



2009. 9. 2

# Korea Export Insurance Corporation



## **I Introduction of KEIC**

## **II Overseas Investment & Resources Development**

## **III Questionnaire**





## **I Introduction of KEIC**

**I . KEIC in Brief**

**II . Relationship with Government**

**III. Support Programs & Business Volume**

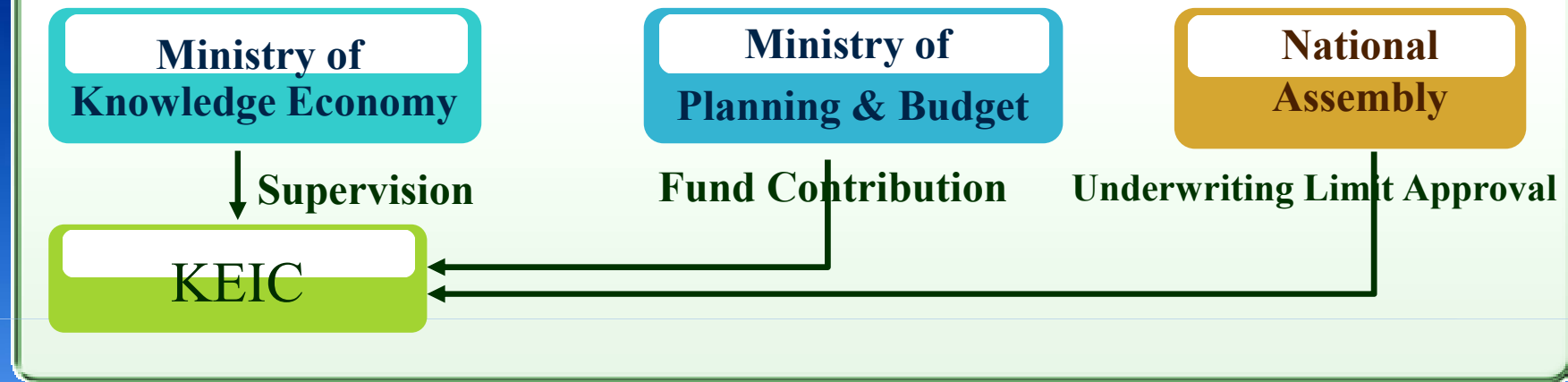
**IV. Organization of Supporting Department**

- ❖ **1968 · Export Insurance Law promulgated**
- ❖ **1992 · Korea Export Insurance Corporation (KEIC) established**
  - ✓ **Financial Source : Export Insurance Fund**
  - ✓ **In case of deficit, the shortage is contributed by the Gov't**
- ❖ **2006 ~ 2007**
  - **Best Asian ECA, selected by 『Trade Finance』**
- ❖ **2008 · Business Volume : U\$124.5 Billion**
  - ✓ **Export Insurance Usage Rate 24.3%**



## II. Relationship with Government

### Relationship with Gov't



### Export Insurance Fund

- ◆ Purpose : Basic guarantee, yard stick for international creditability
- ◆ Sources : Gov't contributions and other sources

**Export Insurance Act Article 36 : Gov't to make up for fund shortages)**



### III. Supporting Programs & Business Volume

#### ◆ KEIC's Programs

Category	Supporting Insurance Product
MLT	<ul style="list-style-type: none"> <li>• Buyer Credit, Supplier Credit, Interest make-up, Export Bond Cover etc.,</li> <li>• Overseas Investment Insurance, Overseas Untied Loan Insurance etc.,</li> </ul>
ST	<ul style="list-style-type: none"> <li>• Short Term Export Insurance, Export Credit Guarantee etc.,</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Foreign Exchange Risk Insurance, etc.,</li> </ul>

#### ◆ Trend of Business Volume

(Unit: U\$10 M)

Category	'92	'98	'03	'05	'08
Total Business	194	3,029	5,391	7,866	12,454
Export Insurance Usage Rate	3.0%	16.3%	18.7%	20.1%	24.3%

## IV. Organization of Supporting Department

### Project Finance Dept.

Petro-Chemical, Power Plant,  
General Plant

- Power Plant
- Petrochemical
- Desalination
- Finished Goods, IT

- Medium&Long Term Export
- Interest Rate Risk
- Export Bond
- Market Development

