

9.0 Annexes

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ALGERIA

Collection Experience

- Usual Trading Terms: ILC is the norm. Some Europeans use open account.
- Overall Experience: Good with LCs; delays could be due to buyer and administration difficulties, not to lack of foreign exchange. Bank delays average 3-4 months.
- Credit/Financial Issues: Key steps made in financial sector toward liberalization, but Banque Nationale d'Algerie or Banque Exterieur d'Algerie and Banque de l'Agriculture et du développement rural are still owned by public sector. Bureaucratic red tape, corruption and high taxes affect business climate.

EDC Experience and Attitude

- Short Term: Open on a full range of payment terms.
- Claims Experience: Claim paid in 2006, but not in the first half of 2007.
- Medium/Long Term: Open under total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Open.

ANGOLA

Collection Experience

- Usual Trading Terms: Very secured terms: CIA and confirmed ILC.
- Overall Experience: Has been reducing its old stock of arrears mainly with ECA creditors on MT/LT business.
- Credit/Financial Issues: High inflation and commercial risk. Corruption is rampant. Caution with banking sector. Payment process is still slow.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: Little experience due to lack of business.
- Medium/Long Term: High country risk; consult with head office.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: High country risk.

ARGENTINA

Collection Experience

- Usual Trading Terms: LC recommended.
- Overall Experience: Fair. In the short term there are no concerns over access to FX. A number of more serious concerns exist for the longer term, and caution is advised.
- Credit/Financial Issues: The private market has little capacity, and many public insurers have restrictions. Some will consider structured financing arrangements that offer assurance of FX access.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No recent claims paid.
- Medium/Long Term: Case-by-case, with preference for FX-generating business. Caution for energy-dependent business.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

ARMENIA

Collection Experience

- Usual Trading Terms: Secured terms. ILC is the norm.
- Overall Experience: Very limited experience, but poor.
- Credit/Financial Issues: Caution advised due to lack of information. Weak banking sector.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: EDC has not paid any recent claims.
- Medium/Long Term: Highly selective. Public sector cannot borrow on commercial terms.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

AUSTRALIA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Stable business environment.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Decline in value of claims paid in 2007.
- Medium/Long Term: Low risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

AZERBAIJAN

Collection Experience

- Usual Trading Terms: Secured terms. ILC is the norm.
- Overall Experience: Very limited experience.
- Credit/Financial Issues: Weak banking sector undergoing reforms. Strong liquidity position.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No claims experience in this market in view of limited business.
- Medium/Long Term: Highly selective. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

BAHAMAS

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Fairly stable business environment.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Favourable.
- Medium/Long Term: Low risk. Open under total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low risk.

BAHRAIN

Collection Experience

- Usual Trading Terms: Full range of terms. Terms rarely exceed 60 days.
- Overall Experience: Good.
- Credit/Financial Issues: Strong financial sector; one of the most advanced in Middle East regulatory regimes. Basically no FDI barriers.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC has not paid any recent claims.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

BANGLADESH

Collection Experience

- Usual Trading Terms: Secured terms – CLC constitutes minimum and recommended terms, but LCs remain acceptable for repeat business or with large importers. Some open account transactions reported, though they remain the exception.
- Overall Experience: Little experience due to lack of business.
- Credit/Financial Issues: Most ECAs and the private market are very restrictive in this market due to the nation's recurring international liquidity problems.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: Claims paid in 2005 and in 2006.
- Medium/Long Term: Highly selective. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

BARBADOS

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Fairly stable business environment.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Decent claims experience.
- Medium/Long Term: Low risk. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low risk.

BOLIVIA

Collection Experience

- Usual Trading Terms: CLC recommended.
- Overall Experience: Fair to poor. Payments performance is improving in 2007, but Bolivia's policy environment should be monitored.
- Credit/Financial Issues: Caution advised with respect to banking sector.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: One claim in 2007H1.
- Medium/Long Term: High risk. Case-by-case in public and private sectors, public subject to HIPC guidelines.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

BOTSWANA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Business conditions are benefiting from lower inflation (7.8%), but domestic interest rate (16%) reflects tightening monetary policy. Sound liquidity position.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: There have been no claims recently.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

BRAZIL

Collection Experience

- Usual Trading Terms: Full range of terms, with LC recommended.
- Overall Experience: Good. The high cost of local credit can lead to payment delays, but mostly for smaller companies.
- Credit/Financial Issues: Improved external position has eased short-term credit concerns, but the effects of the global credit crunch on Brazil should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

BULGARIA

Collection Experience

- Usual Trading Terms: LC is recommended, open account increasingly common.
- Overall Experience: Fair, some minor delays.
- Credit/Financial Issues: Current account deficit is a concern, but other aspects of the economy are comforting. Business environment continues to improve. The effects of global credit squeeze should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No recent experience.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

CAMEROON

Collection Experience

- Usual Trading Terms: Confirmed and unconfirmed ILCs are the norm and predominantly with public sector.
- Overall Experience: It should improve. Arrears (domestic and external) are gradually dealt with oil windfalls and debt cancellation with Paris Club creditors and IFIs.
- Credit/Financial Issues: Cumbersome administration; needs to develop "the culture of paying its debts"; Fitch & S&P upgraded risk rating. Private and public sectors have access to the CFA franc zone for transfer.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: EDC paid a claim in the first half of 2007.
- Medium/Long Term: Public sector cannot borrow on commercial terms. Private sector with appropriate financial structure.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

CHILE

Collection Experience

- Usual Trading Terms: Full range of terms, with open account predominant.
- Overall Experience: Good. Some payment delays are reported, more often at the state or state-linked level than in the private sector.
- Credit/Financial Issues: The effects of the current global credit crunch should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Decline in claims so far this year.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

CHINA

Collection Experience

- Usual Trading Terms: Much business continues to be done on LC and quite a bit on the basis of drafts, although open terms are becoming more common.
- Overall Experience: Good.
- Credit/Financial Issues: Difficulty obtaining credit and financial information. China is still a relations rather than a law-based system, where it is imperative to know the customer well and where legal recourse is still difficult if things go wrong.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Some claims paid every year since 2004.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

COLOMBIA

Collection Experience

- Usual Trading Terms: LC recommended.
- Overall Experience: Good. Occasional payment delays still occur and economy remains vulnerable to security situation.
- Credit/Financial Issues: Prospects for an eventual US FTA remain uncertain.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

COSTA RICA

Collection Experience

- Usual Trading Terms: Full range of terms, with open account the most common.
- Overall Experience: Good to fair.
- Credit/Financial Issues: Despite the dependence of external accounts on a single company, the country is not threatened by near-term liquidity issues. Most of the longer delays are customer related.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Two claims made in 2007H1.
- Medium/Long Term: Open subject to the availability of acceptable financial information.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

COTE D'IVOIRE

Collection Experience

- Usual Trading Terms: Very secured terms (cash in advance).
- Overall Experience: Very poor. Accumulating domestic and external arrears. Trying to pay arrears to IFIs to unlock the international rescue package.
- Credit/Financial Issues: Extreme caution warranted. Business conditions are extremely difficult. Private and public sectors have access to the CFA franc zone for transfer. Liquidity is very tight.

EDC Experience and Attitude

- Short Term: Case-by-case with a strong preference for ILC terms, but other terms may be considered subject to strong risk mitigants.
- Claims Experience: Very limited experience due to difficult situation.
- Medium/Long Term: Highly selective. Accumulating arrears since 2002.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

CROATIA

Collection Experience

- Usual Trading Terms: Mainly LC; but open account increasingly common.
- Overall Experience: Fair.
- Credit/Financial Issues: Banking system largely foreign owned, which is good for business.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid claims in 2006, but no claims so far this year.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

CUBA

Collection Experience

- Usual Trading Terms: Very secure terms. ILC required.
- Overall Experience: Poor.
- Credit/Financial Issues: Caution advised.

EDC Experience and Attitude

- Short Term: Case-by-case on ILC terms with selected banks.
- Claims Experience: Long-standing and accumulating arrears on medium- and long-term exposures; there have been improvements on the short term.
- Medium/Long Term: Highly selective.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: Medium-high risk.

CZECH REPUBLIC

Collection Experience

- Usual Trading Terms: Full range of terms; open account predominant.
- Overall Experience: Generally good.
- Credit/Financial Issues: None.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid claims in 2006, similar amount expected in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

DOMINICAN REPUBLIC

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Fair.
- Credit/Financial Issues: Conditions continue to improve but risks remain. Currency stable and inflation holding in single-digit territory, resulting in a stable business environment. Risks could rise in 2008 with presidential elections slated for May. Potential that the government will not renew its IMF program in 2008 is also a concern. Textiles industry is under severe strain.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Recent experience is good. Payment delays are a relatively normal occurrence. Delays in payment from the government are also a risk.
- Medium/Long Term: Medium risk in the short term. Higher risk in long term as concerns relating to government debt, global economic conditions and the troubled power sector present challenges.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

ECUADOR

Collection Experience

- Usual Trading Terms: CLC recommended.
- Overall Experience: Poor to fair. Country's international liquidity position could become strained; caution is advised especially with longer term commitments.
- Credit/Financial Issues: Caution advised with banking sector.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: High risk. Open on a restricted case-by-case basis for the public sector. Open on a case-by-case basis for private, non-bank risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

EGYPT

Collection Experience

- Usual Trading Terms: ILC and DOP/SD.
- Overall Experience: There has been a clear improvement since 2004.
- Credit/Financial Issues: Concerns over periodic dollar shortages have dissipated. Liquidity is better. Caution advised for state banks and enterprises. Inflation is a concern. World Bank is supporting banking sector reform.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: There has been an improvement with no claim paid in the first half of 2007, but EDC had to pay claims in 2006; frequent extensions or payment demands on contract bonds remain an issue.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

EL SALVADOR

Collection Experience

- Usual Trading Terms: Full range of terms, with LC recommended.
- Overall Experience: Fair.
- Credit/Financial Issues: No reason for concern over the country's external accounts, especially given CAFTA-DR.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Very limited experience.
- Medium/Long Term: Open for the public sector. Open on a case-by-case basis for private, non-bank risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

EQUATORIAL GUINEA

Collection Experience

- Usual Trading Terms: Very secured terms.
- Overall Experience: Fair.
- Credit/Financial Issues: Banking sector needs reform. Serious governance and transparency issues. Private and public sectors have access to the CFA franc zone for transfer.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No recent experience.
- Medium/Long Term: Highly selective on a case-by-case basis.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: High country risk.

