



4th Iraqi-German Business Forum

Hermes Cover for Exports to Iraq

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Agenda

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Structure of Hermes cover

2

Cover policy Iraq

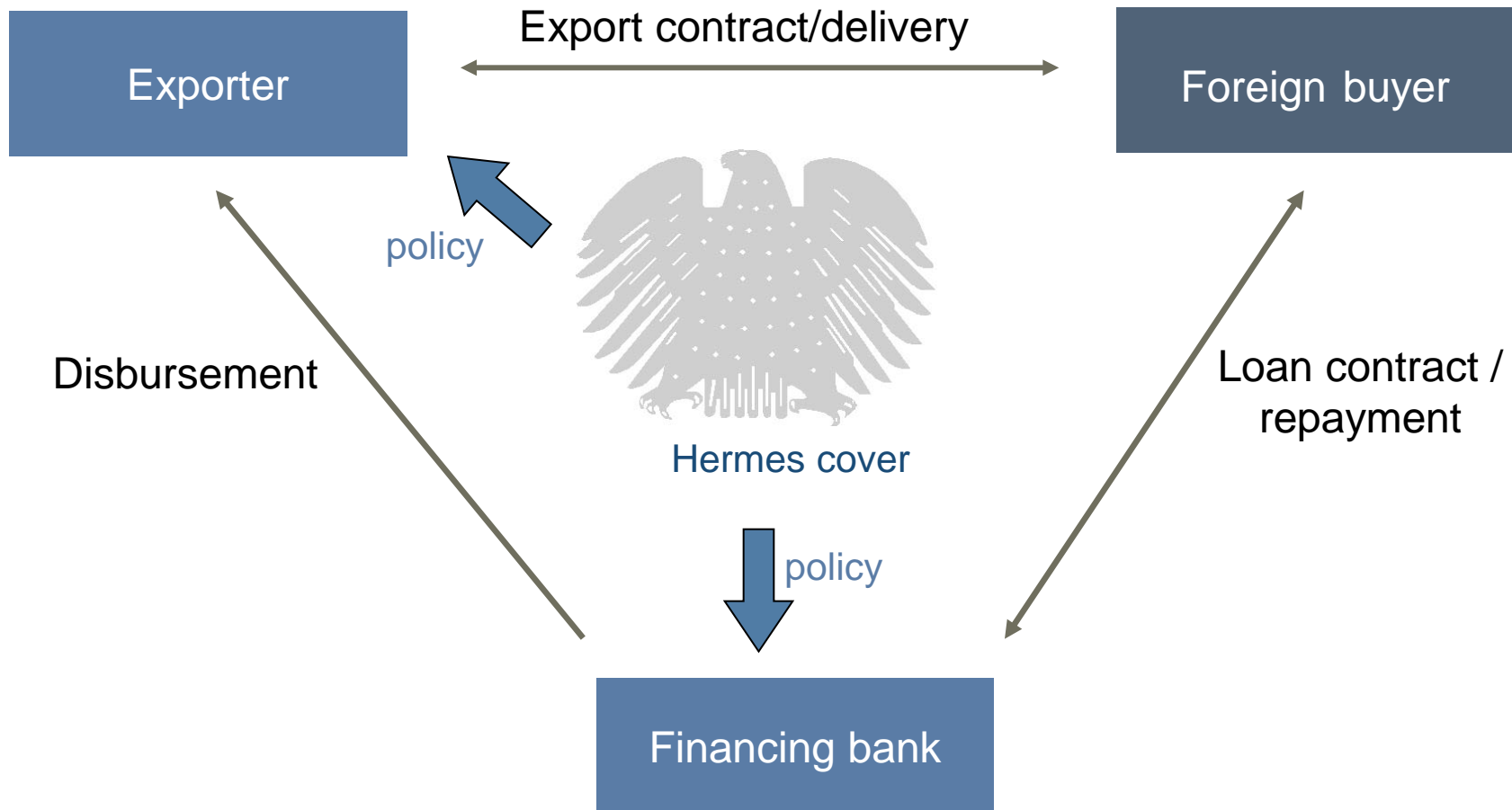
3

OECD rules

4

Covered exports

Structure of Hermes cover



Cover Policy Iraq

Collaterals

As a rule, a guarantee from the Ministry of Finance has to be provided. For short-term transactions letters of credit from Iraqi banks may be accepted on a case-by-case basis.

Collateral requirements may only be waived, if comprehensive documentation or particularly audited annual accounts drawn up according to international accounting standards justify this.

Special provisions

A restrictive approach is adopted to cover of subcontracted foreign supplies.

Medium/Long-Term

Cover facilities are available on a case-by-case basis.

