Major Country Risk Developments
April 2025

By Byron Shoulton

Overview

Global markets have been rocked by the U.S. unilateral imposition of tariffs on imports, ranging from a 10% general tax on all imports to 145% tariffs imposed on Chinese goods, with threats of more to come.

Before a 90-day pause was announced on April 10th, new import taxes on Cambodian goods were set at 49%, Vietnamese goods faced 46% tariffs, while exports from the European Union are taxed at 20%, Japanese exports at 20%, and goods from South Korea and India face 26% tariffs. Exports from Canada and Mexico are taxed at 25%, with exemptions on autos and parts complying with the USMCA Agreement.

In response, Vietnam proposed removing all tariffs on U.S. goods it imports. Vietnam has consistently posted large trade surpluses with the U.S. for over a decade.

Japan is expecting early negotiations for an agreement with the U.S. on tariffs. Further Japanese investments in the U.S. are promised, along with buying more U.S. energy.

The 90-day pause enacted by the U.S. on most tariffs for most countries has done little to calm concerns. Regardless of how trade negotiations play out, global economies are likely to be left with higher tariffs than at any time in a century, potentially weighing on growth and pressuring inflation.

The contentious relationships likely to grow from the aggressive U.S. stance on trade could realign some countries' view of the U.S. Allies of the U.S. could become estranged (e.g. Canada, Mexico, EU, Japan, South Korea, Denmark, Germany, among others). U.S. soft power influence is at risk of being undermined with some countries (both industrialized and developing) losing confidence in the U.S. Security and defense concerns appear to grow even while the focus is on commerce and trade restrictions. The U.S. reputation as a reliable trading partner could push countries to actively seek alternative markets. LATAM countries such as Brazil and Argentina have already seen a surge in demand for agricultural exports including soy, wheat, beef, corn, chicken, pork, among other goods, from China.

The aggressive U.S. taxes imposed on trade with the rest of the world will raise prices. It will also force negotiations between the U.S. and its trading partners and could result in some lowering of the initial levies imposed. It will likely lead to agreements for investments in and force more trade with the U.S. It appears that the U.S. is punishing allies that it would need to pursue a coherent China strategy. Still, no one expects the U.S. to remove the import taxes altogether. The hope is that many countries will negotiate a better "deal" with the U.S. Administration in the months ahead. No one expects a return to things as they were before.

If the promised U.S. manufacturing renaissance is realized over the coming years, that should help offset hits the economy will likely take from the expected slowdown and trade disruptions caused by the trade war. That's the medium to long-term view. In the short-term, concerns over stagflation and possible recession in the U.S. in 2025-26 continue to grow. Weakened consumer and business confidence have forced downward revisions for U.S. consumer spending in 2025 and GDP growth down to 1.5% from projections of 2.5% previously.

Tariffs will not eliminate trade deficits. Imports will likely shrink and so will exports. One certainty is that tariffs will inflict sweeping and hard-to-predict costs on businesses and consumers. The auto industry is one example. Autos are nominally exempt from the latest round of tariffs because they are covered by the earlier 25% on cars and trucks. Still, shares of auto makers crashed as investors assessed the spillover impact of tariffs.

Auto manufacturers will become collateral damage in the escalating trade war, as they will be hit with higher costs for a variety of inputs. Those costs will be layered on top of the 25% tariffs on steel, aluminum and 25% duties on auto parts and non-U.S. content of imported vehicles. Manufacturers will pass more of their tariff costs onto consumers, including the higher costs of reworking supply chains to produce more cars and parts in the U.S. So much for the claim that foreigners will pick up tariff costs. In other words, companies will try to mitigate their higher costs by various means, including by raising prices on products and services not subject to tariffs.

This may explain why shares of U.S. steel and aluminum makers have also plunged. One estimate projects that tariffs on autos will increase the cost of smaller cars like a Honda Civic and VW Jetta by $2,500 to $4,500. Costs for larger vehicles are more heavily affected by tariffs. That includes the Chevrolet Suburban, GMC Yukon and Cadillac Escalade which are expected to rise by $10,000 to $12,000. Meanwhile, used car prices are expected to climb as demand increases among consumers who don't want to pay higher prices for new cars.