ESTONIA

Collection Experience

- Usual Trading Terms: Generally open account.
- Overall Experience: Very limited experience; some payment delays reported.
- Credit/Financial Issues: Exchange rate is fixed. No exchange controls.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claims this year.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

ETHIOPIA

Collection Experience

- Usual Trading Terms: Very secured terms; usually confirmed ILC.
- Overall Experience: Needs new track record after recent stock of debt treatment.
- Credit/Financial Issues: Caution is required with banking sector and state enterprises. Liquidity has been tightening, below manageable level.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: Very limited experience; very difficult to recover if payment difficulties occur.
- Medium/Long Term: Public sector is quite vulnerable; private sector on case-by-case basis.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

FRANCE

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payments performance (30 days or more) is favourable and remains better than the EU average; however, the share of prompt payments deteriorated further, from 32.8% in Q1 to 31.4% in Q2.
- Credit/Financial Issues: The number of business insolvencies for 2007 is expected to remain at 2006 levels (i.e. around 47,000 cases).

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid in first 6 months suggest an amelioration in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

GABON

Collection Experience

- Usual Trading Terms: Secured terms. Confirmed and unconfirmed ILCs.
- Overall Experience: Has decidedly improved.
- Credit/Financial Issues: Liquidity has eased due to debt relief in the first half of 2000s and then to stronger oil prices. Transparency and falling oil reserves remain issues. Private businesses are often linked to public sector. Private and public sectors have access to the CFA franc zone for transfer.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No recent claim experience due to restrictive cover policy.
- Medium/Long Term: Prepare to consider business under a total commitment limit; case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

GEORGIA

Collection Experience

- Usual Trading Terms: Secured terms. ILC and CILC.
- Overall Experience: Poor.
- Credit/Financial Issues: Weak banking sector. Local and FX/bank delays remain extensive.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No claims experience in recent years.
- Medium/Long Term: Highly selective. Public sector cannot borrow on commercial terms.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

GERMANY

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payments performance (30 days or more) has improved notably in Q2 and remains notably better than the EU average; however, the number of payments arriving over 120 days late (1.8%) is above the regional average.
- Credit/Financial Issues: The number of business insolvencies for 2007 is expected to remain at 2006 levels (i.e. around 32,000 cases).

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Although the number of claims paid has not increased, the value of claims paid is larger in first 6 months of 2007 compared with the same period in 2006.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

GHANA

Collection Experience

- Usual Trading Terms: LCs the norm.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: High domestic interest rates to deal with high inflation affecting business conditions. Government heavily involved in private sector. In November 2006, introduced the Kimberly Certification to deal with illegal diamond exports. Bank of Ghana redenominated the "cedi" in July 2007 (the rate to be GHC 10,000 to one new Ghana cedi). Difficult for small business to access credit.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: EDC paid no claims in 2006 and first half of 2007.
- Medium/Long Term: Open under a total commitment limit; case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

GUATEMALA

Collection Experience

- Usual Trading Terms: Full range of terms, with open account the norm.
- Overall Experience: Good to fair.
- Credit/Financial Issues: Banking sector has recovered, but a check of local banks used is essential.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: Open with the private sector and on a case-by-case basis with the public sector, preferably when there are other financial institutions involved in the financing.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

GUINEA

Collection Experience

- Usual Trading Terms: Very secured terms.
- Overall Experience: Very poor.
- Credit/Financial Issues: Poor business conditions. Domestic and external arrears are accumulating.

EDC Experience and Attitude

- Short Term: Case-by-case with a strong preference for ILC terms, but other terms may be considered subject to strong risk mitigants.
- Claims Experience: No recent experience due to little business.
- Medium/Long Term: Highly selective due to accumulating arrears.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

HAITI

Collection Experience

- Usual Trading Terms: Very secured terms.
- Overall Experience: Very limited experience.
- Credit/Financial Issues: Business conditions are very difficult.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: Limited experience.
- Medium/Long Term: Extremely selective, third-party offshore guarantees encouraged.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: High country risk.

HONG KONG

Collection Experience

- Usual Trading Terms: Open account predominant.
- Overall Experience: Most transactions continue to be settled promptly. The local bankruptcy rate has been going down, a trend that is expected to persist for the foreseeable future.
- Credit/Financial Issues: It is important to know your buyer's business as there is often an end buyer in China involved, which should be considered when assessing the credit risk.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: A few small claims in 2004, 2005, 2006 and 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

HUNGARY

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Experience ranges from excellent to poor, but generally good.
- Credit/Financial Issues: Economy and banking sector fair, effects of global credit crunch should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Paid claims in 2006, similar claims so far in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

INDIA

Collection Experience

- Usual Trading Terms Full range of terms; LC becoming less prevalent as open account is becoming more common; but LC still recommended for first-time customers.
- Overall Experience: Payment performance is improving but expect delays on most transactions.
- Credit/Financial Issues: Focus on customer risk rather than country risk; caution in dealing with regional and local governments since some are in financial straits.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claims paid in 2005 and in 2006; none so far in 2007.
- Medium/Long Term: Medium risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

INDONESIA

Collection Experience

- Usual Trading Terms: Secured terms – LC is the minimum but CLC is recommended; new business with private sector is approved on a case-by-case basis; MoF guarantee required for most long-term public sector transactions. Some open account reported with good, established customers.
- Overall Experience: Payment delays are reported.
- Credit/Financial Issues: Concern about weakness in banking system and slow improvements. Continue to exercise caution in assessing customer and bank risk.

EDC Experience and Attitude

- Short Term: Open on a case-by-case basis.
- Claims Experience: Claims paid in 2005 and 2006; none so far in 2007.
- Medium/Long Term: Medium risk. Open to public and private sectors under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

IRAQ

Collection Experience

- Usual Trading Terms: Third-party financing structure and risks stop at the border.
- Overall Experience: Very limited experience due to political conditions. Moratorium on external debt.
- Credit/Financial Issues: Local and banks delays can take 4 to 5 months due to ongoing violence. Legislation to resolve the distribution of oil revenues is close to completion, but its draft may be strongly challenged. Security (kidnapping) is a serious concern. The three foreign banks – HSBC, National Bank of Kuwait and the Standard Chartered Bank – have been awarded licenses to set up operations, but are concerned by security.

EDC Experience and Attitude

- Short Term: Case-by-case with strong risk mitigants – third-party financing structure/offshore payment.
- Claims Experience: No recent experience.
- Medium/Long Term: Third-party financing structure and risks stop at the border.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: High country risk.

ISRAEL

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Credit/Financial Issues: Strong business activities and comfortable foreign exchange reserves.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC received no claims in the first half of 2007.
- Medium/Long Term: Open under total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

ITALY

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payments performance (30 days or more) continues to be weaker than EU average.
- Credit/Financial Issues: Outdated bankruptcy legislation leads to costs and delays. The number of business insolvencies for 2007 is expected to remain at 2006 levels (i.e. around 12,000 cases).

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid in the first 6 months of 2007 equivalent to claims paid for all of 2006.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

JAMAICA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Fair but delays are relatively common.
- Credit/Financial Issues: Economy is on a modest upswing led by tourism and some mining. Although stable environment at present, caution remains a persistent recommendation as currency volatility and government liquidity crunches could re-emerge.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Two claims submitted in 2006, none so far in 2007. No claims in 2005 and only one in 2004.
- Medium/Long Term: Sovereign has large debt overhang. Little fiscal room available in the event of an internal or external economic shock.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium risk.

JAPAN

Collection Experience

- Usual Trading Terms: Full range of terms, with lenient terms predominating.
- Overall Experience: Good.
- Collection costs: Very expensive.
- Credit/Financial Issues: Bank lending has been slowing down since the beginning of the year. July had the slowest rate of domestic credit growth since March 2006. Corporate Bankruptcies were up 32.4% y/y in June and have increased consistently over the past 9 months. Small and medium firms in the construction and retail industries have seen the greatest deterioration. These firms are mostly domestic market oriented and are suffering under a weak consumer.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: One claim in 2005 and two in 2006. No claims since then.
- Medium/Long Term: Open without restrictions
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

JORDAN

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Local and bank delays are reasonable. Foreign exchange reserves are at comfortable levels.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC recovered in 2007 claims paid in 2006.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

KAZAKHSTAN

Collection Experience

- Usual Trading Terms: Mostly secured terms, but some open account, generally with oil companies or affiliates, or agents of well-established companies.
- Overall Experience: Continued improvement in promptness of payments.
- Credit/Financial Issues: Strong banking sector; challenging (but improving) business environment. Liquidity is substantial because of oil and gas revenues.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No recent claims experience.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

KENYA

Collection Experience

- Usual Trading Terms: Confirmed and unconfirmed ILCs the norm.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: Financial statements need to be scrutinized. Banking sector needs to be watched. Corruption is a real issue. Inflation is close to double-digit rate of increase.

EDC Experience and Attitude

- Short Term: Open on a case-by-case basis. Preference for ILCs.
- Claims Experience: No recent claims experience.
- Medium/Long Term: Highly selective; private sector on case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

KUWAIT

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Large foreign exchange assets. Sound banking sector. Dinar has been pegged to a basket of currencies, which resulted in revaluation in July 2007.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid in 2004, 2005, 2006 and 2007 due to default and call on bond.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

KYRGYZSTAN

Collection Experience

- Usual Trading Terms: Secured terms; ILC the norm.
- Overall Experience: Very limited experience.
- Credit/Financial Issues: Weak banking sector, slow progress in reforms.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No claims experience due to very limited business.
- Medium/Long Term: Highly selective. Public sector cannot borrow on commercial terms.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

LEBANON

Collection Experience

- Usual Trading Terms: mainly ILCs.
- Overall Experience: No sign of deterioration.
- Credit/Financial Issues: Received pledges from Paris III donor conference in January 2007 and the Gulf countries, but disbursements are difficult due to security. The Gulf countries have been supporting Lebanese banks. Business conditions remain very difficult.

EDC Experience and Attitude

- Short Term: Case-by-case; ILC preferred.
- Claims Experience: EDC paid one claim in the first half of 2007.
- Medium/Long Term: Highly selective; concerned by the level of indebtedness of the public sector.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

LIBYA

Collection Experience

- Usual Trading Terms: Confirmed and unconfirmed ILCs.
- Overall Experience: Payment experience reasonably good on secure terms. Payment process is slow despite abundance of foreign exchange reserves. Irregularities are common.
- Credit/Financial Issues: Business done mainly through the Libyan Arab Foreign Bank or Central Bank.