OECD Rules

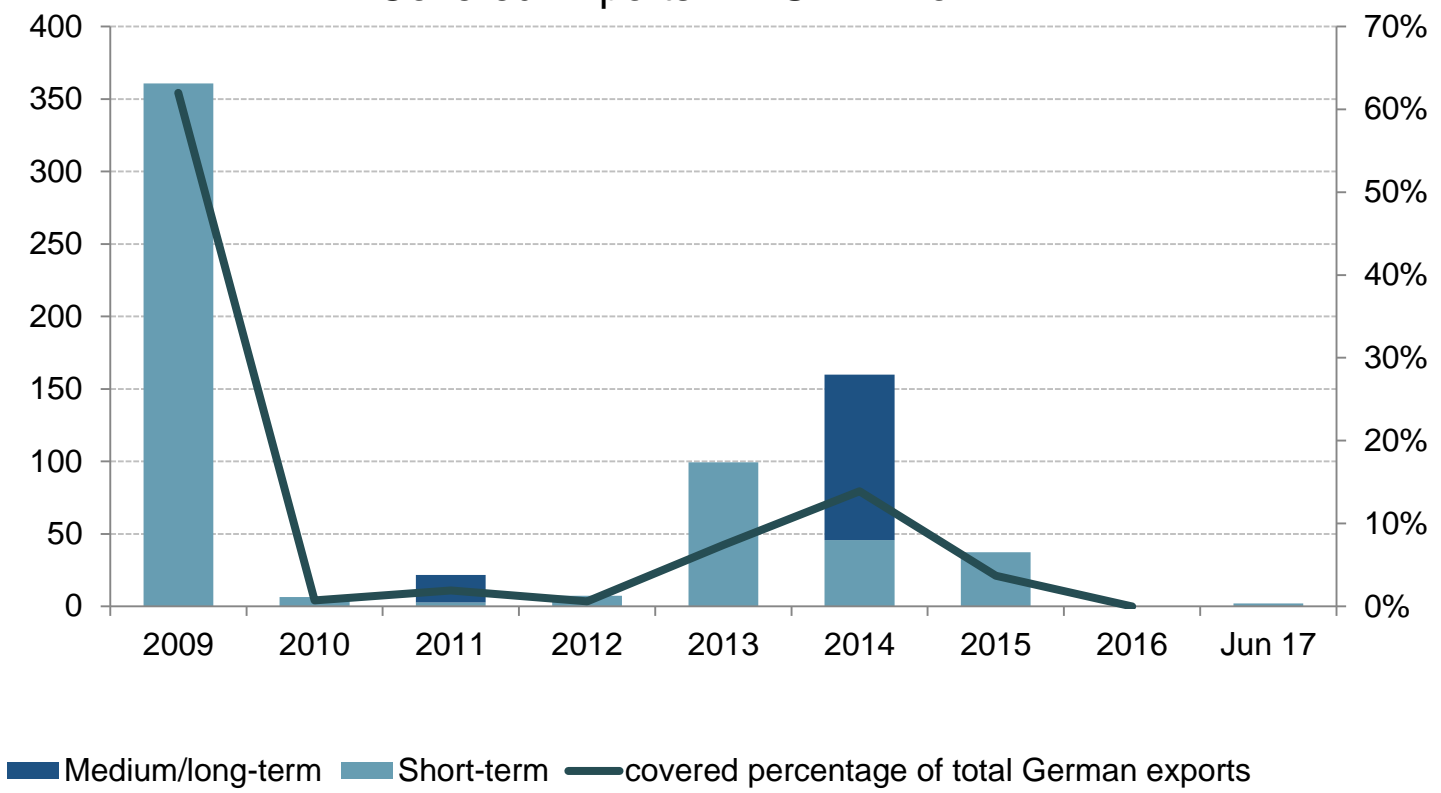
ARRANGEMENT ON OFFICIALLY SUPPORTED EXPORT CREDITS (the Arrangement):

„Gentlemen’s agreement“ of participating countries for export credits with **repayment periods of two years and more.**

Minimum standards:

- **Maximum credit:** 85% of export contract value (= minimum 15% down payment)
 - **Maximum repayment period:** 10 years; longer terms for particular sectors, e.g. renewable energy
 - **Standard repayment interval:** not longer than 6 months
 - **Minimum premium rates,** based on consistent country risk categories as well as buyer risk categories within the OECD
- Ensures a level playing field for exporters, i.e. that competition takes place via pricing and quality of the goods exported, and not in terms of how much support a state offers to its exporters.

Covered Exports in EUR million



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Thank you for your attention!

EXPORT CREDIT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**

Cover from the Federal Republic of Germany for foreign business

Export Credit Guarantees and Untied Loan Guarantees have been established and effective foreign trade promotion instruments of the Federal Government for decades. Export Credit Guarantees (“Hermes Cover”) protect German exporters and the banks financing them against political and commercial risks. Untied Loan Guarantees are to support raw material projects abroad regarded as eligible for promotion by the Federal Government. Both promotion instruments play an important role in fostering economic growth as well as in protecting and creating jobs.

They are managed on behalf of the Federal Republic of Germany by Euler Hermes Aktiengesellschaft as mandatary of the Federal Government.

Information on other foreign trade promotion instruments of the Federal Government can be found at www.bmwi.de under the search term “Promotion of foreign trade and investment”.



Federal Ministry
for Economic Affairs
and Energy

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