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The growth and role of export credit agencies in export support

The policy of state interference aimed at supporting export is continuously being expanded. Export credit agencies (ECAs) provide government-backed loans, guarantees, and insurance to corporations working internationally. This support plays critical role in providing access to capital, especially in developing countries. Due to the fact that officially supported export credits may seem controversial, we should pay attention to the role and importance of export credit agencies in export supporting mechanisms. The paper aims at highlighting the role of export credit agencies in supporting exports in the context of the binding OECD Agreement and intensified activities of agencies from non-OECD countries. Our analysis has shown that the activities of ECAs that consist in providing a level playing field for the competition in international market are justified. However, developed countries within the framework of OECD or WTO should get more involved in negotiations with non-OECD countries in the area of complying with the rules governing official export support.

Keywords: export credits, export credit agencies, export support

JEL classification: F13, G23

Rozwój i znaczenie agencji kredytów eksportowych dla wspierania eksportu

Rządy wielu państw realizują politykę na rzecz wspierania eksportu. W ich imieniu wyspecjalizowane agencje udzielają kredytów, gwarancji i ubezpieczeń firmom działającym na rynkach międzynarodowych. To wsparcie ułatwia finansowanie i realizację transakcji, zwłaszcza w krajach rozwijających się. Kredyty eksportowe udzielane z oficjalnym wsparciem mogą wydawać się kwestią dyskusyjną. Należy zwrócić uwagę na rolę i znaczenie agencji kredytów eksportowych w mechanizmach wspierania eksportu. Artykuł ma na celu ocenę roli agencji kredytów eksportowych we wspieraniu eksportu w kontekście Porozumienia OECD i zwiększającej się aktywności agencji kredytów eksportowych z krajów spoza OECD. Z przeprowadzonej analizy wynika, iż działalność agencji kredytów eksportowych polegająca na wyrównywaniu warunków konkurencji na rynku międzynarodowym jest uzasadniona. Z tego powodu istnieje potrzeba włączenia krajów spoza OECD w proces negocjacji w zakresie oficjalnego wspierania eksportu na forum OECD i WTO.

Słowa kluczowe: kredyty eksportowe, agencje kredytów eksportowych, wspieranie eksportu

Klasyfikacja JEL: F13, G23

Introduction

National and international finance institutions can play a valuable role in stimulating export and growth. More importantly, support from development finance institutions can be a major ingredient of growth strategies, for instance by mobilising investment, promoting technology transfer, supporting labour market standards, promoting exports, and encouraging savings [TWB, 2008]. These institutions can also support businesses by granting long-term loans in situations where private financing is discouraged by high risk. Such support may be financed by official export credit agencies (ECAs). The paper aims at highlighting the role of export credit agencies in supporting exports in the context of the binding OECD Agreement and intensified activities of agencies from non-OECD countries.

Exporters constitute a crucial backbone of a country's economy. However, it is usually beyond their financial capabilities to independently finance the selling of goods on deferred payment terms. A study by Greenaway, Guariglia, and Kneller [2007] suggests that financial constraints are important for the export decisions of firms. On top of that, foreign markets characterised by unstable or unpredictable political circumstances discourage domestic exporters, especially from the SME sector, from entering the market. Modern governments increasingly often become the main initiators and promoters of activities that enhance innovation and support competitiveness of domestic economic operators in international markets.

The following characteristics have been identified as typical for effective state intervention in the area of support to export [Rhee, 1984]:

- automatism and transparency: rules of assisting actual and potential exporters must be clear and the aid granted quickly and in a non-discretionary manner,
- all added value of export must be treated on equal terms, irrespectively of whether it is generated by direct or indirect exporters,
- promotion rules must be applied in a way that prevents fraud,
- administrative efficiency of promotion can be ensured by delegating the authority to commercial banks and export arrangements.

Nowadays, the policy of state interference aimed at supporting export is continuously being expanded when it comes to both the quality and quantity of applied tools or programmes. Moreover, they are used equally by developed and developing countries. ECAs are institutions actively involved in export support.