EDC Experience and Attitude

- Short Term: Open on a case-by-case basis. Preference for L/Cs.
- Claims Experience: One claim paid in 2006, but none in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

LITHUANIA

Collection Experience

- Usual Trading Terms: Generally open account, although North American exporters tend to be more restrictive.
- Overall Experience: Limited, but good.
- Credit/Financial Issues: More recently economy has shown signs of over-heating. Very large external deficits. Effects of global credit crunch should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: One claim in 2006, no claims so far in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

MALAYSIA

Collection Experience

- Usual Trading Terms: Full range of terms, although open account is predominant.
- Overall Experience: Payment experience with Malaysian importers remains good but still need to carefully assess customer risk.
- Credit/Financial Issues: Strong local banking system; easing of capital and FX restrictions.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claim paid in 2005, none since.
- Medium/Long Term: Low risk. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

MALI

Collection Experience

- Usual Trading Terms: Mainly ILC.
- Overall Experience: Expected to improve.
- Credit/Financial Issues: Caution is needed with state enterprises; belongs to the CFA franc zone.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: EDC has not paid claims in recent years.
- Medium/Long Term: Public sector cannot borrow at this juncture; private sector with appropriate financial structure.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

MAURITANIA

Collection Experience

- Usual Trading Terms: Mainly ILCs.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: Corruption and bureaucracy are issues in business activities. Legal system cumbersome. Oil revenues coming on stream. Introducing foreign exchange regulations and banking sector changes.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: EDC did not pay any claims in recent years due to limited business.
- Medium/Long Term: High-risk market; considering well-secured transactions.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

MAURITIUS

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Business Facilitation Act implemented in 2006 to attract FDI.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC did not pay any claims in recent years.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

MEXICO

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Short-term products face somewhat challenging environment as recoveries hampered by poor enforcement of creditor rights. After improved claims experience in 2006 on strong economic growth, 2007 has seen some deterioration as US economic slowdown has moved south. In our US downside scenario, further weakening of credit conditions in Mexico could occur. Medium to long-term good experience.
- Credit/Financial Issues: Difficult to obtain financial information. Commercial morality can be problematic.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Challenging. Slow and cumbersome court system makes recoveries challenging.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium risk.

MOLDOVA

Collection Experience

- Usual Trading Terms: Secured terms, usually L/Cs.
- Overall Experience: Limited, as business is mainly done with a few trading partners.
- Credit/Financial Issues: Limited information; very difficult business conditions.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No recent claims experience.
- Medium/Long Term: Highly selective.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

MONGOLIA

Collection Experience

- Usual Trading Terms: Secured terms. ILC is the norm.
- Overall Experience: Very limited experience.
- Credit/Financial Issues: Banking system is strengthening, but vulnerabilities remain. Non-performing loans in banking sector still high despite substantial improvements.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No recent claims experience due to very limited business.
- Medium/Long Term: Highly selective. Subject to availability of financial information. Sovereign is negotiating IMF program and may come under borrowing restriction.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

MOROCCO

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: New banking law with more powers for the Central Bank. Successful in attracting FDI, mainly in tourism.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid several claims in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

MOZAMBIQUE

Collection Experience

- Usual Trading Terms: Secured terms, mainly ILC.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: Banking sector would be weak without Portuguese support; the choice of domestic bank is important.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: Very little experience with the market.
- Medium/Long Term: Open under a total commitment limit. Public sector cannot borrow on commercial terms.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

NAMIBIA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Business conditions are good by African standards. Foreign exchange reserves have increased.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims experience, but very little business.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

NETHERLANDS

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payment experience (30 days or more) remains stable and better than EU average.
- Credit/Financial Issues: The number of business insolvencies for 2007 is expected to remain at 2006 levels (i.e. around 6,000 cases).

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid (dollar value) in the first 6 months of 2007 increased significantly compared to 2006 based on one large claim.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

NIGERIA

Collection Experience

- Usual Trading Terms: Confirmed ILC is the norm.
- Overall Experience: It has improved with ECAs; still large domestic arrears to be dealt with.
- Credit/Financial Issues: Domestic interest rates are high (14%); major banking reform underway. Widespread campaign against corruption, but it is still an issue; cumbersome administration due to three levels of management. Large foreign exchange reserves. Currency changes frozen in August 2007.

EDC Experience and Attitude

- Short Term: Case-by-case with preference for ILC terms, but other payment terms considered.
- Claims Experience: No recent experience.
- Medium/Long Term: Lines of credit signed to support private sector business. Public sector cannot borrow.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: High country risk.

OMAN

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Experienced cyclone damages of US\$2.6 billion. Rial is pegged to the US dollar. Inflation is a concern. Buoyant business conditions. Banking sector praised by some rating agencies.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No recent experience.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

PAKISTAN

Collection Experience

- Usual Trading Terms: Full range of terms. Secure terms still preferred but growing reliance on open account.
- Overall Experience: Fair but improving.
- Credit/Financial Issues: More liberal terms for established customers but private sector transactions typically limited to those with a commercial bank as obligor or guarantor; preference for MoF guarantee for public sector transaction.

EDC Experience and Attitude

- Short Term: Open for a full range of payment terms.
- Claims Experience: No claims paid recently.
- Medium/Long Term: Highly selective. Open to public and private sector under total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

PANAMA

Collection Experience

- Usual Trading Terms: Full range of terms, with open account the norm.
- Overall Experience: Fair to good.
- Credit/Financial Issues: Fairly stable business environment, but careful credit checks recommended for unknown customers..

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: Open for the public sector, while on a case-by-case basis for private risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

PERU

Collection Experience

- Usual Trading Terms: Full range of terms, with open account the norm.
- Overall Experience: Fair. Secure terms are recommended for less well-known private sector customers. Note: Local laws give creditors only 7 days to protest a draft.
- Credit/Financial Issues: Banking system improving, but caution still advised.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: Open for public sector with a preference for sovereign guarantee. Private sector on a case-by-case basis subject to the availability of acceptable financial information.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

PHILIPPINES

Collection Experience

- Usual Trading Terms: Full range of terms but LC is recommended based on customer rather than country risk.
- Overall Experience: No claims paid recently.
- Credit/Financial Issues: Country risk has been declining and is not a grave concern over the near term; customer risk needs to be assessed thoroughly.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims paid in 2005. Two claims paid in 2006.
- Medium/Long Term: Medium risk. Fiscal situation improving but remains fragile. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

POLAND

Collection Experience

- Usual Trading Terms: Open account has become predominant.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: Stable banking sector, economy robust. Red tape is an issue. Polish law caps past-due interest on receivables.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: One claim paid in 2006, two claims paid so far in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

PORTUGAL

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payment experience has been poor in comparison to other EU countries.
- Credit/Financial Issues: Business bankruptcies have been rising in 2006 due to persistently weak economic conditions.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claims paid in first 6 months of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

QATAR

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Buoyant business conditions. Trying to attract foreign investment. Fixed exchange rate to the US dollar.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No claim paid in 2006.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

ROMANIA

Collection Experience

- Usual Trading Terms: Open account is becoming more prevalent.
- Overall Experience: Generally satisfactory, but caution advised with state enterprises.
- Credit/Financial Issues: Reforms continue (joined EU in 2007), corruption still a concern.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid one claim in 2006, no claims so far in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

RUSSIA

Collection Experience

- Usual Trading Terms: No longer difficult to get an ILC by a Russia bank; usage of open account terms has increased considerably.
- Overall Experience: Fair and improving, with the bulk of payments made within 60 days.
- Credit/Financial Issues: Bank restructuring moving slowly in Russia. Appreciation of the ruble.

EDC Experience and Attitude

- Short Term: Open without restriction.
- Claims Experience: No claims experience since 2002, but collection work is difficult if needed.
- Medium/Long Term: Open under a total commitment limit, but selective (for leading corporations and banks).
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

SAUDI ARABIA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Showing distinct improvement, especially government bodies, since tenders are now covered by budget allocations.
- Credit/Financial Issues: Problems occur more often with government agencies than with private sector buyers. Local practice forces foreign suppliers to government entities or royal family to sell to intermediaries. Recourse and interest on late payments are very difficult.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid claims in 2005, 2006 and in the first half of 2007. Recovery of claims in this market is very difficult due to high cost of legal action and a lack of collection agencies.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

SENEGAL

Collection Experience

- Usual Trading Terms: Secured terms, particularly for the public sector.
- Overall Experience: It has been improving.
- Credit/Financial Issues: Private and public sectors benefit from membership in the CFA franc zone. Regulations on starting business, dealing with licenses; employing workers and registering property have been eased.

EDC Experience and Attitude

- Short Term: Open on full range of payment terms.
- Claims Experience: EDC paid claims in 2006; some recoveries took place in the first half of 2007.
- Medium/Long Term: Public sector could not borrow on commercial terms in 2006 due to IMF program; IMF program expired, but donors insist on a new program to maintain gains achieved so far. The timing of the new program is unknown at this juncture; private sector under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

SINGAPORE

Collection Experience

- Usual Trading Terms: Full range of terms, though open account predominant. Initial credit checks on new customers are recommended.
- Overall Experience: Excellent.
- Credit/Financial Issues: Due to payment experience and virtually no claims paid, private market premiums remain attractive.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claims paid in 2005 and 2006.
- Medium/Long Term: Lowest to slight risk.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

SLOVAKIA

Collection Experience

- Usual Trading Terms: Open account terms are predominant, but assess non-established customers.
- Overall Experience: Fair to good, bulk of payments within 60 days.
- Credit/Financial Issues: None.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No recent claims paid.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

SLOVENIA

Collection Experience

- Usual Trading Terms: Open account terms are predominant.
- Overall Experience: Good.
- Credit/Financial Issues: Bank sector has improved. Joined Eurozone in 2007. Economy solid.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: No recent experience.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

SOUTH AFRICA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Satisfactory, depending on buyers.
- Credit/Financial Issues: Good year ahead; domestic interest rates are high (10.5%); caution with private buyers.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid claims due to defaulting buyers in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

SOUTH KOREA

Collection Experience

- Usual Trading Terms: Full range of terms, and SD is in common use.
- Overall Experience: Good.
- Credit/Financial Issues: Banking system remains strong. Customer risks should still be assessed with care. Bankruptcies and delinquency rates on loans have improved since 2006.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims declined during the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

SPAIN

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Payment experience (30 days or more) improved moderately in Q2 but remains much weaker than the EU average.
- Credit/Financial Issues: The number of business insolvencies for 2007 is expected to remain at 2006 levels (i.e. around 900 cases). Businesses continue to prefer either to arrive at amicable settlements or to cease trading to avoid the legal expenses involved in court proceedings.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: First 6 months of 2007 suggest a significant improvement in claims paid.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

SRI LANKA

Collection Experience

- Usual Trading Terms: Use of LC declining with increase in more liberal terms. Caution is still recommended.
- Overall Experience: Fair, but recent deterioration; limited experience.
- Credit/Financial Issues: Inexperience with the market or customer requires caution to be exercised; received its first sovereign rating by Fitch and S&P in December 2005. Banking sector and supervision have strengthened; NPL remain high despite marked improvements.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No claim paid in recent years.
- Medium/Long Term: High risk. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

SYRIA

Collection Experience

- Usual Trading Terms: Secured terms, mainly ILC.
- Overall Experience: Satisfactory if properly secured.
- Credit/Financial Issues: Cumbersome administration; Commercial Bank of Syria is under US sanctions, no US bank, broker-dealer or mutual fund can open an account with this Syrian bank.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: No claim paid in 2006 or in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

TAJIKISTAN

Collection Experience

- Usual Trading Terms: Secured terms. ILC is the norm.
- Overall Experience: Generally poor; limited to key trading partners. EDC has no experience in Tajikistan.
- Credit/Financial Issues: Weak banks; monetary policy instruments insufficient; transparency and accounting practices poor. A possible new IMF facility could put restrictions on sovereign borrowing.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No recent claims experience due to very limited business.
- Medium/Long Term: Highly selective. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: High country risk.

