



News Bulletin

QUARTERLY NEWSLETTER OF THE EXPORT CREDIT GUARANTEE AGENCY OF OMAN SAOG

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EDITORIAL

I am pleased to introduce the second quarterly issue for 2012 of ECGA of Oman *News Bulletin*. It is encouraging the level of the Omani non-oil exports for 2011 (excluding re-exports) have grown up significantly by almost 24% compared to 2010. This despite global challenges from market turbulences due to sluggish recession in a number of countries in Europe which has since been aggravated from the EU sovereign debt crisis with its epicenter in Greece but its fall out has now spread as the debt crisis has been worsening with a slow down effect on global economy as countries need to choose the right balance between growth and austerity. The Eurozone has been under strong pressure from others to take swift decisive action to prevent the debt crisis spreading and causing to greater damage to the world economy. With the Eurozone as a whole expected to dip into mild recession this year, policymakers and economists have begun to emphasize the importance of reviving of economic growth rather than just austerity.

The financial crisis coupled with budgetary austerity measures holds back growth and the effects are worse in an economic down turn. This has also reduced lending to businesses. Consequently, it has affected business which has also resulted in higher level of delinquencies, late payment incidents, defaults and insolvencies. According to S & P credit risk agency, it expects an increase in corporate default rate in 2012. Thus the rising demand for credit insurance by exporters and others have grown up as they need to mitigate non-payment risks from their buyers. It is of paramount importance to many businesses to mitigate risks of non-payment. Moreover, political upheavals in MENA Region from Arab Spring have also heightened the risk environment, which has continued to remain volatile. Despite such higher level of risks, ECAs including members of the Prague Club are still supportive of exporters. They continued to play catalyst role in promoting trade through risk mitigation. Such support for world trade is evident by increasing amount of insured business as well as the amounts of claims paid by ECAs. According to the Berne Union, paid claims by members since outset of financial crisis in 2008 amounted to US \$ 15 billion. The trend for higher claims for 2011 is expected to continue for 2012. The uncertainties related to the global economy, as well as the challenges from the EU debt crisis as well as the Arab Spring, have increased the credit risks from which state owned ECAs including ourselves at ECGA of Oman, are committed to provide necessary protection through credit insurance cover to our exporters. Despite such challenges, it is encouraging to note that growth in demand for credit insurance has been more stable than the world trade during such crisis times and that both the Prague Club and Berne Union members have insured more than 10% of the world trade.

Thus ECAs continued to play catalyst role in support of trade through risk mitigation. Support of credit insurance for world trade was evident from increasing amount of insured business. As for ECGA of Oman it has been very supportive in providing credit insurance protection to its exporters against both commercial as well as non-commercial / political risks. The Bulletin in this issue also enumerates the benefits of the services provided by ECGA of Oman to Small & Medium Enterprises (SMEs). Apart from deriving protection against the risks of

non-payment from both their local as well as foreign buyers, the credit policies can also be assigned to commercial banks as they fill the security gap and guarantee needed by the Banks which allow SMEs to obtain working capital financing. They can also discount their bills with the banks up to the credit limits sanctioned by ECGA of Oman. Thus assisting SMEs not only in minimizing the risks of non-payment but also in their financing as well as improving their liquidity and cash flow position.

Under *Hints to Exporters*, the Bulletin highlights essential stipulations on the importance of abiding the requirements of the Credit Policies in order to ensure that claims are eligible for payment to the exporters by ECGA of Oman without lapses from their side. These include timely declaration of exports, notification of overdue of payments from buyers, obtain approval from ECGA of Oman for postponement of payment as requested by buyers, refrain for further shipments while previous bills overdue as well as confirmation of outstanding bills from buyers.

Under the *Country Profile of Buyers of Omani Insured Exports*, the level of exports and imports between Oman and South Korea is revealed along with the extent of ECGA's of Oman credit insurance to Omani exports. The value of non-oil exports sales from Oman to South Korea in 2010 has substantially increased by more than 10.5% compared to 2009.

The Bulletin under its Q&A section, discusses a variety of questions and answers for the information of our policyholders. These include main benefits of credit insurance, indemnification against claims for losses, credit insurance as valuable tool in enhancing borrowing power, post shipment financing for credit insured sales by bills discounting, etc.

