



# NZECO - Supporting New Zealand's Exporters

Helping New Zealand exporters grow and manage risk

(Banking & Financial Services Law Association – 28 August 2016)

# NZECO (to date)

Help Exporters to:

- ▶ Manage payment risk for overseas buyers;
- ▶ Secure international sales;
- ▶ Access additional funding from their bank;

Risk on overseas Buyers insurances	Risk on New Zealand Exporters guarantees
Trade Credit Insurance	General Contract Bond
Export Credit Guarantee	Loan Guarantee

“Complement not Compete”

# Case studies and examples



**Scott Technology – Export Credit Guarantee**



**Hydroworks – Contract Bonding**



**Wine Technology – Loan Guarantee**

# Exports supported to date



**540**  
policies  
issued

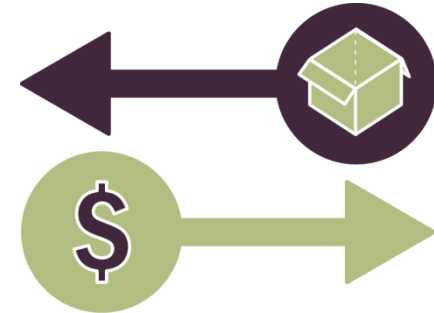


Exports to  
**82** countries  
supported



**134**  
exporters  
supported

- 33% T/O >\$5m;
- 78% T/O >\$50m;
- 14% T/O <\$100m.



NZD  
**2.5 billion**  
of trade  
supported



EXPORT CREDIT  
OFFICE

# Recent Mandate Changes

## Guarantees:

- Removal of need for bank to exhaust security limits; ✓
  - To encourage banks to come to NZECO earlier to support exporters;
- Removal of turnover cap for Loan Guarantee and extension of tenor; ✓
  - Enables NZECO to support a wider group of exporters;

## Insurances:

- Increase cover for Letters of Credit to 100%; ✓
  - Has enabled NZECO to support a greater number of exporters who require 100% cover when they sell down risk.

# Recent Mandate Changes – cont..

## New:

- Support for the Export “Supply Chain”: ✓
  - Canada (EDC) & Australia (EFIC) for best practice;
  - Working out how to engage with the export supply chain;
  - Strengthen an exporter’s supply chain;
  - Broadens the scope of companies that contribute to exports;
  - Existing products: offered to wider scope of companies;
- Political Investment Insurance: (work in Progress)
  - Still working out how we will implement;
  - Working with AIG and will engage EFIC in order to develop product;
  - In the first instance will look to re-insure other Political Risk Insurance insurers;