



# News Bulletin

QUARTERLY NEWSLETTER OF THE EXPORT CREDIT GUARANTEE AGENCY OF OMAN SAOC

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## EDITORIAL

With the advent of the new year, it is vital to reflect on the international market outlook following the global financial crisis that started in the mid 2008 and continued for the whole of 2009 as well as the recovery from 2010 which has been fragile and prospects for 2011. The optimism from recovery for past year has been dampened in view of the setbacks in a number of EU Zone countries from sovereign debt crisis that has affected Greece and Ireland which may be expected to spread to Portugal and even Spain. With the austerity measures in place as well as IMF and European Central Bank bail outs, such countries should continue to tackle their financial position and that the economic situation for 2011 may improve. However, EU actions by member countries including UK to tighten their budgets and rein public deficits amid weak economic recovery from global recession may affect growth for 2011. The global fiscal deficit is projected to fall from 6.75% of GDP to 6.0% in 2010 and about 5.0% in 2011 as per the IMF estimates. Also the expectations for world economic growth has been reduced in 2010 to 3% - 4% growth rate and expected to grow the same rate in 2011.

As the EU zone current crisis show, structural issues remain and cautious credit management is needed for many businesses in various sectors which have been severely affected. Hence the need for credit insurance to mitigate credit risks will remain a priority for many traders even for those advanced markets in addition to the developing countries. Paradoxically, for ECGA of Oman, all of its claims paid for 2009/2010 were to the EU countries to buyers in France, UK, Greece and Netherlands. This should not let our credit insured exporters to be complacent to neighbouring GCC markets as ECGA of Oman has also received a number of notified overdues to buyers in UAE for which payments of outstanding dues were settled subsequently before date of ascertainment of losses.

It is encouraging that despite fragile economic recovery, as per the latest available statistics, the level of the Omani non-oil exports for the first nine months 2010 has grown up substantially by 49% compared to corresponding period of 2009 as cited *In the News* of the Bulletin. Moreover, the growth rate of Omani produced non -oil exports was higher than re-exports which registered a growth rate of 10.2% for the corresponding periods. It is also heartening to note that Oman's sovereign ratings by international credit agencies have been comparatively higher than many others in the MENA Region.

It is worth mentioning that the Berne Union - International Union of Credit & Investment Insurers in its observation of its report entitled *Credit Insurance in support of International Trade - Observations throughout the crisis* by Mr. Fabrice Morel of the Secretariat has underlined a resilient export credit insurance industry that has emerged from the global financial crisis with record levels of business despite significantly higher volume of paid claims as a result of buyer defaults.

The **Q&A** section of the bulletin posed a number of questions and answers pertaining to pre-shipment credit guarantees issued by ECGA of Oman which allows commercial banks to provide working capital financing to our credit insured exporters. Also it highlights the differences between the shipment and contract policies issued to exporters and the respective premiums as well as the rationale of covering the losses to maximum of 80% or 85% to credit limits issued but not on business declared. The benefits of domestic credit insurance are also enumerated as increasing number of Omani exporters are taking full advantage of this service which has grown up significantly as measured by number of local buyers, credit limits issued and level of business declared. The Agency has successfully renewed its reinsurance agreement for 2011 thus ensuring it continues to meet the growing credit insurance needs of our exporters. Under **Services to Exporters**, the Bulletin provides salient features on domestic credit insurance scheme which includes the risks covered, benefits to policyholders, credit period, scope of cover and eligibility.

An article entitled *Looking at the Modes of Payments and Assessing their Risks* examines various forms of payments between the exporter and the buyer as well as the degree level of risks to such transactions. These include cash in advance which is secured, different types of letters of credit, bills of exchange that is documentary collections, consignment and open account which is the most risky method of payment for which many of our exporters commonly seek credit insurance cover.

Under the **Country Profile of Buyers of Omani Insured Exports**, it discusses the level of Omani exports to Japan during the last 5 years as well as its business and country ratings and the extent of credit insurance cover by ECGA of Oman to that country.

Lastly, as in previous issues, the *Bulletin* provides profile of one of our highly successful exporters - Al Sallan Food Industries Co. SAOG which produces various types of biscuits, cookies and chocolate bars associated with well known international brands including Nutro & Britannia, Bakers Pride, etc. Its quality confectionery products are currently being exported to over 50 countries, for which they are credit insured by the Agency.

We hope this first quarterly issue of 2011 of *ECGA of Oman* will be informative to our readers.