As per the section on the *Omani Insured Exporter by ECGA of Oman*, the Bulletin provides profile of Gulf Plastic Industries Company SAOG as one of the successful Omani exporters that has utilized the services of ECGA since 1999. It has experienced substantial growth of exports through production of flexible intermediate bulk containers, polypropylene woven sacks, webbing, liners, cups and bowls products of international standards.

Thanking You,

Nasir bin Issa Al-Ismaily
General Manager

This issue...

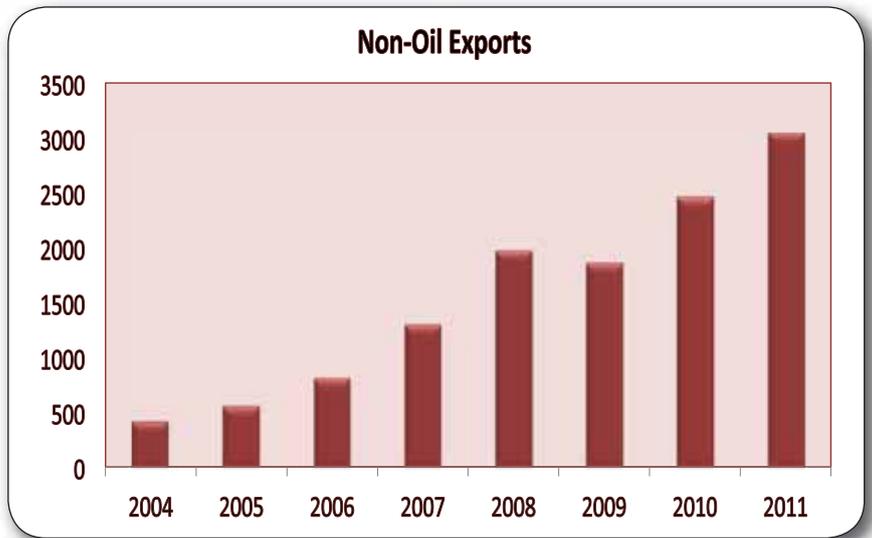
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IN THE NEWS

1. Growth of Omani Non-Oil Exports

The growth of Omani non-oil exports during the past years has been very encouraging. Export Credit Guarantee Agency of Oman has contributed significantly for such remarkable growth of Omani non-oil exports by extending its credit insurance and guarantee services to large number of existing and new exporters. As per the latest export statistics issued by the Ministry of National Economy it shows the value of Omani non-oil exports (excluding re-exports) has increased from RO.2448.2 million in 2010 to RO.3033.2 million for the corresponding period of 2011 representing a remarkable increase of 23.9%.



Total re-exports for the year 2011 was RO.2247.6 million compared to RO.1921,7 million for the year 2010 representing a growth rate of 17.9%.

2. Prague Club Meeting held in Kazakhstan

The spring bi-annual meeting of the Prague Club of the Berne Union of the year 2012 was held in Almaty, Kazakhstan recently (May 21st to May

berneunion

Insuring the world's global trade and investment

23rd) hosted by Kazakhstan Export Credit Guarantee Agency (KazExportGrant) in coordination with the Secretariat of the Berne Union. The workshop and the meetings were attended by various Prague Club members from different countries and speakers/panelists as well as officials from the Secretariat of the Berne Union. Mr. Nasir bin Issa Al-Ismaily the General Manager of Export Credit Guarantee Agency of Oman attended the meeting along with its Underwriting Officer Mr. Yasir bin Salim Al-Mahrooqi.

The minutes of the previous meeting in November 2011 in Muscat, Oman were reviewed by the members and were approved accordingly. Organizational developments, new products and announcements from the members were also presented. Members discussed and shared their experiences and concerns on exports to the Eurozone countries in view of the debt crisis and the Arab Spring which has affected countries in the MENA Region.