According to OECD, 'governments provide officially supported export credits exactly through ECAs in support of national exporters competing for overseas sales. Such support can take the form of either "official financing support", such as direct credits to foreign buyers, refinancing or interest-rate support, or "pure cover support", such as export credits insurance or guarantee cover for credits provided by private financial institutions'.

Based on the institutional criterion, a highly specialised bank, insurance company, or financial corporation duly authorised by the government and involved in promoting exports may act as an export credit agency. According to product criterion, any institution that offers, e.g., loans, refinancing loans, guarantees, insurance, or technical assistance to exporters is an export credit agency. Such an institution covers political as well as trade-related risk of export transactions.

It is worth stressing that agencies offering exclusively 'pure cover support' are referred to as export credit insurance agencies while the ones that offer financial support schemes are called exim banks.

1. Organisational structure of export credit agencies

In accordance with the commonly approved definition, an export credit agency is an institution that finances and supports export and exporters by granting direct loans/borrowings, offering guarantees and insurance to commercial banks and exporters, and assuming risk that accompanies a given transaction. However, there is no model of a typical export credit agency. They differ in size, organisational structure, or types of activities. Hence, to define an agency means to specify its organisational functions.

Agencies may be run by the government, act as public corporations or private companies (operating on own account but often also in cooperation with the government). Some of them service only short-term transactions, others medium- and long-term ones. There are also agencies that service both short-term as well as medium- and long-term transactions. Some agencies offer only guarantee or insurance to export transactions, others finance export transactions, but there are also some which combine all the three areas of activity. That is why certain agencies are called insurers, others exim banks. The role of eximbanks is different in different countries (e.g. in India they mainly finance imports). Some agencies limit themselves to insuring export credits, others offer investment insurance, although the majority (at least bigger agencies) offer both types of services. Some agencies offer bank and trade credit insurance to protect their clients predominantly against political or trade risk, although most agencies provide protection against both political and trade risks.

Due to the fact that there exists nothing that we could call a typical export credit agency, there is no single operating model for such an agency. Legal form, amount of capital, and types of schemes available in individual agencies take account of economic performance of a particular country. An attempt to implement a solution that works well in one country for its specific economic circumstances into the reality of another country can even be dangerous. What is needed and

suitable in one country at a given moment may turn out to be inadequate or even detrimental in another country two or three years later.

In many industrialised countries the agencies share the common goal to offer export facilities and to promote domestic exports based on principles worked out within the OECD Consensus.

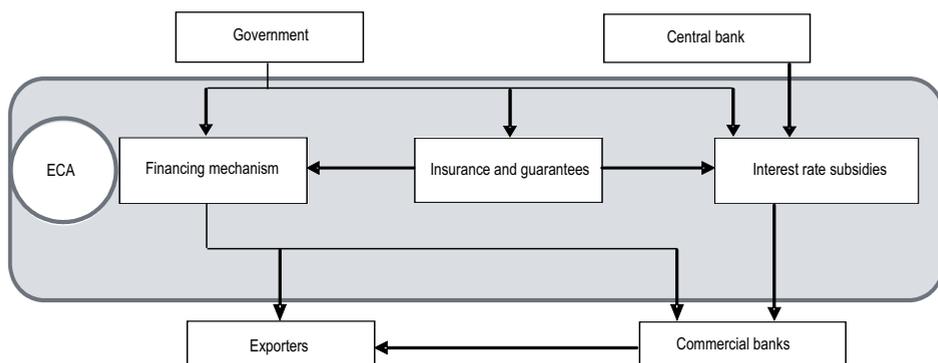


Figure 1. ECA in an export support system

Source: Author's own studies.

The above model identifies three main combined financial and insurance tools available from ECAs. They make a part of the toolkit used by the government and central bank to directly support and impact individual elements in order to provide a level playing field for exporters in international market. Exporters and commercial banks are beneficiaries of the above-described system. We need to note that commercial banks constitute a characteristic link in this structure, where they also play a supporting role as they are involved in the financing/refinancing mechanism and subsidising interest rates for export credits. A central role is played by the mechanism of insurances and guarantees as it conditions the operations of the remaining elements. The granting of preferential terms that make it possible to finance export transactions is usually conditioned with insurance/guarantee protection. Financial tools and guarantees, the scope of intervention, and monetary and credit policy of the government have shaped a variety of operating modes for export credit agencies. In some countries, ECAs are government departments or agencies, in others commercial institutions have been mandated to manage the official export support scheme on behalf and on account of their governments.