TAIWAN

Collection Experience

- Usual Trading Terms: LC predominates since local firms are often requested to request these terms. Open account is reasonably widespread, with minimal collection delays.
- Overall Experience: Excellent.
- Credit/Financial Issues: Despite slowing GDP growth, exports have remained strong. The world's third-largest forex reserves would dampen the impact of a sharp downturn.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid in 2005 and 2006.
- Medium/Long Term: Selectively open subject to total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

TANZANIA

Collection Experience

- Usual Trading Terms: Mainly L/Cs.
- Overall Experience: Has been improving, but preference for L/Cs.
- Credit/Financial Issues: Business conditions are better, except for power shortages; corruption and high oil prices remain an issue. Higher inflation. Banking reform resulted in privatization of a few banks. High energy costs for private sector. Tanzania is a favoured country for investment.

EDC Experience and Attitude

- Short Term: Open on full range of payment terms.
- Claims Experience: EDC has not paid any claims recently.
- Medium/Long Term Public sector could not borrow on commercial terms due to IMF restrictions; private sector: case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

THAILAND

Collection Experience

- Usual Trading Terms: LC are common, but open account is the preference.
- Overall Experience: Fair to good.
- Credit/Financial Issues: Lenient terms acceptable with established customers – subject to financial disclosure. Payment delays are improving.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claim paid in 2005, none in 2006, and none so far in 2007.
- Medium/Long Term: Medium risk. Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

TRINIDAD & TOBAGO

Collection Experience

- Usual Trading Terms: Full range.
- Overall Experience: Fair to poor.
- Credit/Financial Issues: Economy booming with no concerns regarding currency stability. There have been reports in the past of delays in accessing foreign exchange despite the significant level of hard currency reserves at the Central Bank. Caution advised when limited buyer information available.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Five claims in 2006, and 2007 looks to be on pace for the same outcome. Experience is limited.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium risk.

TUNISIA

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Good.
- Credit/Financial Issues: Caution with banking sector. Good business conditions. Stronger investor protection among Maghreb countries.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: EDC paid claims in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

TURKEY

Collection Experience

- Usual Trading Terms: Full range of terms. LC recommended.
- Overall Experience: Broadly positive with most exporters continuing to report satisfactory collection experience. Payment usually within 60 days.
- Credit/Financial Issues: Banking industry has strengthened. Use of currency hedging by importers is not widespread. Effects of global credit squeeze should be monitored.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Small claims paid from 2004 through 2006.
- Medium/Long Term: Selectively open subject to total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

TURKMENISTAN

Collection Experience

- Usual Trading Terms: Very secured terms. This includes payment in advance.
- Overall Experience: Poor; limited to key trading partners.
- Credit/Financial Issues: Lack of transparency, weak corporate governance and foreign exchange rationing compound an already difficult business environment.

EDC Experience and Attitude

- Short Term: Case-by-case with a strong preference for ILC terms, but other terms may be considered subject to strong risk mitigants.
- Claims Experience: No claims experience due to very limited business.
- Medium/Long Term: Highly selective.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

UGANDA

Collection Experience

- Usual Trading Terms: Secured terms; L/Cs and confirmed ILC.
- Overall Experience: Satisfactory if well packaged.
- Credit/Financial Issues: Coffee exporter affected by higher oil prices. Political stability results in higher FDI flows. Affected by energy crisis and power shortages.

EDC Experience and Attitude

- Short Term: Open on a case-by-case basis.
- Claims Experience: No recent experience.
- Medium/Long Term: Public sector cannot borrow on commercial terms due to IMF program restrictions; private sector on case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

UKRAINE

Collection Experience

- Usual Trading Terms: CLC recommended. Transactions are often cash in advance.
- Overall Experience: Poor to fair. Payment can take up to 90 days.
- Credit/Financial Issues: Creditworthiness of customers remains difficult to assess. Banking sector is in questionable health. Lack of transparency.

EDC Experience and Attitude

- Short Term: Open on a case-by-case basis.
- Claims Experience: Several claims in 2006, value of claims lower in 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

UNITED ARAB EMIRATES

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Distinction should be made between Dubai and Abu Dhabi and the other five emirates. Payments default is an issue despite huge assets.
- Credit/Financial Issues: Dirham is pegged to the US dollar. Despite large foreign reserves, buyer default is an issue. Inflation and shortages are resulting in project cost overruns.

EDC Experience and Attitude

- Short Term: Open without restrictions
- Claims Experience: EDC paid claims in 2004, 2005, 2006 and in the first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Low country risk.

UNITED KINGDOM

Collection Experience

- Usual Trading Terms: Full range of terms; most sales on open account.
- Overall Experience: Payment experience (30 days or more) has deteriorated in Q2 and, as a consequence, is now weaker than the EU average.
- Credit/Financial Issues: Business insolvencies are expected to increase by 3% in 2007 (i.e. around 26,400 cases), which would represent a new 10-year high.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Claims paid have improved significantly in the first 6 months of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

UNITED STATES

Collection Experience

- Usual Trading Terms: Full range of terms.
- Overall Experience: Auto-related companies, air transport and housing-related industries (including mortgage companies in particular) facing challenges.
- Credit/Financial Issues: US housing market under severe strain with knock-on affects to related financial entities. Commercial lending rates have been rising since mid-May on reappraisal of risk perceptions, again motivated by housing market woes. Consumer is getting pinched and this is likely to impact consumer goods sectors including autos. EDC Economics' downside scenario includes a US recession with potentially significant further increases in corporate lending rates (even as Fed funds rate stays fixed or moves down slightly). US companies geared toward export markets are likely to fair much better as demand for their wares is boosted by the lower US dollar.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: Upturn in claims paid in 2006 has continued into 2007 and is likely to persist over the coming 6 to 12 months.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Very low country risk.

URUGUAY

Collection Experience

- Usual Trading Terms: LC recommended.
- Overall Experience: Fair. A healthier financial system and increased liquidity should help improve conditions, but credit exposure to Uruguay should be monitored.
- Credit/Financial Issues: Business and banking conditions are improving.

EDC Experience and Attitude

- Short Term: Open on a full range of payment terms.
- Claims Experience: Generally satisfactory.
- Medium/Long Term: Open on a case-by-case basis subject to the availability of acceptable financial information.
- Political Risk Insurance: Open on a selective basis for FX-generating transactions.
- Wrongful Calling of Bonds Insurance: Low-medium country risk.

UZBEKISTAN

Collection Experience

- Usual Trading Terms: Very secured terms. ILC is the norm. Payment in advance and payments from sources of FX outside the country are often stated as conditions.
- Overall Experience: Poor; limited to a few trading partners.
- Credit/Financial Issues: Lack of transparency, weak corporate governance and foreign exchange rationing compound an already difficult business environment.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: No recent claims experience.
- Medium/Long Term: Highly selective.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

VENEZUELA

Collection Experience

- Usual Trading Terms: CLC recommended.
- Overall Experience: Experience varies depending on buyer. FX controls require authorization from CADIVI, a process subject to politics and corruption. Government interference is common.
- Credit/Financial Issues: Caution advised. Full disclosure of financial information is often difficult to obtain. Close monitoring of buyers and their relation to the government is recommended. Possible devaluation of the Bolivar should be monitored.

EDC Experience and Attitude

- Short Term: Case-by-case on a full range of payment terms.
- Claims Experience: No claims in 2007H1.
- Medium/Long Term: New MLT transactions are considered on a selective case-by-case basis – with preference for sovereign, FX-generating entities.
- Political Risk Insurance: Case-by-case.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

VIETNAM

Collection Experience

- Usual Trading Terms: Secured terms – mainly LC (not always confirmed). Some open account reported, many with good experience.
- Overall Experience: Fair but limited experience.
- Credit/Financial Issues: Capacity in private sector is tight and restricted, particularly for private sector deals; public sector deals require full faith and credit of the government; banking system weak.

EDC Experience and Attitude

- Short Term: Open without restrictions.
- Claims Experience: One small claim paid in 2005, none paid since.
- Medium/Long Term: Medium risk but limited experience. Some restrictions on government borrowing.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium country risk.

YEMEN

Collection Experience

- Usual Trading Terms: ILC terms the norm.
- Overall Experience: Satisfactory.
- Credit/Financial Issues: Slow administration, weak banking sector and unpredictable business environment.

EDC Experience and Attitude

- Short Term: Case-by-case; while ILC preferred, other terms considered.
- Claims Experience: EDC did not pay any claims in 2006 or in first half of 2007.
- Medium/Long Term: Open under a total commitment limit.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

ZAMBIA

Collection Experience

- Usual Trading Terms: Secured terms – confirmed and unconfirmed ILCs.
- Overall Experience: Satisfactory, but payments have to be secured.
- Credit/Financial Issues: Slow administration, weak banking sector. Liquidity improved after generous debt relief. Business conditions are challenged by high interest rates of 18%.

EDC Experience and Attitude

- Short Term: Case-by-case on full range of payment terms.
- Claims Experience: EDC did not pay any claims in 2005, and none since.
- Medium/Long Term: Public sector cannot borrow on commercial terms; private sector case-by-case.
- Political Risk Insurance: Open.
- Wrongful Calling of Bonds Insurance: Medium-high country risk.