### Ship Finance Dept.

Tanker, Bulker, Container

- Ship Financing
- Refund Guarantee

- Medium&Long Term Export
- Interest Rate Risk
- Export Bond

### Investment, Untied Finance & Energy Dept.

Energy & Resource | Investment & Untied Finance

- Overseas Investment
- Overseas Businesses
- Overseas Construction Works

- Overseas Investment
- Overseas Untied Loan
- Overseas Construction Works
- Knowledge Service Export
- Export Bond



## Ⅱ

## **Overseas Investment & Resources Development**

**I . Overseas Business Support Programs**

**Ⅱ . Insurance Products**

**Ⅲ . KEIC's Role**

**Ⅳ . Benefits for Clients**



## ◆ Programs in Brief

### Expanding Overseas Investment & Business

**Overseas  
Investment  
Insurance**

**Overseas  
Investment  
Risk Cover**

**Overseas  
Investment  
Financing  
Support**

**MLT Export  
Insurance**

**Overseas Untied Loan  
Insurance**

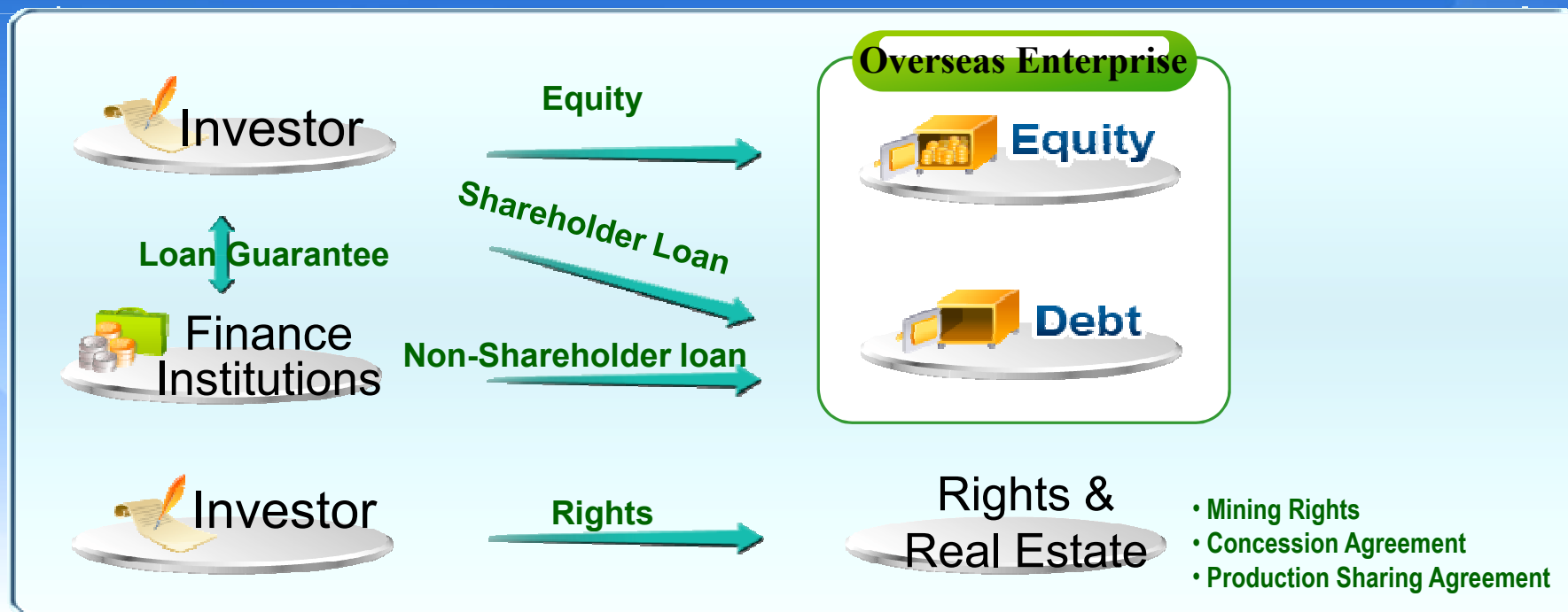
**Overseas Resources  
Development  
Fund Insurance**

