

# Office du Ducroire, your gateway to export!

**Country seminar : BRAZIL**  
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# About us



Public institution  
created in 1961

Under the authority  
of the Ministry of  
Finance and with the  
guarantee of the  
Luxembourg State

One-stop-shop for the  
Luxembourg  
exporters



# Missions of ODL

Promote international economic and financial relations in the interest of Luxembourg

Manage and allocate financial incentives in order to help Luxembourg companies to identify new clients and/or markets (COPEL)

Minimize the risks associated with exports activities through export credit insurance solutions

# Credit insurance: Risks covered

Risk of cancellation and the risk of non-payment

These risks can be of two kinds:

**commercial**  
(related to the risk of  
counterparty)

**political**  
(related to the  
country)



# Credit insurance: how does it work ?

## Prevention

Risk analysis of new or existing debtors  
/ customers



## Recovery

Recovery of unpaid bills



## Indemnisation

If there is no recovery after a certain time, ODL  
will indemnify the exporter



# BRAZIL





# Political turmoil

- Corruption affairs : the highest stages of the State are affected
- The president Temer keeps its majority in the Congress
- Need for unpopular reformas: pensions and social security, bureaucracy, ...

# Economy

- Recession in 2015 (- 3,8%) and in 2016 (- 3,4%)
- Unemployment still at high level (+ de 10%)
- Increase in bankruptcies, especially for small businesses
- Banks still reluctant to offer credit
- Negative payment balance, growing deficits



# Prospects

- + After two years of recession, a modest growth of 0,8% is forecasted
  - + even if deficits are growing, the debt level is sustainable
  - + 85% of this debt is local
  - + Foreign currency reserves are solid and cover about 20 months of imports
  - + The banking sector is well regulated, no room for systemic crisis
- > The overall situation remains correct.

# Country policy for ODL

## BRAZIL

### Exportation

Political risk			Commercial risk
Short term	Medium/long term	Special transactions	A B C
1 2 3 4 5 6 7	1 2 3 4 5 6 7	1 2 3 4 5 6 7	
Cover conditions			
Short term / special transactions		Medium / long term	
No restrictions		No restrictions	

### Investment

Risk of		
War	Expropriation and government action	Transfert
1 2 3 4 5 6 7	1 2 3 4 5 6 7	1 2 3 4 5 6 7



# CONTACT ODL

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