ZIMBABWE

Collection Experience

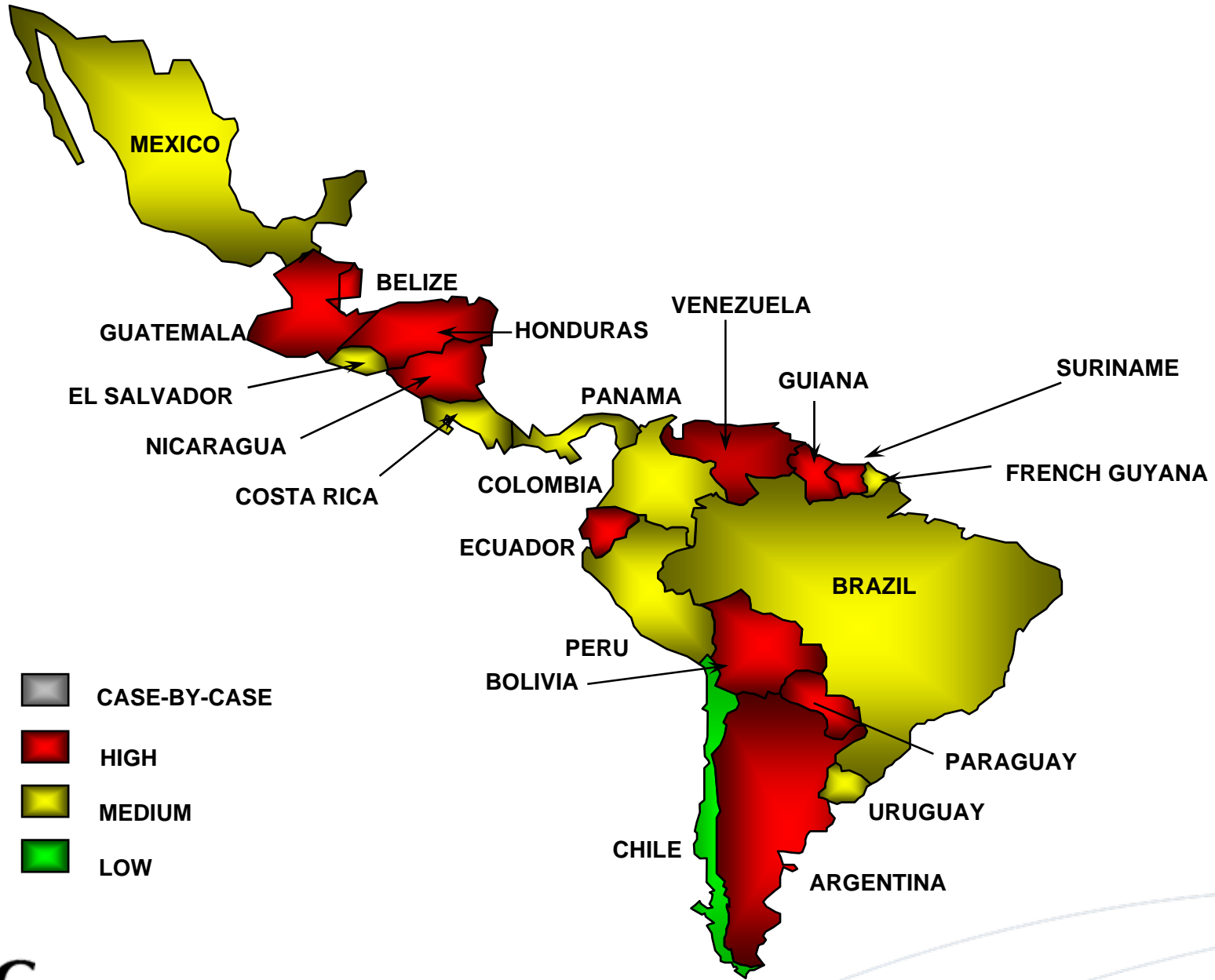
- Usual Trading Terms: If trade is to be done, recommend only most secured terms (off-shore ILC).
- Overall Experience: Very difficult, characterized by domestic and external arrears to all type of creditors.
- Credit/Financial Issues: Extreme caution. Very difficult business conditions. Acute liquidity crisis.

EDC Experience and Attitude

- Short Term: Off cover.
- Claims Experience: No recent experience.
- Medium/Long Term: Off cover.
- Political Risk Insurance: Off cover.
- Wrongful Calling of Bonds Insurance: Off cover.

