



**AMAN UNION**

**AMAN UNION SECOND ANNUAL MEETING**

**Istanbul, 04-05 October, 2011**



# **Presentation on Experience of ECGA of Oman on Domestic Credit Insurance**

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# Domestic Credit Insurance

Introduced in September 2003



# Domestic Credit Insurance

**D**omestic **C**redit **I**nsurance is the insurance of non-payment of domestic trade debts where such non-payment arise from either **insolvency** or **default** of payment after acceptance of goods sold



# Reasons for Domestic Credit Insurance

- Satisfy Customer Needs – as clients, they need to minimize commercial risks whether domestic or exports
- Other private credit insurers as well as ECAs are providing domestic cover to their policyholders
- Improve liquidity as such domestic bills receivables can be discounted by commercial banks.
- Supplement ECGA's premium income from domestic business.



# Salient Features

- Provides cover up to **80%** of the loss.
- Cover commences from the date when goods are received by buyers to a maximum credit period of **180** days.
- Cover is restricted only to policyholders who already have availed ECGA's **Export Credit Policy**, as ECGA's main goal is to promote Omani Non-oil exports.

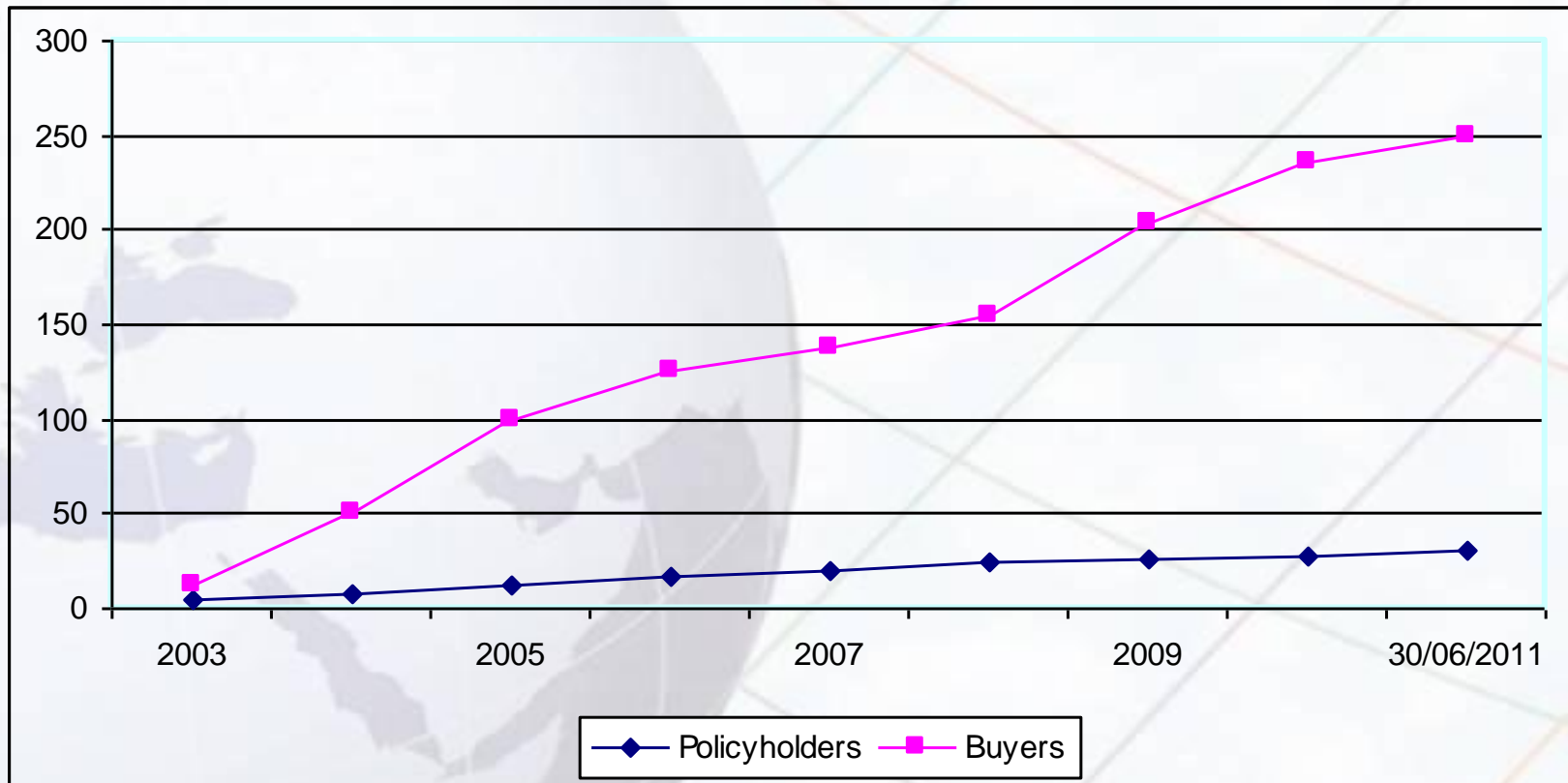


# Highlights of Domestic Credit Insurance

Year	Policy Holders	Buyers
2003	4	12
2004	7	51
2005	12	99
2006	17	125
2007	20	137
2008	24	154
2009	26	203
2010	28	235
30/6/2011	30	250