The Prague Club meeting in Almaty discussed commercial banks risk and analysis following presentation by officials of the International Finance Corporation - member of the World Bank Group which supports various private projects in the emerging markets through equity participation and / or financing based on the viability and feasibility for such projects. This was important considering many ECAs are also providing credit insurance and guarantee to banks apart from exporters. Hence ECAs play an important role in support of trade and project financing. The meeting also discussed reasons for banks failing. Due diligence in assessing such risks is essential in view of the financial crisis and prevailing global challenges. Many of the Export Credit Agencies (ECAs) including members of the Prague Club provide guarantees to banks while discounting export bills of exporters or factoring them. Moreover, ECAs are also guaranteeing commercial banks for confirming letters of credit. This is in addition to short, medium and long-term export credit cover as well as investment insurance against both commercial as well as non-commercial/political risks. During the Almaty Prague Club meeting, Mr. Al-Ismaily chaired and moderated the session among panelists from various ECAs on marketing and sales of credit insurance in view of the prevailing challenges. The discussion provided opportunities for exchanges of experiences among ECAs.

The country risk reviewed payment experiences and exposures due to the debt crisis in the Euro Zone and the Arab Spring as well as Eastern European and CIS countries including Azerbaijan, Georgia, Belarus, Ukraine and Russia.

3. MIGA officials visited ECGA

MIGA officials led by Ms. Izumi Kobayashi Executive Vice President and her team met the General Manager of ECGA of Oman at its offices during their recent visits. They discussed various areas of possible cooperation. MIGA, a member of the World Bank Group, is Multilateral Credit Insurance Agency involved in the investment guarantees. Through its investment guarantees, MIGA offers protection for cross-border investments against non-commercial risks including transfer restriction, expropriation, war and civil disturbances, breach of contract and non-honoring of sovereign financial obligations. It provides technical assistance to many other national ECAs in the emerging markets. MIGA is also member of the Berne Union.



4. Regional Meeting Casablanca, Morocco

The Credit Alliance Regional meeting of Africa Middle-East and the Country Risk Conference was held in Casablanca, Morocco from May 10 to 11th hosted by SMAEX - Export Credit Guarantee Agency of Morocco in coordination with the Credit Alliance Secretariat under the auspices of Coface. Mr. Nasir bin Issa Al-Ismaily, the General Manager of Export Credit Guarantee Agency of Oman attended the meeting and the conference. Among the various topics were round table discussions by the partners/members for improved better services from the Credit Alliance Network as well as continuous exchanges of valuable information among members. Separate workshops were also held including the major contribution of Credit Alliance members' network in credit risk assessment in the region as well as the increasing role of credit insurance in facilitating SMEs funding in cooperation with commercial banks. Mr. Al-Ismaily was one of the speakers of this session where he highlighted the experiences of ECGA of Oman in credit risks mitigation of buyers as well as financing facilities for credit insured exporters through export bills discounting under post shipment financing as well as pre-shipment. He highlighted that the Export Credit Insurance Policy of ECGA of Oman is very useful for SMEs as it fills the security gap needed by banks. Considering one of the major constraints facing SMEs is financing and the need for secured collateral, the Agency can assist SMEs to avail export finance facilities through the banks while providing protection to them against the risks of non-payments by their buyers through the assignment of the export credit policy to them. The meeting was preceded by Country Risk Conference in view of the geo-political situation arising from the Arab spring as well as the contagion effects from the European Sovereign Debt Crisis that has affected business as the level of both commercial and non-commercial risks have significantly increased. The Secretariat of the Credit Alliance also highlighted the achievement and growth of the Alliance during the last year, and noted the remarkable rises of membership in the Africa/Middle East Region.



It is worth mentioning that the Export Credit Guarantee Agency of Oman was one of the earliest and active member joining Credit Alliance in 1996. The first Regional Meeting of the Credit Alliance was actually held in Muscat in 2001. The Alliance which has now grown to 97 countries world-wide. Mr. Nasir bin Issa Al-Ismaily commented that ECGA of Oman has always retained its strategic relationship with the Alliance and with its respective members.