**Comprehensive Risk Management & Credit Support**

## II. Insurance Products

### 1. Overseas Investment Insurance

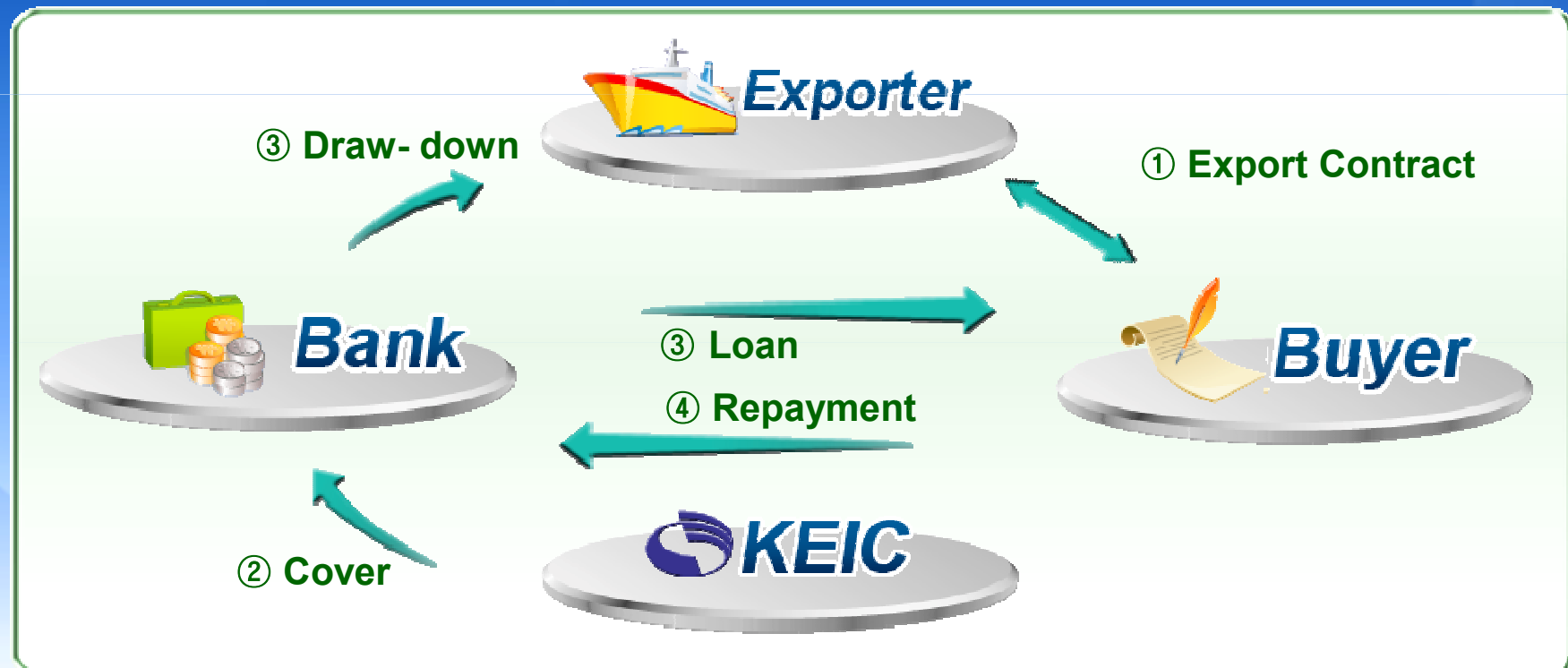
- ❖ Cover losses suffered by Korean Investors against political risks
- ❖ Eligible Investment : equity, loan, loan guarantee, real estate & rights
- ❖ Risks covered : expropriation, war, conversion & transfer, force majeure, breach of contract (selection of risks at an investor's disposal)