# No of Policyholders and Buyers



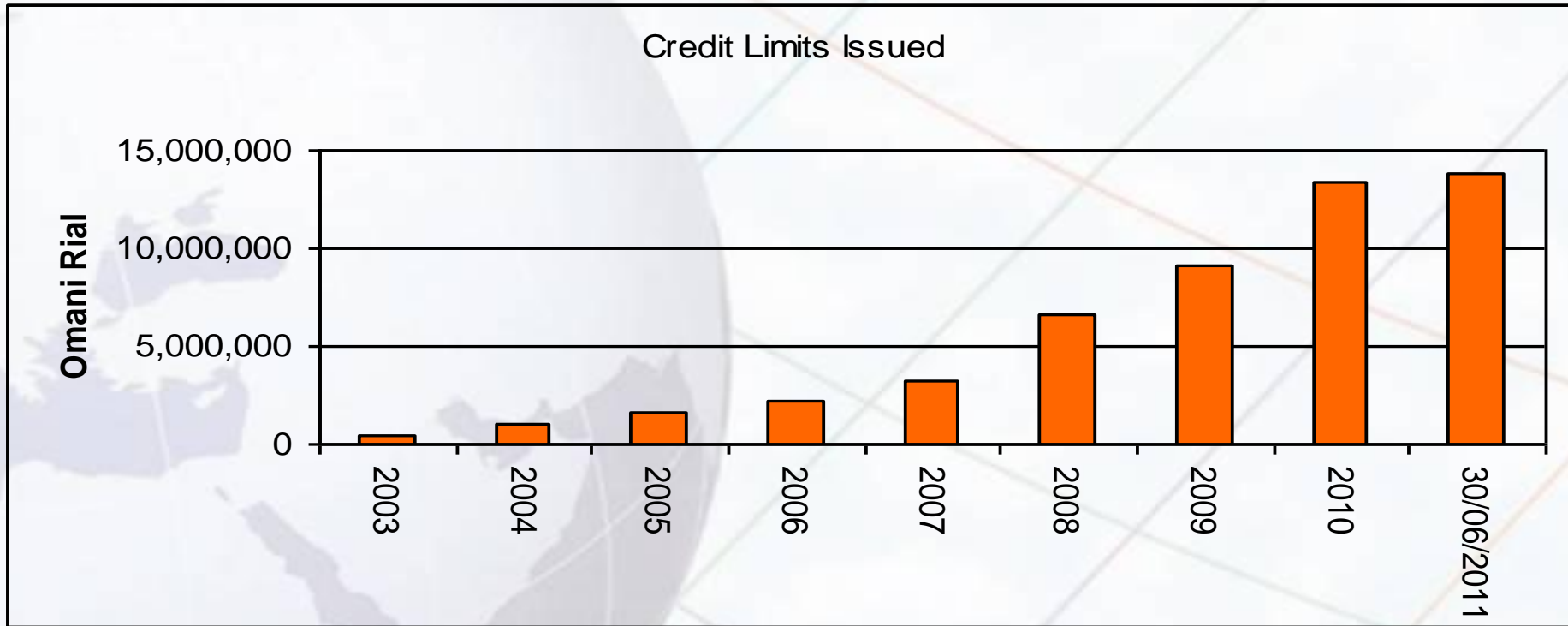
# Domestic Credit Limits

Year	Credit Limits (Omani Rial)
2003	390,000
2004	1,083,500
2005	1,684,000
2006	2,174,000
2007	3,219,000
2008	6,664,000
2009	9,181,500
2010	13,400,000
30/6/2011	13,850,000





# Domestic Credit Limits



# Highlights of Domestic Credit Insurance

Year	Business Declared (Omani Rial)	Premium (Omani Rial)	% of Domestic Premium to Total Premium
2003	380,968	3,508	3.29%
2004	3,080,360	28,720	6.69%
2005	5,677,614	51,004	11.3%
2006	7,709,703	70,506	13.5%
2007	12,065,481	111,206	14.9%
2008	17,758,046	164,618	17.3%
2009	13,541,704	94,287	14.8%
2010	19,482,568	111,042	17.8%

Six Months 2011	7,365,000	43,168	-4.8%
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# Factors of Success

- Existing policyholders doing exports were also availing domestic credit insurance
- Marketing:
  - Visits to exporters
  - Press releases
  - ECGA's news bulletin



As **Credit** Insured Policyholders  
while you reap the **PROFITS**,  
ECGA will bear the **RISKS**.



# QUESTIONS

Thank You

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