

Berne Union Developments in World Trade

Secretary General, Vinco David
Aman Union Workshop

Berne Union Members' Business @ H1 2017

USD 1.3 trillion
New Commitments

- ST: \$ 1,188 bil
- MLT: \$ 66 bil
- INV: \$ 56 bil

A strong start to 2017

- ST credit limits issued +18%
- New MLT business +35%
- INV equalling 2016's record year

USD 2.62 billion
Claims Paid

- ST: \$ 1,068 mil
- MLT: \$ 1,350 mil
- INV: \$ 200 mil

Claims high, but stabilising

- Down 12% in ST
- Up 12% in MLT
- 2/3 of 2016 total in H1 2017

Berne Union Members' Business

Short Term business:

- growth anticipated across developed markets (esp. US and EU)
- significant changes to interest rates may be a concern
- fluctuating oil prices also a challenge
- Members cautious about banking sector in Asia vs. traditional retail in OECD countries

Medium / Long-Term business:

- back to growth, after 5 year decline due to sanctions
- mainly *corporate* (50%) or *sovereign* (30%) obligors
- new commitments to *projects* waning

Developments in Trade

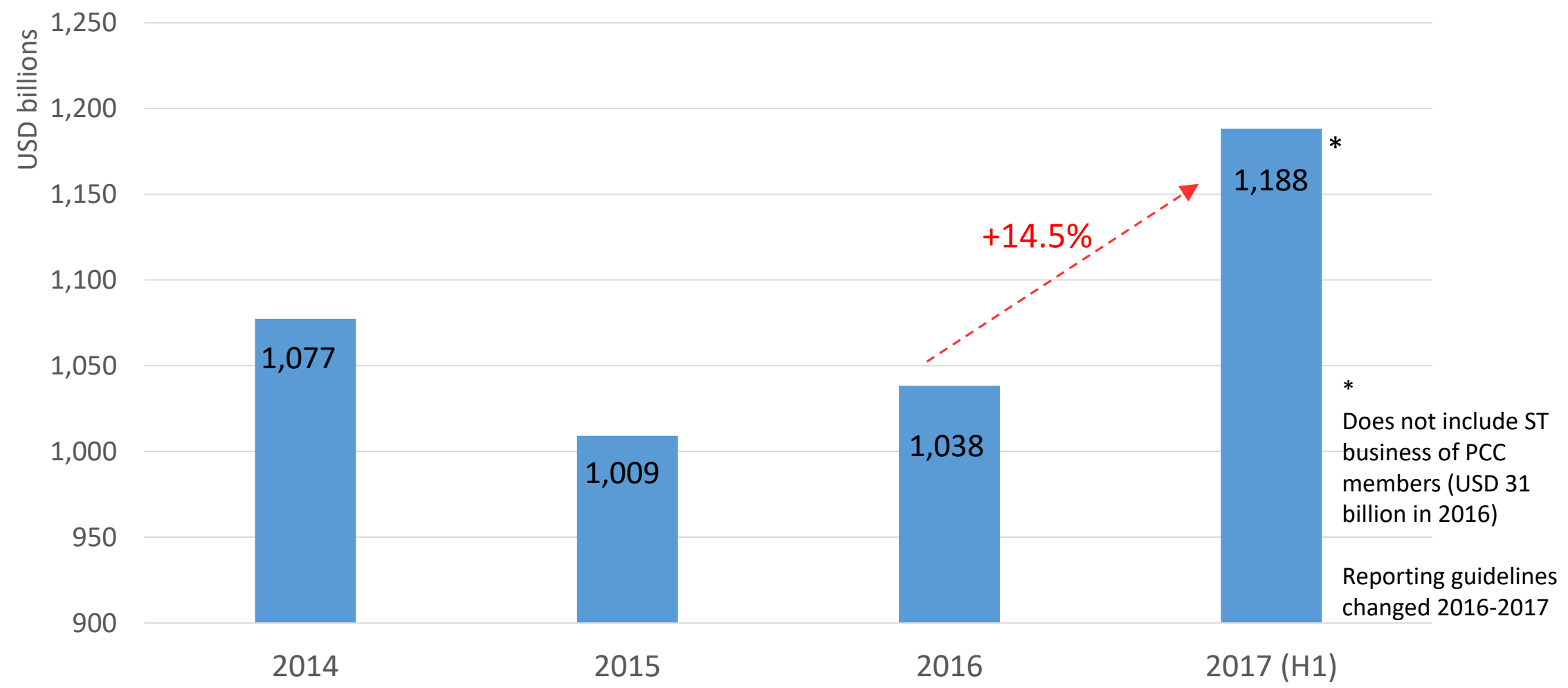
Growth is picking up in some places but not everywhere...