Happy New Year,

**Nasir bin Issa Al-Hsmaily**  
General Manager

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# IN THE NEWS

## 1. ECGA of Oman appointed contractor for its proposed building at airport heights

The selection of contractor for ECGA of Oman proposed building at the Airport Heights has been awarded to M/s. Hassan Juma Bhacker Trading & Contracting LLC by ECGA of Oman following the recommendation of the Board of Directors of the Agency. The Tender Board was involved in the tender process. The total cost of the building is RO.2.79 million.



ECGA's Proposed Building

## 2. Credit Alliance Annual Meeting and Conference held in Paris

The Credit Alliance Annual General Meeting was held in Paris on 17th-18th January 2011. The meeting took place in conjunction with the 20th Annual Country Risk Conference on 17th January where distinguished experts gave their views on the evolution of the country risk throughout the world.

The conference involved a number of sessions of discussions by panelists including the global recovery from financial crisis of 2008/2009 and recovery for 2010 as well as risks overview and debt and austerity issues and problems facing a number of Euro zone countries. Other regions were also discussed. The Credit Alliance meeting provided platform of exchanges among Credit Alliance members. The General Manager of ECGA of Oman Mr. Nasir bin Issa Al Ismaili as well as its Underwriting Officer Mrs. Sheikha bint Masoud Al-Marhoobi attended the conference and the meeting. The conference also highlighted country risk ratings, sector risk ratings as well as business climate ratings to various countries world-wide. The Table shows country risk rating and business climate ratings for Middle East-North African countries (MENA Region) based on Coface assessment.

	Country Risk Rating								Business Climate Rating
	January 2007	January 2008	January 2009	January 2010	March 2010	June 2010	September 2010	January 2011	
Kuwait	A2	A2	A2	A2	A2	A2	A2	A2	A3
Qatar	A2	A2	A2	A2	A2	A2	A2	A2	A3
Bahrain	A3	A3	A3	A3	A3	A3	A3	A3	A3
U.A.E.	A2	A2	A2	A3	A3	A3	A3	A3	A3
Israel	A4	A4	A4	A3	A3	A3	A3	A3	A2
Oman	A3	A3	A3	A3	A3	A3	A3	A3	A4
Saudi Arabia	A4	A4	A4	A4	A4	A4	A4	A4	B
Egypt	B	B	B	B	B	B	B	B	B
Jordan	B	B	B	B	B	B	B	B	A4
Lebanon	C	C	C	C	C	C	C	C	D
Libya	C	C	C	C	C	C	C	C	B
Syria	C	C	C	C	C	C	C	C	C
Iran	B	D	D	D	D	D	D	D	C
Irak	D	D	D	D	D	D	D	D	D
Yemen	C	C	C	D	D	D	D	D	D
Algeria	A4	A4	A4	A4	A4	A4	A4	A4	B
Morocco	A4	A4	A4	A4	A4	A4	A4	A4	A4
Tunisia	A4	A4	A4	A4	A4	A4	A4	A4	A4

## 3. Reinsurers to ECGA

The lead reinsurers of ECGA's Quota Share Reinsurance Treaty represented by Messrs Mr. Michiel Smet of National Borg - Netherlands, Mario Grillo and Grianfranco of Atradius as well as local broker represented by Mr. S Rajesh - Asst. General Manager of AON Majan LLC visited ECGA's offices and met their officials on 2<sup>nd</sup> and 10<sup>th</sup> November 2010. They discussed the performance of the Agency and held discussion pertaining to annual renewal of the Treaty. The reinsurers expressed their satisfaction with regard to the performance of ECGA over the years. The treaty was subsequently renewed for 2011 thus enhancing the capacity of the Agency in meeting the growing needs for credit insurance of its exporters as well as minimizes its own exposure.



## 4. Middle East Trade & Export Finance Conference in Dubai

The Middle-East Trade & Export Finance conference organized by Exporta Publishing & Events Limited was held in Dubai on 21<sup>st</sup> & 22<sup>nd</sup> of February 2011. The conference was opened by Her Excellency Sheikha Lubna bint Khalid Al-Qasbi the U.A.E Minister of Foreign Trade. Mr. Nasir bin Issa Al-Ismaili was one of the panelists in the discussion on the session of assessing the latest trends in risk coverage across GCC. The session was moderated by Mr. David Venediger - Managing Director of Coface Emirates Services. Other ECAs representatives that participated in the panel discussion included Islamic Corporation for Insurance of Investments & Export Credit (ICIEC), the Lebanese Credit Insurance (LCI), Export Credit Insurance Company of Emirates (ECIE) Overseas Private Investment Corporation (OPIC) as well as IFC Global Trade Finance Program.