5. ECGA of Oman attended 35th ADFIAP Annual Meetings in Istanbul

Mr. Imaad S. Al-Harthy Head of Claims and Recoveries represented ECGA of Oman at the 35th Annual Meeting of Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) under the theme "DFI's Role in Sustainable Development Amidst the Economic Crisis" which was held during the period 25-27 April 2012 in Istanbul, Turkey. The annual meeting was attended by member state development banks, national ECA's, and other financial institutions and concerned organizations.



6. Training in Bond and Credit Insurance in Amsterdam

Mr. Yasir Al-Mahrooqi Underwriting Officer of ECGA of Oman attended seminar on Bonds and Guarantees in Amsterdam on 18th - 20th April 2012 organized by Nationale Borg who is one of the lead reinsurers of the Agency under its Quota Share Reinsurance Treaty. The Seminar discussed several topics including various types of bonds and purpose of issuance of such bonds as well as case study on each type of Bonds. The seminar was attended by participants from ECAs worldwide. National Borg hosted similar seminars in the past to number of ECGA's officers.



7. Two of ECGA's Officers participated in the training course in Dubai

Two of ECGA's Underwriters - Mr. Ahmed bin Khalfan Al Balushi and Mrs. Sheikha bint Masoud AL-Marhoobi participated in the underwriting course in Dubai on April 8th to 11th April 2012 organized under the auspices of the Aman Union - the Association of Arab and Islamic ECAs.



8. Induction Program for PAIPED newly appointed staff organized by ECGA of Oman

ECGA of Oman has conducted an induction program recently of its services following the request from its newly appointed staff of the Public Authority for Investment Promotion and Export Development (PAIPED).

The one day induction program was arranged on 2nd May 2012 for four members of its staff. The program was delivered by Imaad Soud AL-HARTHY, the Head of Claims and Recoveries. The objective was to familiarize the members on the activities and services offered by the Agency to promote Oman's non-oil exports. PAIPED members were introduced to domestic and export credit insurance services, pre and post shipment financing facilities, as well as an in-depth explanation on the formalities required to request for a policy, and procedures to adopt upon making a claim for loss. They were also briefly explained on the credit ratings adopted and country grading. It is worth mentioning that ECGA of Oman also organized similar induction programs previously to PAIPED on 21st March 2012. ECGA of Oman has been continuously providing induction programs to various establishments such as banks, and policyholders. Recently, the Agency conducted a one day induction for Muscat Thread Mills SAOG.

9. ECGA of Oman Indemnified claim for loss to Oman Textile Mills Co. LLC

Export Credit Guarantee Agency of Oman SAOC has indemnified a claim for loss lodged by one of its credit insured exporters - Oman Textile Mills Co. LLC - against non-payment of export sales of textiles by a buyer in UAE. The cheque for the claim payment was handed over by ECGA of Oman on 29 April 2012.

10. Oman rose to 25th position in Global Trade Index

According to the Global Enabling Trade Report 2012, the Sultanate of Oman has climbed to 25th position in Enabling Trade Index this year from 29th place last year. The ranking based on a World Economic Forum Report, was conducted among 132 countries across the world. On the GCC front, Oman is ranked second after the UAE. The Enabling Trade Index measures the factors, policies and services that facilitate trade in goods across borders and to destination.

11. Mr. Peter Jones elected as the new Secretary General of the Berne Union

Mr. Peter Jones was elected as the new Secretary General of the Berne Union following its annual meeting in Brussels. Mr. Jones is experienced expert working previously with the World Bank at MIGA. Also he worked with the Canadian Export Credit Corporation and later he was instrumental in setting up Africa Trade Insurance Agency in Nairobi, which is a multilateral ECA for African countries for which he was its CEO. Mr. Jones also visited Muscat, Oman representing ATI when ECGA of Oman hosted the first Prague Club meeting in Muscat in 2006. (pictured)



12. ECGA of Oman Indemnifies claim for loss to Oman Fisheries Co. SAOG

Export Credit Guarantee Agency of Oman SAOC has indemnified a claim for loss lodged by one of its credit insured exporters - Oman Fisheries Co. SAOG - against non-payment of export sales of fish by a buyer in Italy. Mr. Nasir bin Issa Al-Ismaily, General Manager of Export Credit Guarantee Agency of Oman along with the Head of Claims & Recoveries Mr. Imaad Soud Al-Harthi handed the Cheque to the Representative of the company Mr. Sujal J. Shah. (pictured)



13. Sluggish Global Economic Growth forecast by UN

The UN has revised down its forecasts for the world economy growth to 2.5% this year and 3.1% in 2013 after growth of 2.7% in 2011. The report stated that governments imposing austerity while many simultaneously battle the debt crises, are hitting demand, investment and growth prospects. World trade growth will slow to 4.1% this year, down from 13.1% in 2010 and 6.6% in 2011. It also said the job crisis is worsening, particularly in the Euro Zone.

