

185. The percentages covered, which vary according to the nature of the risks, are shown in the following table:

| <i>Risks covered</i>                                                 | <i>Risk cover</i>                                                             |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Commercial: Insolvency; delayed payment -----                        | 80-85 percent.                                                                |
| Political and catastrophe -----                                      | 80-90 percent.                                                                |
| Exchange (if export contract is expressed in foreign currency) ----- | 100 percent.                                                                  |
| Economic:                                                            |                                                                               |
| Price increase -----                                                 | 100 percent of loss due to the French prices rising faster than world prices. |
| Exploration of foreign markets -----                                 | 50-60 percent world prices.                                                   |

186. Premium rates are determined according to the country of destination, the nature of the goods, the length of the credit, the standing of the importer and the exporter and the type of policy. They vary from 4 to 15 per mil for policies covering the risk of default by public buyers and from 8.5 to 17 per mil for policies covering the risk of insolvency in respect of medium-term and long-term transactions; for policies covering commercial risks in respect of short-term transactions, they range from 3 to 15 percent.

TABLE 33.—FRANCE, COFACE: EXPORT CREDITS INSURED<sup>1</sup>

[In millions of French francs]

| Year       | Short-term credits |                      | Medium-term credits, non-commercial risks |
|------------|--------------------|----------------------|-------------------------------------------|
|            | Commercial risks   | Non-commercial risks |                                           |
| 1959 ----- | 1,400              | 700                  | 1,500                                     |
| 1960 ----- | 1,800              | 900                  | 1,800                                     |
| 1961 ----- | 2,100              | 1,200                | 2,700                                     |
| 1962 ----- | 2,500              | 1,450                | 3,350                                     |
| 1963 ----- | 2,800              | 1,750                | 3,500                                     |
| 1964 ----- | 3,250              | 2,320                | 4,200                                     |
| 1965 ----- | 3,750              | 2,740                | 6,500                                     |

<sup>1</sup> Insured short-term export transactions represent approximately 7 to 8 percent of all French exports while insured medium-term export transactions represent approximately 10 to 11 percent.

## FEDERAL REPUBLIC OF GERMANY

### INSTITUTIONAL FRAMEWORK

128. In the Federal Republic of Germany the main sources of financing for export credits for the acquisition of capital goods in that country are the Ausfuhrkredit Aktiengesellschaft (AKA) (for credits of between one and five years), the Kreditanstalt für Wiederaufbau (KfW) (for credits in excess of five years) and, to a very limited extent, the Rheinische Girozentrale und Provinzialbank (for both medium-term and long-term credits).

129. The Ausfuhrkredit Aktiengesellschaft is a private corporation established in 1952 by the "Big Three" private commercial banks (the Deutsche Bank, the Dresdner Bank and the Commerzbank), nine other private banks and eleven regional, state and local government banks for the purpose of financing medium-term suppliers' credits. It has a capital of DM 20 million, of which only 50 per cent is paid in, but its main financial resources are derived from two credit lines, "A" and "B". Credit line "A", which originally totalled DM 270 million and has been increased to DM 700 million, is made available to the AKA by the member banks, whose individual commitments range from 0.49 per cent to 32.0 per cent of the total. Credit line "B" is a rediscount ceiling granted to the AKA by the Deutsche Bundesbank, the German central bank. This ceiling was originally fixed at DM 600 million, but as the commercial banks have shown an increasing interest in providing medium-term export credit financing and have increased their commitments under credit line "A", the Deutsche Bundesbank's role has diminished and the ceiling has now been lowered to DM 300 million. The minimum maturity of loans granted by the AKA is twelve months: the maximum maturity under