## 5. Third SMEs Exhibition & Conference held on 13th 15th February 2011.

The Third Small and Medium Enterprises (SME) Exhibition and Conference was opened at Oman International Exhibition Centre under the title of "Making and Innovation for Small and Medium Enterprises" under the auspices of His Excellency Ali bin Masoud al Sunaidy Minister of Sports Affairs.

A number of ECGA's officers attended the exhibition and the conference, so as to increase awareness of its services. ECGA stand attracted a number of exporters and visitors. Its officers distributed brochures, publications as well as presented power point presentations to them. The Agency's services are highly beneficial to SMEs. These include the following:

- Mitigating credit risks sales of SMEs for their buyers by availing both domestic as well as export credit insurance.
- Discounting SMEs sales bills through commercial banks at preferential interest rate, considering their sales are insured by ECGA
- Obtaining necessary financing for SMEs for their working capital needs as the benefits under both of the policies that is Export Credit Policy and Domestic Credit Policy can be assigned to their commercial banks as security.

- Obtaining direct pre-shipment financing from commercial banks as ECGA of Oman can issue Pre-shipment Export Credit Guarantees to commercial banks for such financing.

#### 6. ECGA's officers participated Industrial Day

As part of its marketing efforts to increase awareness of its service to new industrialists, ECGA's officers - Mr. Ahmed Al-Balushi, Mr. Sulaiman Al Shaibani and Mr. Yasir Al-Mahrooqi also participated in the occasion marking the Industrial Day on February 9<sup>th</sup>, 2011 at the Inter-Continental Hotel, Muscat. At its booth, ECGA's brochures and other publications were also distributed to the visitors.

#### 7. Export insurers resilient during crisis, Berne Union report emphasises

According to the *International Trade Finance Magazine* Issue 587 December 2010, the Berne Union (International Union of Credit & Investment Insurers) has released an analysis of export credit insurance and related developments throughout the unfolding of the global financial crisis and economic downturn. The report entitled *The Berne Union 2010 Export Credit Insurance Report*, has underlined a resilient export insurance industry that has emerged from the crisis writing, in the case of medium - and long-term (MLT) exports, record levels of business, despite significantly higher levels of paid claims as a result of buyer defaults.

Authored by Fabrice Morel of the Berne Union Secretariat, who based his observation on regular data provided by Berne Union members, the report stressed that credit insurance proved itself to be a crucial factor in stemming the decline of trade flows, after support behind trade finance was identified by the G20 in April 2009 as an important element in reviving the global economy.

"The solidity of the credit insurance industry has been demonstrated in light of an unprecedented global situation," said the report. While credit insurance is not a source of liquidity in itself, it helped to unlock bank financing during the crisis and was able to ensure that liquidity was available for ST and MLT finance."

According to the report, the crisis also showed that there is a role to play for both private and public credit insurers, and that export credit agencies (ECAs) are a vital part of the industry, complementing the private market as they demonstrate the ability to offer risk capacity during difficult times.

#### 8. ECGA's Officials attended the Seminar on Market Study in India

A seminar and presentation on Market Study for India was held on 14<sup>th</sup> December 2010 at Grand Hyatt, Muscat organized by the Omani Centre for Investment Promotion & Export Development (OCIPED) in association with Avalon Consultants. A number of **ECGA Underwriting Officers** attended the forum. The seminar focused on the economy and industry sector of India as well as Omani - Indian export potentials for various Omani non-oil products. It is relevant to mention that ECGA of Oman has insured Omani exports to various products to India to several exporters. The total Omani exports to India in 2009 were RO.259 million.

#### 9. ECGA's Administration Officer attended course in Kuala Lumpur

Mr. Ahmed Al-Abdaly - ECGA of Oman - Head of Administration attended a management course - *Developing Managerial Excellence* in Kuala Lumpur, Malaysia from 20<sup>th</sup> to 24<sup>th</sup> December 2010 organized by Euroma Tech. The course objectives include management and leadership skills, developing excellence in teamwork, understanding and influence factors that affect employee performance, effective communication and strategic thinking for stakeholders, managing change, etc.

