International
TRADE FINANCE

Chinese banks reining back Russian transactions

Adding a twist to the international pressures on Russia, three of China's four major state banks have reportedly ceased accepting payments from sanctioned Russian financial institutions. The measures comprise a response to European Union (EU) sanctions and to secondary sanctions imposed by the US against Russia, according to a 15 April report by state-controlled Russian newspaper Izvestia.

At a time when Washington inclines to blaming Beijing for aiding Moscow's war effort, a wider trend entails delays and restrictions in settling payments to Chinese companies for their exports to Russia, against a background of heightened Know-Your-Customer questioning from major Chinese banks worried about possible repercussions from the US. Reuters reported on 29 April that some Chinese businesses have resorted to unconventional trade finance methods as they encounter challenges in conducting transactions with Russia, citing multiple sources close to the situation.

A banker at one of China's Big Four said his bank had tightened scrutiny of Russia-related businesses to stave off the risk of sanctions. "The main reason is to avoid unnecessary troubles," he was quoted as saying.

The members of China's 'Big Four' banks that have suspended settlements from Russia were named as Industrial and Commercial Bank of China, China Construction Bank, and Bank of China. The moves by the three giant institutions began in January 2024 according to Izvestia, which cited Alexey Poroshin, general director of investment and consulting firm Pervaya Gruppa. He said that this was prefigured by the EU implementing its 12th sanctions package against Russia in December and the US authorisation of secondary sanctions targeting financial institutions helping Russian entities to circumvent sanctions.

The US and EU have imposed an array of sanctions on Russia and Russian entities since the country invaded Ukraine in 2022. US officials have insisted that Washington is ready to act against Chinese financial institutions facilitating Russian trade in goods with dual civilian and military applications. US Secretary of State Antony Blinken on 26 April said he had expressed "serious concern" that Beijing was "powering Russia's brutal war of aggression against Ukraine" after meeting China's top diplomat Wang Yi for five and a half hours in Beijing.

Trading and banking sources told Reuters that Chinese banks, particularly rural banks along the China-Russia border, have emerged as alternatives for processing payments to Russia. Inevitably, however, the rush of businesses seeking to utilise these banks has resulted in bottlenecks, with some businesses reporting lengthy delays in opening accounts and others flagging up delays in payment clearance.

Earlier in 2024, Mr Poroshin told Izvestia that a cluster of smaller Chinese banks had stopped accepting payments from Russia in Chinese yuan for fear of US sanctions. According to a March report published by Izvestia, the banks included Ping An Bank, Bank of Ningbo, China Guangfa Bank, Kunshan Rural Commercial Bank, Great Wall West China Bank, Shenzhen Rural Commercial

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Editor's letter

Following two years of double-digit increases, the factoring and receivables finance industry saw a 3.3 per cent rise in its business volumes in 2023, according to global factoring statistics released by FCI. The factoring umbrella body's provisional data indicated that close to 400 FCI member companies in over 90 countries transacted business estimated at €3.781trn during the 12 months, compared to €3.659trn in 2022.

In 2021 and 2022, volumes lifted by 12.3 per cent and 18.3 per cent. FCI linked the 2023 slowdown to "the geopolitical situation in some parts of the world" but highlighted that the compounded annual growth rate for its membership stands at 8.3 per cent over the past 20 years.

In the trade credit insurance (TCI) community, Allianz Trade has updated its wordings for UK and Ireland clients, to include confiscation, expropriation, nationalisation and destruction (CEND) political risk coverage as standard. CEND cover was not previously included as part of the core TCI product. The move "represents a shift for the entire trade credit market," said Peter Evola, Allianz Trade's commercial director for the UK and Ireland. Providing context for the change, Sarah Murrow, chief executive for the UK & Ireland, emphasised that with global insolvencies set to rise again this year by 9 per cent, "covering non-payment risks will be a matter of survival for many businesses".

Another new template, to standardise distribution of open account trade assets, was made available in early April to the 320 members of the International Trade and Forfaiting Association (ITFA). The Master Account Receivables Assignment Agreement (MARA) was first developed in 2018 by HSBC and law firm Dentons, in a push to better distribute open account assets and to widen the spectrum of market participants. ITFA said it has encouraged its banking members to adopt the MARA as an industry standard, endorsing it for both the funded distribution of receivables finance and supply chain finance transactions.

Maintaining banks' focus on sustainability, the International Finance Corporation (IFC) and BNP Paribas' Polish unit have collaborated in a new synthetic risk transfer (SRT) transaction. The SRT deal involves IFC assuming mezzanine exposure to a $548m-equivalent BNPP Poland on-balance sheet credit portfolio, thereby freeing up capital to assist the bank in generating new PLN-denominated sustainable finance loans in Poland.

IFC stressed that Polish banks are constrained in their capacity to finance a national energy transition estimated to cost $350bn between 2021-2040. "In this environment, SRT transactions allow banks to lower risk weights on their asset exposures," freeing up regulatory capital for increased lending operations, it noted.

Kevin Godier

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Bank, Dongguan Rural Commercial Bank, and China Zheshang Bank.

The founder of one appliance maker in southern China told Reuters that big banks now take months to clear payments from Russia, leaving him with options that include shrinking his business or tapping unorthodox payment channels. These can reportedly include currency brokers along the China-Russia border and even cryptocurrency, banned in China in 2021. "Transactions between China and Russia will increasingly go through underground channels," said the head of a trade body in a southeastern province that represents Chinese businesses with Russian interests.

After sanctions effectively cut Moscow off from the Western financial system, Russia and many of its trade partners – especially those in the BRICS alliance - have been switching to local currencies in mutual trade. Russian Prime Minister Mikhail Mishustin said in December 2023 that Western currencies have almost been completely phased out in Russia-China trade, with nearly all payments between the countries now carried out in rubles and yuan.

Project finance

Xi steps in with EACOP support

China's President Xi Jinping has expressed support for the East African Crude Oil Pipeline (EACOP), as Chinese financing continues to figure as the most likely funding option for the controversial 1,445-km (898-mile) facility that would stretch from landlocked oil fields in western Uganda to the port of Tanga in eastern Tanzania.

Uganda's presidency said on 5 April that Uganda's energy minister was invited to Beijing to discuss the $5bn pipeline, which the country requires to export crude production from oilfields that were discovered in 2006. Chinese funding is viewed as pivotal for the project after the EACOP has attracted huge local and international criticism over its environmental footprint, making swathes of lenders and insurers wary (ITF 843/1; 836/26; 834/1).

After China's special envoy for Horn of Africa Affairs, Xue Bing, delivered a message to President Yoweri Museveni on 4 April, Mr Museveni' office was cited by Reuters as saying that "Chinese financial institutions are open to discussions on the project and extended an invitation to Hon. Ruth Nankabirwa, the Minister of Energy and Mineral Development, to visit China for further discussions". Mr Museveni's office quoted Xi as saying in the message that "I am in full support of EACOP. I believe that it will enhance socio-economic development for the region."

According to the Reuters report, multiple deadlines for conclusion of talks between Uganda and China Export & Credit Insurance Corporation (Sinosure) for possible funding have passed without a resolution. Ugandan politicians affirmed in September-October 2023 that Chinese state institutions Sinosure and the China Export Import Bank were set to play a critical role in securing the $3bn in debt financing required to construct the EACOP (ITF 856/5). The scheme already has backing worth $2bn from its sponsoring oil companies.

According to Ugandan media reports earlier this year, EACOP sponsors led by 62 per cent shareholder TotalEnergies have facilitated the due diligence demanded by the project's potential Chinese financiers but may have to wait until the second half of 2024 for a final funding decision (ITF 862/3).

After construction delays of over four years, EACOP civil works are underway in both Uganda and Tanzania, running on equity funds from shareholders, as well as a combined $300m in financing extended by the African Export-Import Bank and the Islamic Development Bank. A thermal insulation plant to insulate the pipes before they are laid reportedly started operations in late March.

The project has provided key focus points for the debate on whether supporting economic growth through fossil fuel investments – especially in Africa - can act as sufficient mitigation for potentially worsening climate impacts. NGOs say the project's completion would not only contribute to increased greenhouse gas emissions which fuel climate change but also harm local communities. The pipeline is planned to traverse some of Africa's most sensitive ecosystems, including Murchison Falls National Park and the Murchison Falls-Albert Delta Ramsar site. NGOs have warned that pipeline ruptures, inadequate waste handling, and other pollution impacts would cause significant damage to the land, water, air and the species that rely on them.

