



ธนาคารเพื่อการส่งออกและนำเข้าแห่งประเทศไทย
EXPORT-IMPORT BANK OF THAILAND

EXIM Thailand Develops Financial Facilities to Support SMEs' Export to CLMV Aiming to Drive Thailand's International Trade, Investment and Export Growth

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that Thai export in 2019 is expected to grow, though at a somewhat slower rate than the record performance of more than 2.5 trillion US dollars or a 6.7% growth of last year. In the backdrop of uncertain international trade and political circumstances and highly volatile baht, there are still ample opportunities for Thai enterprises to export to such new frontier markets as Cambodia, Lao PDR, Myanmar and Vietnam (CLMV). In view of this, EXIM Thailand has developed a full-fledged array of short-term credit facilities for use as pre- and post-shipment working capital as well as pre- and post-import finance in conjunction with export credit insurance for SMEs aiming to start up or expand their export business. Special benefits are offered to entrepreneurs aspiring to export to the CLMV countries which are new frontiers with high potential ranked among the world's fastest growing economies, a large size of working-age population and labor force, and abundant resources, as well as low exposure to global economic and financial volatility. As Thai entrepreneurs dealing business in the CLMV have advantages over those from other countries in respect of Thailand's close proximity to this region, cultural and traditional similarities, and popularity of Thai goods among CLMV locals, Thai export to the CLMV in 2018 grew 16.6%. Thai goods with robust growth prospects in this target market are 1) capital goods, e.g. mechanical devices and parts and agricultural mechanical devices, 2) raw materials, such as chemicals, plastic resins and construction materials, and 3) consumer goods like beverages, fresh fruits, instant foods, garments, cosmetics and accessories.

EXIM Thailand's President further said that, from meetings and discussions with Thai public and private entities interested in expanding business into the CLMV, major problems and obstacles facing Thai entrepreneurs are shortage of capital, and lack of information, knowledge and skills relating to export rules, regulations and procedures, international trade risk management, and prospective trade counterparts. EXIM Thailand has thus proposed solutions to such problems by offering revolving credit combined with export credit insurance facility for SMEs with export aspirations, especially to the CLMV. Meanwhile, EXIM Thailand offers incubation courses for Thai entrepreneurs to prepare them for export start-up or expansion, and Business Matching activities for Thai SMES and their counterparts in the neighboring countries starting from Myanmar in May 2019. This is in line with EXIM Thailand's strategy of Develop and Expand Thai Trade and Investment Globally.

EXIM Thailand's new working capital facility for SME start-ups exporting to the CLMV is "**EXIM CLMV SMEs Credit**". It is a pre- and post-shipment revolving credit for SMEs exporting to the CLMV with a credit limit of up to 2 million baht per exporter at an interest rate of prime rate -1.75% per annum or 4.50% per annum (based on current prime rate of 6.25% per annum). An interest discount of 0.50% per annum is offered to export credit insurance client who will be provided with a revolving credit to serve working capital needs and insurance coverage to hedge risk of foreign buyers' non-payment in conjunction with foreign exchange forward contract worth up to the credit amount approved. This new credit facility can be secured by a letter of guarantee from Thai Credit Guarantee Corporation (TCG) and a personal guarantee. Credit approval period is from today until the end of December 2019.

EXIM Thailand has also developed "**SMEs Easy Export Insurance**" to serve entrepreneurs with a plan to export or about to export in a small volume per shipment or about to join trade talks in trade fairs overseas who require hedging of risk from trading with buyers abroad. This insurance facility covers more than 140 countries around the world including the CLMV. More importantly, the facility is easy to apply with simple application process and choices of insurance coverage types that are suitable for different export values. Insured amount is up to 2 million baht with maximum coverage of 85% of loss amount.

In view of EXIM Thailand's **operating results in the first three months of 2019**, the Bank's total outstanding loans amounted to 106,342 million baht, a 16,653 million baht or 18.57% growth year-on-year, comprising 35,394 million baht in trade finance and 70,948 million baht in investment finance, contributing to a business turnover of 46,735 million baht, of which 25,834 million baht came from SMEs. As of the end of March 2019, outstanding SME loans amounted to 40,978 million baht, representing a 4,529 million baht or 12.42% year-on-year growth. This contributed to the Bank's net profit of 334 million baht in the first quarter of 2019. NPLs ratio as of the end of March 2019 stood at 4.26%, with NPLs amounting to 4,534 million baht. Allowance for doubtful accounts was 9,631 million baht, a 1,285 million baht increase from the corresponding period of the previous year. Of the total allowance, 5,293 million baht was minimum provisioning requirement by the Bank of Thailand, which represented a ratio of loan loss provision against the regulatory requirement of 181.97%, hence enabling the Bank to maintain a strong financial status.

As an export credit insurance agency to safeguard Thai exporters against risk of foreign trade partners' non-payment and boost their confidence and competitive advantage in both existing and new frontier markets, in the first quarter of 2019, EXIM Thailand recorded 25,775 million baht in export credit and investment insurance business turnover, up by 8,670 million baht year-on-year, and of which 6,939 million baht came from SMEs, representing 26.92% of the Bank's accumulated insurance business turnover.

In regard to support of Thai entrepreneurs' international trade and investment, EXIM Thailand currently has a total accumulated loan approval amount of 84,111 million baht for international projects, with outstanding loans accounting for 40,771 million baht as of the end of March 2019, of which 29,372 million baht was outstanding loans for Thai trade and investment expansion to the CLMV, up by 1,512 million baht year-on-year. At present, EXIM Thailand has international representative offices in Yangon, Vientiane and Phnom Penh to work with the public and private sectors under Team Thailand to enable entrepreneurs in the CLM to access news and information needed for their business planning and operation and develop financial products that efficiently respond to entrepreneurs' demand. The Bank is presently conducting a feasibility study on opening a representative office in Vietnam.

“EXIM Thailand will continue to collaborate with both our public and private allies in the mission to promote “trade excellence” and success among Thai entrepreneurs in their initiation or expansion of export business. We have been developing our organization and services to enhance Thailand's international trade and investment growth. This aims to contribute to Thailand's economic and social development on a sustainable basis,” added Mr. Pisit.

May 2, 2019

Corporate Communication Division

Secretary and Corporate Communication Department