#### 10. Oman's non-oil exports increased for the nine months of 2010

The overall performance of Oman non-oil exports for the nine months of 2010 as per the available figures by (end of September 2010) have been very encouraging as a result of recovery of international economy and increases in the demand in the export markets. As per the latest export statistics obtained from Ministry of National Economy, total Omani non-oil exports of Omani origin (excluding re-exports) for the nine months of 2010 were RO.1,858.2 million compared to RO.1,223.5 million for the same period of 2009 or substantial increases of 49%.

#### 11. ECGA of Oman congratulated the winning factories of His Majesty's Awards

The Export Credit Guarantee Agency of Oman SAOC congratulated exporters and companies who won *His Majesty's Cup for Best Five Factories for the year 2010*. The top 13 best performing companies out of 40 participants received the awards at a ceremony held at Al-Bustan Palace Hotel in Muscat on 12/12/2010. ECGA of Oman sent congratulatory messages to all of these winners.

#### Winner of HM Cup for Excellence - 2010

Oman Flour Mills Company SAOG

#### Winners of HM Cup for 2010

- Sohar Aluminium LLC
- Europoles Middle East LLC
- United Dates Processing Company LLC
- Windows 2000

#### Winners of HM Shields

- Salalah Mills Co. SAOG
- Majan Glass Co. SAOG
- Amiantit Oman Co. LLC
- Oman Polycon Co. LLC
- Sohar Gases LLC

#### Winners of HM Certificates of Appreciation for Outstanding Performances

- Sohar Foundry and Marine Engineering
- National Pharmaceutical Industries Co. SAOG
- Oman Chlorine SAOG
- for Quality
- for Value Addition
- for Export Performance



# Q&A

## QUESTIONS & ANSWERS

### **Q. Why does ECGA of Oman issue pre-shipment credit guarantees on behalf of credit insured exporters to commercial Banks?**

- A. ECGA of Oman issues pre-shipment credit guarantees to commercial banks in order to assist the exporters towards obtaining pre-shipment financing for the purpose of purchase of raw materials, processing/manufacturing and packing of goods to be exported.

The guarantee fills the security gap needed especially for small sized exporters who are in need of such financing but lack of necessary collateral.

### **Q. What is the difference between the Shipment and Contract Policies offered to the Policyholders by the Export Credit Guarantee Agency of Oman?**

- A. The Shipment Policy provides credit insurance protection to exporters once the goods are shipped thus it covers post shipment causes of losses. This policy is suitable for general consumer goods where the products are easily marketable or can be sold to other buyers if the intended buyer decides not to accept or pay for the goods.

On the other hand, the Contract Policy applies for special designed goods as per the request of the buyer to the exporter catering for a specific market. It provides protection against both pre-shipment and post-shipment causes of losses to the policyholder. Thus the credit insurance cover is effective at the time the exporter receives an order till the goods have been shipped and accepted by the buyer.

The Export Credit Guarantee Agency of Oman issues both the policies as per the needs and requirements of the policyholders.

### **Q. Are there any differences in the premium rates payable by the policyholders between the Export or Shipment Policy and the Contract Policy?**

- A. Yes. Considering the variation and degree in the risk element, the premium rates for various modes of

payments and country gradings under the Contract Policy are higher than the Shipment Policy. This is because the degree of risk under the former policy is higher than the later because the goods are covered once the exporter receives an order prior to shipment and therefore the time span is longer. Hence the exporter needs to commit and prepare himself in procuring the necessary raw materials and other working capital materials to manufacture such goods. If the buyer decides not to accept such goods, then the exporter incurs enormous cost and therefore needs to protect himself.

### **Q. Why ECGA of Oman restricts its indemnification of claim for loss to the maximum of 80% or 85% of the credit limit issued but not on the business declared considering that premium charged is based on the business declared which is more than the credit limit?**

- A. The liability of ECGA of Oman (Insurer) as per the Policy is to the maximum of 80% or 85% of the credit limit or business declared whichever is lower. However, premium is charged on the business declared as loss that may be incurred by the exporter, is related to business declared i.e. export sales. In certain instance, the premium is being charged on business declared which could be in excess of credit limit amount due to the fact that such export sales also will be under cover once the earlier export bills are settled by the buyer.

### **Q. What are the main benefits to policyholder for availing domestic credit insurance?**

- A. The sellers can comfortably extended credit to many buyers in the local market considering the risks of non-payment against commercial risks are covered by ECGA of Oman. This will contribute towards management of credit sales effectively and therefore improving on cash flows; as well as the ability to compete with the imported goods from other countries by offering liberal credit term to buyers.

