147. Export sales to private firms are normally insured at a rate of 0.75 per cent for "cash against documents" sales, while the rate on credit sales is 1.5 per cent for a period up to six months, 0.1 per cent on the outstanding balance for each additional month. For contracts with public bodies, the premium rates are graduated: one per cent for the first DM 3 million; 0.75 per cent for the next DM 2 million, and 0.5 per cent for sums in excess of DM 5 million, plus a monthly charge of 0.05 per cent on the outstanding balance for periods up to two years or 0.04 per cent per month for payment periods exceeding two years.

148. The maximum duration of export credit insurance is normally five years but insurance is available for long-term export credits—mainly buyers' credits—for the execution of projects of major importance involving the purchase of German capital equipment with a minimum vale of DM 5 million, which normally needs to be amortized over a period exceeding five years. The "financial guarantee" covers not only the principal but also the interest accruing during the amortization period. The guarantee covers all risks according to the following percentages of the credit:

(*a*) Contracts with private buyers:
80 per cent for commercial risks;
85 per cent for conversion, transfer and moratorium risks;

(*b*) Contract with public buyers:
80 per cent for non-fulfillment or contractual payments;
85 per cent for political risks.

Premiums are calculated on the same basis as for ordinary export credit insurance.

TABLE 27.—*Federal Republic of Germany: Annual value of guarantee issued*

Year	*Thousands of millions of Deutsche marks*
1955	3.2
1956	2.6
1957	4.5
1958	3.5
1959	4.3
1960	4.5
1961	4.9
1962	4.1
1963	4.6

ITALY

INSTITUTIONAL FRAMEWORK

204. Export credits are financed within the institutional framework of the Italian general credit system, based on the 1936 Banking Act, which draws a clear distinction between short-term credits, the granting of which is entrusted to commercial banks, and medium-term and long-term credits, for which special medium-term and long-term credit institutions are responsible. While the commercial banks finance short-term suppliers' credits (credits of up to one year), the medium-term and long-term credit institutions finance medium-term suppliers' credits (credits of between one and five years) and long-term suppliers' credits (credits of between five and ten years) and grant financial credits. These last, which do not in principle exceed ten years, are granted not only to foreign governments, public entities and private firms for the purchase of Italian goods and services (buyers' credits) but also to foreign governments and central banks for "economic rehabilitation" (Act No. 635 of 5 July 1961, chapter III, articles 20 and 21), which need not necessarily involve the purchase of Italian goods and services. Most of the "economic rehabilitation" credits have so far been granted for repayment of Italian suppliers' credits extended to developing countries.