



STATE OF ISRAEL  
MINISTRY OF FINANCE

SPOKESPERSON OFFICE

INTERNATIONAL AFFAIRS  
DEPARTMENT

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## Press Release

### **The Ministry of Finance Announced Today the Expansion of Assistance to "Small Exporters" in Export Credit Insurance**

**The arrangement, which is to go into effect next month, will also allow "small exporters" to receive export credit insurance from private insurers**

The accountant general in the Ministry of Finance, **Shouki Oren**, announced today the expansion of assistance to "small exporters" with an annual turnover of up to 2 million dollars. These exporters will be granted assistance in the insurance of exports against credit risk, in the form of a significant relief on the minimum annual fee charged by the insurers. In addition, they will benefit from a 25% rebate on the premium collected in the framework of the Top-Up foreign trade insurance program, which was launched by the accountant general about a year and a half ago as one of a series of measures to counter the global crisis. It should be noted that this assistance was enabled through the collaboration of the accountant general with the private credit insurance companies, The Israeli Credit Insurance Company (ICIC) and Clal Credit Insurance.

On June 19, 2009 the Ministry of Finance signed an agreement with those insurance companies, according to which the state assumed a part of the risk under the short-term credit insurance cover, thus enabling exporters to benefit from higher coverage limits. Under the program, insurance policies have been issued for more than 1,000 export transactions valued at 275 million dollars.

An analysis of the use of the various credit tools implemented by the Ministry of Finance, performed by the finance department in the accountant general's office, shows that, thus far, it has been difficult for small exporters to benefit from the program's advantages, since the minimum annual fee charged by the insurers is high relative to the annual amount insured, and therefore they do not make use of the short-term credit insurance offered by the insurer, as a result of which they also do not benefit from the increased coverage limits under the insurers' agreement with the state.



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In keeping with the policy promulgated by the Ministry of Finance, the accountant general's office has put a strong emphasis in the past two years on encouraging exports. In light of the above findings, it was decided to make short-term credit insurance more accessible to small exporters, so that they can increase the number and volume of export transactions. In the framework of the plan, the state has agreed to reduce the fee collected by it on the second layer of insurance, against a reduction of the minimum annual fee by the commercial insurer.

**Eran Heimer**, senior deputy accountant general, noted that "the recent global crisis has strengthened the need for foreign trade insurance, with the banks routinely conditioning the financing of export activity on this insurance. In these circumstances, the unavailability of foreign trade insurance to the sector of small exporters is liable to hamper export transactions. We believe that this plan, which has been geared specifically to small exporters, will bear fruit, and a new segment of exporters will be able to enter the short-term insurance market and increase exports, which are one of the economy's main growth engines."