# LOOKING AT THE MODES OF PAYMENT AND ASSESSING RISKS

Export Credit Guarantee Agency of Oman as with many other ECAs in other countries provide credit insurance protection against commercial and non commercial risks based on various preferred forms of payments between the exporter that is policyholder and the buyer (importer). Any trade transaction involves risk. It is important to understand what those risks are and actions that can be taken to minimize them. The primary payments used in international transactions are listed as follows:

**Cash in advance:** This means that the exporter will receive his money in advance of making the shipment.

**Sight Letter of Credit:** This is a document issued by the importer’s bank guaranteeing that the exporter will get paid, just as long as he presents required documents to the bank before an expiration date.

**Usance Letter of Credit:** This is the same as the letter of credit drawn at sight except that the exporter will get payment after a certain number of days once the documents have been presented and accepted.

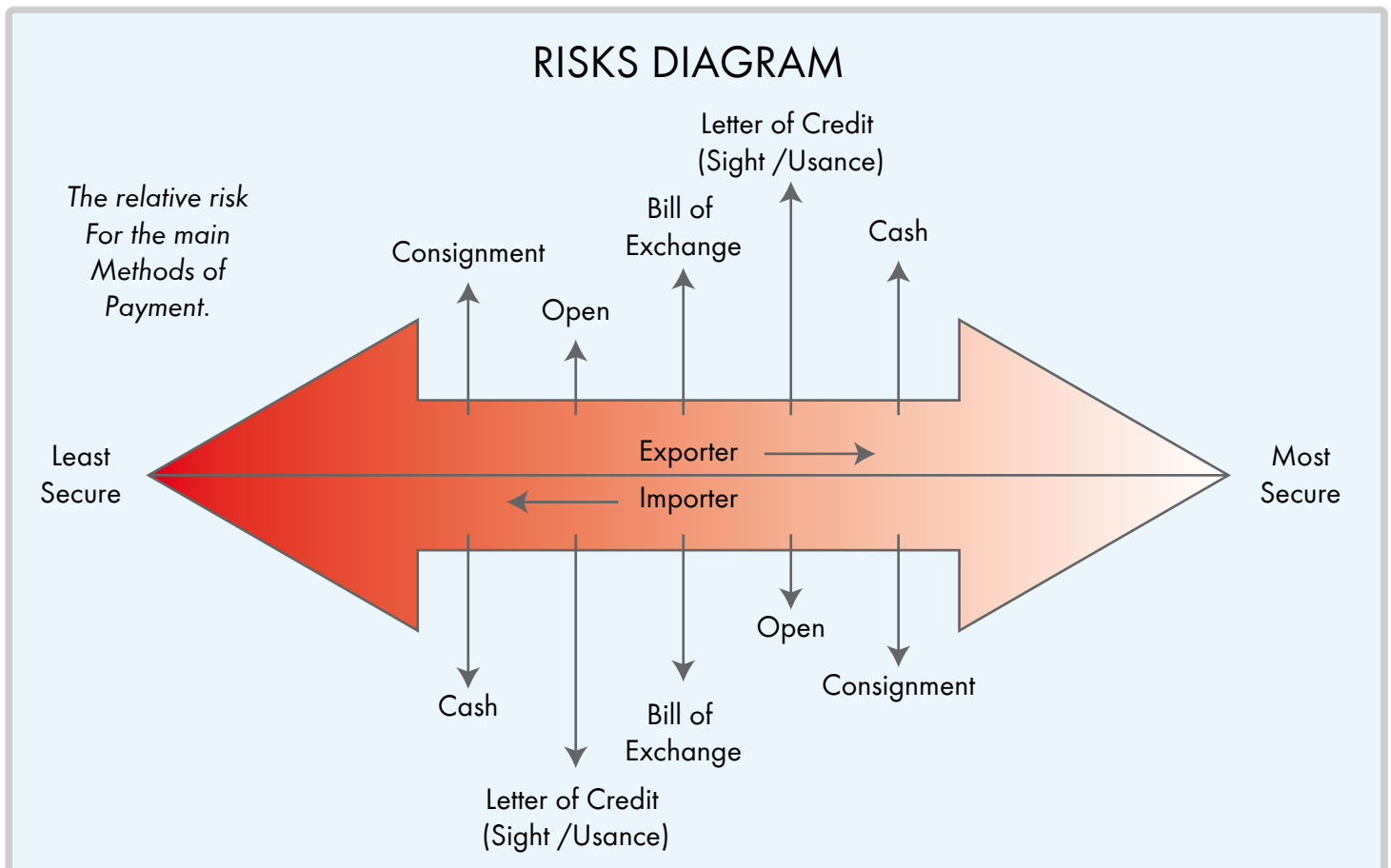
**Bill of Exchange (documentary collections):** This is like buying something using cash on delivery (COD) except the importer makes the payment when the required documents are presented, instead of when the goods are received. There are two types of bills of exchange:

- **Documents against payment:** The importer pays when the documents are presented.
- **Documents against acceptance:** The importer makes the payment a certain number of days after the documents have been accepted.