NGO pressures

The rising lobbying from environmental groups to shift investment dollars away from climate-changing oil and gas projects was mirrored via an open letter sent by 58 NGOs on 10 April, calling on banks and investors to stop participating in bonds issued by TotalEnergies. Noting that bonds are the main source of financing for the French oil and gas giant, which currently has 45 active bonds totalling $48.9bn, this also said that bonds accounted for some 68 per cent of the company's financing between 2016 and 2022.

The letter said TotalEnergies is developing new oil and gas projects in 53 countries, including its more controversial schemes such as the EACOP and a major liquefied natural gas (LNG) development in Papua New Guinea. It came days after TotalEnergies raised $4.25bn on the bond market, with help from banks including BPCE/Natixis, Standard Chartered and Deutsche Bank. The NGOs - which included BankTrack and Reclaim Finance - warned banks and investors against renewing four existing bonds issued by TotalEnergies that are due to expire this year.

"Bonds are more discreet than project financing and provide TotalEnergies with a veritable El Dorado," said

Lara Cuvelier, sustainable investment campaigner at Reclaim Finance. She added: "It is mind blowing to see that the financial players involved in Total's latest bond are agreeing to finance Total until 2064!"

Credit Agricole distancing

One of the latest financial institutions to clarify its hydrocarbons project funding stance is Credit Agricole, which said in late March that it would not provide financing to two major LNG projects, citing commitments to refrain from new fossil fuel developments. The French bank said it will not fund Exxon Mobil's and Eni's Rovuma project in Mozambique, nor the Papua LNG project, which is backed by TotalEnergies, Santos and Exxon Mobil. Credit Agricole was the original financial adviser for both Papua LNG and Rovuma LNG.

PNG lime project taps $155m financing

Mining and power developer Mayur Resources has secured a $155m financing for its Central Lime Project (CLP) in Papua New Guinea (PNG), which will mark the country's first downstream manufacturing processing hub. Announcing the financing on 22 April, Mayur said the flagship project will be a major exporter of lime in the Australasian region, producing low-cost lime products for metal processing and displacing 100 per cent of PNG's imported lime products.

Mayur said it executed definitive debt financing agreements with metals and mining investor Appian Capital Advisory LLP, for approximately $115m, comprising a senior secured loan and royalty financing. Combined with a $40m equity investment announced in November 2023 by Vision Blue Resources, a clean energy battery metals transition investment vehicle, this will fully fund the CLP's requirements to complete the base case construction works, implement onsite carbon reduction initiatives and enter commercial production. Vision Blue's investment purchased a 49 per cent equity stake in the CLP, with Mayur retaining a 51 per cent majority stake.

Located in PNG's first Single Factory Special Economic Zone, in Port Moresby's North-Western Growth Corridor, the project has an annual base case nameplate production capacity of 400,000 tonnes, along with an allocation for expected further expansion, for which $22.2m of the Appian funding is already earmarked. First quicklime production is expected to begin 18 months after financial close.

According to Mayur's managing director Paul Mulder, the CLP will "materially contribute to the clean energy transition by providing a key input to the processing of energy transition metals in the region". Noting that the financing's debt and equity combination marks "a first for PNG", he underlined that the investment can showcase "PNG's vast potential for small to medium manufacturing projects connected to its natural resources".

Mayur stressed that the project will be the closest source of quicklime, hydrated lime, and crushed limestone to Australia, enhancing the resilience of the supply chain for these materials while reducing logistics cost and carbon footprint. Further, the scheme will bring local benefits in the form of new jobs, support service businesses, electricity, roads and education/health facilities.

Mayur said it will work during the second quarter of this year to complete remaining conditions precedent to the debt and equity funding on items including but not limited to, product offtake, appointing construction contractors and finalisation of project documentation with, and approvals from, the PNG Government.

SRT deal widens BNPP's climate finance capacity in Poland

To help increase sustainable finance for renewable energy, water efficiency, and clean transportation projects in Poland, the International Finance Corporation (IFC) and BNP Paribas Bank Polska (BNPP Poland) have collaborated in a new Synthetic Risk Transfer (SRT) transaction.

This deal involves IFC assuming mezzanine exposure to a $548m-equivalent BNPP Poland on-balance sheet credit portfolio, thereby freeing up capital to assist the bank in generating new PLN-denominated sustainable finance loans in Poland. The facility marks the first SRT transaction by BNPP Poland and the second between IFC and BNPP Group, after a February 2023 SRT that involved BNPP's global emerging markets trade finance operations (ITF 844/5).

Announcing the new deal on 9 April, IFC said its investment represents its first SRT with the 'Simple, Transparent, and Standardized' designation, "which enables such transactions to be more scalable for issuers, investors, and regulators". IFC stressed that Poland remains one of the most carbon-intensive countries in Europe, with fossil fuels accounting for nearly 80 per cent of the country's energy supply in 2023. It underlined that Polish banks are constrained in their capacity to finance a national energy transition estimated to cost $350bn between 2021-2040. "In this environment, SRT transactions allow banks to lower risk weights on their asset exposures," freeing up regulatory capital for increased lending operations, it noted.

Unlike a traditional, funded securitisation in which assets are sold to a special purpose entity issuing securities to investors, SRTs leave the assets on a bank's balance sheet. Third-party investors, such as IFC, assume some of their risk. BNPP's $1bn SRT with IFC 14 months ago enabled the French bank to expand its trade finance activities and continue to support emerging market economies.

IFC concluded a landmark SRT with Crédit Agricole CIB in April 2021, at a time when banks were exploring ways to more efficiently allocate capital towards businesses affected by the Covid-19 crisis (ITF 805/5). In January 2022, Banco Bilbao Vizcaya Argentaria freed up new project capital by closing its first balance sheet synthetic securitisation of a project finance loan portfolio entailing a €500m lending portfolio covering projects in mainly Spain and Western Europe (ITF 820/4).

Finance

SCF bankers seeking asset diversification - Demica

Fintech and supply chain finance (SCF) platform Demica has released its 2024 Benchmark Report for Banks in Trade Finance, finding that macroeconomic headwinds are driving banks to review their portfolios and expand into newer asset lines like trade receivables.

Among the headline trends unearthed by the report, 55 per cent of the surveyed global banks had seen asset growth negatively affected by rising interest rates. Moreover, 44 per cent of the banking respondents highlighted geopolitical risk as having an adverse effect on their organisation's asset growth.

Demica surveyed 169 SCF professionals based in 31 countries around the world to collate the new report, which was published on 22 April. Responses across the sector indicated that banks are seeking to reverse course and fuel growth by diversifying their SCF assets, with a focus on risk distribution. 52 per cent of the banks surveyed were planning to move into new product lines in 2024 – compared with 41 per cent in the 2023 study. Moreover, of the global banks seeking new lines of investment, around 27 per cent identified trade receivables products as showing the most growth potential, overtaking payables products for the first time since Demica's first annual Benchmark Report three years ago.

The 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). Other major banks to have deployed trade finance securitisation include BNP Paribas, Citi, Santander and Standard Chartered.

Cautious optimism

Despite numerous headwinds, the surveyed bankers appeared cautiously optimistic. Eight-in-ten banks (81 per cent) expected to see their SCF assets grow over the next 12 months, with more than a third (35 per cent) predicting increases in asset sizes of over 10 per cent.

"Supply chain finance is demonstrating robust growth despite the uncertainty in the global economy.," said Demica chief executive Matt Wreford. "Payables financing may have suffered from high interest rates, but banks are continuing to see growth in asset sizes and are focusing on receivables products which are more appealing in the current market environment."

He commented: "What our Benchmark Report shows is that non-documentary trade finance products remain ideal for meeting corporate financing requirements even when interest rates are high, thanks to its flexibility and the diversity of products and services. Banks have every reason to expect further asset growth over the next 12 months."

Technology/ESG drives

The well-established drive to digitise global trade finance was mirrored by the 62 per cent of respondents that were prioritising partnering with third party technology providers. Equally, 62 per cent of the SCF professionals surveyed reported personally participating in a transition focused on environment and social governance (ESG). This marked the first time in the report's history that a majority of respondents experienced ESG involvement, highlighting a growing trend at major banks.

Many of the report's findings mirror views expressed in a February webinar hosted by Demica, in which industry professionals emphasised that globally rising interest rates have underpinned the search for lower-cost trade funding options (ITF 863/1).

