

Euler Hermes highlights Gulf region growth, export opportunities

DUBAI, UAE -- 17 OCTOBER 2012 -- Under the patronage of His Highness Sheikh Ahmed bin Saeed Al Maktoum, deputy chairman of the Dubai Executive Council and chairman of the board of Alliance Insurance, Euler Hermes recently offered insights into global and Gulf region economic scenarios, and trade credit insurance trends.

More than 120 clients and business leaders from throughout the Gulf Cooperation Council (GCC) joined [Euler Hermes](#) at the Burj Khalifa to discuss developments and forecasts related to the global economy, emerging export market opportunities and growth risks.

Below are speech highlights from the event:

[Ludovic Subran](#), chief economist – Euler Hermes

- As the GCC is both a driver and mirror of the heart of the world economy, it suffers when the rest of the world does. This includes trade deceleration, fewer investment opportunities and falling commodity prices.
- 2013 will be “double or quits” on a macroeconomic level. The euro zone will remain at bay. The U.S. faces the risk of its “fiscal cliff.” There are also growing concerns in the BRIC, and the MIST countries (Mexico, Indonesia, South Korea and Turkey ), all of whom have yet to demonstrate the kind of superpowers they might become.
- In 2012, however, the GCC region will post growth of approximately 4.5%, harvesting healthy fiscal and trade surpluses, primarily built around oil and gas revenues, an abundance of natural resources and the strong cooperation and trading relationships between GCC members
- Growth trends are also secure into 2013 as the main export partners, India and Japan, will also continue to grow.

[Michele Pignotti](#), head of Mediterranean Countries, Middle East & Africa – Euler Hermes

- Both domestic and external commercial transactions for the GCC region are increasing significantly - by more than \$800 billion to date in 2012
- A myriad of new and diversified export opportunities are emerging for GCC-based business
- Within the Mediterranean and Africa region, Italy and South Africa are currently key markets for GCC export growth. Looking ahead, Turkey and Egypt both offer strong potential to increase in strategic importance in the coming months.
- The main question mark for regional exporters will involve making the right choice about the safest markets, customers and business development partners. Understanding trade mechanisms around the world will be key to building a sustainable export revenue stream.
- Over the last six months the credit exposure of GCC-based clients covered by trade credit insurance increased by over 30% according to Euler Hermes. This evolution underlines a growing awareness of credit cover as a financial management tool and a valued element of export growth strategies.

Massimo Falcioni, CEO – Euler Hermes GCC

- The global crisis forced companies to take a hard look at their business. Ongoing changes in the global economy now require them to continually review and revise strategies, budget forecasts, liquidity and solvency management and cost containment processes.
- Euler Hermes' scenario foresees solid growth to continue in GCC driven mainly by:
  - Petrochemical sector (representing almost the 50% of GDP in 2011), with a capacity expected to increase by over 40% from currently 73 million tpa (tons per annum) to 113 million tpa at the end of 2015
  - Construction sector (set to rebound to pre-crisis levels of Q1 2008) with significant amounts budgeted for infrastructure projects (new airports within GCC)
  - IT / telecom and retail sectors will mark good performance due to demographic growth and higher per capita income.

The conference also provided participants with the latest update on the Euler Hermes Global Insolvency Index.

### Euler Hermes Global Insolvency Index

Global insolvency index						
Annual change						
	% of world GDP (*)	% of global insolvency index (*)	2010	2011	2012	2013
<b>Global Insolvency Index</b>	<b>83.8</b>	<b>100</b>	<b>-6%</b>	<b>-4%</b>	<b>4%</b>	<b>3%</b>
Americas Index	28.8	34.4	-8%	-15%	-9%	-7%
Asia-Pacific Index	25.0	29.8	-12%	-6%	-1%	3%
Northern Europe Index	12.7	15.1	-4%	-3%	6%	-2%
Germany-Austria-Switzerland Index	6.9	8.2	1%	-4%	0%	1%
France Index	4.1	4.9	-2%	-3%	3%	2%
Mediterranean countries Index	6.3	7.5	1%	17%	27%	18%
Eurozone Index	19.2	22.9	-1%	7%	17%	11%

Sources: national figures, Euler Hermes calculation and forecasts, Base 100 : 2000   Forecasts  
 (\*) GDP 2011 weighing at current exchange rates

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Euler Hermes has developed a credit intelligence network that enables it to analyze the financial stability of 40+ million businesses across the globe. The Group insured worldwide business transactions totaling €702 billion exposure end of December 2011.

Euler Hermes, a subsidiary of Allianz, is listed on NYSE Euronext Paris (ELE.PA) and is rated AA- by Standard & Poor's.

For more information visit [www.eulerhermes.com](http://www.eulerhermes.com)

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