

EXIM Thailand Focuses on Product Development to Promote Trade and Investment in CLMV and Build Strong SME Exporters with “EXIM Happy Credit” for SME Export Start-ups without Collaterals

EXIM Thailand moves forward to drive the organization and Thai economy. To achieve its 2018 target, it will accelerate product development to cater to global trade and economy trend toward new frontiers. Viewing that Thai investment expansion overseas and sustainable business growth are brought about by innovations, EXIM Thailand is ready to lead Thai entrepreneurs in penetrating the CLMV for trade and investment and develop SME exporters and investors to enhance their competitiveness. It has come up with “EXIM Happy Credit” to build new SME exporters and assist those without collaterals to start their export endeavors, offering credit limit of 500,000 baht and interest rate of 4.50% p.a. in the first year for each single-account juristic person in line with the government policy.

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), reveals that global trade has shifted toward new frontiers. In 2017, new frontier economy represented more than 50% of global economy, compared with around 20% in the past two decades. EXIM Thailand has thus targeted to expand loans to Thai entrepreneurs to facilitate their competition in new frontiers, particularly the CLMV, Thailand’s major markets with an average annual export growth of 13% from 260,000 million baht in 2007 to 850,000 million baht in 2017.

Amidst investment-induced trade in global economy today, active expansion is seen in investment beyond Thailand to build new production bases and tap new markets, Thai entrepreneurs have to adjust themselves to keep pace with the new global trend. EXIM Thailand has thus launched credit facilities for Thai entrepreneurs’ expansion of investment in the CLMV. Thai investment in such market had an average growth of outstanding investment of 30% per year from 33,000 million baht in 2007 to 470,000 million baht in quarter 3 of 2017.

As sustainable business growth needs to be driven by innovations, EXIM Thailand has accelerated expansion of partnership network, working in collaboration with relevant public and private entities. This has helped initiated new projects and channels that allow for access to financial knowledge and services so that SME entrepreneurs gain potential to develop product and service innovation and technology that will enhance Thailand’s industrial development and competitive edge in international trade front on a sustainable basis. Also, financial access gap will be filled up, thus enabling well-prepared SME entrepreneurs to enter the global market and in turn strengthen Thai economy. The Bank has in place several innovation pilot projects, such as online export credit insurance service, online credit limit review, and online transaction development.

For 2018, EXIM Thailand has launched a new revolving facility “EXIM Happy Credit” in conjunction with a forward contract facility of up to 500,000 baht for single-account juristic persons in line with the government policy, at a first-year interest rate of 4.50% p.a. and secured by only a personal guarantee. Loan approval is granted within seven business days. This aims to facilitate export start-up of SME entrepreneurs that have no collaterals. Credit line approval is targeted for 750 new SME exporters in 2018.

EXIM Thailand President said further that EXIM Thailand has since 2017 implemented its 10-year Master Plan (2017-2027) which responds to the government’s Thailand 4.0 initiative, 20-year National Strategies, the 12th National Economic and Social Development Plan (2017-2021) and State Owned Enterprise Plan in the category of financial institutions. In 2017, EXIM Thailand posted a net profit of 1,360 million baht. As of the end of December 2017, its outstanding loans accounted for 91,886 million baht, an 8,717 million baht growth from the end of 2016, with new loan drawdown of 27,331 million baht during the year and partial repayment of existing loans. This contributed to a business turnover of 159,948 million baht.

EXIM Thailand assisted entrepreneurs, particularly SMEs which have competitive potential in both international trade and investment, with SME business turnover of 99,612 million baht. Outstanding loans to SMEs amounted to 37,141 million baht, a 2,110 million baht or 6.02% year-on-year growth.

EXIM Thailand’s NPL ratio as of the end of December 2017 stood at 3.57%, the same as in the previous year, or 3,285 million baht in total NPL amount. Its allowance for doubtful accounts was 7,949 million baht, of which 3,490 million baht was minimum provisioning requirement by the Bank of Thailand, or a provision to provisioning requirement ratio of 227.53%, hence enabling the Bank to maintain a strong financial status.

Moreover, EXIM Thailand assisted exporters by performing as an export credit insurance agency to help mitigate risks of foreign counterparties’ non-payments and boost their confidence and competitive advantage in both existing and new frontier markets. In 2017, EXIM Thailand generated 65,903 million baht in export credit and investment insurance business turnover, of which 12,883 million baht came from SMEs’ exports, representing 19.55% of the accumulated export credit insurance business turnover.

As for support of Thai entrepreneurs’ international trade and investment, at present, EXIM Thailand has a total accumulated loan approval amount of 67,160 million baht for international projects, with outstanding loans accounting for 36,216 million baht as of the end of 2017. EXIM Thailand has remained steadfast in promoting trade and investment expansion to such new frontiers as the CLMV. In June 2017, it opened a representative office in Yangon City of Myanmar, and has planned to open more in Lao PDR and Cambodia.

“For 2018, we will carry on our proactive role in growing loans to further drive the Thai economy. We set our outstanding loan growth target at 9% to make up a total of 100,000 million baht and will keep accelerating export credit and investment insurance as a tool for exporters to penetrate markets with more confidence through online and new channels in partnership with relevant public and private sectors with an aim to grow Thailand’s international business turnover,” added Mr. Pisit.

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Corporate Communication Division
Secretary and Corporate Communication Department