2. Regulations concerning official support to export credits

Creating a level playing field for the competition among officially supported export credits was launched in the late 1960s. Several organisations were involved in the process, among them GATT/WTO, Berne Union, and OECD. The period of a heated debate among countries participating in drafting uniform rules led to the signing of the Arrangement referred to as the OECD Consensus in 1978 [Cizauskas, 1980]. The Arrangement is a 'gentlemen's agreement' amongst its participants who represent most OECD member governments. It was a remarkable achievement as it largely reduced export credit subsidies, by the same token reducing the burden to domestic budgets of countries that competed in international markets by offering extended terms of payment, low cost of credit, or insurance premium. The European Commission represented the positions of the then EEC member states, which largely contributed to the identification of uniform rules and speeded up reaching the agreement in the course of OECD negotiations. Later it also ensured rapid implementation of the Consensus guidelines into the Community law.

Among currently [OECD, 2016] required principal guidelines of the Consensus we should list:

1. terms of the OECD Arrangement apply to all official support for export of goods and/or services provided by or on behalf of a government where export credit repayment term exceeds 2 years;
2. official support may be granted in the form of:
 - a) export credit insurance or guarantee,
 - b) official financing support:
 - direct credit financing and refinancing,
 - export credit interest rate support,
 - c) any combination of the above forms;
3. the Consensus does not apply to credits granted in relation with export transactions in military equipment and agricultural commodities.

The Arrangement introduced more stringent terms for export credits that benefit from official support. These terms include:

1. down payment of a minimum of 15% of the export contract value paid by a foreign purchaser before the starting point of credit¹. The down payment may be covered with official support scheme only in the form of insurance or guarantee against the pre-credit risk;

¹ The starting point of credit is either: (1) the actual date of acceptance of the goods by the buyer (for, *inter alia*, parts and components, machinery, and equipment), (2) the date of submission of the invoice to the client (for services related with the supply of parts, machinery, and equipment), (3) the actual date when the buyer takes physical possession of goods (for the supplies of capital goods for complete plants and factories), (4) the date of completion of an investment project.

2. maximum repayment term depends on the income of the borrowing country. The list of Category I and II countries is determined by the World Bank classification based on *per capita* GNI criterion²:
 - a) for Category I countries (high income OECD countries), the maximum repayment term is 5 years with the possibility to increase it up to 8.5 years following a specific procedure laid down in Art. 48 of the OECD Arrangement,
 - b) for Category II countries the maximum repayment term is 10 years,
 - c) for non-nuclear plants³ the maximum repayment term is 12 years;
3. principal shall be paid in equal instalments payable every 6 months. The first instalment shall be paid no later than six months after the starting point of credit;
4. participants to the Arrangement shall charge credit risk insurance premium not lower than the Minimum Premium Rate (MPR) decided in the Arrangement depending on whether the buyer/debtor is a private or public entity. MPR is determined according to the following factors:
 - a) country risk classification⁴,
 - b) horizon of risk,
 - c) percentage of cover and quality of official export credit product provided⁵,
 - d) country risk mitigation technique applied,
 - e) buyer risk credit enhancements that have been applied;
5. minimum interest rates (CIRRs) specified in the Arrangement shall apply to official financing support. CIRRs are interest rates established according to the following principles:
 - a) CIRRs should represent final commercial lending interest rates in the domestic market of the currency concerned,
 - b) CIRRs should closely correspond to the rate for first class domestic borrowers,
 - c) CIRRs should be based on the funding cost of fixed interest rate finance,
 - d) CIRRs should not distort domestic competitive conditions,
 - e) CIRRs should closely correspond to a rate available to first-class foreign borrowers;

² See the classification of countries in individual categories (Category I includes high-income countries, while Category II countries with lower GNI) in: [OECD, 2015].