Tariffs may cause automakers to reduce their U.S. inventory, which will cause car prices to rise even more. Volkswagen announced it will stop rail shipments to the U.S. from Mexico. Jaguar Land Rover Group says it will "temporarily" suspend shipments to the U.S.

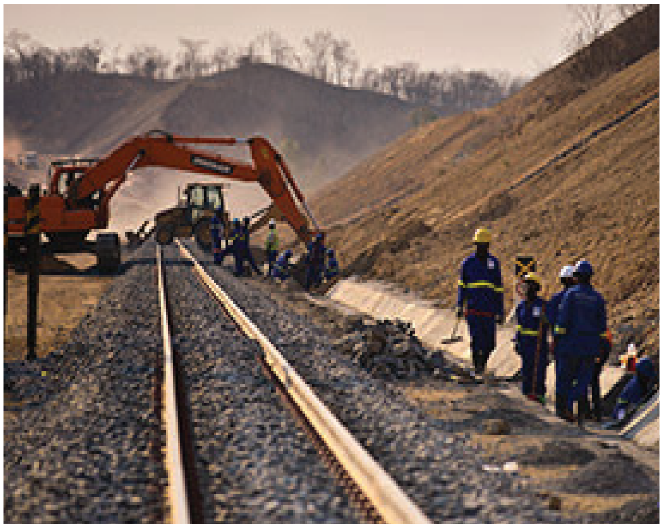
According to Germany's Keil Institute, some of the biggest negative effects of the new U.S. tariffs are likely to fall on the U.S. The previous trading system – a product of U.S. statecraft- created a predictable, transparent and liberal trading regime. Over eight rounds of negotiations, the result became an open and dynamic world economy. The U.S. has now appealed to a non-existent "emergency" to impose a highly regressive tax increase that will bear particularly heavily on middle-class, working families and the less affluent.

The University of Michigan consumer survey found that fear reigns. Consumer confidence collapsed by 40% to a 45-year low in April. Not since 1981 have consumers expected at this rate that inflationary pressure will deplete their purchasing power. Not since 2009 have this many Americans— two-thirds— expected that high unemployment would once again characterize the economic landscape. The public's fear could diminish their view of the Administration's policies. When confidence falls, consumers save more and spend less. Economic activity dries up and corporate profits decline. Investors respond by withholding capital, putting a halt to capital investments and economic expansion. Businesses resolve to pare back their expenses, their employees being the biggest. Layoffs could follow.

China

China's economy grew by 5.4% in the first quarter of this year, as producers frontloaded exports ahead of the U.S. tariffs amidst threats to decouple the world's two largest economies. The positive first-quarter results are unlikely to be extended over the rest of the year as the Chinese economy will be hit hard by the 145% U.S. tariffs. U.S. importers of Chinese goods will find it difficult to pay this level of tariffs and will be forced to buy less while they seek alternative suppliers.

Global unease over the extent of U.S. tariffs and protectionist policies could play into China's desire to capture non-U.S. market share, build stronger relationships across the globe, while using technology and anti-American sentiment to gain favor with other countries.



Some countries could be drawn into trading more with China because of the trade war. However, most countries will avoid openly taking sides in the dispute between the U.S. and China. China has responded with 125% tariffs on U.S. exports. It pledges to "fight to the end" in this trade war. The Chinese leadership is determined to show that the government has the means and will to engineer an economic turnaround and regain GDP growth in a few years -even with hefty barriers to trade erected by the U.S. That will be hard to accomplish, as the U.S. market is China's largest, with 10-20 million Chinese workers exposed to U.S.-bound exports.

A weaker currency could make China's exports more competitive in foreign markets by reducing their relative cost. But any gradual decline is likely to be too small to make a difference against tariffs that have raised the cost of trade by more than 100%. Also, a sharp devaluation of the renminbi could trigger financial instability by prompting Chinese households to pull their money out of banks and try to send it overseas.