**Open account:** With this method, no bank is involved in the transaction. The exporter sends the documents to the importer and trusts that the importer will send him the money.

**Consignment:** The exporter ships the goods, and the importer only had to remit payment for them after the goods have been sold and the importer gets paid from his customer.

The diagram below illustrates the relationship of various payment methods to the amount of risk for buyers (importers) and sellers (exporters). For the exporter, cash in advance is the most favorable, and consignment is the least favorable. On the other hand, for the importer, consignment is most favorable, and cash in advance is the least favorable. For the least secured forms of payment especially for open account where the credit risks are very high, the exporters can mitigate such risks by availing credit insurance services of ECGA of Oman.



## SERVICES TO EXPORTERS

### DOMESTIC CREDIT INSURANCE

*Domestic Credit Insurance is one of the services which Export Credit Insurance Agency of Oman provides to exporters. It aims to minimize the credit risks involved to credit insured exporters while selling goods locally.*

*It provides additional protection to credit insured policyholder against the commercial risks from local buyers. It is very useful as it gives protection against the risks of non payment from local buyers for goods supplied on credit. Thus ECGA of Oman mitigates the risks of non-payment due to the commercial risks.*

#### Risks Covered:

The domestic credit insurance scheme of ECGA of Oman is designed for Omani companies to obtain cover against non-payment of their sales proceeds from domestic buyers due to the following risks:

Insolvency of the buyer

Default of payment by the buyer after acceptance of the goods

Thus, ECGA of Oman not only provides credit insurance cover for exports but also to your domestic sales

#### Benefits to Policyholder:

- Sell safely to domestic buyers on competitive credit terms
- Better credit control of credit limits extended to local buyers
- Assist policyholders in their liquidity and debt management as well as mobilize resources in their efforts
- Discount domestic sales bills at preferential interest rates
- Assign the benefits under your Domestic Credit Policy to Banks so as to obtain additional financing on better terms

**Fields of Activities Eligible For Domestic Credit Insurance:** All sectors of the industry, however, goods have to be either wholly or partly produced in Oman.

**Credit Period:** Short-Term Credit up to maximum of 180 days. Coverage commences from the date of delivery of goods to the buyer

#### Scope of Coverage:

80% for Commercial Risks

#### Premium:

Based on agreed modes of payments and credit period

#### Pre-requisite:

In order to qualify for domestic credit insurance cover, you should be involved with exports and policyholder of Export Credit Guarantee Agency of Oman (SAOC)

#### Documents Required:

- Duly Filled Proposal Form for Domestic Credit Policy
- Information details of local buyers

***“As Credit Insured exporter, you can also insure your local business while ECGA bears credit risks of your domestic buyers”***

# COUNTRY PROFILE OF BUYERS OF OMANI INSURED EXPORTS

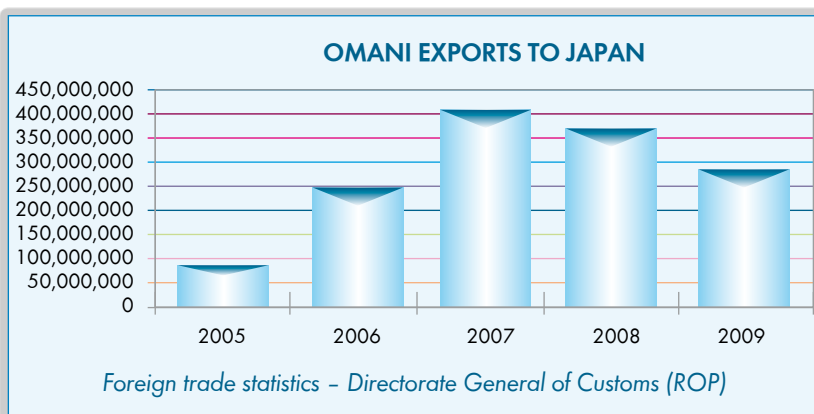
## JAPAN



JAPAN is situated in Eastern Asia between the North Pacific and the Sea of Japan, East of Korean Peninsula. The total area of the country is 377,915 sq km. The population of Japan is 126,804,433 (source: CIA).