ITFA introduces open account distribution framework

A new template to standardise distribution of open account trade assets should help potential investors to enter the sector, according to the International Trade and Forfaiting Association (ITFA). The template, the Master Account Receivables Assignment Agreement (MARA), was developed in 2018 by HSBC and law firm Dentons, in a push to enhance efficiency and consistency in the distribution of open account assets and to widen the spectrum of market participants. After being honed through several years of use, it was made available to ITFA's 320 members in early April.

ITFA said on 4 April that it encourages its banking members to adopt the agreement as an industry standard, endorsing it for both the funded distribution of receivables finance and supply chain finance transactions. "The lack of an established framework agreement to date has led to some inconsistencies in the distribution of open account assets, underscoring the need for a standardised solution," said Paul Coles, ITFA board member and chair of the Market Practice Committee. "By promoting the MARA as the recommended template for participations in these types of transactions, ITFA aims to establish a consistent industry-wide practice."

The MARA is governed by English law and based on the 2018 BAFT Master Participation Agreement (MPA). The new template has been augmented to cater specifically for open account distribution, with a greater level of detail around how both supply chain finance and receivables finance programmes can be handled with minimal recurring documentation.

Explaining how the MARA works, Ian Clements, partner at Dentons, noted that "participants receive an equitable assignment – namely, beneficial interest in the receivable without notifying the buyer – upon payment". He added: "This assignment can become a legal one in specific circumstances. These provisions ensure a seamless transfer of interests from seller to participant, addressing concerns over counterparty credit risk."

The MARA's broad benefits also include reduced legal costs, enhanced efficiency, consistency and streamlined negotiations among banks. ITFA stressed that the framework accommodates both committed and uncommitted participations, along with one-off or recurring sell-downs.

"As a two-way agreement with balanced provisions, the MARA has allowed HSBC to participate and distribute a range of trade finance assets, striking a balance between protecting the interests of investors and originators" said Bhriguraj Singh, chief product officer, at HSBC Global Trade & Receivables Finance.

ITFA is anticipating a "quite good" take-up of the MARA, according to Mr Coles. "In my day-to-day conversations, many banks – particularly major European banks – had expressed interest in this template and how it works and when it was coming out. I expect take-up to be quite good," he said, in comments on ITFA's website.

Mr Coles indicated that previous bank and financial institution users of the BAFT MPA "should be reasonably comfortable with the basics" of the MARA. He underlined that many banks have already been modifying the BAFT MPA or creating bespoke documents to cater for revolving open account distributions that often entail financing rolling programmes involving large volumes of invoices.

Pending sufficient demand, a further step could be to consider a New York law version of the document for the Americas market, he said.

Factoring

FCI volumes slow in 2023

The factoring and receivables finance industry experienced a 3.3 per cent rise in its 2023 business volumes, after two years of double-digit increases. In its 22 April release of a preliminary world factoring statistics for 2023, factoring umbrella body FCI attributed the slowdown in growth to "the geopolitical situation in some parts of the world that impact the global trade world".

Amsterdam-based FCI – formerly known as Factors Chain International - is the global representative body for factoring and financing of open account domestic and international trade receivables. Its provisional data indicated that FCI's close to 400 member companies in more than 90 countries transacted business estimated at €3.781trn during the 12 months, compared to the previous year's €3.659trn.

Providing a wider chronological context, the FCI said that the compounded annual growth rate for its membership stands at 8.3 per cent over the past 20 years, terming this as "an incredible feat". It noted that both domestic and international factoring "grew substantially" over the two decades. In 2021 and 2022, volumes lifted by 12.3 per cent and 18.3 per cent respectively (ITF 849/6).

The FCI statement commented: "In a changing world, as we experienced these past three years, it is reassuring to see how factoring and receivables finance can support SMEs and corporates to raise liquidity, protect their businesses against customer bankruptcies, and provide collection support around the world."

Europe was once again the largest contributor to the FCI data, absorbing around 68 per cent of the global volume with a €2.555trn tally, up by 2.3 per cent. The Asia Pacific region represented approximately 24 per cent of global volume at €936bn, a year-on-year increase of 6.2 per cent. The percentages for South/Central America and North America were both 3 per cent, while Africa and the Middle East absorbed 1 per cent and 0.3 per cent of the market respectively, with the African volume growing at 13.5 per cent to €47.48bn.

From a regulatory context, 2023 also saw UNIDROIT launch a Factoring Model Law to provide a standalone instrument for countries wishing to introduce a new factoring law or update existing laws. Further, the World Bank and International Finance Corporation unveiled a Factoring Regulatory Guide to offer a coherent regulatory framework for non-bank financial institutions involved in factoring (ITF 858/18).

FCI said it expects to release the final global factoring figures including per country details at the end of May.

Agencies

Salzgitter Group secures ECA-covered green loan financings

Export loans totalling €500m to help German industrial giant Salzgitter AG decarbonise its steel production have been supported by Austria and Italy's export credit agencies (ECAs), OeKB and SACE.

Announcing the deals on 10 April, Salzgitter said the €500m senior unsecured financing package consisted of a €300m facility backed by SACE and a €200m transaction guaranteed by OeKB. The financings support the purchase by Salzgitter of plant equipment from Italian suppliers Tenova and Danieli and an electric arc furnace exported from Primetals in Austria. Salzgitter, Germany's second-largest steel manufacturer, said the loans are among the first ECA-covered corporate green financings in the steel sector – which traditionally produces vast greenhouse gas emissions due to its reliance on coking coal – and the first in Germany.

Salzgitter is attempting to substantially reduce the approximately 8m tonnes of carbon dioxide released by its steelworks each year by switching the manufacturing process from blast furnaces to systems and electric arc furnaces that run on directly reduced iron (DRI) as well as green electricity or green hydrogen.

BNP Paribas structured the SACE deal, also acting as coordinating mandated lead arranger (MLA), lender, ECA agent and bookrunner. UniCredit was an MLA and lender. The SACE-backed loan also involves reduced interest rate

OECD export credit rates

Minimum interest rates for officially supported export credits

	15 Apr 14 May	15 Mar 14 Apr
Australian dollar 3 yrs	4.62	4.70
Australian dollar 10 yrs	4.96	5.14
Canadian dollar 3 yrs	4.88	4.95
Canadian dollar10 yrs	4.44	4.50
Czech koruna 3 yrs	4.55	4.53
Czech koruna 10 yrs	4.80	4.72
Danish krone 3 yrs	3.47	3.59
Danish krone 10 yrs	3.33	3.46
Euro 3 yrs	3.58	3.49
Euro 10 yrs	3.41	3.43
Hungarian forint 3 yrs	7.33	6.95
Hungarian forint 10 yrs	7.39	7.05
Japanese yen 3 yrs	1.20	1.14
Japanese yen 10 yrs	1.75	1.72
Korean won 3 yrs	4.31	4.35
Korean won 10 yrs	4.39	4.43
N. Zealand dollar 3 yrs	5.42	5.66
N. Zealand dollar 10 yrs	5.60	5.77
Norwegian krone 3 yrs	4.67	4.73
Norwegian krone 10 yrs	4.61	4.70
Polish zloty 3 yrs	6.16	6.05
Polish zloty 10 yrs	6.45	6.40
Swedish krona 3 yrs	3.68	3.67
Swedish krona 10 yrs	3.40	3.43
Swiss franc 3 yrs	1.76	1.93
Swiss franc 10 yrs	1.64	1.83
UK pound 3 yrs	5.03	5.06
UK pound 10 yrs	5.03	5.12
US dollar 3 yrs	5.38	5.33
US dollar 10 yrs	5.21	5.21

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.

provided by Simest, Italy's development finance institution, in conjunction with the delivery of a DRI facility. The OekB-backed transaction was structured by Commerzbank, which also acted as coordinating MLA, lender, agent and ECA agent. BNPP was an MLA and lender.

Deutsche Bank coordinated the green loan classification across both facilities and acted as sustainability coordinator, MLA and lender. Salzgitter Flachstahl GmbH was the borrower for both deals. The transactions align with Loan Market Association green loan principles and comprise a component of a €2.3bn investment by Salzgitter in its low-carbon steel transformation that is set to reduce overall CO2 emissions in Germany by around 1 per cent. In April 2023 the project was selected by the government of Germany and the state of Lower Saxony to receive public subsidies of around €1bn.