China's consumers are reluctant to spend. Many in the middle class and the affluent have lost money in the country's real estate market crash. Apartment prices have fallen as much as 40% since 2021 — an erasure of wealth that exceeds the U.S. housing market crisis nearly two decades ago. Chinese families typically put up to 80% of their savings in real estate, for lack of other ways to build wealth. The country's stock market is small and speculative, while the bond market is mainly for institutional investors.

Frugality now characterizes almost every spending decision by Chinese families, even grocery purchases. Some customers used to buy a couple of pounds of pork at a time, but now they buy as little as a quarter of a pound, reported one butcher.

Construction and related real estate activity represented as much as a quarter of China's economic output before the housing meltdown three years ago. Construction has stalled as demand for new apartments has dried up.

Meanwhile, China is seeking to broaden its appeal, presence and influence globally, presenting itself as the defender of free trade and globalization. Given China's growing presence and influence globally, there is the possibility that U.S. trade barriers and protectionism against goods from all countries could hurt sentiment toward the U.S. That could benefit China. More countries could seek increase trade ties with China. More countries may open up to Chinese investments and seek access to Chinese technology.

In a world hungry for growth and new technology, China could position itself as spreading global technology access and adoption at affordable prices. China has penetrated Asia, Africa, LATAM, and Caribbean countries- not only with products, but via its Belt and Road Initiative (BRI) that has made inroads building bridges, ports, airports, highways, roads and other vital infrastructure across the developing world.

China is already selling its goods globally, is engaged in global mining, and is the largest importer of raw materials. Taking the spotlight by appearing to maintain the status quo on trade, while spreading the advantages of globalization, is a role the Chinese leadership will seek to exploit. It believes this could provide greater access to more markets for its manufactured goods and new technologies. Meanwhile, China continues its search for and exploitation of minerals and rare earth processing, critical to next-generation technologies, including alternative energy production. This may facilitate the Chinese economy to experience new growth - with demand and access to a wider global market. China's BRI program has made important inroads. China's mining and exploitation of raw materials across LATAM, Asia and Africa put it in a key position to take the pulse and engage with world leaders in a variety of forums.

Separately, there are challenges to global shipping in which China plays a large role. The global shipping industry is confronting heightened geopolitical risks, driven by the escalating political and economic tensions, particularly between the U.S. and China. Ongoing trade disputes, state-based conflicts, and regulatory shifts are introducing new uncertainties for fleet operators and shipowners.

With China's dominant position in global shipbuilding and proposed U.S. policies targeting Chinese-built vessels, fleet owners face potential delays, cancellations, and supply chain disruptions. Operators are now examining their exposure and exploring strategies to manage risks tied to evolving political and economic conditions. Shipping brokers highlight the evolving risk landscape, particularly as it relates to shipbuilding, trade disruptions, and insurance solutions available to fleet owners and operators. Fleet owners are being advised to prepare for scenarios that could significantly impact operations, including vessel delivery delays and order cancellations stemming from these risks.

The U.S. will charge, among other measures, steep port fees of $500,000 to $1 million per vessel for every U.S. port stop- by Chinese-built ships; and on any ship operator that has even a single Chinese-built vessel in its fleet, or a single new ship on order at a Chinese yard. These measures could have significant consequences for the global shipbuilding industry, with ripple effects on ship operators and their customers. Today, China is the pre-eminent force in global shipbuilding. China has quickly gained market share in the past decades to the detriment of other players such as South Korea and Japan.

In addition to trade restrictions, escalating tensions between China and Taiwan is another factor that could disrupt fleet operators' relationships with China-based shipbuilders. Fleet operators may face delays in the delivery of new ships.

Japan

Japan has secured priority tariff negotiation status with the U.S. highlighting its position as Washington's largest creditor and investor. The leaders of both countries spoke on April 7th and agreed to open negotiations.

Japan's economic revitalization minister will be the country's chief negotiator and will seek to protect and defend Japan's automobile industry, on which a significant proportion of the economy is built. The U.S. negotiating team will be led by Treasury Secretary Scott Bessent, along with the U.S. Trade representative.

The expectation is that, in addition to tariffs, the negotiations will also focus on the Japanese yen, which the Trump administration has indicated it believes is too weak against the dollar. The Bank of Japan is fiercely independent, but as Japan looks for a way to mitigate the steep tariffs, there will be pressure on the central bank from the central government to accelerate interest rate hikes and send the yen higher as a possible concession to the U.S.