Latin America

Short-term payment risks



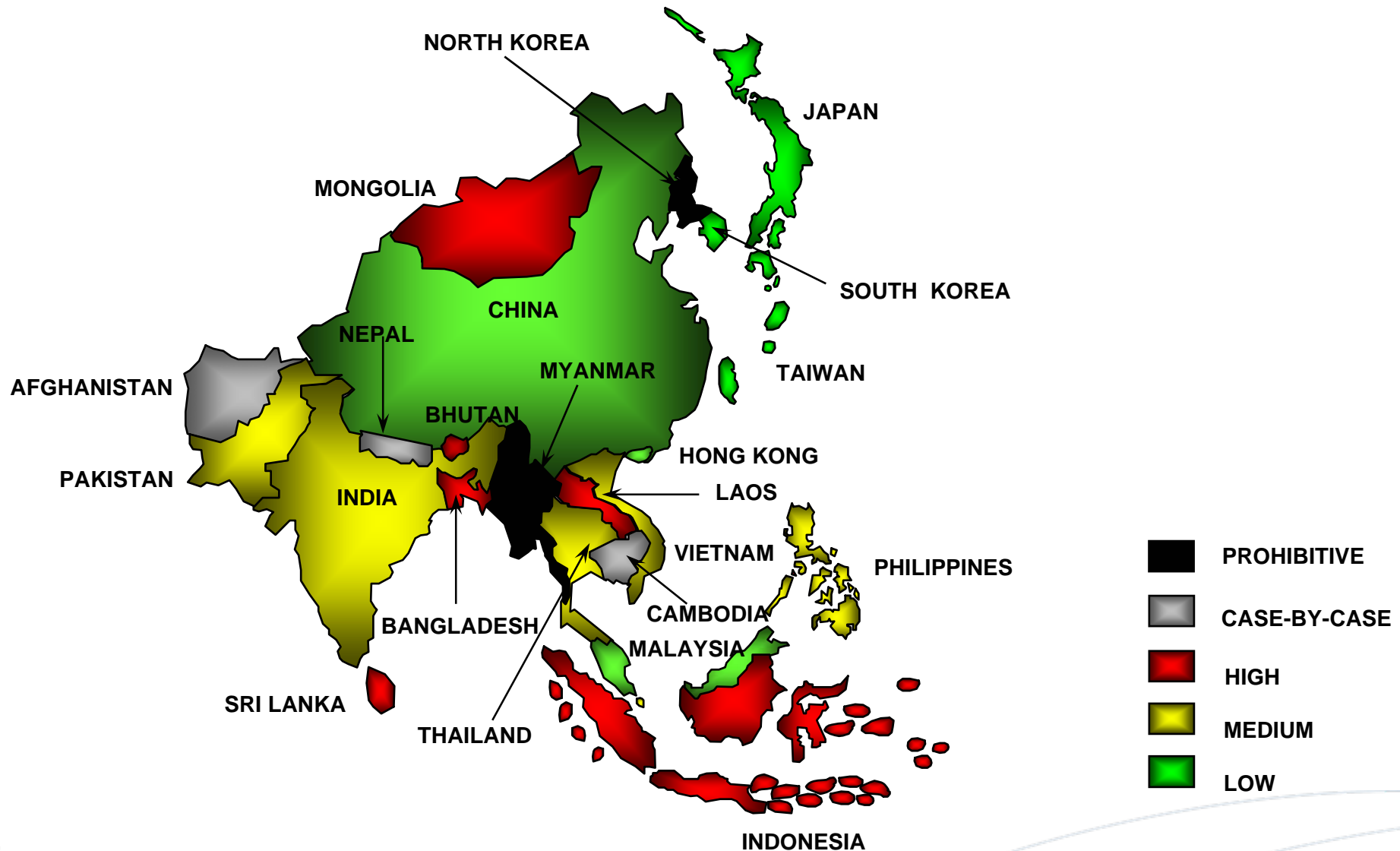
Caribbean

Short-term payment risks



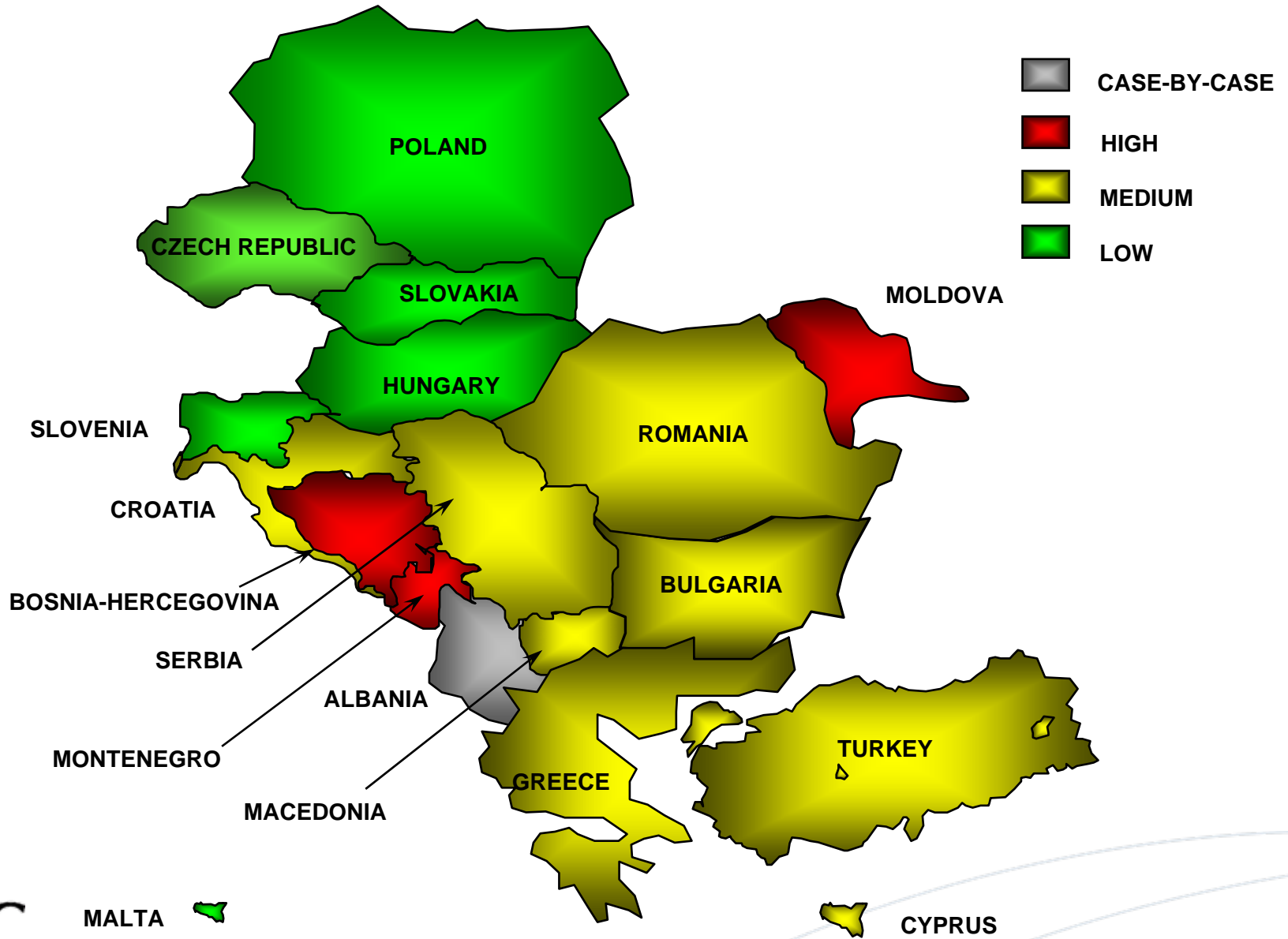
Asia / Pacific

Short-term payment risks



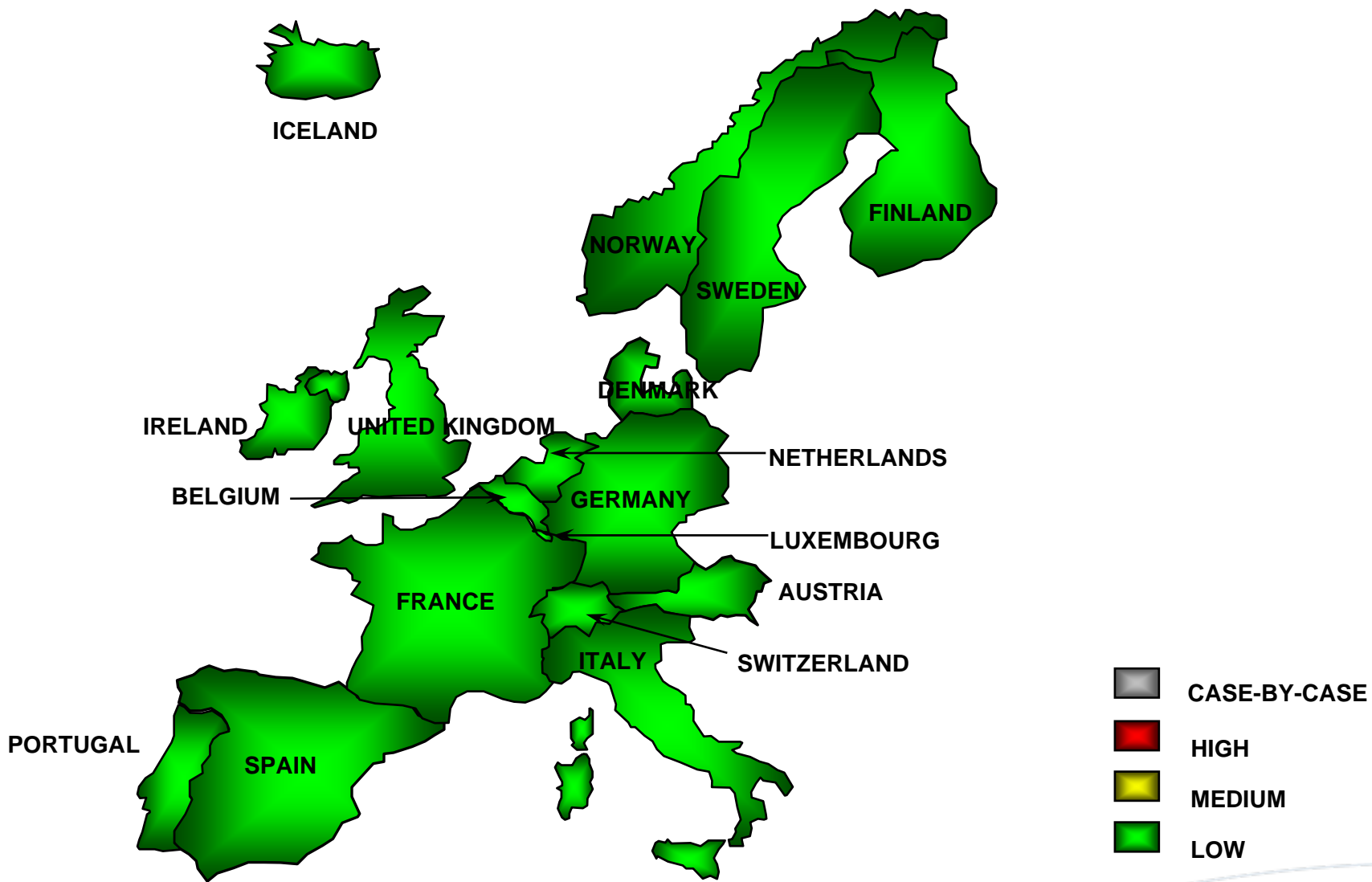
Central Europe

Short-term payment risks



Western Europe

Short-term payment risks



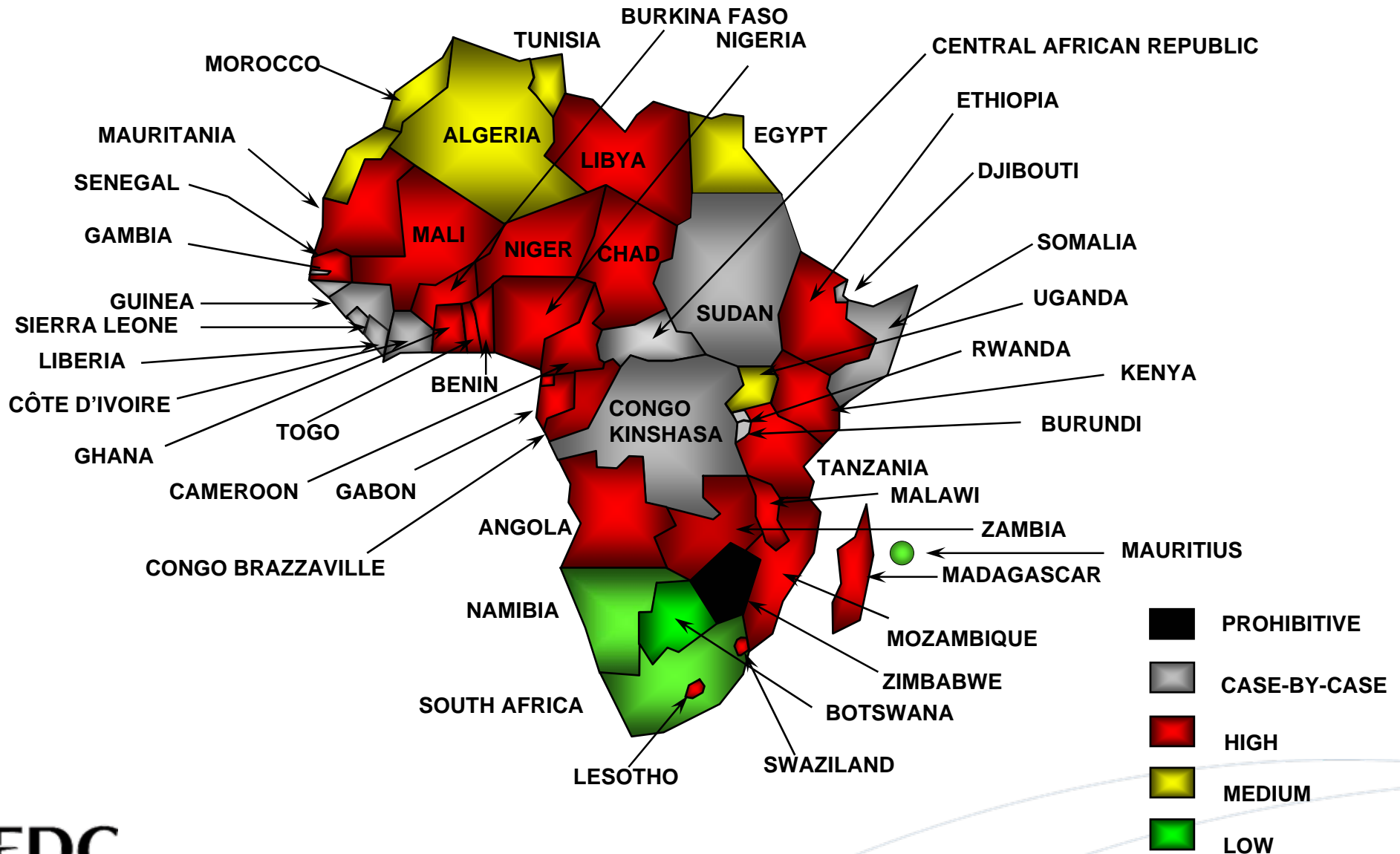
Former Soviet Union

Short-term payment risks



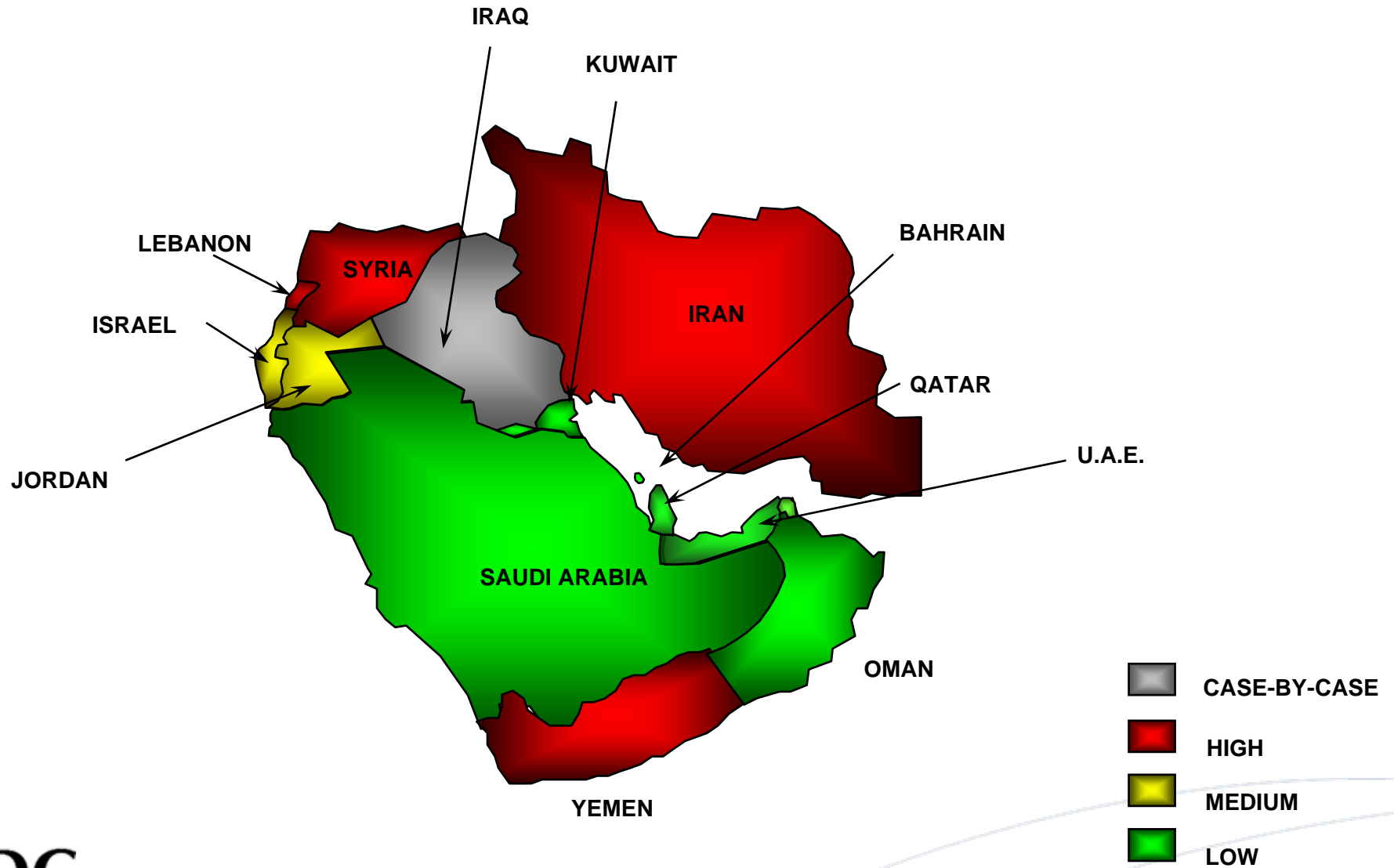
Africa

Short-term payment risks



Middle East

Short-term payment risks



Short-term payment risk maps

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Please contact the EDC Economics Division for current position.