SACE and Simest were advised by Norton Rose Fulbright, and Linklaters was counsel for Salzgitter.

SERV posts solid 2023 result

Swiss Export Risk Insurance (SERV) posted a CHF13.4m ($14.68m) profit in 2023, despite recording what it described as an "extraordinarily high" CHF222.3m claims level. Announcing its annual results on 10 April, Switzerland's export credit agency highlighted that "high income from the early termination of insurance policies, interest income from debt restructuring agreements and currency gains contributed to the positive result". It said the claims volume was heavily impacted by the default of two African states.

Switzerland's cabinet, the Federal Council, noted that "SERV has achieved its goals well". Nonetheless, the Zurich-based agency approved 580 insurance applications during the 12 months, around 120 less than in 2022. It attributed much of the decline to "the deteriorated prospects of the Swiss export industry and a generally reduced demand for insurance products". In line with usual trends, SME business accounted for 80.8 per cent of customers holding an active insurance policy.

New businesses volume decreased slightly year-on-year, reaching CHF4.43bn. Correspondingly, SERV's exposure portfolio at end-2023 of CHF9.67bn was also slightly lower than in 2022 (CHF10.17bn). Geographically, the largest insurance commitments at year-end were in Turkey (CHF1.184bn). As in previous years, the mechanical engineering segment (CHF2.184bn) absorbed the largest sectoral commitment.

With year-end capital amounting to almost CHF2.9bn, SERV said it retains "a good capital base". It highlighted its role in strengthening an initiative launched by the Federal Council to improve access for Swiss companies to large-scale foreign infrastructure projects, in particular its "pathfinding strategy" by which it brings together Swiss suppliers with major project developers, among other things. In the year under review, SERV enabled 33 Swiss companies to participate in projects abroad, stressing that the global demand for infrastructure investment is increasing.

In terms of climate strategy, SERV said its strategy adopted in 2021 "has created an important basis in this area".

Among 2024 deals, SERV backed a $586.25m guarantee package enabling Turkey's Çalık Enerji to build a modern power plant in Turkmenistan (ITF 866/4).

EIFO's first annual results 'satisfactory' – CEO

Denmark's Export and Investment Fund (EIFO) posted earnings of just over DKK1bn ($143.7m) in 2023, when it became the country's official export credit and investment agency. After a year when it provided new loans and guarantees totalling DKK26bn, EIFO posted a DKK350m dividend to the Danish government.

"It must be said to be an overall satisfactory result, where we can both pay dividends to our owner, deliver a solid contribution to society and at the same time put a good amount of money on the books, which can create even more activity in the future," said Peder Lundquist, EIFO's chief executive, unveiling the Copenhagen-headquartered agency's annual report on 5 April. "We have left a solid fingerprint on the markets both in Denmark and abroad."

EIFO became Denmark's ECA as of 1 April 2023, after its predecessor EKF merged with the Vaekstfonden (Danish Growth Fund) and the Danish Green Investment Fund to establish a more coherent Danish public funding system for the entire spectrum of Danish economic interest (ITF 829/7).

Mr Lundquist said the 2023 result is "also a reflection that the merger of EKF Danmarks Eksportkredit, Vaekstfonden and Danmarks Grønne Investeringsfond, in Danmarks Export- og Investeringsfond, EIFO, is now a reality and is off to a good start." He added: "In 2023, we also got the strategies for our three business areas in place, and we were also assigned a number of new, important tasks, which hold great perspectives for both EIFO and Denmark." Among these, he said, were a Ukraine scheme, establishment of a new European quantum fund based in Denmark and a green investment support scheme for production facilities in wind and electrolysers. However, activity in the investment area "has gone below expectations", Mr Lundquist acknowledged.

The EIFO annual report observed that the agency's 2023 operations assisted with a contribution of DKK20.5bn to Denmark's GDP and DKK44.8bn to the turnover of Danish companies, while helping displace 23.1 million tons of CO_2 over the total lifetime of the projects EIFO supported.

EIFO's green credentials include membership of eight official export credit financiers and underwriters that formed the first net-zero finance alliance comprising public institutions in December 2023 (ITF 860/1).

Insurance

Allianz Trade inserts political risk cover into TCI wordings

As part of a newly enhanced trade credit insurance (TCI) product suite for UK and Ireland clients, Allianz Trade has updated its wordings to include confiscation, expropriation, nationalisation and destruction (CEND) political risk coverage as standard in response to escalating geopolitical tensions. Announcing the changes on 12 April, Allianz Trade said the refreshed product will also feature a range of enhancements to existing provisions, such as fully retrospective cover for approved buyer risks, as part of a push to more efficiently to mitigate the risks of non-payment of trade receivables should a customer fail to fulfil their contractual obligations.

In addition to the strengthened offering, policyholders will be provided with simpler documentation, as well as a quick access online portal to retrieve policy documentation and other information. All new business will be underwritten per the terms of the new policy wording, while existing policies will transition at natural renewal points throughout the year.

Allianz Trade predicted that the new features will enhance efficiency for brokers and insureds alike. It said that policy terms and conditions have also been reorganised into country zones rather than individual countries, facilitating easier coverage management for businesses operating across multiple jurisdictions.

The key change catching market eyes will be the offer of CEND political risk cover as standard, from a situation where it was not previously included as part of the core trade credit insurance product. "Today is a key milestone not just for Allianz Trade in the UK and Ireland, but represents a shift for the entire trade credit market," said Peter Evola, Allianz Trade's commercial director for the UK and Ireland. "Early feedback from our brokers is encouraging," he noted.

Global trade payment times lengthening – Allianz Trade

Companies around the world are paying their bills later and later – and are increasingly reliant on working capital to fund day-to-day operational activities. These were key findings of a new report by Allianz Trade on global days sales outstanding (DSO) and working capital requirements (WCR), which stressed that the risk of default is inevitably increasing. Released on 4 April, the report cited an increase of three days in the average global DSO (the number of days between issuing an invoice and collecting it) to reach 59 days in 2023, the highest increase since 2008. Meanwhile, the global WCR lifted by two days to reach 76 days in 2023, the third consecutive increase.

The report attributed the two trends to falling profits and ever-rising operating costs. It argued that reducing payment periods from 60 to 30 days in a binding manner – as is proposed by the European Commission – will lead to financing problems for many businesses.

According to Johan Geeroms, Allianz Trade's director of risk underwriting Benelux, European companies are experiencing increasing difficulties with the working capital they have available for their day-to-day operational activities. "They are finding it harder to obtain credit, and the associated costs have also risen," he said.

Providing context for the new measures, Sarah Murrow, chief executive for the UK & Ireland, added: "Our research suggests global insolvencies will rise again this year by 9 per cent, so covering non-payment risks will be a matter of survival for many businesses."

The new TCI product suite by the company follows its early March introduction of Allianz Trade pay, a suite of products designed to insure B2B e-commerce activities (ITF 866/8).

Multilaterals

Afreximbank notches up record financial performance

Driven by an expanding loans and advances portfolio, a significant leap in its financial performance for 2023 has been posted by Africa's key multilateral trade financier, the African Export-Import Bank (Afreximbank).

In a 5 April statement, Afreximbank said its 2023 results surpassed those of prior years and were "well ahead of expectations", enabling it to attain "an exceptional financial position". The Cairo-headquartered lender made particular note of its soaring net interest income, which reached $1.4bn at the end of the 2023 financial year, lifting by almost 59 per cent compared to $910.3m in 2022. Net interest margin grew to 4.96 per cent, compared to 3.83 per cent in 2022.

As a result of global inflationary pressures and investment in human capital to support its increased business activities, the bank's total operating expenses rose to $304.5m, 34.9 per cent higher than in 2022. Afreximbank said the capacity expansion and rise in expenditures were both envisaged in its five-year Sixth Strategic Plan, which runs until December 2026.

The bank's total assets experienced a robust 20.12 per cent growth to $33.5bn (FY2022: $27.9bn), largely fuelled by a rise in net loans and advances to customers alongside cash and cash equivalents. Correspondingly, Afreximbank's group shareholder funds grew by 17.55 per cent to $6.1bn (2022: $5.2bn), bolstered by $546.8m in retained income and $349.8m in fresh equity raised during the year in support of the GCI II programme. This aims to raise $2.6bn paid-in-capital ($3.9bn callable capital) by 2026.

