

ECI secures AED4bn of non-oil trade in H1 2020 to accelerate UAE exporters' recovery, ensure continuity, competitiveness

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/EINPresswire.com/ -- • ECI provides over 1,400 revolving credit guarantees for a total exposure amount of AED1.2 billion, which is equivalent to approximately AED 4 billion guaranteed payments for non-oil trade to more than 70 countries from January to June 2020

- The top beneficiaries, sectors-wise, are cable, steel, petrochemicals, healthcare, automotive, building materials and food
- 55% of the total revolving credit limits were issued to large private exporters and 17% to SMEs, while the remaining 38% were issued in favor of UAE Government companies



Massimo Falcioni, CEO of Etihad Credit Insurance (ECI)

• To further support exports, ECI increases payment protections, relaxes terms for policyholders, expedites approvals and claims processing, and introduces flexibility on premium rates despite increase in risk

Etihad Credit Insurance (ECI), the UAE Federal export credit company, has issued over 1,400 revolving credit guarantees covering AED 4 billion-worth of non-oil exports from January to June 2020, thereby providing solid contribution to employment and the non-oil economy of the country.

In line with its mandate to boost national export activity and economic diversification, ECI has insured non-oil exports to more than 70 countries, ensuring business continuity from the early days of the coronavirus outbreak to the height until the easing of the COVID-19 pandemic.

The top beneficiaries of ECI in terms of sectors in the first half of 2020 are cable (35 per cent), steel (26 per cent), and petrochemicals (13 per cent). These sectors represent three-quarters of ECI's insured sectors. Meanwhile, the healthcare (9 per cent), automotive (9 per cent), building materials (7 per cent), and food (1 per cent) sectors rounded out the beneficiaries.

ECI CEO Massimo Falcioni said the substantial amount of credit guarantees issued by the federal export credit company—along with the fiscal stimulus packages floated by the UAE government—provided a safety net and a stable source of support for UAE exporters and re-exporters. This way, they can continue to win contracts, fulfil orders, and get paid even in the most critical months of the COVID-19 crisis.

“The UAE maintained its economic activity during the global health crisis by utilising technology to the fullest, for which it has invested greatly long before the pandemic struck the world. By doing so, the country was able to mitigate the worse effects of the COVID-19 pandemic on our economy, showing what vision and wise leadership can do,” Falcioni explained.

“Even if the coronavirus pandemic brought global trade to a halt, ECI has continuously fulfilled its role as an economic stabiliser. We are working in joint cooperation with Chambers of Commerce as well as Airports and Ports Free zone authorities to ease SMEs' access to trade finance solutions. In line with the UAE government's measures that aim at shielding corporates from the impact of global economic downturn, ECI has issued 1,468 revolving credit guarantees for a total exposure amount of AED1.6 billion, which is equivalent to AED4 billion guaranteed non-oil export coverage in the first half of the year to support exporters as they grow in the international market,” Falcioni stressed.

To further support exports, ECI has increased payment protections, relaxed terms for policyholders, and expedited approvals and claims processing. The company has also introduced flexibility on premium rates despite the increase in bankruptcy risk to continuously provide stable risk coverage.

ECI has also become a backstop for the supply chain with its increased financial support on aspects indirectly related to exports, such as coverage for working capital, pre-shipment finance, supply financing guarantees, and support to domestic suppliers and exporters.

Falcioni underlined ECI's unswerving commitment to support UAE businesses in the days ahead: “ECI will always remain consistent with the UAE government's multi-pronged fiscal policy approach to provide support to businesses in order to fast track their recovery and accelerate their growth to ultimately contribute to a more robust economy in the post COVID-19 era.”

Jan Vincent Ang
New Perspective Media Group
+971 554739253
[email us here](#)

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