Japan real GDP growth in 2010 from 2% to 2.1%. However, the prospects for Japan 2011 appear mediocre. Political tensions with China began to have tangible effects on Japanese business in September and October. Despite suffering competition from Korean and German rivals, Japanese machinery orders from foreign buyers grew 68.9% in August 2010. The cut in interest rate which announced by Bank of Japan will have little impact in terms of driving economic growth which expect to slow sharply in 2011.

Export Credit Guarantee Agency of Oman (SAOC) has insured exports to various Omani products to Japan such as perfume and cosmetics, drugs and pharmaceutical products, fresh and frozen fish aluminium extruded profile, marble tiles batteries and accessories, biscuits and wafers etc. Almost 12.6% of credit limits issued by ECGA of Oman to Japanese buyers for with Omani exports seek cover are under open account terms. The Agency has so far not paid any claims against insured Omani exports to Japan as its experience has been good.



During the year 2009, total Omani exports to Japan reached RO. 274,734,311/- compared to RO.357,944,352/- for the year 2008. The level of Omani non-oil exports to Japan in 2009 has decreased by 23.2% compared to 2008. The Omani exports to Japan for the last 5 years are listed below:-

YEAR	2005	2006	2007	2008	2009
Exports	78,679,714	239,047,234	394,992,168	357,944,352	274,734,311
Growth %	9.8%	203.8%	65.2%	(- 9.4%)	(- 23.2%)

According to **COFACE Hand Book of Country Risk 2010** the following profile is extracted on Japan.

### STRENGTHS

- Diversified exports to the other Asian economies
- Public sector debt underpinned by domestic savings
- Advance in R&D

### WEAKNESSES

- Reforms impeded by political instability before the crisis
- Rapidly ageing population with virtually no immigration
- High proportion of workers without steady jobs
- Low productivity of small and medium companies

### Major Economic Indicators

Business Climate Rating	USD billion or %				
	2007	2008	2009(e)	2010(f)	
A1	Economic growth (%)	2.4	-1.2	-5.2	2.8
Rating Country	Household consumption ( growth rate)	0.7	-0.7	-1	1.4
	Investment ( growth rate)	1	-5.1	-13.2	2.9
	Exports ( growth rate)	8.4	2.1	-24.1	19.6
	Public sector balance (% GDP)	-7.4	-8	-9.1	-10.6

f=forecast; e=estimates

As per D&B COUNTRY RISK INDICATOR issued in December 2010 most of the reputable ECAs provide full or ST cover for Japan including US Eximbank, ECGD, Atradius, Euler Hermes UK, COFACE and ECGA of Oman. D&B recommended SD terms for business with new customers, but Open Account terms are usually acceptable.

# INSURED EXPORTER BY ECGA OF OMAN



## AL SALLAN FOOD INDUSTRIES CO. SAOC



Al Sallan Food Industries Co. SAOC is involved in the manufacturing and marketing of "Bakers Pride" range of cookies, fruit filled rolls and chocolate-bars. The company also manufactures "Nutro & Britannia" range of plain and cream biscuits for Strategic Foods International Co LLC (SFIC) Dubai & having a high-tech manufacturing facility located in the Sohar Industrial Estate, Sohar, Sultanate of Oman. The company started operations in January 1998.

The ingredients used are of the highest standard, imported from many parts of the world. The factory conforms to excellent hygiene and quality standards. The company has received ISO 22000:2005 certification in the year 2010.

The packaging used for "Bakers Pride" range of products are extremely attractive and of eye-catching designs.