14. Corporate defaults expected to rise

Credit rating giant Standard & Poor’s (S&P) expects an increase in the corporate debt default rate in 2012 as a result of a shallow recession. The ratings agency is predicting a 6.1% default rate for 2012, compared with 4.8% at the end of 2011. The S&P’s report gave three reasons for its forecast, which it said flowed from renewed uncertainty regarding the solvency of certain eurozone sovereigns. Specifically, there was at least a shallow recession in prospect for the first six months of the year, gradual normalization on loan and debt markets after the post-2008 financial crisis came to an abrupt halt in the middle of last year and renewed tightening of bank lending. It added governments’ willingness to offer temporary relief for borrowers in distress is reaching its limits given a debt bottleneck in 2013-14 and the pressure on banks to improve the quality of assets on their balance. S&P stated country risks, rather than cyclical swings, would be the main driver of corporate defaults.



LIST OF COUNTRIES INSURED BY ECGA OF OMAN

1	Algeria	22	Egypt	43	Japan	64	Pakistan	85	Sweden
2	Angola	23	Eritrea	44	Jordan	65	Papua New Guinea	86	Switzerland
3	Armenia	24	Ethiopia	45	Kazakhstan	66	Philippines	87	Syrian Arab Republic
4	Australia	25	France	46	Kenya	67	Poland	88	Taiwan
5	Austria	26	Finland	47	Korea (South)	68	Portugal	89	Tanzania
6	Azerbaijan	27	Gambia	48	Kuwait	69	Puerto Rico	90	Thailand
7	Bahrain	28	Germany	49	Lebanon	70	Qatar	91	Togo
8	Bangladesh	29	Ghana	50	Libya	71	Romania	92	Trinidad
9	Belgium	30	Greece	51	Madagascar	72	Russia	93	Tunisia
10	Botswana	31	Guinea	52	Malaysia	73	Rwanda	94	Turkey
11	Brazil	32	Hong Kong	53	Malawi	74	Saudi Arabia	95	Uganda
12	Brunei	33	Honduras	54	Maldives	75	Senegal	96	Ukraine
13	Burkina Faso	34	Hungary	55	Malta	76	Serbia	97	United Arab Emirates
14	Burundi	35	Haiti	56	Mauritius	77	Seychelles	98	United Kingdom
15	Canada	36	India	57	Mexico	78	Singapore	99	United States
16	Chile	37	Indonesia	58	Morocco	79	Slovakia	100	Vietnam
17	China	38	Iran	59	Mozambique	80	Slovenia	101	Yemen
18	Cyprus	39	Iraq	60	Nepal	81	South Africa	102	Zambia
19	Czech Republic	40	Irish Republic	61	Netherlands	82	Spain		
20	Denmark	41	Italy	62	New Zealand	83	Sri-Lanka		
21	Djibouti	42	Ivory Coast	63	Nigeria	84	Sudan		

QUESTIONS & ANSWERS



Q. What are the main benefits desired by availing export credit insurance of ECGA of Oman?

- A. - Protects you against non-payment as a result of defined commercial or political events in the Policy
- Can give you more confidence to offer competitive extended payment terms to your buyers
 - Can increase your borrowing potential by protecting your accounts receivables, which your bank may then accept as security for enhanced credit facilities

Q. As a policyholder what are the responsibilities to be fulfilled to be eligible for indemnification against claim for loss?

You are required to fulfill the stipulation of the sale contract

You are required to comply with the terms and conditions of your insurance policy and any stipulation in the credit limit approvals.