Japan, which considers itself Washington's closest ally in Asia, has been stunned by the 24% tariff on its exports, in addition to the 25% levy on vehicles. The Japanese Prime Minister has described the U.S. tariffs as a "national crisis" for Japan. Japan expressed enormous concerns that U.S. tariffs could weaken the investment capacity of Japanese companies. Japan is the largest source of foreign investment in the U.S.

Analysts warn that the tariff burden will be disastrous for Japan, which despite long-term investments in U.S.-based manufacturing, profits hugely from exports and relies on relatively low-friction trade. The Japanese Prime Minister warned that the flow of corporate investment to the U.S. was at risk from the threatened levies.

Leading Japanese analysts believe U.S.-China tensions could potentially serve as a tailwind for U.S.-Japanese negotiations. The Japanese will need to propose a package to reduce the trade surplus with the U.S. Some suggest Japan will agree to increase its imports of U.S. agricultural products, defense equipment, and energy, as well as commit to coordinating with the U.S. in the event of excess yen depreciation.

In a further signal of U.S. openness, the U.S. agreed to a new national security review of Nippon Steel's proposed $15 billion takeover of Pennsylvania-based U.S. Steel. The review which will be led by the Treasury department, will provide a recommendation to President Trump in 45 days. Former president Biden had blocked the takeover in January in one of his final acts in office.

Nippon Steel executives have been negotiating with the Commerce Secretary on the framework and terms of a deal in which the Japanese group would take a majority stake in the U.S. steelmaker. Nippon believes its planned investment will position U.S. Steel to be a leading global steel producer.

Vietnam

Vietnam's trade surplus with the U.S. was $123.5 billion in 2024. In recent years, the Vietnamese economy has benefited from manufacturers diversifying away from China, growing by an average of 7% per year over the past decade (excluding the pandemic). Exports to the U.S. account for 30% of total exports and 27% of Vietnam's GDP.

Rising wages in China have pushed firms towards Vietnam, where labor costs are less than 50% of the Chinese average and the population has good basic education and health levels. Some companies have pursued a “China plus one” strategy, in which they build more supply-chain nodes outside China. For those companies, Vietnam’s good railway links with China and the fact that it is reasonably easy to do business there have been attractive.

Vietnam anticipated U.S. tariffs, but both government officials and exporters were shocked at the higher rate of 46%. The local stock index fell by 7% in response, the biggest daily decline in over 20 years.

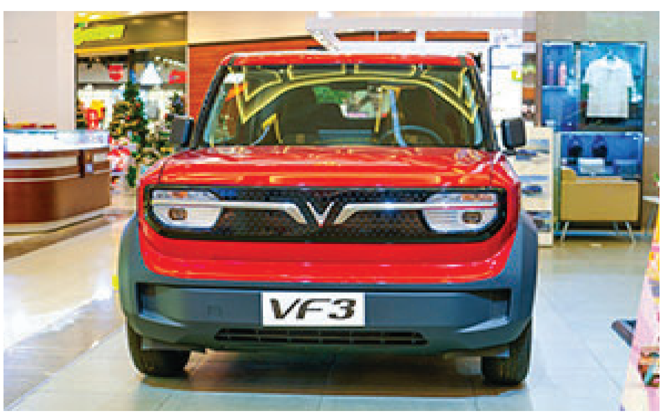
Chinese companies are fueling almost one in three new investments in Vietnam, in a sign of how they have relocated operations abroad to avoid the U.S. trade war with Beijing. But this shift is likely to increase Vietnam’s vulnerability to tariffs as U.S. targets countries that have racked up big trade surpluses.

Vietnam has been one of the largest beneficiaries of trade tensions between the U.S. and China. Companies such as Samsung and Nike have placed big bets on Vietnam as an assembly-factory hub. Certain industries are particularly exposed: 37% of Vietnamese-made footwear and 52% of toys and sports equipment are exported to the U.S. Its trade surplus with the U.S. is the third largest after China and Mexico. Part of that has been driven by the exports of companies such as Apple and Intel, which have moved production lines from China to Vietnam to spread supply chain risks and avoid punitive tariffs. But Vietnam is also increasingly getting investment from Chinese companies, accounting for 28% of new projects last year, up from 22% in 2023.

