DEVELOPMENTS IN OFFICIALLY SUPPORTED EXPORT CREDITS

Data available to the OECD indicate that the long decline in officially supported export credit activity that started with the debt crisis in 1982 has come to an end. It remains to be seen, however, whether future activities of the twenty-two participants in the OECD’s Consensus on Export Credits will remain around present relatively low levels or will recover to the level of the early 1980s.

Long term (over 5 years) export credits which had decreased by 18 per cent below their 1989 level in 1990, rose by 12 per cent from 7.4 to 8.3 billion SDRs from 1990 to 1991. Nevertheless, in absolute terms the level of business is still rather low. The drop from 1989 to 1990 may be due to the global trade situation influenced by the Gulf crisis and the changes in Central and Eastern European countries and the former USSR. One reason for the upturn is that in 1991 an important number of new credits were extended to the CIS (ex USSR).

As yet incomplete data indicate that the value of medium-term credits have also increased during 1991. If confirmed, this is another sign of recovery. Furthermore, outstanding medium- and long-term credits, which had fallen by 24 per cent from a peak of 285 billion SDRs at the end of 1983 to 218 billion SDRs at the end of 1988, grew by slightly over 2 per cent to 222 billion at the end of June 1989 and by another 13 per cent in the first half of 1991 to 253 billion SDRs at the end of June 1991.

Exposure is still increasing but the long term trend for exposure to concentrate mainly on developing countries may have ended. This is believed to be due to credits extended to Central and Eastern European countries.