³ Non-nuclear plants are complete power plants (or parts thereof) not fueled by nuclear power.

⁴ Countries have been classified in seven categories. Countries in Category 1 represent the lowest risk and countries in Category 7 represent the highest risk.

⁵ The quality of product that is officially supported is decisive for whether insurance protection will cover the claims waiting period. Products can be classified in one of the three categories:

- below the quality of a standard product: the insurance does not cover interest in the claims waiting period (they can be insured with appropriate premium surcharge),
- standard product: the insurance covers interest in the claims waiting period without premium surcharge,
- above standard products, for which there are guarantees.

6. where official financing support is provided for floating rate loans, banks and other financing institutions shall not be allowed to offer the option of the lower of either the CIRR (at time of the original contract) or the short-term market rate throughout the life of the loan.

Governments of many countries have debated whether the regulations concerning the official support for export (the so-called OECD Arrangement) are effective in levelling the playing field for exporters in the current trading environment. Questions about its effectiveness or the activities of export credit agencies are growing, particularly with the increasing official export credit activity of non-OECD members such as China, Brazil, and India. Governments of these countries are aggressively using their ECAs to support national exports in the short-, medium-, and long-term, which may decrease international competitiveness of exporters from industrialised countries when it comes to the terms of transaction financing/insurance, in particular when short-term credits are supported by the private sector. A question is also raised whether we should use these instruments through ECAs to improve access to credits for firms that intend to start or to expand export activities.

There are some advantages and disadvantages of export credit agencies.

Table 1. Advantages and disadvantages of ECAs' activity

Advantages	Disadvantages
<ul style="list-style-type: none"> – protection against risks – access to bank finance – access to information about foreign markets – facilities that increase exporters' competitiveness in foreign markets 	<ul style="list-style-type: none"> – encouragement for exporters to take bad credit risks – substitution for foreign aid – trade distortion – encouragement for uncompetitive export habits

Source: [Malcolm, 1999, p. 17–19].

Delio E. Gianturco [2001] lists six arguments in favour of export credit agencies:

- agencies are set up to alleviate capital and money market imperfections,
- ECAs' schemes offer a response to capital market constraints in the field of short- and long-term support,
- agencies indirectly impact remuneration, output, employment, industry, or revenue from taxes,
- agencies assist start-ups and small enterprises, new products, and transactions in new outlet markets – nevertheless, their operations depend on the mission of a respective agency and the overriding principle of non-competing with the private sector and acting as the lender of last resort,

- agencies deliver aid schemes to developing countries (the following sectors should be listed among those which benefited from export credits in developing countries in the years 2010–2012: economic infrastructure – 53%, production sectors – 42%, social infrastructure – 2%, other – 3% [OECD, 2014]),
- each agency is obliged to offer terms that comply with competitive terms offered by other national agencies, i.e., financing and insurance terms should ensure a comparable competitive position to all exporters. Competitiveness argument would not be a rightful justification for the operations of an ECA if all countries simultaneously agreed to eliminate official support to export through schemes/instruments offered by export credit agencies.

3. Global expansion of export credit agencies

In the first half of the 20th century, almost all ECAs were operated by governments. The second half of the 20th century witnessed a considerable increase in the share of private and public–private agencies that would offer export growth schemes. Nowadays, the diversity of organisational structures and the degree of their independence reflect the involvement of governments in the support for the growth of export. Relationships between ECAs and governments vary and are often quite complex. Obviously, the degree of independence of an agency is largely a function of its private or public ownership. Nevertheless, all agencies that receive financial support from the central budget are accountable to the government and they pursue policies in line with the regulations adopted for the official support to export.