Many Chinese clients were under pressure from buyers in the U.S. and Europe to move out of China. Most Chinese manufacturing investments in Vietnam were being made to avoid U.S. tariffs and secure a different certificate of origin for goods produced by Chinese companies. However, Vietnam’s supply chain is still highly reliant on China. At least half of the raw materials come from China.

In the first month of 2025, Chinese companies accounted for 30% of projects, according to the most recent government data. Chinese investments in Vietnam also come via Hong Kong and Singapore, the latter of which was the top investor in dollar terms in Vietnam last year. The surge in Chinese investments in Vietnam and its dependence on Chinese raw materials have attracted renewed scrutiny from the U.S., which has accused Beijing of circumventing tariffs by sending products through third countries.

High tariffs will have a big impact on Vietnam's economy, deterring investment and putting a damper on one of the fastest growth rates in the world. Oxford Economics estimates that the effects of tariffs on Vietnam will result in output being 3.5% lower by 2026 compared to the pre-tariff baseline. That would amount to cutting Vietnam's growth rate by half. In addition, the tariffs undermine the China-plus-one case for investing in Vietnam. The U.S. accounts for nearly 30% of Vietnam's exports. The U.S. is investigating goods coming from Vietnam for perhaps additional tariffs.



Chinese investments in Vietnam are in assembly and low-to-mid-end manufacturing, from cars to solar panels. China's strict curbs during the Covid-19 pandemic also pushed companies to diversify outside the country. A small percentage of Chinese goods were also relabeled "Made in Vietnam" without any value added and rerouted to the U.S., experts say, a practice that is illegal. Hanoi had already increased due diligence on Chinese products and investments. They can no longer allow Vietnam to be used as a transshipment country to the U.S. at the risk of U.S. authorities coming down hard on Vietnam.

The Vietnamese acknowledge the risks to the country, recently declaring that Hanoi was developing "political and economic solutions" to tackle its trade imbalance. Vietnam pledged to purchase between 50 and 100 planes from Boeing over the next 10 years as well as other high-tech U.S. equipment. The country also indicated it is willing to increase agricultural imports from the U.S. and agreed to not impose any measures that would restrict trade between both countries.

Vietnam may also have to step up pressure on the rerouting of Chinese products. One supply chain expert opined that Vietnam could push Chinese companies to invest in higher-value manufacturing and tighten local content requirements to force them to set up a supply chain in the country. They anticipate that Vietnam will use technical barriers to reject some Chinese investments. Bottom line: Vietnam will be forced to "walk a fine line" between China and the U.S., its two largest trading partners.

Few expect Vietnam to openly push back against Chinese investment. Eighty percent of investments from Chinese and Taiwanese companies in Vietnam were from those that depended heavily on exports to the U.S. and Europe. Chinese companies now account for more than 40% sales, up from just 15% in the early 2020s. This may now face a decline.

Brazil

The tit-for-tat tariff war between the U.S. and China has spurred Brazil's agricultural sector, as China looks to Latin America's largest economy for a swath of goods from soybeans to beef. Brazil was a major winner in first Trump trade war with China, dramatically expanding its then narrow lead over the U.S. as China's largest food supplier. Brazil now looks set to pull further ahead, with exports to China already surging before the latest 145% U.S. hike on Chinese exports and China added levies of 125%. This represents a boom for farmers in Brazil and Argentina and an opportunity that will help strengthen the agricultural sector in both countries. Some argue that the ramifications will be positive for relations between LATAM and Asia.

Brazilian beef sales to China climbed by a third in the first quarter of 2025, compared with a year earlier. Chinese imports of poultry increased 19% year on year in March. Meanwhile, foreign demand has seen Brazilian soybeans trading at a $1.15 premium to their U.S. counterparts on global markets, having sold at a 25-cent discount only in January.

China has been quick to secure alternative supplies of not only soybeans but several other commodities, according to Brazil's Minas Port Group. The result is less demand for U.S. grain.

