

Etihad Credit Insurance and African Trade Insurance Agency partner to boost trade and investments between UAE and Africa

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EINPresswire.com/ -- Etihad Credit Insurance (ECI), the UAE Federal export credit company, and African Trade Insurance Agency (ATI) signed a reciprocal reinsurance agreement to strengthen trade ties and boost exports between the two markets by providing trade credit insurance and trade finance solutions to businesses.

The deal follows the Memorandum of Understanding (MoU) each entity signed in March last year to enhance the global competitiveness of exporters by improving their awareness of export credit and trade finance solutions and encouraging them to use risk-mitigating tools against commercial and political risks.

Under the agreement, signed by Massimo Falcioni, CEO of Etihad Credit Insurance and Manuel Moses, CEO of ATI, both organisations aim to support joint Emirati and African ventures in their own countries as well as their collaborative initiatives in other countries by sharing risks enabling these companies to grow trade globally.

Emphasising the significance of this strategic alliance, Falcioni said: "UAE and Africa continent enjoy illustrious historic bilateral trade relations, and we at ECI are proud to reinforce that tradition with the support of ATI. This collaboration will provide UAE exporters real confidence to access the African region's diverse markets and resources with state-backed guarantees and safeguards against commercial and political uncertainties."

Moses said: "This deal with ECI is a major step to strengthen our commitment to providing risk



5th from the left Manuel Moses, CEO of ATI; 6th from the left Haitham Al Khazaleh, Director of Risk Management of ECI; 3rd from the left Zishan Iqbal, Director of Murabaha Solutions and the ATI team during the signing ceremony

solutions to businesses, investors and commercial lenders interested in doing business in the UAE and Africa. Deepening our ongoing partnership, this reinsurance agreement will pave the way to unparalleled trading opportunities for businesses to improve their regional and global competitiveness."

Trade between the UAE and Africa has registered steady growth in recent years, with the Emirates becoming the fourth-biggest investor in Africa last year by investing in 71 different projects worth \$5.64 billion, according to research consultancy Knight Frank. And according to the data published by the Emirates News Agency (WAM), the value of non-oil trade between the UAE and Africa reached \$40.7 billion in the first nine months of 2020, compared to \$36.9 billion in the same period of 2019, while the value of non-oil trade between the two amounted to \$50 billion in 2019, compared to \$33 billion in 2015.

The UAE particularly seeks to capitalise on many high-growth sectors in African countries, including tourism, infrastructure, energy, transport, logistics, and IT.

Recently, ECI partnered with Israel Export Insurance (ASHRA) to provide buyer's credit guarantees supporting a healthcare project in Ghana's AED540 million (Euro 140 million), which involves the construction of four hospitals and a central medical storage facility in the country. The project aims to enhance the healthcare facilities of Ghana and is expected to benefit more than 3 million Ghanaian citizens.

ECI, in association with its British counterpart UK Export Finance (UKEF), has also supported a major initiative in the Republic of Senegal to bolster its national emergency response capabilities sector. The AED 540 million (EUR 140 million)-worth project, named Redco Project Senegal, is funded by Standard Chartered Bank along with partial direct lending by UKEF and is backed by ECI under a reinsurance agreement with UKEF worth AED 348 million (EUR 90 million).

The ATI was established in 2001 by seven Common Market for Eastern and Southern Africa (COMESA) countries with the technical and financial support of The World Bank to provide businesses and exporters insurance against political and commercial risks to attract foreign direct investments into the region.

The largest economic bloc of African countries with 21 member countries, COMESA is set to grow into one of the most promising markets in Africa, with an estimated 600 million consumers by 2025. The trade between the UAE and these countries has seen a constant rise in recent years, and by positioning itself as the main trading hub into and from the region, the UAE has paved the way to attract investment from around the world to the region.

The ATI is a key member of the Berne Union (BU)— an international organisation and community of leading export credit and political risk insurers—which delivers around \$ 2.5 trillion of payment risk protection to banks, exporters and investors annually, accounting for more than 13 per cent of global cross-border trade. This month, ATI also played host to the Berne Union's 2022

Annual General Meeting in Kigali, Rwanda, in line with the BU's strategic focus on promoting the role and potential of export credit in Sub-Saharan Africa.

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