

Officially supported export credits: application of certain guidelines

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The Commission's annual review concerns export credit activities within the meaning of Regulation (EU) No 1233/2011, i.e. "medium and long term" transactions with a repayment period of 2 years or more. It is based on Member States' export credit activities and covers the calendar year 2012.

Annual Activity Reports have been received from the following Member States: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxemburg, Netherlands, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden and the United Kingdom.

Cyprus, Estonia, Greece, Ireland, Latvia, Lithuania and Malta did not have active export credit programs within Regulation 1233/2011 during the reporting year. Croatia joined the European Union on 1 July 2013.

General and financial information: the regulatory framework (Regulation (EU) No 1233/2011) focuses on rules for export credit transactions and programs, but leaves it entirely to the individual Member State to decide whether to run an export credit program or not, and in the affirmative case how to organise its respective Export Credit Agency ("ECA").

In some Member States, the ECA is a government department or agency. In others, an insurance company performs this function under a public mandate and under government supervision. The report makes the following points:

- Compared to the previous reporting year the picture has not fundamentally changed: **in 2012, 20 EU Member States were running export credit programs** within the meaning of Regulation (EU) No 1233/2011, these programs being managed by a total of 27 different agencies and government departments.
- As already mentioned in the last annual review, the most common category of export credit support offered by European ECAs traditionally used to be "pure cover" (i.e. the export transaction in question is actually financed by a credit from a commercial bank, for which the ECA provides a guarantee or insurance-type cover), although some Member States also have been offering "official financing support" (e.g. interest rate support schemes).
- As a result of the global financial crisis of 2008-09 and the Eurozone crisis, it has in recent years become more difficult to obtain sufficient liquidity from commercial banks. Not all EU Member States are affected in the same way, but many have developed new instruments during the last years to mitigate such problems.

The Commission considers that the **Annual Activity Reports provide relevant financial information** on the export credit programs in 2012. Whilst there are some differences in presentation, the Commission has no specific observations on the financial aspects of the Annual Activity Reports.

Treatment of "environmental risks, which can carry other relevant risks": all Member States explicitly refer to this provision in their Annual Activity Reports. Some Member States explicitly refer to social impacts and a few also to human rights, fundamental labour standards, anti-bribery and general impact on development.

Environmental evaluation processes typically lead to a decision to either decline or to actually provide export credit support.

Compliance of ECAs with Union objectives and obligations: the report notes that there have been no disputes at WTO level involving European export credit programs. The Commission did not receive any complaints concerning potential infringements of EU law involving export credit agencies in 2012.

Compliance with Union objectives: the Treaty on the European Union (TEU) enumerates the general objectives of the Union in its Article 3 and the principles and objectives of the Union's External Action in Article 21. As regards the EU's common commercial policy, reference to the principles and objectives of the Union's external action is made in Article 206 and in the first paragraph of Article 207 of the Treaty on the Functioning of the European Union.

In summary, the Commission takes note that **all Member States have developed policies to accompany the management of their export credit programs that are in line with the EU's objectives.**

The Commission sees a clear general willingness on the side of the Member States to apply policies to their export credit programs, whose objectives are in line with the general language of Articles 3 and 21 TEU. In the Commission's view, this concerns notably the following objectives:

- establishing **an internal market** (Article 3(3) – as mentioned, all export credit programs have to be compatible with relevant legislation), and - at an international level – to uphold and promote "free and fair trade" (Article 3(5) ;
- consolidating and supporting **human rights** (Article 21(2)(b),
- encouraging the **integration of all countries into the world economy** (Article 21(2)(e) ;
- helping develop international measures to preserve and improve the **quality of the environment** and sustainable management of global natural resources, in order to ensure sustainable development (Article 21(2)(f).

The Commission takes note of the [resolution adopted in July 2013](#) by the European Parliament on the first reporting exercise under Regulation (EU) No 1233/2011. It has brought this resolution to the attention of Member States for future reporting exercises.