The first institution of this type was established in the United Kingdom in 1919 with a view to reduce unemployment and recover and mobilise export potential after the war. However, the first ever export credit insurance schemes were offered by a private company Federal of Switzerland already in 1906. Positive effects of British and Swiss schemes became models followed by other countries, which realised the effectiveness and need to support trade. Insurance and guarantee schemes were launched in Belgium (1921), Denmark (1922), the Netherlands (1923), Finland (1925), Germany (1926), Austria and Italy (1927), France and Spain (1928), and Norway (1929). The primary reason behind them was the wish to restore and strengthen export position of countries, rehabilitate industries destroyed by World War I and contribute to the establishing of trade relations between Western Europe and the Soviet Union. The beginning of economic crisis in 1929 favoured the setting up of institutions that would officially support export credits, offer guarantees and insurance. It was one of the ways of ensuring trade flows that influenced employment and production. Thus, in the 1930s similar

schemes were launched in Japan (1930), Czechoslovakia, Latvia, Poland (1931), Sweden (1933), the United States (1934), and Ireland (1935). We need to stress that during the first 30 years of its activity, the Ex-Im Bank (US) offered only direct, official credit schemes without guarantees or insurance. In other countries, the agencies developed and focused on guarantees and insurance as well as on refinancing borrowings/credits granted by commercial banks to reduce interest. Until mid-1930s, operations of most export credit agencies were dominated by insurance schemes for export credits to the Soviet Union.

In the 1920s and 1930s, ECAs operated at a small scale and the times of WWII stopped the development of new export credit agencies. In the period of 1939–1945, existing agencies concentrated on financing operations that could help win the war⁶. Following the end of WWII, former allies started to rebuild their national economies and restore trade relations with other countries. Hence, in the late 1940s and early 1950s Japan, Germany, Italy, and Austria introduced a full range of new financing-insurance schemes.

Subsequently, in the 1960s, export credit, guarantee, and insurance schemes were put in place in developing countries (Argentina, Bolivia, Brazil, Greece, Hong Kong, Korea, Pakistan, Peru, and Portugal) to boost employment, entrepreneurship and exports, to reinforce competitive position in international market, and to improve the balance of payments.

The third wave of setting up more agencies in developing countries came in the 1970s and was the effect of fears that the absence of adequate export support infrastructure would prevent these countries from being able to compete not only with the OECD members but also with other developing countries. In the 1980s, a new group of countries (Egypt, Indonesia, Tunisia, and Turkey) started to develop export credit agencies. Many systems adopted in these countries evolved already at an earlier stage.

We should expect that significant deficit experienced by many export credit agencies in the early 1990s would stop the establishing of new ones. On the contrary, since the 1990s until the present the number of newly set up ECAs is the highest. They were established mainly in the countries of the former Soviet Union, and in Central and Eastern Europe (Czech Republic, Hungary, Lithuania, Poland, Russia, Slovakia, Slovenia). In Kazakhstan and Ukraine, banks that serviced export-import transactions expanded their offers with standard ECA schemes. In Africa, the development of national ECAs was supported with the initiative to set up a regional export-import bank, while in Asia (both in China and in Thailand)

⁶ In the US, the Ex-Im Bank financed exports, which helped develop the rubber sector in Brazil and the extraction sector in the countries of Latin America. Their output was indispensable for war operations.

export-import banks were created to strengthen and develop dynamic export industries in these countries.

Many already existing agencies have amended their schemes in order to acquire more autonomy, offer a wider range of services, and to attract more funds. Among the operations that mobilise agency's activities we should mention [Kuhn, 1995]:

- development of export promotion tools together with comprehensive techniques in export transactions insurance and financing,
- improving information systems, risk assessment procedures that take account of country risk and possibilities to cover the effects of risk,
- special facilities offered to exporters with no experience in international trade.

In many instances, operations of export credit, insurance, and guarantee agencies have been combined into one organisation that offers comprehensive support to trade transactions. At the same time, organisational and institutional changes were accompanied by initiatives aimed at cost reduction and higher transparency of operations. To many governments, new procedures and solutions were vehicles to introduce more aggressive export promotion policy, which was often seen as a tool to stimulate growth⁷.