Q. What is the difference between credit insurance and factoring?

- A. Trade credit insurance provides cover against risk of non-payment due to commercial and non-commercial risks. Factoring is the process in which trade receivable are actually purchased by a factoring company who takes ownership of trade receivables. Credit insurance is not lending any money but only insuring trade receivables in the event of payment default. The factoring company does not provide cover against non-payment in its own. Many factoring companies partner with trade credit insurance companies with regard to providing such cover

Q. What does it mean to say that credit insurance enhance borrowing power?

- A. When banks or other financial institutions extend finance against insured receivables, they are encouraged to increase the advanced amount and lower interest rates. In particular, banks are encouraged such financing considering mitigation of risks of non-payment by the buyer under credit insurance scheme

Q. What if there is a dispute invoice exists? Is it covered under the Policy?

- A. An invoice must be found to be a legally sustainable debt for the amount to be covered under the terms of the policy. What this means is that a judgment in favour of the Insured must first be obtained and then the invoice will be covered for reimbursement under the Policy

Q. What arrangement is in place with commercial banks related to post shipment financing under bills discounting program?

- A. ECGA of Oman made arrangement with commercial banks

by executing Memorandum of Understanding to provide post shipment financing by way of discounting credit insured export sales. The banks discount the bills of the exporters to the extent of 80% of invoice value or credit limit amount whichever is lower in accordance with coverage provided under the credit policy to secure the amount financed by the bank. This arrangement include both Omani as well as foreign based banks in the Sultanate.

Q. What will be the consequences of late submission of declaration of business?

- A. As it is a violation of a specified terms of the Policy, ECGA of Oman, as Insurer, has the right to refuse the business declaration after stipulated time. Thus, your sales already made will be off cover. Hence, it is highly important that all your sales whether it is domestic or exports are declared in time.

Q. Can I obtain cover for pre-shipment as well as post shipment periods?

- A. Yes, Export Credit Indemnity Cover is available for pre-shipment period i.e. from the date of contract to date of shipment, if you company is carrying any risks of loss. A Contract Policy can be issued by ECGA of Oman to the exporter for such shipment. The extent of pre-shipment risk depends upon the type of goods produced. If non-standard or made to individual buyer's specification, then pre-shipment cover will be given. Otherwise post shipment cover only.

Q. How does the Export Credit Guarantee Agency of Oman meets the various needs of Omani exporters?

- A. The Agency meets the needs of exporters by providing a range of facilities and services which include the following:-
- Export Credit Insurance Services which provides cover to Omani exporters for export sales against Commercial and non-commercial risks.
 - Domestic Credit Insurance Services to credit insured exporters extending cover for local sales against non-payment due to commercial risks of default and bankruptcy of the local buyers, so as to mitigate the risks
 - Post-shipment Financing of export bills with Commercial banks at concessional rate of interest.
 - Pre-shipment financing facilities to exporters through commercial banks against guarantees issued by ECGA for working capital requirements so as to meet and enhance their export sales.

SERVICES TO EXPORTERS



The Benefits of ECGA's Services to SMEs

The various credit insurance and guarantee services that are extended by the Export Credit Guarantee Agency of Oman to Omani companies provide numerous valuable benefits to Small and Medium Enterprises (SMEs).

These including the following:-

- ✎ Under Export and Domestic Credit Insurance Scheme
- ✎ Minimize credit risks and maximize opportunities to enhance export and domestic sales
- ✎ Facilitates by allowing SMEs to extend liberal credit terms to their buyers and compete effectively with other suppliers.
- ✎ The Export and Domestic Policies can be assigned by SMEs as additional collateral to banks so as to obtain necessary financing for working capital needs.
- ✎ SMEs can discount their exports bills as well as their domestic receivables with commercial banks thus improving on their cash flows and liquidity position
- ✎ Export Credit Insurance cover provide protection to SMEs against the risks of non-payment from foreign buyers due to protected default, insolvency or non acceptance of goods.
- ✎ Domestic credit insurance also protects SMEs against protected default of the local buyers as well as insolvencies.
- ✎ Pre-shipment Credit Guarantee is also beneficial to SMEs considering the fact that most of them do not have required collateral securities demanded by banks. As such, the pre-shipment credit guarantee issued by the Export Credit Guarantee Agency of Oman to commercial banks on credit insured SMEs fills security gap needed by the banks to provide required financing facilities at pre-shipment stage for purchasing of raw materials and to meet the necessary costs towards manufacturing, processing and packing of goods to be exported against sales contract. This is because the Export Credit Policy can be assigned by SMEs to their commercial banks.