# II. Insurance Products

## 2. MLT Export Insurance

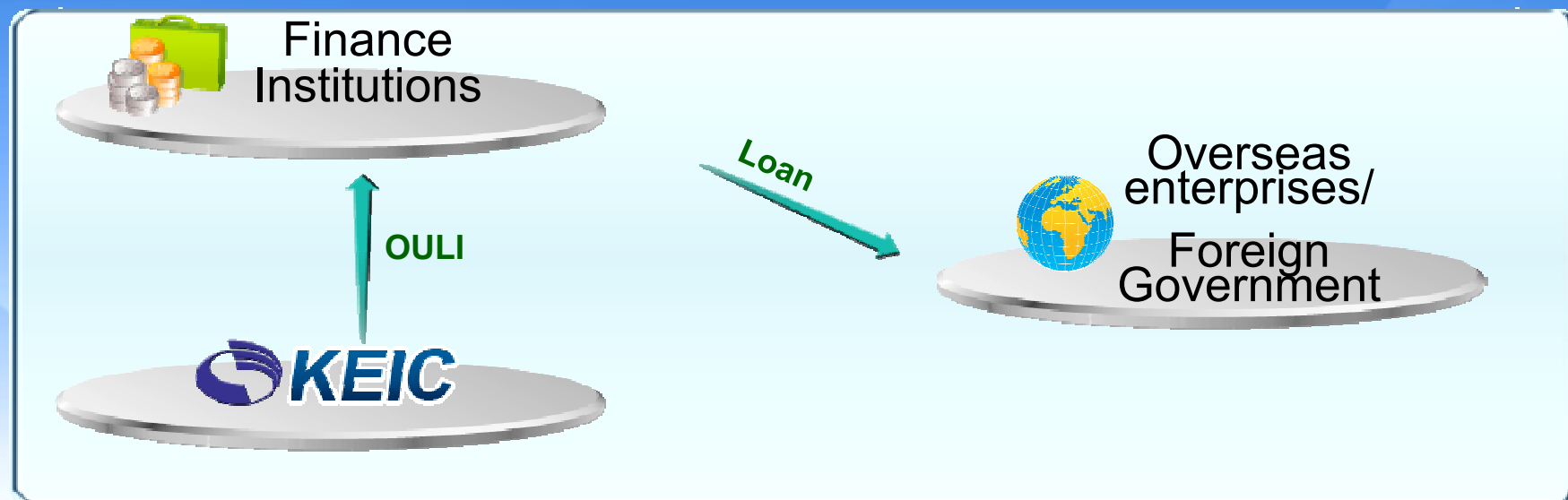
- ◆ Covered Risk : Repayment Risk of Export Contracts exceeding 2 years
- ◆ Coverage : Up to 100%
- ◆ Complied with OECD Guidelines



## II. Insurance Products—OULI

### 3. Overseas Untied Loan Insurance

- ❖ Cover comprehensive risks of non-payment for the loan to an overseas enterprise
- ❖ Eligible Projects : Projects where a Korean company has interests in the form of equity share, off-take, etc., & Cooperative development projects
- ❖ Percentage of cover : Up to 100%
- ❖ Risks Covered : Political Risks & Commercial Risks





## IV. Insurance Products – Benefit

### Benefits for Clients

Product	Investor	Financial Institution	Host Country
<b>Overseas Investment</b>	<ul style="list-style-type: none"> <li>-Promoting Overseas investment</li> <li>-Facilitating investment in high-risk countries</li> </ul>	<ul style="list-style-type: none"> <li>- Country risks</li> </ul>	
<b>Overseas Resources development Fund</b>	<ul style="list-style-type: none"> <li>- Fostering overseas resources development investment</li> <li>- “High Risk, High Return” investment</li> </ul>		<ul style="list-style-type: none"> <li>- Attracting foreign investment</li> </ul>
<b>Overseas Untied Loan</b>	<ul style="list-style-type: none"> <li>- Expansion of overseas business</li> <li>- Award of future contracts</li> <li>- Easy access to financing</li> <li>- Localization of Korean companies</li> </ul>	<ul style="list-style-type: none"> <li>- Repayment risk</li> <li>- Improving BIS ratio</li> <li>- Competitive financing</li> <li>- Easy syndication finance</li> </ul>	<ul style="list-style-type: none"> <li>- Economic cooperation</li> </ul>

### III Questionnaire

Among 26 olade member countries ratings above category 2 is less than 3

- Economical feasibility should be considered to invite investment

(Number of Countries)

Category	1	2	3	4	5	6	7
OECD	0	2	6	3	4	2	9
S & P	2	1	3	5	2	4	5
Moody's	1	2	2	6	1	5	6



## The impact of Nationalization

- Nationalization in the region could undermine the region's credibility
- It could also impair investors' intention to invest in the region

## Possibility of Sustainable Cooperation

- Current gas supply and demand connections do not seem to be concrete





# For More Information

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