

EXIM Thailand Expands Scope of Trade and Investment Insurance Services While Helping Thai Businesses to Penetrate African Markets

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that, with the promulgation of Export-Import Bank of Thailand Act (No. 3), B.E. 2561 (2018) in July 2018, the scope of EXIM Thailand's trade and investment insurance services has been expanded to better serve Thai businesses. The new service features will include: 1. investment insurance provided not only to EXIM Thailand's loan customers but also to commercial banks' clients as well as commercial banks lending to Thai investment projects abroad; 2. export credit insurance to suppliers of products or services to Thai exporters; and 3. insurance protection for financial institutions against unfair calling of bonds issued to Thai business operators overseas. The enlarged scope of trade and investment insurance service is aimed to support Thai entrepreneurs in their contract bidding and trade and investment expansion beyond Thailand. Service provision will be made under collaboration with financial institutions and insurance agencies both at home and overseas to promote mutual benefits as well as furthering economic and social development at both regional and global levels.

Besides an expanding scope of service and cooperation network, EXIM Thailand will collaborate with its business partners in offering trade and investment data to Thai entrepreneurs for use in their penetration of new frontier markets and risk hedging tools for their trade and investment endeavors overseas. EXIM Thailand will organize jointly with Aon (Thailand) Co., Ltd., a multinational insurance broker and world leading trade and investment risk consulting professional, a seminar titled "Africa: New Destination, New Opportunities 2018" to introduce trade and investment opportunities in Africa to 150 Thai entrepreneurs interested in entering the African market at The Okura Prestige Bangkok Hotel on September 4, 2018. Africa is the world's second largest region in terms of area and population following Asia, comprising 54 countries with abundant labor and natural resources, such as ores, oil and natural gas, receiving generalized system of preferences for their exports to major markets, having prime location in the maritime routes between the Indian and Atlantic oceans, and consumers with purchasing power constituting 40% of the total population. Thai-African trade during January-July 2018 increased by 23% year-on-year. Major export goods from Thailand to Africa include rice, and motor cars and parts, representing 35% and 16% of Thailand's total exports respectively.

However, according to reports by a number of risk rating agencies, several African countries still have high risk ratings, hence prompting concerns among Thai entrepreneurs and discouraging them to make their presence in this region despite their high potential and growing interest by investors around the world as a new investment destination. Therefore, EXIM Thailand has looked to support more trade and investment by Thai entrepreneurs to increase Thai-African trade proportion from only 3% of total Thai export value at present. Thai direct investment in Africa is also relatively small, mostly in Egypt and Mauritius, representing roughly 4% of total Thai direct investment overseas. EXIM Thailand is ready to provide advisory services on trade risk hedging, such as selection of comprehensive payment term, analysis of trade partner data, and offering of export credit and investment insurance with such benefit package as a 50% reduction of the calculated export credit insurance premium for exporters together with analysis of buyer credit worthiness free of charge for the first two buyers and 50% discount for the 3rd-5th buyers.

“EXIM Thailand is a specialized financial institution providing services mainly to supplement those unavailable or inadequately rendered by commercial banks, trade and investment risk hedging tools for Thai entrepreneurs ready to tap new frontier markets or expand their investment. Besides, we serve as an insurance organization offering data analysis and risk mitigation services for Thai entrepreneurs to enable them to start up or expand their international business successfully without having to worry about trade partner or country risks,” added Mr. Pisit.

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Corporate Communication Division

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