Products for which ECGA of Oman paid claims to exporters included the following:

- | | |
|---------------------------------|-------------------------------------|
| • Aluminium Profiles | • Mineral Water |
| • Automobile Batteries | • Mushrooms |
| • Automobile Filters | • Orthopedic Mattresses |
| • Baby Diapers | • Packaging Materials |
| • Biscuits and Potato chips | • Paints |
| • Copper Grit | • Perfumes & Air-Fresheners |
| • Dairy Products | • Polypropylene Products |
| • Detergents | • Printing Materials & Stationeries |
| • Footwear | • PVS Foam Sheets |
| • Fresh and Frozen Sea Products | • Threads |
| • Hygienic Products | • Tomato Ketchup |
| • Marbles | |

HINTS TO EXPORTERS

As credit insured exporter, in order to ensure that the claim is eligible for payment by ECGA of Oman, please adhere to the following essential stipulations of the Export Credit Policy

- Declare all export sales made during each month on or before the tenth day of the following month and pay premium in time.
- Inform ECGA of Oman on or before the tenth day of the each month, all amounts which remain overdue for more than 2 months at the end of previous month.
- Obtain ECGA's of Oman approval prior to postponement of the due date of payment as requested by the buyer.
- Refrain from effecting further shipments while previous export bills are overdue.
- Obtain confirmation of outstanding export bills from buyers as acceptance of debt once in 3 months.

COUNTRY PROFILE OF BUYERS OF OMANI INSURED EXPORTS

SOUTH KOREA

South Korea is located in Far East Asia on the eastern border of China. The total area of the country is 99,720 square kilometers. The capital is Seoul. The population of South Korea is 48,860,500 (July 2012 est.).

South Korea over the past four decades has demonstrated incredible growth and global integration to become a high-tech industrialized economy. It has a market economy which ranks 15th in the world by nominal GDP and 11th by purchasing power parity (PPP), identifying it as one of the economies. It is a high-income developed country, with a developed market, and is a member of OECD.



ECGA of Oman has insured Omani exporters to various products to South Korea including copper grit, marble, perfumes, electric cables, fish, pharmaceutical, confectionery, and fiber optic cables. The total credit limits issued by the Agency to date amounted to RO. 3.54 million in which almost 80.67% under open account and remaining 19.33% are under Letter of Credits.

During the year 2010, total non-oil Omani exports to South Korea reached were 545,927,706/- compared to 493,975,851/- in year 2009 which increased significantly by 10.52%. The Omani exports to South Korea for the last 5 years are listed below:

Year	2006	2007	2008	2009	2010
Exports	520,848,628	494,149,691	475,144,455	493,975,851	545,927,706
Growth %	28.69%	-5.13%	-3.85%	3.96%	10.52%

Source: Foreign Trade Statistics – Directorate of Customs (ROP)

According to Coface Hand Book of Country Risk 2012, the following profile is extracted on South Korea.

STRENGTHS

- Diversified industrial base
- Leader in quality electronics
- Effective educational system
- High public spending on R&D
- Increased South Korean investment in China, Vietnam and India

WEAKNESSES

- Iron, steel and textile industries affected by Chinese competition
- Scale of raw materials imports
- Over-indebtedness of households and small companies
- Aging of the population
- Transparency problems of chaebols characterized by family control and hereditary succession
- Unpredictability of the North Korean regime

Rating Country

A2

Business Climate Rating

A2

USD billion or %	2009	2010	2011(e)	2012(f)
Economic growth (%)	0.3	6.2	3.8	3.8
Public Sector Balance (%GDP)	2.8	3.0	4.5	3.5
Current Account Balance (%GDP)	-1.7	1.4	1.9	2.1
External debt (%GDP)	3.9	2.8	1.5	1.4
Foreign exch. res. In months of imports	33.8	33.4	32.0	30.0

e = estimate; f = forecasts

As per D&B Country Risk Indicator, most of the reputable ECAs provide full or ST cover for South Korea including US Eximbank, Atradius, ECGD and Euler Herms UK.