Please visit our website at www.edc.ca/economics

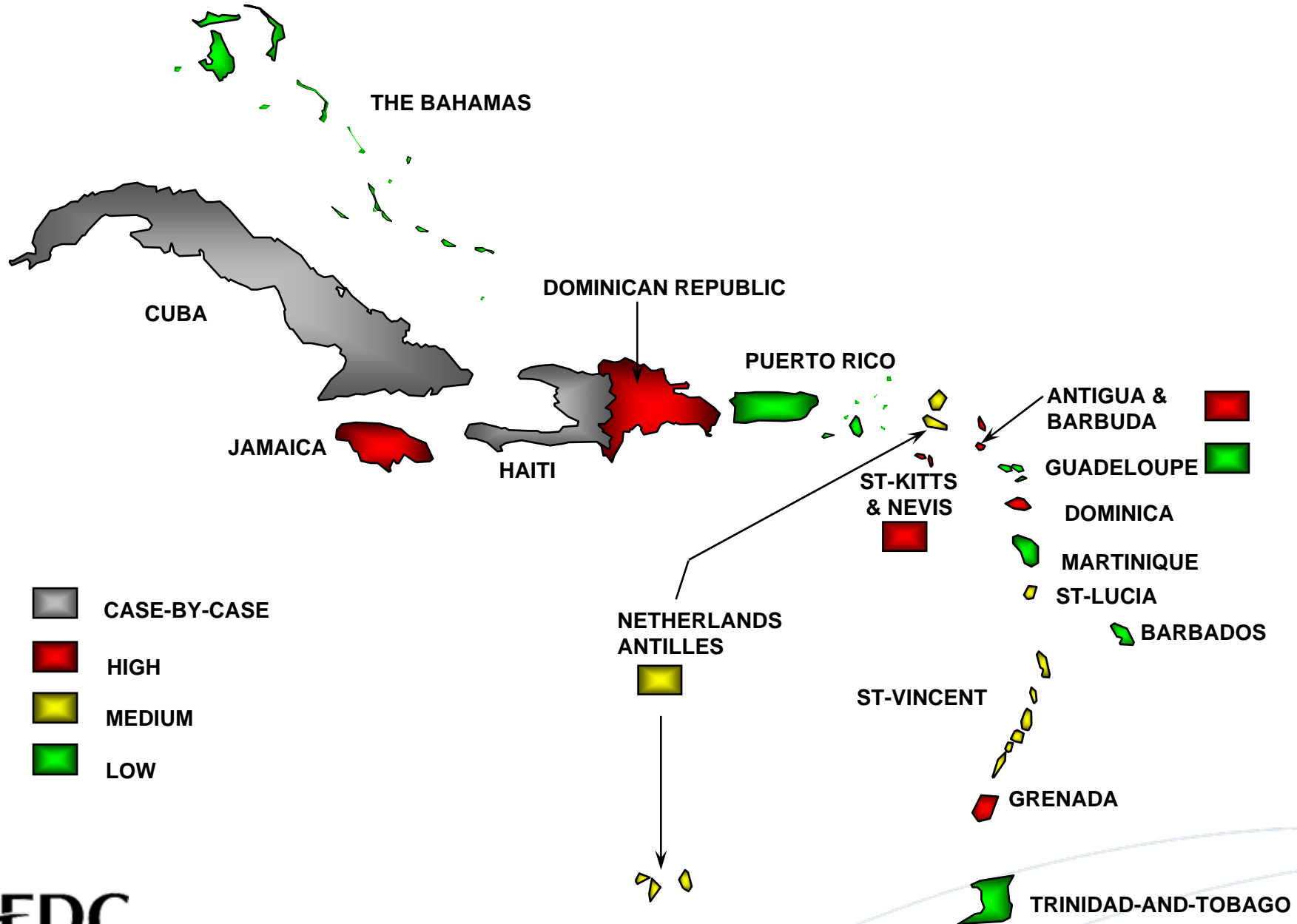
Latin America

Medium & long-term payment risks



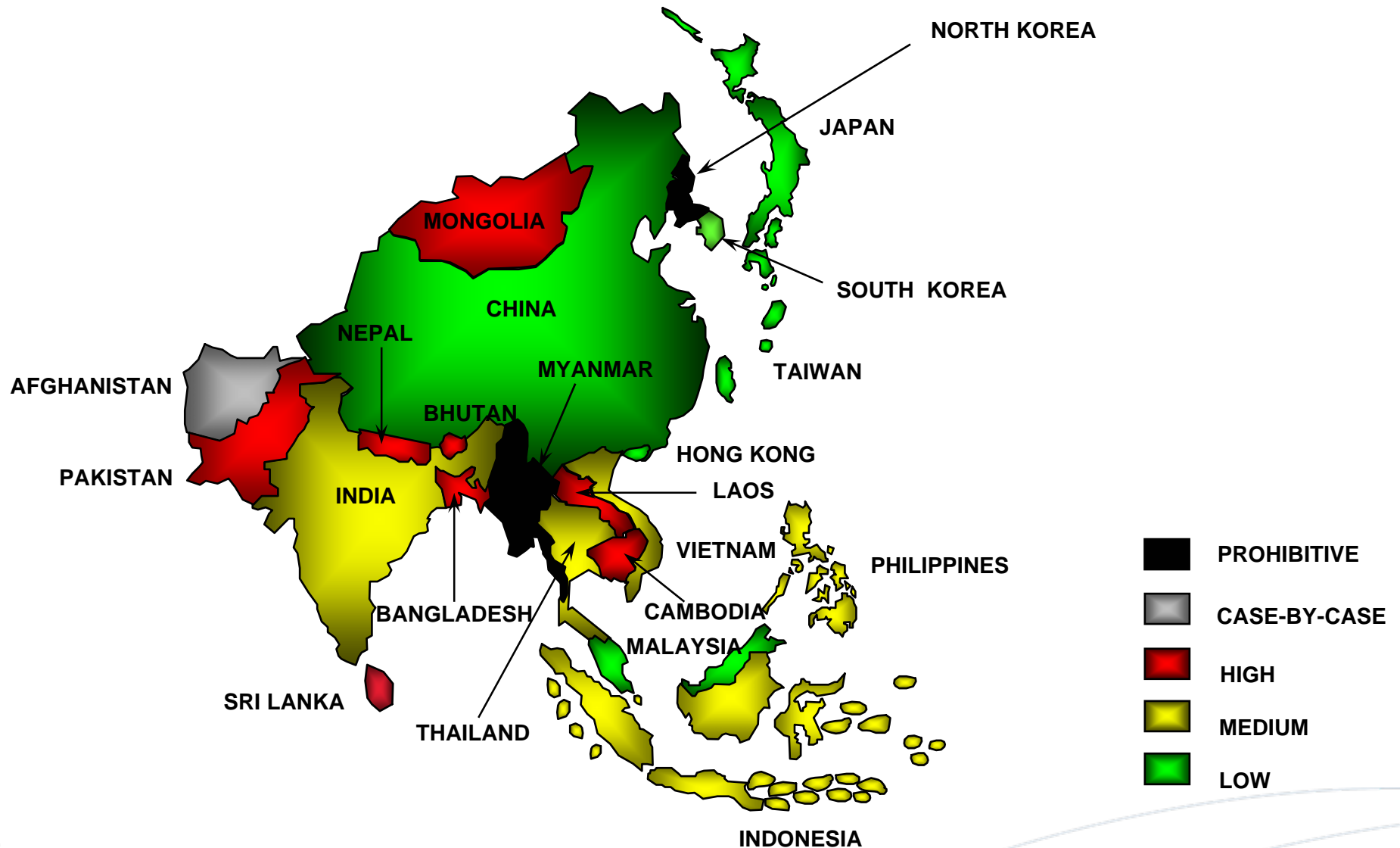
Caribbean

Medium & long-term payment risks



Asia / Pacific

Medium & long-term payment risks



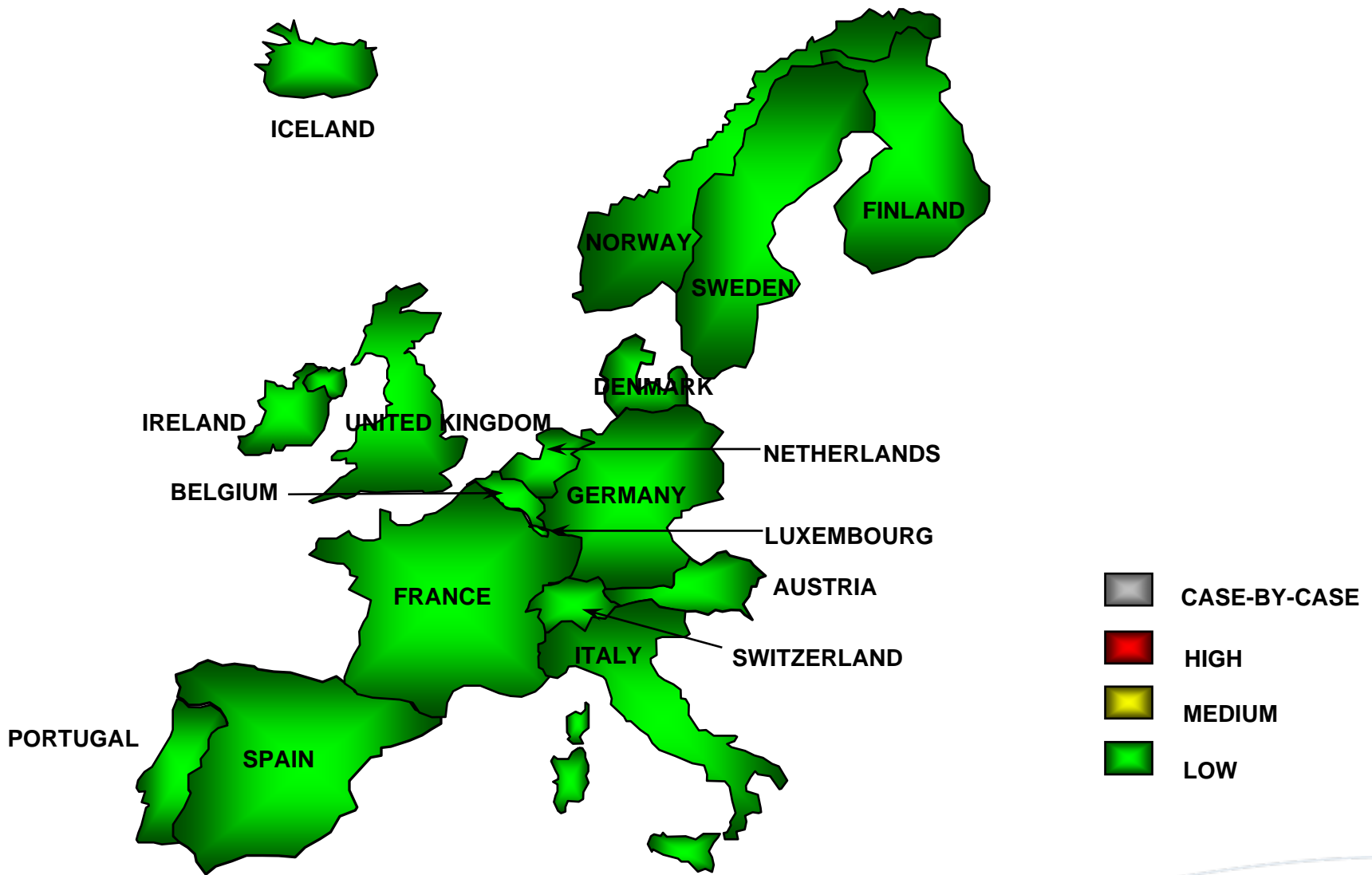
Central Europe

Medium & long-term payment risks



