

## **EXIM Thailand and TCG Launch Export Instant Credit Super Value to Help Boost 2017 Export Growth, Enhance Liquidity and Mitigate Foreign Exchange Risk of Thai SME Exporters**

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), and Mr. Nitid Manoonporn, President of Thai Credit Guarantee Corporation (TCG), jointly called a press conference at EXIM Thailand's Head Office on June 22, 2017 to launch "EXIM Instant Credit Super Value," a new pre- and post-shipment revolving credit facility offered to exporters in an amount of up to 2 million baht with a first-year interest rate of 5% per annum in conjunction with a forward contract facility in the value equal to the credit facility amount. Start-up SME exporters may apply for the facility, which is secured by a letter of guarantee from TCG without any collateral assets required.

Mr. Pisit said that, to respond to the government policy of supporting SMEs who represent the majority of Thai entrepreneurs, i.e. more than 2.7 million SMEs at present, over 25,000 of whom have export potential. However, SME exporters are currently facing risks arising from both internal and external business circumstances, such as liquidity shortage, no access to funding sources, and foreign exchange fluctuations. In view of this, EXIM Thailand has developed a new credit facility, i.e. EXIM Instant Credit Super Value, as an extension from EXIM Instant Credit launched in 2016. EXIM Instant Credit Super Value is a pre- and post-shipment revolving credit facility rendered in conjunction with export bill discount service, in an amount of up to 2 million baht, and a forward contract facility in the value equal to the credit facility amount, at a first-year interest rate of 5% per annum and secured by only a personal guarantee and a letter of guarantee from TCG. The facility aims to help Thai SME exporters boost their liquidity and hedge foreign exchange risk amid the anticipated rebound in Thai export, which prompts several institutions to revise their export growth forecast upward to over 3.0%.

EXIM Thailand President further said that the Bank has expanded its cooperation with relevant public and private entities both at home and overseas in a bid to prepare exporters, especially SMEs, for a successful international trade expansion. An engine to drive Thai export and overall economic growth, such expansion is fueled by several opportunities in 2017 as follows: **1. Global trade and economic recovery:** The International Monetary Fund (IMF) has forecast a global economic growth of 3.5%, a 3-year record high, and a global trade growth of 3.8%, higher than global GDP growth for the first time in three years. **2. Oil prices having bottomed out:** This could benefit Thailand's export of oil-related goods which represent more than 13% of total export value. **3. Export of services has helped open up more opportunities for exports of goods.** **4. Import of capital goods and raw materials as well as semi-finished goods for export-oriented manufacturing has expanded again after contraction for three straight years.** This has signaled increasing confidence of entrepreneurs and exporters.

“To compete in international trade, Thai SME exporters need to adopt both proactive and reactive strategies. Proactive ones include market research, manufacturing improvement, exploration of new markets and funding sources, while reactive ones are preparation to cope with trade and investment risks as well as foreign exchange volatility. EXIM Thailand has joined hands with business allies like TCG to provide Thai SME exporters with necessary advice, information and financial facilities on an integrated basis so that they are fully equipped to compete in the global trade arena. This is in line with the government policy to support industries that are new engines of growth (S-curve),” added Mr. Pisit.

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