

for the institution of borrowing the supplementary funds on the market. In the case of ordinary suppliers' credits, the interest subsidy resources are derived from Mediocredito's net profits and in the case of financial credits or specially authorized long-term suppliers' credits from a fund contributed by the Government. Mediocredito's intervention in the export financing process, whether through direct refinancing or indirect refinancing in the form of interest subsidies, enables the medium-term and long-term credit institutions to finance export credits at a more favourable rate than that charged for comparable domestic loans, thus making it possible to reduce the cost of the export credit to the foreign buyer.

TABLE 41.—ITALY, MEDIOCREDITO: VOLUME OF REFINANCING FOR EXPORT CREDITS,¹ 1955-65

[In thousands of millions of lire]

Type of refinancing	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Refinancing of export credits (suppliers' and financial credits).....	3.2	4.4	14.8	28.4	53.7	62.7	76.9	87.2	114.9	130.8	148.7
Direct refinancing.....	3.2	4.4	14.8	27.8	28.8	37.1	41.1	55.4	65.7	71.0	93.1
Indirect financing through payment of interest subsidies.....				.6	24.9	25.6	35.8	31.8	49.2	59.8	55.6

¹ This has in recent years exceeded the volume of Mediocredito's domestic credit refinancing (which amounted in 1965 to Lit 122,500,000,000).

TABLE 42.—ITALY, MEDIOCREDITO: GEOGRAPHICAL DISTRIBUTION OF EXPORT CREDIT REFINANCING, 1961-65

[Percentage of total]

Country	1961	1962	1963	1964	1965
Argentina.....	9.7	19.5	15.9	14.2	10.9
Brazil.....	12.4	11.2	12.7	11.3	5.0
Bulgaria.....	.1			.1	.7
Chile.....	.7	4.0	5.1	4.7	3.1
France.....	3.3	1.7	.1	.1	1.0
Ghana.....					3.0
Greece.....	3.4	2.4	1.5	.4	1.0
Hungary.....	.5	1.4	.2	1.3	2.9
India.....	8.0	4.3	3.0	.8	1.2
Indonesia.....		1.4	1.6	1.6	5.1
Israel.....	.2	.1		1.9	2.2
Japan.....				1.0	.6
Mexico.....	1.2	2.9	3.4	5.0	4.5
Panama.....	.1	.1	.1	.1	7.4
Poland.....	3.3	2.0	3.2	3.1	3.3
Romania.....	.7	1.6	.6	.4	2.7
Spain.....		.9	.6	1.4	1.7
Sudan.....	.2		2.9	3.4	2.2
Tunisia.....			4.4	3.7	3.0
Turkey.....	7.2	4.7	3.6	2.7	1.4
U.S.S.R.....	2.4	4.9	4.4	7.2	5.0
United Arab Republic.....	.7	.4	6.9	8.2	5.3
Uruguay.....	.1	.2	.1	.5	.5
Venezuela.....	14.2	2.9			
Yugoslavia.....	26.6	28.9	25.4	22.4	20.6
Others.....	4.9	4.9	5.3	4.5	5.7
Total.....	100.0	100.0	100.0	100.0	100.0

FINANCING PROCEDURES

Medium-term and long-term suppliers' credits

220. All suppliers' credits in excess of one year (five years in the case of transactions with buyers in the countries of the European Economic Community) must be approved by the Ministry of Foreign Trade. The buyer is usually required to make a down payment averaging 20 per cent of the value of the contract. The credits are financed by the medium-term and long-term credit institutions. A guarantee from a reliable bank in the buyer's country and an insurance policy issued by the Istituto Nazionale delle Assicurazioni (INA) and endorsed by the exporter in favour of the financing institution being prerequisites for such financing. The duration of the credits does not usually exceed five years for credits