U.S. agricultural shipments to China were down by 54% in January compared with a year earlier. China typically buys 90% of U.S. sorghum exports and about 50% of its soybean exports. According to the American Soybean Association, U.S. farmers were "still reeling" from the first Trump trade war and "are not thrilled about an extended" second one. The association and its members are urging the Administration to make a deal with China. The current farm economy in the U.S. is considered much weaker than it was at the time of the first trade war. U.S. farmers lost 10% of market share in China then, and that was never regained.

In March China blocked a significant share of the entry of U.S. beef exports to China, valued last year at $1.6 billion, by not renewing registrations that allow hundreds of U.S. meat facilities to export there. There had also been only limited soy, wheat, corn or sorghum shipments so far in 2025.

Many Chinese grain crushers had halted imports from the U.S., as tariffs eviscerated their margins according to industry insiders. It the situation continues, grain shipments from the U.S. could be zero in May. A normal year can only be achieved if tariffs go back to zero.

Brazil was well positioned to take advantage of the shift, according to a leading Brazilian grain producer. With China looking to diversify its suppliers and Europe increasingly viewing Brazil as a stable option, Brazil is experiencing increased foreign demand and a significant uptick in prices.

Brazil has U.S. policies to thank, in part, for helping it build exporters capable of stepping into the U.S. void today. During the first U.S. trade war with China, Brazilian soybeans traded at about a 20% premium compared to U.S. soybeans, helping funnel investment into the country's agricultural sector. That investment cut into the U.S. competitive advantage, which was based around strong infrastructure and reliability. The U.S. share of China's food imports collapsed from 20.7% in 2016 to 13.5% in 2023, while Brazil's grew from 17.2% to 25.2% in the same period.

Brazil's infrastructure still lags behind the U.S., with bottlenecks at ports often holding up exports. This latest trade war may once again bring a surge of new capital, with hopes that the current global instability will encourage more Chinese investments in Brazil's logistics sector.

Europeans who are awaiting ratification of a bumper free trade deal between the EU and Mercosur countries could also be forced to switch to sourcing protein for animal feed from Brazil instead of the U.S., according to the European Feed Manufacturers Federation (FEFAC).

With the EU set to put 25% retaliatory tariffs on U.S. soybeans, beef and poultry between April and December, concerns are mounting that Brazil may not have enough produce to satisfy demand. Although Brazil has had a bumper crop, its large supply will be quickly absorbed if both China and the EU focus all their sourcing on Brazil. It will mean higher prices for feedstock, which means higher prices for food going forward. If South America cannot fill the many new orders, there will likely be shortfalls.

Prospects for U.S. investment inflows

Companies have pledged to invest at least $1.9 trillion in the U.S. since the start of the new Trump presidency, but those commitments could be threatened by the escalating trade war. The $1.9 trillion figure contrasts with the $910 billion in private manufacturing investments announced during the Biden's presidency through October 2024, according to the U.S. Department of Commerce.

The latest commitments include $100 billion announced in December from SoftBank and chipmaker TSMC of Taiwan; $20 billion from French shipping group CMA CGM; $500 billion from Apple; and $5 billion from automaker Stellantis. There was encouraging news from Nvidia, which announced a $500 billion investment to manufacture supercomputers for artificial intelligence entirely in the U.S. for the first time.

