

Etihad Credit Insurance shareholders laud the Federal Company's performance in 2020

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Etihad Credit Insurance, the UAE's Federal export credit company, held its Annual General Meeting of Shareholders to review its performance and financial statements in 2020, as well as discuss its strategic plans and future projects.

The meeting was chaired by His Excellency Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade and Deputy Chairman of Etihad Credit Insurance (ECI) Board of Directors.



His Excellency Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade and Deputy Chairman of Etihad Credit Insurance Board of Directors, chairing the meeting

During the meeting, the shareholders commended the management of the ECI for developing and implementing strategies in line with the national non-oil diversification agenda, which made significant contributions to UAE's economic recovery and sustainability. The shareholders also lauded the organisation's sterling business performance despite the current global economic conditions, and its tireless efforts to boost the growth of the country's exporters and re-exporters and ease their access to global markets.

"Despite the severe economic challenges caused by the COVID-19 pandemic, ECI's continued support to UAE trade and export protected businesses' cash flows," said H.E. Al Zeyoudi. "The company's solutions also eased SMEs access to trade finance, accelerating economic recovery during the pandemic period. These measures provided access to new markets to UAE's exporters and re-exporters and helped stabilise the UAE economy, creating new opportunities for investments and project financing, thereby adding value to the UAE's non-oil GDP, employment, and SME sector development."

The shareholders approved some enhancements to the company's mandate (Article of Association), in order to meet the needs of the UAE's non-oil exporters and achieve its full potential to boost non-oil GDP, allowing the company to:

Insure non-oil exporters to cover their domestic trade commercial risks, as part of the insurance cover provided to those exporters, in relation to their exports outside the UAE; provide Shariah-compliant trade credit insurance and trade finance solutions (Islamic window); insure and guarantee the protection against the risks associated with credit facilities offered in whatever form including but not limited to, non-oil project finance, export finance, supply financing and/or factoring programs granted by banks licensed in the UAE in relation to the activities set out above; insure against risks associated with the confirmation of letters of credit issued by foreign banks, provided that such letters of credit are issued to support the export or re-export of goods, services or other capital goods outside the UAE.

The rationale for the enhancement of ECI's mandate is that the mandates of Export Credit Agencies in successful economies are to help exporters go, grow and succeed internationally in order to create jobs and foster economic growth. ECAs' support is always important, but crucial in times of crisis. International trade is a key pillar of economic development and growth, and export credit agencies such as ECI create high economic impact by insuring business volumes and create new and safeguard existing jobs, particularly in innovative micro, small and medium-sized enterprises (MSMEs).

As of May 2021, ECI has issued 4,039 revolving credit guarantees, equivalent to AED 7.5 billion worth of non-oil trade to 85 countries. A detailed review of the performance has revealed that among the 18 sectors that benefited from ECI's guarantees include cable, steel, petrochemicals, building materials, packaging, automotive, energy, utilities, healthcare, and food.

Amid the pandemic-induced economic slowdown, these guarantees helped to protect the liquidity of businesses in the UAE, assisting them in reducing their cost of bank funding. These facilities also allowed the companies to request their preferred bank to discount invoices at a preferential rate.

The meeting was attended by representatives of ECI's shareholders, namely His Excellency Rashid Abdul Karim Al Balooshi, the Undersecretary of Abu Dhabi Department of Economic Development (ADDED)—representing the Emirate of Abu Dhabi; His Excellency Saed Mohamed Alawadi, CEO of Dubai Exports, Board Member and Chairman of the Executive Committee at ECI—representing the Emirate of Dubai; His Excellency Dr. Abdurahman Al Shayeb Al Naqbi, Director General of the Department of Economic Development of Ras Al Khaimah—representing the Emirate of Ras Al Khaimah; His Excellency Yousef Abdullah Alawadi, Deputy Director of Fujairah Natural Resources Corporation—representing the Emirate of Fujairah; Tariq Al Marzooqi, Acting Director of Government Revenues Department at Ajman's Department of Finance—representing the Emirate of Ajman; Ahmad Rashid Ahmad bin Fahad, Data Governance & Analytics Team Leader at Ministry of Finance, representing the Youth. The CEO of ECI, Massimo

Falcioni, was also present at the meeting.

The representatives have also set the agenda for future initiatives that will contribute to accelerating the country's economic diversification through innovative trade credit, trade finance and project financing solutions.

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