European Commission
Directorate General for Competition
Unit A3 State Aid Policy and Scrutiny

Consultation on the draft Communication on short term export credit insurance – HT.352

Identification of the respondent

Confederation of the Finnish Industries EK (hereinafter “EK”) is a stakeholder association representing all sectors of business and all sizes of companies in Finland:

- 27 member federations
- About 16,000 member companies, of which 96 % SMEs
- Over 70 % of Finland’s GDP
- Over 95 % of Finland’s exports
- About 950,000 employees

EK is a member of BUSINESSEUROPE representing 41 central industrial and employers’ federations from 35 countries, working together to achieve growth and competitiveness in Europe.

Identification number of Confederation of the Finnish Industries EK in the Commission register of interest representatives is 1274604847-34.

If the responses to the consultation are published, the respondent agrees to publication of this response together with the other responses.

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Response to the consultation

EK wishes to thank for the opportunity to provide its views on the draft communication on short term export credit insurance.

Exception to the definition of marketable risks in accordance with paragraph 18 (c) is available only for credit period between 181 days and two years. EK’s view is that there actually exist market deficiencies also regarding shorter credit risks. Therefore EK proposes that also risks with credit period of less than 181 days are included within the scope of the communication.
Changes in the market have recently been very fast, and the situation remains unpredictable. Therefore a certain degree of flexibility for the applicability of the exceptions is needed. EK is afraid that the notification procedure under paragraphs 38 and 39 may not provide for responses fast enough in case of sudden changes in the market. In addition, the process may be complicated based on the nature of the evidence provided by insurers to show the availability of cover. Such evidence may be interpreted in different ways and it may not always reflect the actual practice facing the companies that are seeking such cover. EK therefore proposes that the notification procedure would be replaced with a more flexible system without requirement for such prior notification. Monitoring of the correct application of the communication could be based on reporting.

SMEs in general typically lack information and availability of suitable export finance instruments, even though the need for their globalization is evident from the economic growth perspective. The proposed limit of 2 MEUR annual export turnover as a condition for exception in paragraph 18(b) is so low that it would apply to only very few companies. To support the globalization of SMEs EK proposes to raise the threshold to 5 MEUR annual export turnover.

EK also wishes to draw the Commission's attention to the need for competitiveness of the European exporters compared to their third-country competitors. The Communication needs to ensure level playing field also in the global competition.