCI described SAB as a "market leader in trade finance", highlighting that it has been steadily investing in cutting-edge technology and innovation. It said SAB has paid-up capital of SAR20.5bn ($5.47bn), after its legal merger with Alawwal Bank in March 2021, when it was legally known as the Saudi British Bank. FCI noted that SAB's partnership with the HSBC Group gives its clients access to import and export markets across 28 countries and territories.

SINGAPORE: Janelene Chen joined Mayer Brown's banking & finance practice as a partner.

The law firm said she will focus on trade and other structured finance transactions. She joined from Norton Rose Fulbright, where she was a partner. Mayer Brown said Ms Chen has wide experience in advising corporate and FI clients on cross-border financing, notably trade finance, involving Singapore, Indonesia, Indochina, Hong Kong and China.

SWEDEN: Howden appointed Fredrik Enderlein as head of credit and political risks for the Nordics at its specialist capital and insurance arm.

The Stockholm-based appointment marks Howden's first expansion of its credit and political risk business in the region. Mr Enderlein's previous roles include managing director, structured credit at Gallagher, as well as partner and head of credit and political risk at speciality broker Brim. The new Howden CAP team also includes Ralph

Two weeks in trade finance

Winkler as executive director, who was formerly executive director, structured credit and political risks at Brim. A further new hire, Rolf Andersch, will support the growth of the business in the region. Mr Andersch has worked in senior roles at SEB and Nordea.

UAE: Fitch Ratings affirmed Etihad Credit Insurance's (ECI) insurer financial strength (IFS) rating and long-term issuer default rating (IDR) at AA- (Very Strong).

It said the outlooks are stable, noting that the ratings are aligned with the long-term IDR of the UAE (AA-/Stable), reflecting Fitch's view of an extremely high probability of support from the UAE authorities if needed. It said ECI's "very strong" capitalisation is supported by total paid-in capital of AED250m ($68.1m), with a further AED750m committed by its shareholders. Fitch said it believes further capital will be available from the shareholders over time to support ECI's growth plans. Further, ECI does not have any financial debt under its capital structure. Moreover, Fitch views ECI's reinsurance panel as strong and well-diversified, mainly comprising companies rated A or higher.

UK: Independent trade credit and surety specialist Xenia Broking Group appointed Steven Stennett as chief executive officer.

Mr Stennett has over 25 years of experience in the trade credit insurance sector. Most recently he was the commercial director at Allianz Trade UK and Ireland. He started his career with Atradius, followed by Coface, where he led commercial teams across the UK and Western Europe. He succeeded Tim Coles, who was been appointed chief executive for the international operations of Bridge Specialty Group, the wholesale brokerage segment of Brown & Brown.

UKRAINE: The European Commission signed a guarantee agreement with the International Finance Corporation (IFC) to support national recovery.

"Through the agreement the European Union will provide up to €90m in financial guarantees to support investments in Ukraine to IFC… .as part of IFC's Better Futures Program," said a joint statement. Private investment under the programme is expected to exceed €500m across all sectors, including core infrastructure and goods production.

US: The Export-Import Bank of the US (EXIM) appointed former Congressman Spencer Bachus III to its board for a second term.

Director Bachus was officially sworn in on 3 January, for a term through January 2027. Congressman Bachus previously served on the EXIM Board of Directors from 9 May, 2019, through 20 July, 2023. He also formerly served as a US Representative from Alabama and as Chairman of the House Committee on Financial Services, which is responsible for overseeing and advancing legislation related to EXIM.

US: The Japan Bank for International Cooperation (JBIC) joined hands with Sempra Infrastructure Partners, LP.

JBIC said a memorandum of understanding (MOU) signed with Houston, Texas-headquartered Sempra aims to "further its project structuring in enhancing the energy supply chain and promoting decarbonization".

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