OMANI INSURED EXPORTER BY ECGA OF OMAN

GULF PLASTIC INDUSTRIES CO. S.A.O.G

Gulf Plastic Industries Co. S.A.O.G is an ISO 9001:2008 certified public share holding company established in the year 1998, located in the Sultanate of Oman, Muscat - Rusayl Industrial area and is equipped with state of the art machinery to produce various packaging products to international standards.



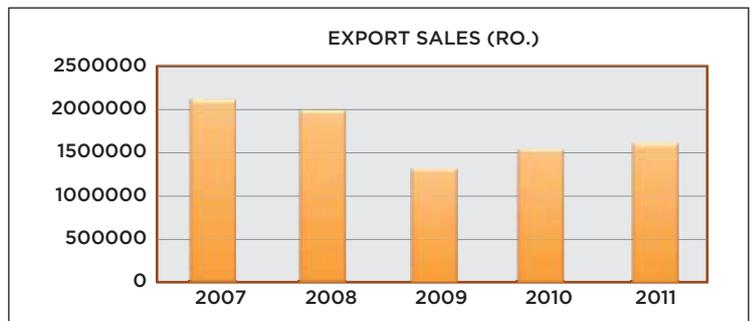
Gulf Plastic Industries is one of the most advanced manufacturing industry in the Middle East engaged in the manufacture of Flexible Intermediate Bulk Containers, Polypropylene woven sacks, Polypropylene webbing, Polyethylene liners and Polystyrene cups and bowls.

Our FIBC's (Jumbo Bags) are branded as GULFPAC and the brand has established our presence in the domestic as well as overseas markets. The technology used in the making of the bags is from Starlinger - Austria who are the world leader in this industrial line. All our FIBC's are certified by an international certifying body named Labordata - Germany. Our FIBC's have reached markets worldwide and the quality has been well accepted. The usage of our FIBC's are mostly for filling chemical products, Fertilizers, Cement, Plastics Polymers, Sugar, Food grains, Salt, Sand, Agri-Products, Building Material, Seeds, Minerals, etc.

Our cups and bowls section are branded as GPI and we have established our presence well in the domestic market. The technology used in the making of the cups and bowls are from European machinery namely Reifenhauer, Illig, Vandam etc. The products are mainly used for filling juices, dairy products, mineral water and for catering purposes.

Strategically located in Muscat - The Sultanate of Oman we have covered the length & breadth of the globe within a short time period. This offers our customers the reassurance of guaranteed supply. We are committed to be a leader in innovation through the products we offer and the outstanding service we provide. Today Gulf Plastic Industries Co. SAOG boasts of the best customers in domestic and international markets. In our decade of existence we have a track record of 100% customer retention, which gives us the confidence to grow further and continue to improve our services.

Our Factory is divided into two sections, the main section stands in an area of 5,000 sq meters where the major machinery is located and the finishing area stands in an area of 2,300 sq meters. Both our factories are fully air-conditioned keeping in view the hygenity of the product manufactured.



Gulf Plastic Industries Co. S.A.O.G has been availing the facilities of ECGA's credit insurance and guarantee services since 1999. Gulf Plastic Industries Co. commented:

"The services offered by ECGA of Oman to the company are highly commendable and thank ECGA of Oman for continuously supporting towards assessing the buyers' risks which has given extra coverage to cover losses on their export sales."



Products of Gulf Plastic Industries

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



Scope of ECGA's of Oman Services

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 through its twenty years of services provide confidence, encouragement and incentive in support of its valuable services to exporters by exploring new buyers and markets world wide.

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)

P.O. Box 822, Postal Code 100 Muscat, Sultanate of Oman

Tel : 968 - 24813979 / 24813980 - Fax : 968 24812380

E-mail : info@ecgaoman.com.om

Website : <http://www/ecgaoman.com.om>