Established in 1993, Afreximbank offers customised programmes and facilities to assist member countries in meeting trade finance commitments, assessing and securing crucial imports, boosting food security and commodity production, alleviating supply chain bottlenecks, and adjusting to challenges arising from climate change. Among its other 2023 achievements, Afreximbank's Fund for Export Development in Africa (FEDA) subsidiary received multilateral support from Zimbabwe, Kenya, Congo, Chad, Gabon, Sierra Leone, and São Tomé and Príncipe, all of which officially signed the FEDA Establishment Agreement. "This collective support is pivotal in the Bank's mission to provide lasting financial support to African economies," Afreximbank's statement observed.

Afreximbank also inaugurated its Caribbean Office, as a mechanism to facilitate trade between Africa and the Caribbean. The bank recently made its first facility disbursement from its new unit in Bridgetown (ITF 866/18). Looking ahead, senior vice president Denys Denya pledged that the bank will "continue to maintain a cautious balance between profitability, liquidity, and safety to ensure a decent net interest margin and deliver profitable and sustainable growth and quality assets." He predicted the delivery of "stronger financial outcomes in 2024".

Nigeria taps second tranche of milestone PXF

Nigeria is set to receive a $1.05bn loan arranged by Afreximbank in May, as the second tranche of a larger crude oil prepayment facility designed to enhance foreign exchange reserves and bolster the economy. "The verification of the crude availability has happened so we expect in the next month to finalise the release of the balance. Based on future production, you get the money," said Afreximbank's senior vice president Denys Denya, quoted on 12 April by Bloomberg. Afreximbank said in January that an initial $2.25bn tranche of a larger $3.3bn pre-export financing (PXF) facility had been disbursed, noting that the 5-year deal marked Nigeria's largest crude oil prepayment facility to date (ITF 861/3).

Nigeria will utilise the proceeds of crude oil sales by the Nigerian National Petroleum Corporation Limited (NNPCL) to repay the loan. According to Reuters, Afreximbank sourced the loan from major oil trading companies including Gunvor International and Sahara Energy Resources, which will receive reimbursement in the form of physical cargoes of oil.

AFC posts 'impactful' 2023 results

The Africa Finance Corporation (AFC) has announced what it described as its "most impactful year to date", via an "unprecedented expansion of projects and investments" in 2023 alongside robust growth in earnings and total assets.

In an 8 April statement, the AFC noted multiple landmark initiatives unveiled during the year including Djibouti's first wind farm and the Lobito Corridor rail project, both of which involve the Lagos-headquartered multilateral as lead developer. Among other projects highlighted by AFC was a joint initiative with Xcalibur Multiphysics to advance the mapping and responsible utilisation of Africa's natural mineral resources. In Democratic Republic of Congo, the Corporation has committed to helping overhaul Kinshasa's mass transit system, while a milestone commitment of $253m from the Green Climate Fund to the AFC Capital Partners' Infrastructure Climate Resilient Fund "marked a significant step toward developing sustainable, climate-resilient infrastructure in Africa", AFC pointed out..

Each of these initiatives "blends meaningful development impact and environmental sustainability with strong risk-adjusted returns", AFC said.

Forfaiting country list — 2nd 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

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.

The above information is kindly provided by the **London Forfaiting Company**.

Emerging markets risk indicators

Africa — Nigerian FX shortages continue

Ongoing FX shortages in Nigeria continue to present oil sector payment issues, as the naira's slide against the US dollar has strained national finances. Reuters reported on 25 April that PetroChina had been waiting to unload 2 million barrels of US crude at Nigeria's giant new $20bn Dangote refinery since 28 March, as the refinery had yet to issue a letter of credit to the Chinese trader. Citing sources familiar with the matter, Reuters said the refinery has had difficulty accessing dollars through the Nigerian government, while PetroChina was not keen to receive oil products as payment. Egypt has also been facing liquidity pressures despite the adoption of an IMF programme in late 2022. The problems have been exacerbated by the fallouts from the conflict in Gaza on key sources of hard currency such as the Suez Canal revenues and the tourism sector, Credendo said. However, pledges of large external support from regional partners and multilaterals have substantially improved Egypt's liquidity outlook. Benin has become the first sub-Saharan African country to join the European Bank for Reconstruction and Development (EBRD). After formal acceptance by the majority of the EBRD's shareholders, EBRD's finance and policy support will be available.

Zambia is negotiating a $3.3bn commercial debt restructuring, after reaching a $3bn deal with overseas holders of its sovereign bonds. Lusaka now needs to negotiate restructuring agreements with other commercial creditors including China Development Bank and Industrial and Commercial Bank of China, the African Export-Import Bank and Standard Chartered. The International Islamic Trade Finance Corporation and Tunisia have signed an agreement to provide financing worth $1.2bn in the next three years to finance energy imports. Tunisia has struggled to provide some commodities in recent months. Moody's Ratings upgraded Tanzania's long-term issuer ratings to B1 from B2 on 22 March. Moody's said the improved rating mirrors the government's track record "of economic resilience throughout multiple external shocks in recent years, providing confidence in its shock absorption capacity going forward." Moody's downgraded Niger's long-term foreign and local currency issuer ratings to Caa3 from Caa2 on 9 February, linking the move to a "continued accumulation of payment arrears on debt service". Credendo subsequently downgraded Niger's short-term political risk classification from 5/7 to 6/7. Moody's lifted Côte d'Ivoire's local and foreign currency long-term issuer ratings and foreign currency senior unsecured ratings to Ba2 from Ba3. Moody's said the early March upgrade reflects the country's "increased economic resiliency supported by growing economic diversification, rising income levels from a low level and robust economic prospects." Credendo downgraded Burundi's short-term 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 cover about two weeks of imports. A credit insurance product to cover South African exports to Zimbabwe has been unveiled, helping Zimbabwean firms forced to pay cash due to the tough operating environment. The product will be issued by Asset Finance Insurance South Africa, with reinsurance arranged by Fachs Reinsurance Brokers.

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	7	–
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	Ba2	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	6
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	B	B1	BB	3	6	4
Niger	CLC	D	Caa3	—	6	7	–
Nigeria	CLC	C	Caa1	B-	5	6	6
Rwanda	ILC	B	B2	BB-	4	7	–
Senegal	ILC	B	Ba3	—	5	5	5
Seychelles	ILC	—	—	BBB-	2	5	–
Sierra Leone	CLC	D	—	—	5	7	6
South Africa	ILC	C	Ba2	BB	3	4	6
Sudan	CIA	E	—	—	7	7	7
Tanzania	ILC	B	B1	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 – Bolivia downgraded by Moody's, Credendo

Moody's Ratings downgraded Bolivia to Caa3 from Caa1 on 26 April, citing ongoing governance challenges and heightened domestic political risk which have taken external liquidity pressures to critical levels. "Recent developments have increased the risk of a disorderly balance of payments adjustment and of Bolivia not having sufficient hard currency to ensure full and timely repayment of its external debt obligations and imports," said Moody's in a statement. FX reserves barely covered a couple of weeks of import in December 2023. Credendo downgraded the short-term (ST) political risk of Bolivia from category 6/7 to 7/7, its second downgrade of the country in one year. "Foreign exchange shortages have been reported in recent weeks and are likely to persist in the future," it said.

Credendo downgraded Ecuador's ST political risk rating from 4/7 to 5/7, based on a decrease in liquidity. After peaking at a historical high of almost three months of import cover in 2020, FX reserves covered less than one month of import in January 2024, Credendo noted. "However, Ecuador is a fully dollarised economy and a current account surplus is in the cards, which mitigates the risks, it added. The government is scoping out new debt-for-nature swaps, following the record-breaking $1.6bn debt swap last year linked to its Galapagos Islands. Reuters said the Inter-American Development Bank and the US' International Development Finance Corporation are lining up to provide credit guarantees and political risk insurance. The IMF approved a successor two-year arrangement of about $1.8bn for Colombia under its Flexible Credit Line (FCL), designed for crisis prevention. "The arrangement should boost market confidence, and combined with the comfortable level of international reserves, provide insurance against external downside risks," the Fund observed. Colombia has maintained access to the FCL instrument since 2009. Brazil is open to the possibility of using national currencies for settlements when trading inside the BRICS alliance and is actively discussing it at the moment, Brazilian Minister of Finance Fernando Haddad said on 18 April. Illustrating the possibilities, China General Nuclear Power Group has secured its first yuan-denominated trade finance, a CNY160m ($22.8m) deal, financed by ICBC Brazil, to import Chinese PV modules for a 165MW solar plant in northeastern Brazil's Ceará.