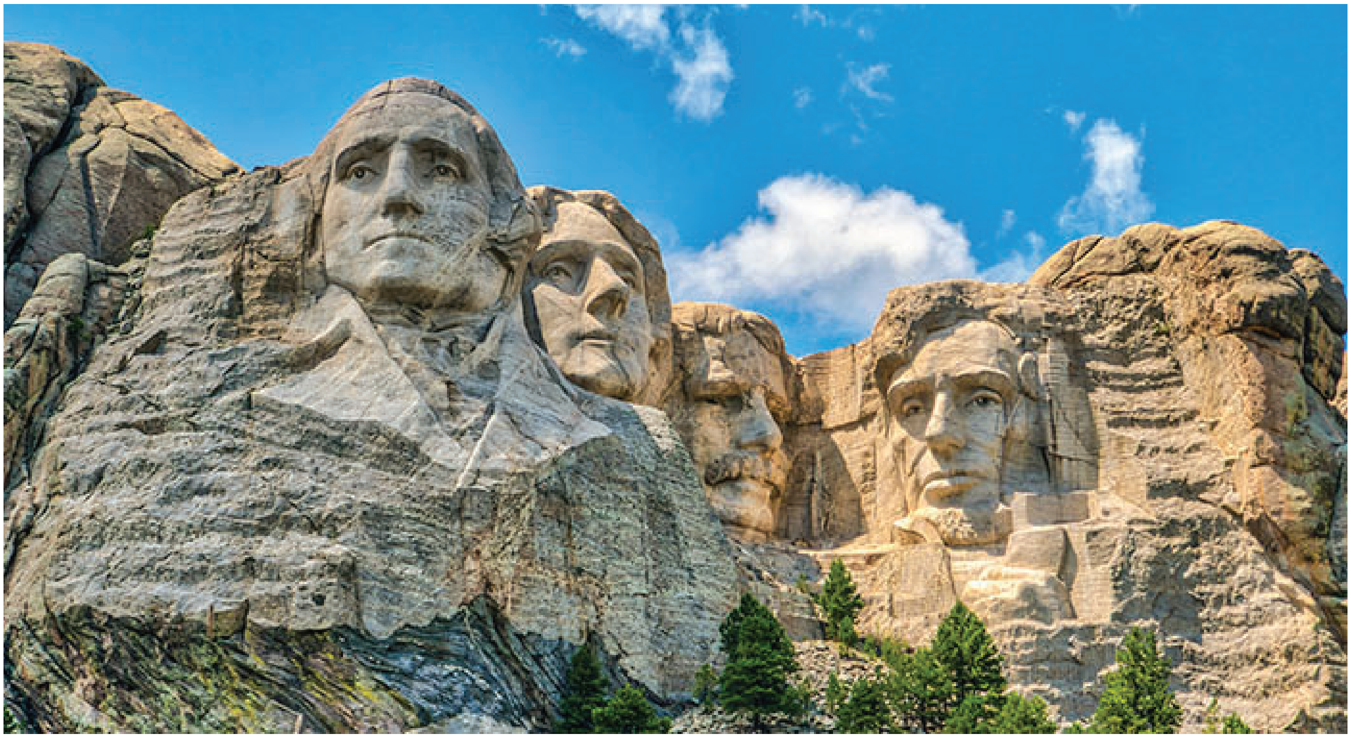
Many of the pledges to invest were made by companies with global supply chains vulnerable to drastic tariffs. Some estimates project that the damage likely to be caused by tariffs will far exceed the $1.9 trillion promised investment inflows to the U.S. Uncertainty in the global trading system, over which tariffs will remain and the final costs to businesses, means that many businesses and households currently lack confidence in making long-term investment decisions.

Furthermore, tariffs could make the U.S. less attractive as a country in which to invest. U.S. administration officials suggested in March that money was “pouring in” to the U.S. because of the new trade policies. However, such optimism is not ironclad. Following the announced 20% tariff on EU imports, French President Emmanuel Macron urged companies to freeze U.S. investment while his government works with the European Commission on the EU’s response. Such messages are being passed on between companies in many countries and sectors, as some consider the fairness of investing billions in the U.S. economy at a time when the U.S. appears on the attack against its trading partners.

