

Office du Ducroire, your gateway to export!

Country seminar : BRAZIL
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Charles-Emmanuel de Ribaucourt
Credit Analyst



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, ...

- 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	A B C
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

OFFICE DU DUCROIRE
14, rue Erasme
LUXEMBOURG – KIRCHBERG

Tel.: (+352) 28 85 54 1

Fax: (+352) 28 85 54 99

E-mail: odl@odl.lu

Internet: www.odl.lu