Fitch Ratings downgraded Panama's long-term foreign currency issuer default rating (IDR) to BB+ from BBB-, with a stable rating outlook. Fitch said the 28 March downgrade mirrors "fiscal and governance challenges that have been aggravated by the events surrounding closure of the country's largest mine", the Minera Panama copper facility. Fitch upgraded Jamaica's long-term foreign-currency and local-currency issuer default ratings to BB- from B+, lifting the country ceiling to BB from BB-. It said the 5 March moves mirror "significant progress with debt reduction, backed by a sound fiscal framework and a strong political commitment to deliver large primary surpluses."

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-	7	7	6
Aruba	ILC	—	—	BBB-	2	5	–
Bahamas	ILC	—	B1	—	4	4	–
Barbados	CLC	C	B3	B	3	4	–
Belize	CLC	C	Caa2	—	3	5	–
Bermuda	30/SD	—	A2	AA	2	3	–
Bolivia	ILC	D	Caa3	B-	7	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	BBB-	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	5	6	6
El Salvador	CLC	D	Caa3	B-	5	7	5
Grenada	ILC	—	—	—	4	6	–
Guatemala	ILC	C	Ba1	BBB-	2	4	5
Guyana	CLC	D	—	—	4	4	–
Haiti	CIA/CLC	E	—	—	7	7	–
Honduras	ILC	C	B1	—	2	4	6
Jamaica	ILC	C	B1	BB	3	5	5
Mexico	OA	B	Baa2	BBB+	1	3	4
Montserrat	ILC	—	—	—	4	7	–
Netherlands Antilles	OA	—	—	—	2	5	–
Nicaragua	CLC	D	B2	B-	5	6	6
Panama	OA	B	Baa3	A+	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	4	6	–
Trinidad & Tobago	ILC	B	Ba2	—	3	3	5
Turks & Caicos Islands	SD	—	—	—	2	2	–
Uruguay	ILC	A4	Baa1	A-	3	3	4
Venezuela	CIA	E	C	CC	7	7	6

Emerging markets risk indicators

Asia — ITFC boosts Pakistan's import funding

The International Islamic Trade Finance Corporation (ITFC) signed a $600m annual plan with Pakistan's government. ITFC said the collaboration aims to facilitate imports of essential commodities, including crude oil, refined petroleum products, liquefied natural gas, food, and agricultural products, among others. Although Pakistan's external position has improved, with the State Bank of Pakistan reporting net FX reserves of $8bn as of 9 February 2024, Fitch expects external funding needs to outstrip reserves "for at least the next few years". South Korea is to invest KRW10trn ($10.2bn) in trade finance for defence exports this year – supplied by the Export-Import Bank of Korea and the Korea Trade Insurance Corporation - and KRW400bn in advanced defence research and development. The package will be part of a record KRW255trn ($188.6bn) in official trade insurance to help South Korea achieve its 2024 export target of $700bn. Within this budget, KRW136trn will be allocated to key sectors, such as chips, batteries and ships.

The Philippines has secured highly concessional financing terms from the Japan International Cooperation Agency (JICA) for two big-ticket infrastructure projects aimed at improving Manila's public transport and road connectivity. JICA said the 40-year lending consists of a JPY100bn ($658.3m) credit for the Dalton Pass East Alignment Road Project and a JPY150bn facility for the first phase of the Metro Manila Subway Project. Fitch predicted Vietnam's coverage of external payments will average about 2.7 months in 2024. GDP growth is expected by Credendo to reach 5.8 per cent this year, supported by infrastructure spending and fiscal stimuli. 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. Papua New Guinea (PNG) has experienced civil unrest and rioting across the country since early 2024. "This can largely be explained by poor socio-economic conditions and fuel shortages," said Credendo. State fuel supply company Puma PNG attributed fuel shortages to constrained access to FX reserves, which sit above four months of import cover. The IMF raised its Asia growth forecast for 2024 on 30 April, remaining optimistic about India's growth and focusing on the need for more stimulus from China. The IMF now expects Asia's economy to grow 4.5 per cent this year, up 0.3 percentage points from six months earlier.

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 — Uzbek ST rating demoted by Credendo

Credendo downgraded Uzbekistan's short-term political risk rating from 4/7 to 5/7, attributing the move chiefly to gross FX reserves that have been on a downward path since peaking in 2020, despite a recent rebound. While the current account deficit widened in 2023, real GDP grew strongly over the past two years. Export revenues are rising, driven by bilateral trade with Russia. Credendo lifted Georgia's short-term political risk rating from 5/7 to 4/7, citing improved relations with Russia and Georgia's receipt of European Union (EU) candidate status in December 2023. Gross FX reserves are high, despite a recent drop. Moody's Ratings forecast growth to stabilise at 5.5 per cent in 2024 following 11 per cent in 2022 and 7.5 per cent in 2023. Russia's economy grew officially by 3.6 per cent in 2023, outpacing both US and European growth despite huge economic sanctions. Growth was partially driven by spending on war with Ukraine, although Russian President Vladimir Putin has said the economy is successfully transitioning away from Western markets. The government forecast a 2.3 per cent increase in GDP this year. The IMF predicted 2.6 per cent.

Credendo upgraded Albania's medium- to long-term political risk rating from 5/7 to 4/7. It said "macroeconomic fundamentals, notably external debt sustainability, have gradually strengthened, allowing greater resilience to external shocks". FX reserves cover 6 months' imports. Lloyd's of London underwriters have expanded a marine war insurance programme for Ukraine to include all non-military cargo. The expanded Unity mechanism started on 1 March, covering exports such as iron ore, steel and electrical equipment while cutting the cost of war insurance for damage to ships transiting via the Black Sea corridor (ITF 865/5). S&P Global revised Greece's outlook to positive, on the back of authorities undertaking "a broad ranging structural reform agenda and tackling long-standing bottlenecks", boosting growth above the eurozone average and lowering the debt-to-GDP ratio. After growing by 2 per cent in 2023, the Greek economy will expand by 2 per cent this year and will continue to outperform the EU's average growth rate for the next two years, the IMF said. Kazakhstan's gross FX reserves (excluding gold and assets of the National Fund) "are at a relatively low level as they cover slightly less than two months of imports", said Credendo. It noted that Kazakhstan has access to financial markets due to its sound public finances.

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	B	Ba2	BBB-	4	5	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	—	—	BBB-	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	A4	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	—	4	7	6
Turkmenistan	CIA/CLC	D	—	B+	6	7	6
Ukraine	CIA/CLC	D	Ca	B-	4	7	6
Uzbekistan	ILC	B	Ba3	BB-	4	5	6

*WR = withdrawn rating

Emerging markets risk indicators

Middle East — Arab ratings in overall decline - Dhaman

A decline in sovereign and political, economic, financial, and operational risk ratings across several Arab nations over the past year has been highlighted by the Arab Investment and Export Credit Guarantee Corporation (Dhaman). The decline, based on 30 indicators from 15 global credit rating and risk assessment agencies, reflects "heightened political events, intensified aggression in Gaza, and ongoing conflicts in Sudan, Yemen, and other Arab states", Dhaman said in a 14 April bulletin. This said that decreased oil production and revenues, coupled with rising living costs and debt crises, contributed to downturns in growth rates. GCC countries ranked highest in risk assessments across the various categories, Dhaman said. Abdullah Subaih, director-general of Dhaman, noted stability and improvement in sovereign ratings for Arab nations including Qatar, the UAE, Saudi Arabia, and Oman, contrasting with declines in Lebanon and several Maghreb markets.

Fitch upgraded Qatar's long-term foreign currency IDR to AA from AA-. It said on 20 March that the upgrade reflects its greater confidence that debt to GDP will remain in line with or below the AA peer median after falling sharply in recent years, while the external balance sheet will strengthen from an already strong level. Moody's had upgraded Qatar's local and foreign currency long-term issuer and foreign currency senior unsecured debt ratings in January. Fitch Ratings has removed Israel from Rating Watch Negative status. Fitch said on 2 April that although geopolitical risks associated with war in Gaza remain elevated and escalation risks remain present, it "believes the risks to the credit profile have broadened and their impact may take longer to assess". Fitch also affirmed Israel's long-term foreign currency issuer default rating at A+ with a negative outlook. It said this mirrors multiple uncertainties around the fiscal trajectory and the war's duration and intensity. Moody's downgraded Israel's credit rating from A1 to A2 on 9 February, citing material political and fiscal risks stemming from war with Hamas. Fitch upgraded Turkey's long-term foreign currency IDR to B+ from B, with a positive outlook on 8 March. It attributed the move to increased confidence in the durability and effectiveness of policies implemented since June 2023 in reducing macroeconomic and external vulnerabilities. International reserves stood at $131bn in early March, $32bn higher than June 2023. The Islamic Development Bank is to provide $6.3bn for financing projects in Turkey during 2024-2026.