Western Europe

Medium & long-term payment risks



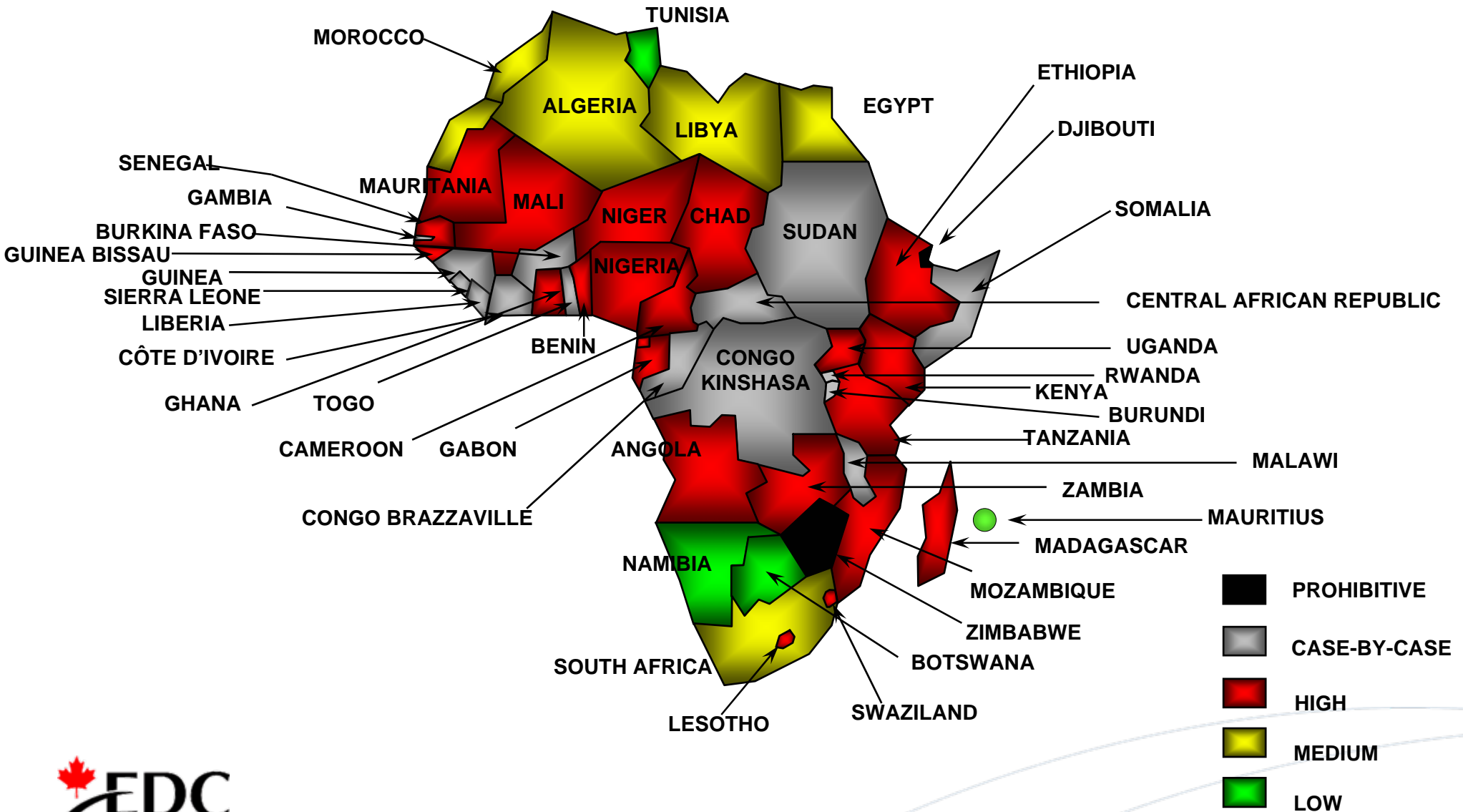
Former Soviet Union

Medium & long-term payment risks



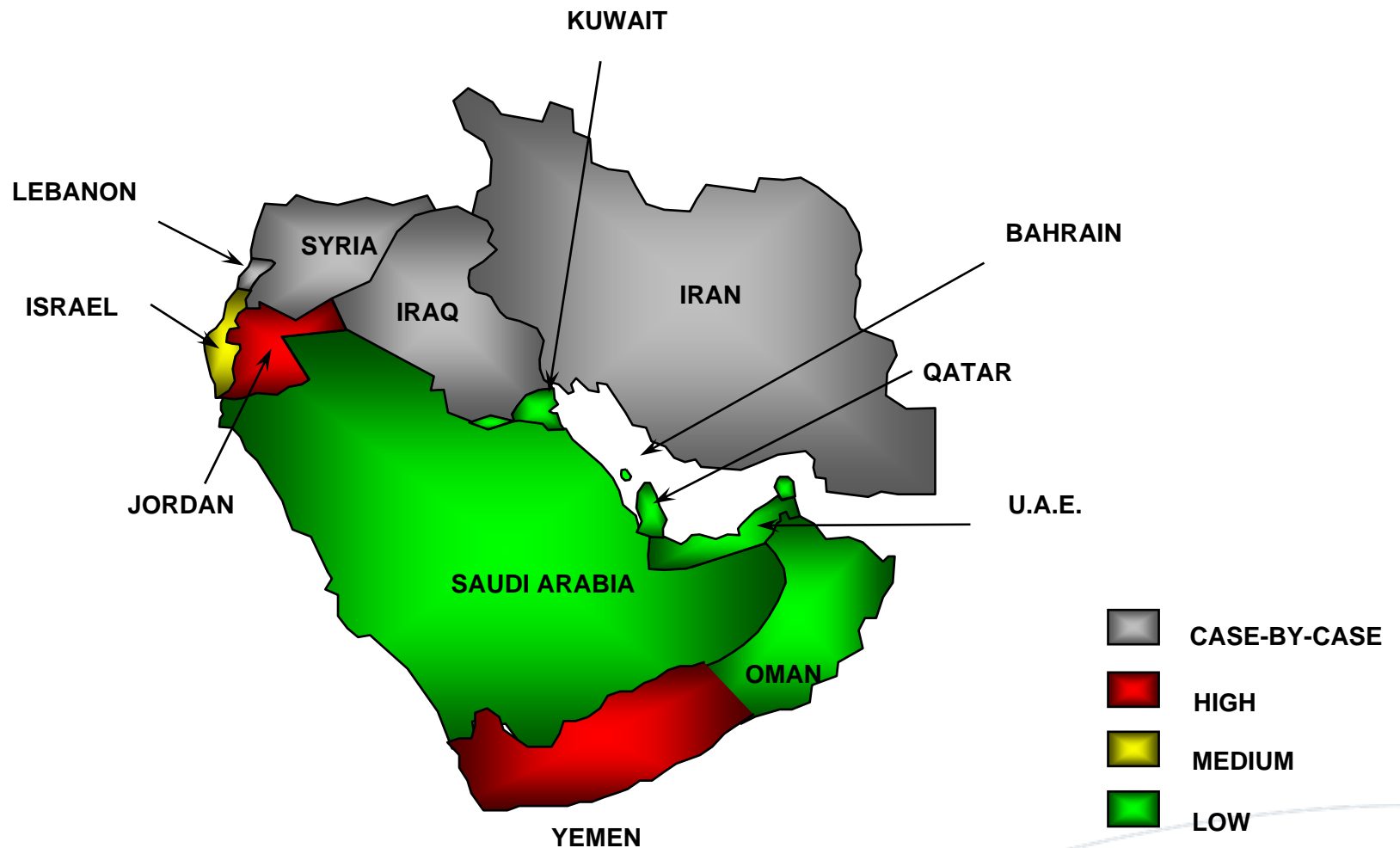
Africa

Medium & long-term payment risks



Middle East

Medium & long-term payment risks



Medium & long-term payment risk maps

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