

EMBARGO until midnight on 6 December

Greater confidence in the global economic climate: 4 in 5 Belgian companies expect their exports to grow over the next 3 years¹

Credendo Trade Forum 2017: “Can protectionism hamper globalisation?”

Brussels, 7 December 2017

- This Thursday, more than 350 CEOs and CFOs will attend the 3rd Credendo Trade Forum entitled “Can protectionism hamper globalisation?” Organised by Belgian credit-insurance company Credendo, this Forum will cover current topics such as protectionism, world trade trends and today’s geopolitical risks with participation by some well-known figures: Guy Verhofstadt, Jacques de Larosière and Gideon Rachman.
- The economic climate is looking up: international trade is recovering well and should achieve its best year since the 2008 crisis.
- According to the survey performed by Trends-Tendances for Credendo, 4 in 5 directors of Belgian companies expect their exports to grow over the next 3 years.
- The risk of non payment, high production costs in Belgium and the amount of red tape involved constitute today’s main barriers to export.
- To support entrepreneurs, Credendo is introducing a mobile app for them to consult their country risks in real time.

Greater confidence in the global economic climate

The global economy is looking up. Emerging markets are driving growth with China in the lead. World trade is recovering well and should achieve its best year since the 2008 crisis. Export is an important growth factor for Belgian companies of all sizes. According to the survey performed by Trends-Tendances for Credendo, 4 in 5 Belgian directors expect their exports to grow over the next 3 years. Neighbouring countries (68%) are ranked amongst the top regions and countries with the best opportunities for exporting companies, followed by other countries in the European Union (45%), Asia (42%), the United States and Canada (31%) and the Near and Middle East (21%). The survey also revealed that the sectors with the greatest potential for export growth are biotechnology (60%), pharmaceuticals (50%), chemistry (45%), construction and dredging (38%) and the space industry (30%).

Despite the positive economic climate, there are risks on the horizon

“Globally, 2017 has been a year of stabilisation in terms of risk, and this is reflected in Credendo’s ratings. But there are risks on the horizon and the threat of American protectionism is part of this. The fear is that obstacles to world trade will increase and commercial tensions will expand and spread throughout the world. Asia is clearly the region under the most threat because it is so open and highly involved in the global production chain,” explains Nabil Jijakli, Deputy CEO of Credendo.

The figures from the survey show that more than 30% of the company directors questioned think that the election of Donald Trump will have a negative effect on their export plans. Moreover, more than 80% of them think that protectionist measures will increase in the coming months, and almost 80% believe that Belgium and the EU should, in turn, take measures to protect their companies.

A good assessment of the risk of non payment is crucial

The reluctance of some companies to export can be explained by various obstacles. The risks of non payment, high production costs in Belgium and the amount of red tape involved seem to be the main fears. No fewer than 6 in 10 companies have already experienced unpaid bills and that is the main cause of losses for companies. Credendo points out that there are two types of risk underlying the risk of non payment in exports: global macroeconomic and economic risks and geopolitical risks. Currently, the main macroeconomic risks are the heavy indebtedness of states and of companies in many parts of the world, while there are numerous geopolitical risks: the Middle East, South-East Asia and Korea, tensions with Russia, unpredictable American policy, etc.

¹ Survey performed by Trends-Tendances for Credendo. 956 directors of Belgian companies took part in the survey.

Controlling uncertainty

“Uncertainty is undermining global confidence and causing a lot of companies to delay their investments or transactions, especially in at-risk areas. As a credit-insurance company, Credendo’s role is to objectify these uncertainties through analyses of the political and commercial risks that are involved in countries’ ratings or classifications. To provide companies with real-time information, we will be launching the Credendo Risk App at the 2017 Trade Forum. This mobile app will enable them to consult the ratings of 246 countries and the most recent analyses on which these ratings are based,” explains Nabil Jijakli.

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Credendo

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For more information, please visit www.credendo.com.