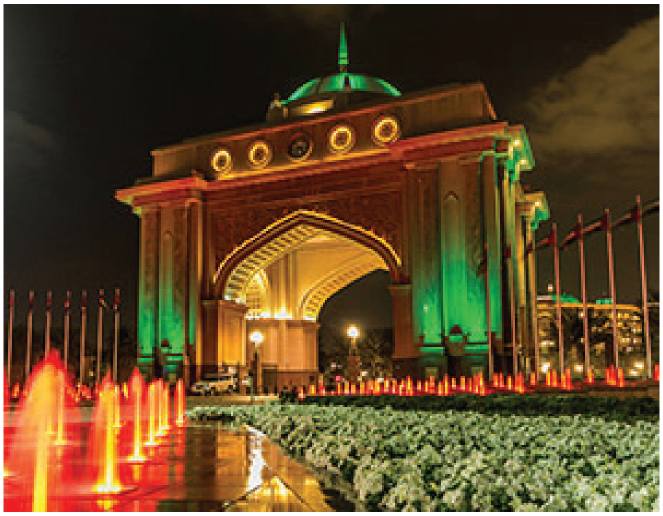
Whether protectionist policies will accelerate investment in U.S. production as countries try to win concessions is left to be seen. Earlier this year, Capgemini Research Institute estimated that U.S. companies were expected to spend $1.1 trillion on relocating manufacturing production to the U.S. over the next three years, up from a projected $750 billion by 2024. However, the Cato Institute estimates that the loss of corporate profits, rising production costs, and a tariff-driven slowdown in the U.S. economy could dampen investor appetite.

Stellantis, which produces Jeep and Ram trucks, has already announced that it will temporarily suspend production at five U.S. plants and temporarily shut down production in Canada and Mexico due to tariff uncertainty. Experts noted the difficulty in determining how much of the promised quantities were new, as well as how much would materialize. The promises made during Trump’s first presidential term included some investments that were already planned.

Apple announced a $500 billion investment in February but lost more than $300 billion in market value after the tariffs were announced, which will affect its supply and production centers in Asia. Apple already has significant investments in the U.S., so it is unclear how much can be attributed to Trump. South Korea’s Hyundai pledged to invest $21 billion over three years to expand its car pro-



duction and steel business in the U.S. and create 100,000 jobs. Despite this, foreign-made cars sold in the U.S. now face a 25% tariff. The U.S. also announced an additional 25% tariff on all South Korean imports. SoftBank claimed to have exceeded the $50 billion pledge it made after the first Trump victory in 2016, creating more than 50,000 jobs, although it laid off staff during the pandemic. Analysts warn that SoftBank could be forced to sell assets if tariffs caused a prolonged market downturn, as happened in 2020 during the pandemic.



Abu Dhabi is stepping up its bet on U.S. gas by buying a stake in a leading U.S. shale producer. Mubadala Energy, owned by Abu Dhabi sovereign investor Mubadala, is buying a 24.1% stake in Kimmeridge Texas Gas, a shale gas production business in Texas and its Commonwealth liquefied natural gas export terminal in Louisiana. The deal, believed to be worth hundreds of millions of dollars, comes months after the U.S. Administration granted an export license to the Commonwealth terminal, lifting a pause on LNG permit approvals put in place by the previous administration.

Middle Eastern energy groups have been considering investments in U.S. LNG over the past two years, as they seek to build a presence in the world's largest LNG nation. Last year Abu Dhabi National Oil Company acquired an 11.7% stake in NextDecade's Rio Grande gas export facility in Texas.

The UAE said it had invested $1 trillion in the U.S. and the U.S. government said the Gulf state had committed to a $1.4 trillion "investment framework" across sectors ranging from artificial intelligence to metals and energy. Saudi Arabia announced soon after President Trump's election victory that it would commit to investing $600 billion in the U.S. over the next decade. The Administration has suggested that the Saudis increase this commitment to $1 trillion.

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Trade Credit & Political Risk

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What is Trade Credit Insurance?

Companies selling products or services on credit terms or financial institutions financing those sales face the risk of non-payment by their buyers.

Trade Credit Insurance provides a cost-effective mechanism for transferring that risk. FCIA's Trade Credit Insurance products protect the policyholders against losses resulting from that non-payment.

Why Trade Credit Insurance?

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A debtor's nonpayment can be caused by commercial events such as insolvency or protracted default. On international transactions, nonpayment can also result from the occurrence of disruptive political events such as wars, government interventions, or currency inconvertibility.

A Few Value-Added Benefits For Insureds

FCIA's Trade Credit Insurance policies offer companies a wide array of flexible coverages. You can insure a broad multi-buyer receivable portfolio, a smaller select receivable portfolio (key accounts), or a single buyer receivable.

Some Value-Added Benefits of Trade Credit Insurance

- Sales expansion
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- Access to better financing terms
- Reduce earnings volatility
- Reduce bad debt reserves

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