- The de-linkage of economic growth, and trade growth
- Banking industry and broader trade infrastructure in a fairly robust state
 - generally good availability of funding, but regulatory hurdles remain
- New markets opening / reopening (Argentina / Iran etc.)
 - positive but still with some notable challenges
- Political risks and trade barriers remain a concern:
 - political shocks, leadership changes and emerging nationalist/protectionist forces
 - nuclear threat and tensions in the Korean Peninsula
 - sectarian conflict and terrorism in the Middle East, and Europe

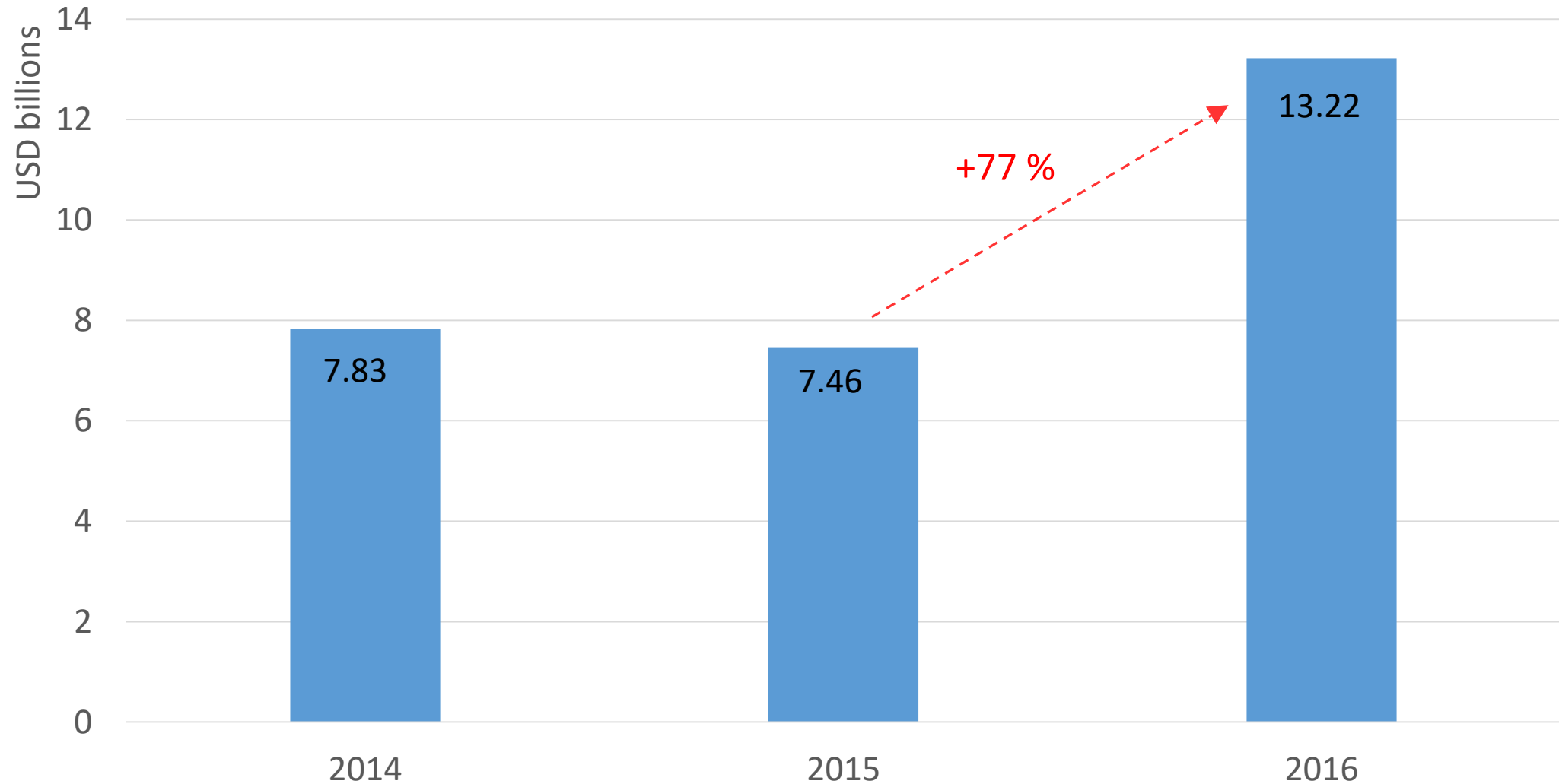
...Despite these challenges,

most Berne Union members are relatively optimistic about the year ahead!

