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*(Information)*INFORMATION FROM EUROPEAN UNION INSTITUTIONS, BODIES, OFFICES  
AND AGENCIES

## EUROPEAN COMMISSION

## COMMUNICATION FROM THE COMMISSION

**amending the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance**

(2015/C 28/01)

## I. INTRODUCTION

- (1) The Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance <sup>(1)</sup> (the 'Communication') stipulates in paragraph 13 that State insurers <sup>(2)</sup> cannot provide short-term export-credit insurance for marketable risks. Marketable risks are defined in paragraph 9 as commercial and political risks with a maximum risk period of less than two years, on public and non-public buyers in the countries listed in the Annex to that Communication.
- (2) As a consequence of the difficult situation in Greece, a lack of insurance or reinsurance capacity to cover exports to Greece was observed in the years 2012 and 2013. That situation led the Commission to amend the Communication by temporarily removing Greece from the list of marketable risks countries in 2013 <sup>(3)</sup> and in 2014 <sup>(4)</sup>. The most recent modification expires on 31 December 2014. As a consequence, as from 1 January 2015, Greece would in principle be considered again as marketable, since all Member States are included in the list of marketable countries listed in the Annex to the Communication.
- (3) However, in accordance with paragraph 36 of the Communication, several months before the temporary removal ceases, the Commission began to review the situation in order to determine whether the current market situation justifies the expiry of Greece's removal from the list of marketable risk countries in 2015, or whether market capacity is still insufficient to cover all economically justifiable risks, so that a prolongation is needed.

## II. ASSESSMENT

- (4) When determining whether the lack of sufficient private capacity to cover all economically justifiable risks justifies the prolongation of the temporary removal of Greece from the list of marketable risk countries, the Commission consulted and sought information from Member States, private credit insurers and other interested parties. The Commission published an information request on the availability of short-term export-credit insurance for exports to Greece on 13 November 2014 <sup>(5)</sup>. The deadline for replies expired on 28 November 2014. Twenty replies were received from Member States and private insurers.
- (5) The information submitted to the Commission in the context of the public information request indicates that private export-credit insurance capacity has been increasing for Greece. The total insured turnover for Greek risks substantially increased in 2014. Private export-credit insurers demonstrated increased willingness to provide insurance coverage for exports to Greece and in all trade sectors. At the same time, State insurers continued to register decreasing demand for credit insurance for exports to Greece, which corroborates the increased availability of private insurance.

<sup>(1)</sup> OJ C 392, 19.12.2012, p. 1.

<sup>(2)</sup> A State insurer is defined by the Communication as a company or other organisation that provides export-credit insurance with the support of, or on behalf of, a Member State, or a Member State that provides export-credit insurance.

<sup>(3)</sup> OJ C 398, 22.12.2012, p. 6.

<sup>(4)</sup> OJ C 372, 19.12.2013, p. 1.

<sup>(5)</sup> [http://ec.europa.eu/competition/consultations/2014\\_export\\_greece/index\\_en.html](http://ec.europa.eu/competition/consultations/2014_export_greece/index_en.html)

- (6) The economic outlook for Greece has also been improving <sup>(1)</sup>. According to the Commission's European Economic Forecast — Autumn 2014, the Greek economy is expected to return to growth during 2014, after six years of recession. Greece's economy is projected to grow by 0,6 % in real terms in 2014. The recovery is projected to gain strength in 2015. Private consumption is expected to rebound fast and exports to continue performing strongly. On the other hand, credit conditions for Greece remain tight.
- (7) Reflecting a gradual improvement in sentiment towards Greece, government bond spreads and the stock exchange index (ATHEX) continued to recover until early September 2014. However, a reversal of this trend was noticed in the last quarter of 2014, due to political developments in Greece. This reflects investors' perception that even though macroeconomic conditions for Greece are steadily improving, uncertainties about the extent and speed of economic recovery remain significant.
- (8) In those circumstances the Commission expects that private export-credit insurers will be cautious in enlarging their exposures and providing insurance coverage for exports to Greece. Despite the positive trend of recovery observed on the private insurance market over 2014 (see recital 5), the developments registered in the last quarter of 2014 are likely to cause a reduction of the supply of export-credit insurance by private insurers. There is therefore a high risk that the private supply of export-credit insurance to Greece will remain below demand in the near future.
- (9) For those reasons, the Commission anticipates a lack of sufficient private capacity to cover all economically justifiable risks. At the same time, in particular if there is greater clarity regarding the future political and economic policies of Greece, it is likely that private insurers will resume increasing their exposure, as they did in the first nine months of 2014. Therefore, a 12-month prolongation of the removal of Greece from the list of marketable countries could be excessive. In those circumstances, the Commission has decided to prolong the removal of Greece from the list of marketable risks countries until 30 June 2015.

### III. AMENDMENT TO THE COMMUNICATION

- (10) The following amendment to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance will apply from 23 January 2015 until 30 June 2015:

— the Annex is replaced by the following:

#### LIST OF MARKETABLE RISK COUNTRIES

All Member States with the exception of Greece

Australia

Canada

Iceland

Japan

New Zealand

Norway

Switzerland

United States'.

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<sup>(1)</sup> For example: S&P and Fitch: B from B- in September/May 2014; Moody's: Caa1 from Caa2 in September.