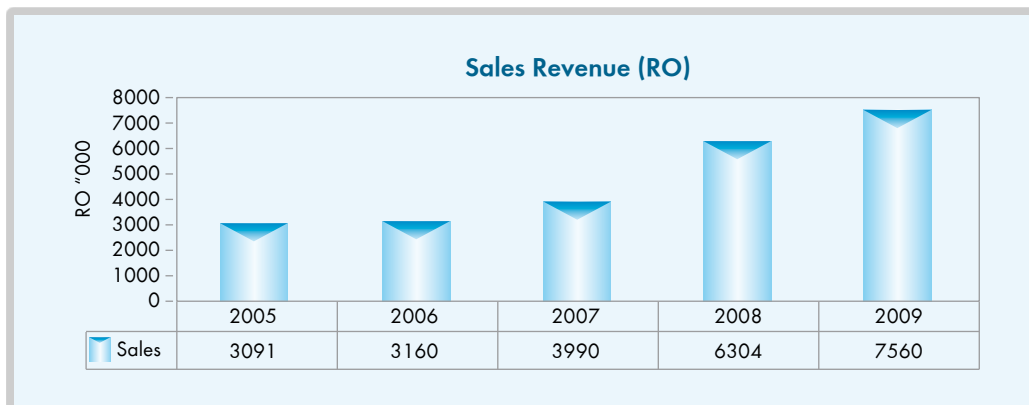
Al Sallan Food Industries Co. SAOC has a strong research & development wing that is constantly working on new recipes and making new brands as per changing consumer tastes.

"Bakers Pride, Nutro & Britannia" range of products are available in various flavors & packs conforming to individual consumer preferences.

Having established in Oman, "Bakers Pride, Nutro & Britannia" is rapidly entering the exports market and currently available in over 50 countries, all over the world.

Marketing plans are formulated for individual countries and executed by a team of creative and operational executives.

Al Sallan Food Industries Co SAOC commented: "Al-Sallan has obtained coverage for most of its exports from Export Credit Guarantee Agency of Oman, to minimize the risk of customers defaulting on payments. The commendable service rendered by ECGA Oman in insuring debts in international trade, enables us to focus more on export development."



PRODUCTS OF AL-SALLAN FOOD INDUSTRIES CO. SAOC



## MESSAGE FROM THE CHAIR OF THE PRAGUE CLUB

The following New Year Message from the Chair of the Prague Club to its members was posted on the Prague Club website by the Secretariat of the Berne Union. The Prague Club is operating under the umbrella of the Berne Union which is International Union of Credit & Investment Insurers. It includes more than 30 ECAs from Europe, Africa, Asia and the Middle East.

pragueclub  
Berne Union

Dear colleagues and fellow Prague Club members,

I would like to welcome you into the year 2011 and extend my best wishes to you personally as well as your organisations.

In the aftermath of the global financial crisis, 2010 was not an easy year for Prague Club members. With some regions of the world hardly affected by the crisis as it seems and others experiencing a fragile recovery, the global economic outlook remains uncertain.

The consensus is that credit insurance, and particularly export credit insurance, is needed more than ever to sustain international trade flows. 2011 will bring its share of challenges for our industry and our members.

As members of the Prague Club, we are fortunate to be part of a strong community committed to open exchange and sharing of information which will help us to improve our business and to support our customers.

Under the auspices of the Berne Union, the relevance of the Prague Club as a leading group of credit insurers is underlined by its growth of membership over the recent years which I hope will continue.

For the coming year, we look forward to interesting meetings and I hope to meet you all in Thailand in May and Oman in November. Preparations are well underway at our host members as well as the secretariat to make these meetings successful and fruitful.

My best wishes again for the coming year.

**Nasir Issa Al-Ismaily**  
**Chair**  
**Prague Club**



## Export Credit Guarantee Agency of Oman (S.A.O.C.)

### *Benefits of ECGA's of Oman Services to Exporters*

As the Export Credit Guarantee Agency of Oman is entering its 20th year of operations, the Omani exporters have long recognized and appreciated that one of the major keys to success is to insure with ECGA of Oman for safe export business. The Agency provides confidence, encouragement and incentive in support of its valuable services to exporters.

## ECGA of Oman is here to help you minimize your risks

### **BUYER'S RISK**

- ❖ Buyer's insolvency/bankruptcy
- ❖ Buyer's failure to pay
- ❖ Buyer refusing delivery of goods

### **COUNTRY RISK**

- ❖ Foreign exchange transfer delay
- ❖ Import bans or cancellation of import licence
- ❖ Payment moratorium
- ❖ War, civil disorder, natural disasters

Other benefits of services provided to credit insured exporters include domestic credit insurance, post shipment financing through bills discounting by commercial banks as well as issuance of guarantees to commercial banks for pre-shipment financing needs of the exporters.

**The key to success is to avail ECGA's services for safe export business. As credit insured exporters, while you trade at ease and reap the profits, ECGA of Oman will bear the risks."**



For further information please contact:

### **EXPORT CREDIT GUARANTEE AGENCY OF OMAN (SAOC)**

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