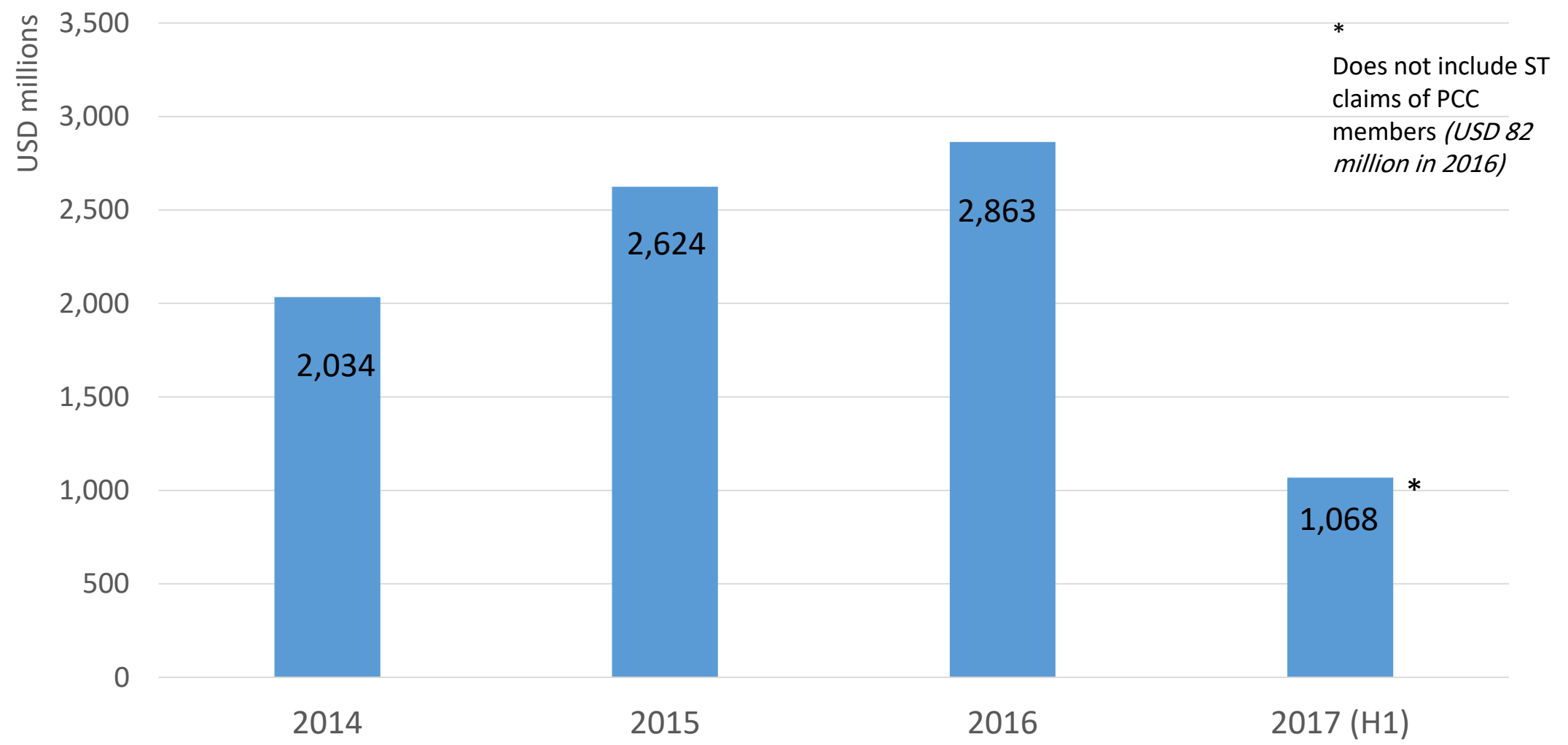
Short Term Commitments: BU Members



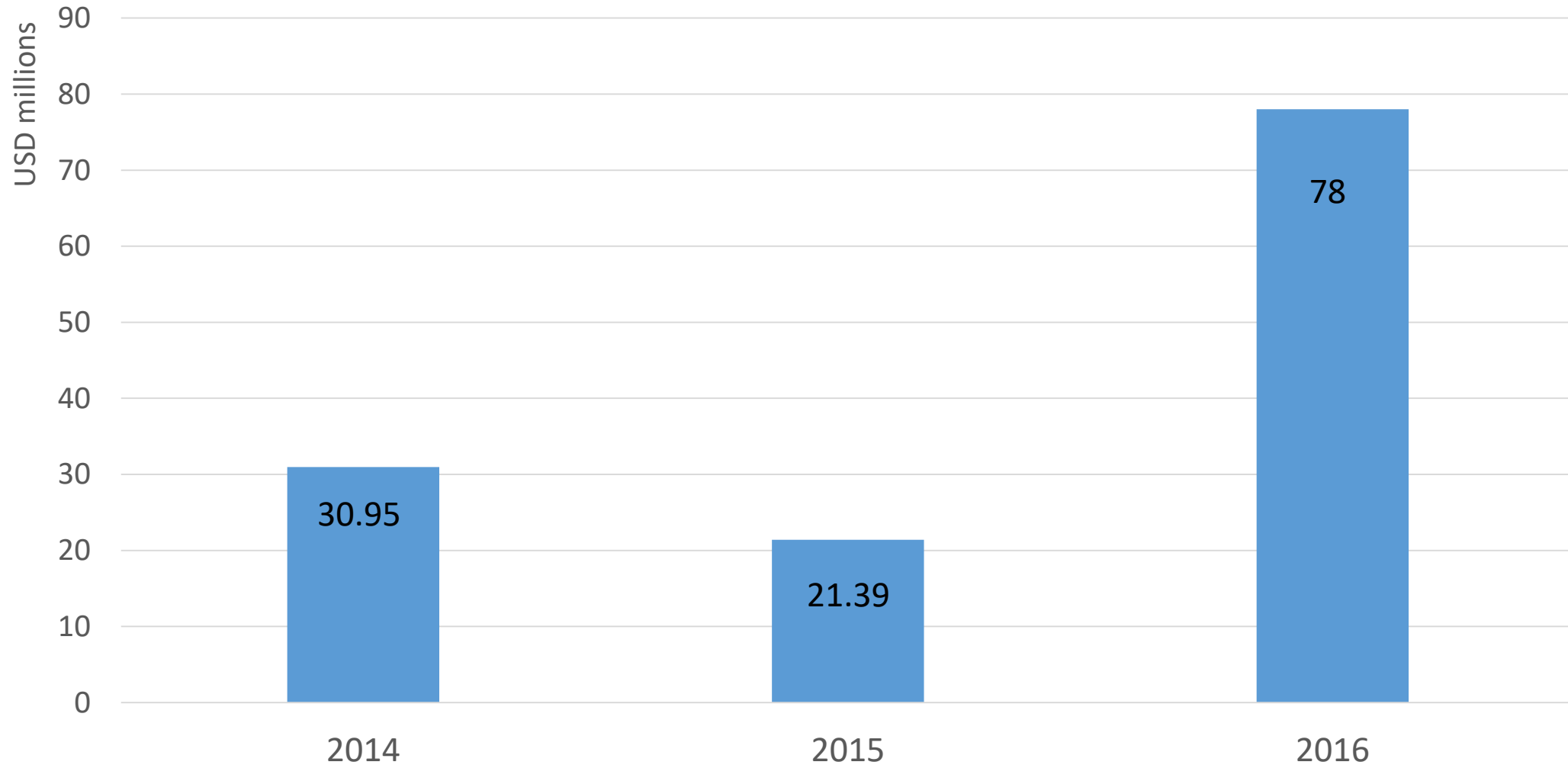
Short Term Commitments: AU Members



Short Term Claims Paid: BU Members



Short Term Claims Paid: AU Members



berneunion