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	A2	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	4	4
Palestine	CLC	D	—	—	7	7	–
Qatar	OA	A3	Aa2	AA+	2	2	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**	**OA**	=	**Open account**
CIA	=	**Cash in advance**	**SD**	=	**Sight draft;**
CLC	=	**Confirmed letter of credit**			**30/SD to 180/SD — days sight draft**
ILC	=	**Irrevocable letter of credit**			
NA	=	**Not available**	**WR**	=	**Withheld rating**

Sources

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

Development finance update

APAC: The Asian Development Bank (ADB) said it is on track to deliver its commitment to invest $14bn by 2025 to improve regional food security.

At end-2023, ADB had committed $7.6bn, or about 52 per cent, of the pledged 4-year allocation, announced in September 2022. "We need to accelerate food systems transformation by safeguarding and reinvesting in the region's natural capital and ecosystems, bolstering support for farmers and agribusinesses, and facilitating open trade for efficient food distribution," said ADB president Masatsugu Asakawa at the Asia and the Pacific Food Security Forum 2024 in Manila. ADB said it is supporting efforts to safeguard food security in Afghanistan, Bangladesh, Indonesia, Nepal, Pakistan, China, the Philippines, Solomon Islands, and other members.

BRAZIL: The Inter-American Development Bank (IDB) approved a $42.5m loan to help the State of Tocantins modernise its fiscal management.

IDB said the loan has a 24.5-year repayment term, a six-year grace period, and an interest rate based on the secured overnight financing rate. It said Tocantins is the nineteenth Brazilian state to receive financing from the Brazil Fiscal Management Modernization Program, Profisco II, which will benefit state citizens in general, the state government and the private sector through better service delivery and infrastructure, easier and less costly tax compliance, and greater availability of information and data for public management and public account transparency. Profisco II operates through a $900m Conditional Credit Line for Investment Projects approved by IDB in 2017. This finances projects by individual state governments, with support from the federal government, which provides sovereign guarantees for the programme's loans on behalf of the states.

ETHIOPIA: The World Bank extended $1.72bn in long-term, concessional lending.

Ethiopia's Finance Ministry said in a statement that the bank will allocate $523m to expand the country's electricity network and boost renewable energy generation. It said an additional $500m will go towards two projects aimed at boosting access to food markets, including improving road networks in rural areas. The remaining World Bank funding will be allocated to improving water supply, among other areas. Ethiopia is recovering from a two-year war in the northern Tigray region, and droughts, floods, and locust invasions across the country.

GLOBAL: The World Bank printed two sustainable development bonds, raising a total $6bn.

It said the transactions – 2-year and 7-year bonds, both worth $3bn – attracted over 260 orders totalling over $12.7bn from "a globally diverse and broad base of fixed income investors". HSBC Bank, JP Morgan Securities, Merrill Lynch International and Wells Fargo Securities were the lead managers for both bonds, which will list on the Luxembourg Stock Exchange. The 2-year tranche priced at a spread versus the reference US Treasury of +8.5 basis points, resulting in a semi-annual yield of 4.764 per cent. The 7-year tranche priced at a spread versus the reference US Treasury of +15.3 basis points, resulting in a semi-annual yield of 4.521 per cent.

NORTH AFRICA: Western Sahara denounced France's plan to fund Sahrawi projects.

France's intention to use the French Development Agency (AFD) to fund projects in the disputed Sahrawi regions comprises a "provocative" step, Algerian state media reported on 7 April, citing a statement from Western Sahara's Information Ministry. "This is a dangerous escalation of France's hostile stance towards the Sahrawi people," the statement said, adding that France's plan "represents explicit support for Morocco's illegal occupation of parts of Western Sahara". According to an article in France's Le Monde newspaper, France's foreign trade minister, Franck Riester, indicated that the AFD, via its private sector financing arm Proparco, could help fund a project involving a high-voltage power line between Dakhla, Western Sahara's capital, and the Moroccan port city of Casablanca. Morocco considers Western Sahara its own but an Algeria-backed independence movement, the Sahrawi people's Polisario Front, lays claims to the desert territory in northwestern Africa.

UKRAINE: The European Bank for Reconstruction and Development (EBRD) teamed up with two banks to unlock new private sector financing.

EBRD said it provided €50m and €12.5m unfunded portfolio risk-sharing facilities to Oschadbank and Ukrgasbank respectively to unlock €200m and €50m of new financing. In each case, EBRD's facilities will cover up to 50 per cent of the banks' credit risk on newly issued sub-loans worth an aggregate €250m to private businesses operating in Ukraine. In both cases, the guarantee enhances the local bank's lending capacity and enables it to provide much-needed funding to companies operating in critical industries such as agriculture, manufacturing, construction, transport and pharmaceuticals, EBRD said. The USA, through the Crisis Response Special Fund, will provide first-loss risk cover to partially mitigate the risk associated with the new exposure. EBRD said that up to 20 per cent of the risk-shared loans will support private MSMEs' long-term investments in EU-compliant and green technologies, improving the recipients' competitiveness on domestic and foreign markets.

Two weeks in trade finance

AFRICA: The Islamic Trade Finance Corporation (ITFC) signed multiple agreements with member countries and strategic partners.

A $40m murabaha agreement extended to the Trade and Development Bank aims to bolster economic growth and enhance trade finance capabilities within Eastern and Southern Africa. A three-year, $150m framework agreement with the government of Uganda will support key sectors such as energy, agriculture, and health, alongside promoting private sector development. The largest agreement was a $250m murabaha financing agreement with Afreximbank. This trade facility will provide support for Afreximbank's trade operations within the Ukraine Crisis Adjustment Trade Financing Programme for Africa, developed to manage the impacts of the Ukraine crisis on African economies.

AFRICA: British International Investment (BII) signed a $100m risk-sharing facility with Citi to support trade finance needs.

The facility will help local businesses in underserved markets to finance the import of economically productive goods, transport, essential equipment and machinery supporting the emergence of manufacturing industries in frontier and emerging economies, including Benin, Cameroon, Côte d'Ivoire, Rwanda, Tanzania, Uganda and Zambia. The investment seeks to provide trade finance liquidity to Citi's extensive network of commercial banks, enabling support for African businesses importing commodities such as wheat, fertiliser, rice and sugar.

AFRICA: London-based investment manager Acre Impact Capital won investor commitments worth $100m for its Export Finance Fund's first closing.

Created to target climate infrastructure in Africa, the fund attracted a diverse group of backers, including development finance institutions, institutional investors, family offices and impact-first investors. The Fund also secured significant commitments from several African investors, including Standard Bank. With a target size of $300m, the Fund aims to invest in 15-20 projects in renewable power; health, food and water scarcity; sustainable cities and green transportation. By providing specialist funding for the 15 per cent commercial debt tranche in export credit deals, the Fund is expected to mobilise $5.60 of private sector capital for each dollar invested.

AFRICA: Export Trading Group (ETG) inked a $115m sustainability-linked revolving credit facility.

Japanese lender Sumitomo Mitsui Banking Corporation was sole coordinator, bookrunner, initial mandated lead arranger (MLA) and joint sustainability coordinator. Rabobank was also an initial MLA and joint sustainability coordinator. Mizuho Bank joined as MLA and Bank of China's Geneva branch, JPMorgan Chase's London branch, Société Générale and The National Bank of Ras Al Khaimah acted as arrangers. Marking ETG's first syndicated and sustainability-linked facility, the transaction was designed to improve food security in Africa. It includes six key performance indicators (KPIs) with sustainability performance targets in the fields of decarbonisation, reforestation, farmer extension services, and gender empowerment.

AMERICAS: Finacity Corporation increased its existing off-balance sheet trade receivables securitization for Votorantim Cimentos North America (VCNA).

The transaction allows for up to $250m in funding of the senior tranche through the securitisation of VCNA's US and Canadian receivables. Finacity served as structuring agent and coordinated the renewal process on behalf of the company. Finacity also serves as the ongoing administrator and provider of reporting services for the programme. VCNA is the North American subsidiary of Brazilian building materials company Votorantim Cimentos.

APAC: Guy Carpenter appointed Richard Chu as managing director, credit, bond & political risk, global specialties.

Mr Chu is a reinsurance industry veteran of some 30 years, holding senior financial, credit, and specialty roles at major reinsurance firms including Swiss Re and Asia Capital Reinsurance Group. Most recently, he worked at Partner Re since 2015 as head of financial risks for Asia Pacific. His new role entails responsibility for new business development across the Asia Pacific region for Guy Carpenter, the global risk and reinsurance specialist arm of Marsh McLennan.

AUSTRALIA: Trade credit insurance broker Prasidium Credit Insurance was acquired by Arthur J. Gallagher.

The Prasidium team will integrate into Gallagher's Australian offices. The strategic move is part of Gallagher's continued global expansion. The financial details of the deal remain undisclosed.

BARBADOS: The African Export-Import Bank (Afreximbank) extended a $25m term loan facility to Kensington Oval Management Inc.

Guaranteed by the Barbadian government, the facility is Afreximbank's first for Barbados. The proceeds will be used to improve the Kensington Oval cricket ground in Bridgetown, ahead of the 2024 Cricket World Cup that is set to take place from 4-30 June. The facility will go towards renovation and refurbishing works; upgrading

Two weeks in trade finance

A/V and electrical systems as well as the procurement of temporary stands.

GLOBAL: The International Credit Insurance & Surety Association (ICISA) and the AMAN UNION partnered.

The agreement aims to foster mutual cooperation and knowledge sharing in the arena of trade and investment insurance. The AMAN UNION concentrates on promoting the insurance industry of commercial and non-commercial risks within member states of the Organization of the Islamic Cooperation and those within the Arab Investment & Export Credit Guarantee Corporation.

GLOBAL: PrimeRevenue joined the International Trade and Forfaiting Association (ITFA).

Headquartered in Zürich, Switzerland, the ITFA comprises approximately 320 members, located in over 50 countries. PrimeRevenue's working capital financial technology solutions are used by more than 40,000 companies globally.

INDIA: YES Bank signed up to the cross-border trade finance platform Vayana TradeXchange (VTX).

The alliance will offer competitively priced credit solutions to both buyers and sellers on the VTX platform, with a particular emphasis on export factoring operations. "This partnership reaffirms YES Bank's commitment to fostering financial innovation, being the first bank to transact on the VTX platform," said Ajay Rajan, country head – government, multinational & international business, transaction banking & knowledge units, YES Bank.

LITHUANIA: KfW IPEX-Bank, Nord/LB and Nordic Investment Bank provided a €326m long-term loan for a 264MW onshore wind farm.

German export credit agency Euler Hermes part-guaranteed the loan, extended to LT Energija, a special purpose company owned by the Lithuanian renewable energy developer and operator UAB Renerga, part of the Achemos Group. The funds will be used for the construction and operation of the Pagegiai wind farm in the Lithuanian province of the same name. After its planned completion in 2026, Pagegiai will be the largest greenfield onshore wind farm in the Baltic region, using 40 wind turbines supplied by Nordex. Purchase of the electricity is secured by a long-term contract within the Achemos Group.

SOUTH AFRICA: Seriti Green signed a long-term project financing agreement for delivery of a 155MW wind farm in Mpumalanga.

Rand Merchant Bank (RMB) and Standard Bank were co-mandated lead arrangers. The R4bn project represents the first phase of a 900MW renewable energy portfolio known as the Ummbila Emoyeni energy cluster. The wind farm marks the first renewable energy project in Mpumalanga, traditionally a coal hub. RMB is a minority shareholder in Seriti Green, a subsidiary of mining and energy company Seriti Resources, which will offtake the project's electricity.

SOUTH-EAST ASIA: British International Investment (BII) and FMO extended a $50m financing facility supporting the renewables sector.

The joint financing facility will support energy-as-a-service provider BECIS to grow its rooftop solar portfolio in South and South-East Asia to nearly 350MW by 2025. Srini Nagarajan, BII's managing director and head of Asia at BII, said the investment "is BII's first direct debt financing in South-East Asia". It will be used to fuel BECIS' expansion across Vietnam, the Philippines, Indonesia, Thailand, Malaysia and India.

SPAIN: Santander appointed Enrique Rico as its new global head of trade and working capital solutions.

Based in Madrid, Mr Rico has worked for almost eight years at Santander Corporate & Investment Banking. He joined in 2016 as vice-president, structured trade and asset mobilisation, before taking up the role of global head of structured trade. He previously spent two years at RBS in London, originating financing in Iberia and Italy.

TURKEY: Nippon Export and Investment Insurance (NEXI) insured a €140m loan for Türk Eximbank.

Sumitomo Mitsui Banking Corporation, Deutsche Bank's Tokyo branch and ING's Tokyo branch provided the loan, which will be used to support the working capital needs of Japanese companies in Turkey as well as Turkish exporters who have business relationships with Japanese companies. NEXI said its 10-year insurance is the first transaction entered into with a foreign ECA aligning with its LEAD Initiative launched in December 2020. The deal carries 100 per cent political risk and 90 per cent commercial risk cover.

UAE: RAKBANK joined forces with DP World to offer trade finance solutions to businesses of all sizes.

This strategic partnership offers clients of RAKBANK access to DP World's simplified digital platform, extensive trade network and real-time data insights. RAKBANK is majority-owned and controlled by the Ras-Al-Khaimah government.

Two weeks in trade finance

UK: Barclays and UK Export Finance (UKEF) provided a £1.3m trade finance package for Leicester-based Unimed Procurement Services.

UKEF said its backing for the financing allowed Unimed to fulfil a delivery of over 350 ultrasound machines to Latin America.

UK: Antares Syndicate 1274 launched a consortium for credit and political risk insurance (CPRI) underwriting.

The consortium, already actively considering submissions, draws on the established credit risk expertise and respected analytical capabilities of the political & financial risk team at Antares, which is the re/insurance subsidiary in the Lloyd's market of Antares Global. The maximum line for the consortium will initially be $40m, with Antares providing 75 per cent and 25 per cent provided by other Lloyd's carriers.

UK: Beat Capital Partners launched Convergence, a tech-enabled credit insurance underwriter.

Beat said that Convergence will utilise a "proprietary algorithmic modeling platform" developed in partnership with University College London. Convergence is led by chief executive and founder Stephen Pike, a credit insurance veteran of 20 years. Beat said the new platform allows for the "swift integration and analysis" of high-resolution data provided by financial institutions, enabling efficiency and precision in credit risk management. With an initial focus on Europe and North America, the business is expected to underwrite through a Lloyd's consortium, led by Beat Syndicate 4242. Beat is a long duration venture capital investor exclusively focused on insurance.

UK: Bermuda-based Aspen Insurance Holdings promoted Sacha Karlsson to head of credit and political risk.

Based in London, Ms Karlsson has worked at Aspen since 2018, most recently as head of credit and structured risks. Prior to joining Aspen, she was a senior broker at Willis Towers Watson and has worked at Liberty Specialty Markets as an underwriter for global financial risks.

UZBEKISTAN: The Bank of China (BoC) supplied ACWA Power with an $80m equity bridge loan to support a solar-plus-storage portfolio.

Saudi-based ACWA said the funding will go towards the construction of a 200MW PV plant, which includes a 500MWh battery energy storage system. ACWA signed an engineering, procurement and construction contract for the project last year with the China Energy Group Corporation. The European Bank for Reconstruction and Development has also extended a $140m loan to the estimated $550m project. Split into US dollar and Chinese renminbi tranches, the BoC funding marks the first renminbi-denominated loan agreement between a Chinese bank and Saudi Arabian company.

VIETNAM: A local frozen seafood producer partnered with Tradewind Finance.

Previously funded by banks, the Vietnamese company secured a $1.5m export factoring and credit insurance facility that allowed it "to unlock a considerable amount of cash flow tied up in their accounts receivables and diversify their buyer portfolio with confidence", Tradewind said. Vietnam's seafood exports reached nearly $2bn in the first quarter of 2024, according to the Vietnam Association of Seafood Exporters and Producers.

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