The majority of export credit agencies in industrialised countries have been operating for more than 50 years. More than half of agencies in developing countries have been accumulating experience in export credit financing, guarantees, and insurance for at least 10 years. Industrialised countries gradually withdrew from expanding their credit operations to high risk markets while developing countries willingly faced the risk and tried not to expose their financial position.

The majority of global official ECA activity remained relatively stable with minor drops in 2014. OECD ECA still remained 20% above the pre-crisis (2007–2008) levels. Among the non-OECD countries, China reported the highest growth (over 40%) (Figure 2).

Among developing countries, middle-income countries were the main beneficiaries, with Turkey, India, Mexico, Brazil, and China being the largest recipients in 2011 and 2012 [OECD, 2014].

When supporting the competitive position of exporters, agencies in developing countries (e.g. Brazil, India) take advantage of the fact that they are not OECD members and, as such, they are not participants to the OECD Arrangement. Therefore, they are not bound by the OECD Arrangement and can offer export credit and support terms that in terms of competitiveness are more advantageous than those offered by the OECD countries. We need to add that export credit agencies in OECD member countries also comply with environmental and anti-corruption standards. The difference is clear when we look at the tables below.

⁷ The idea to promote export as an instrument that helps economic recovery is not new. Already in the 1930s some export credit agencies were established to support export as growth stimulus.

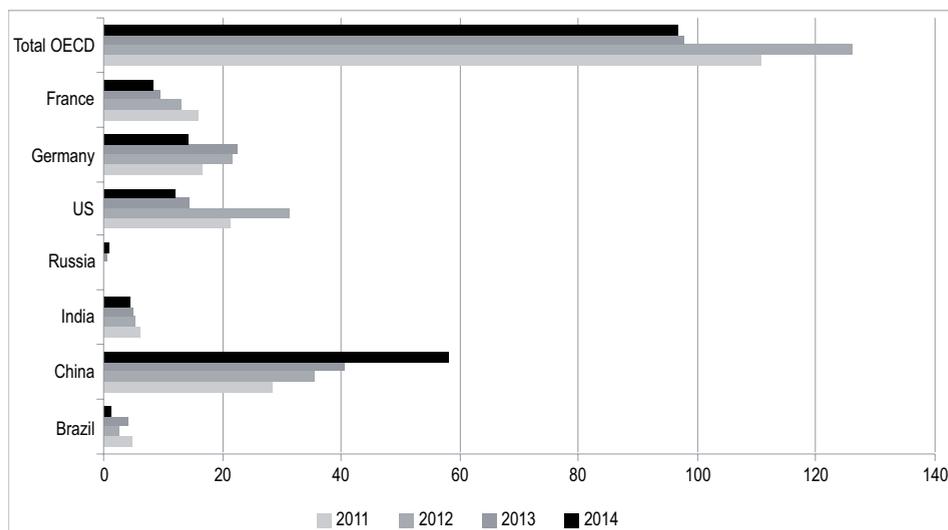


Figure 2. New medium- and long-term official export credit support volumes in selected OECD and non-OECD countries (in US\$ billion)

Source: [EXIM, 2014, p. 20].

Table 2. G7 ECA activity in merchandise trade in the years 1980–2010

Category/Year	1980	2000	2010
Merchandise export (US\$ bn)	922	2,941	5,218
Proportion of world merchandise exports (%)	45.1	45.4	39
Officially supported medium/long-term export (US\$ bn)	54.5	49.0	72
Medium/long-term support v medium/long-term export (%)	32	8.2	7

Source: [Mulligan, 2007, p. 47–56].

Table 3. Emerging market ECA activity (Brazil, India, China) in 2000 and 2010

Category/Year	2000	2010
Merchandise export (US\$ bn)	348	1,605
Proportion of world merchandise exports (%)	5.4	12
Officially supported medium/long-term export (US\$ bn)	3.6	80
Medium – long-term support v medium/long-term export (%)	10	32

Source: [Mulligan, 2007, p. 47–56].

Official medium- and long-term export support offered by G7 countries was substantially reduced (from 32% to ca. 7%). A reverse tendency can be observed among the emerging markets (increase from 10% to 32%), which may be due, *inter alia*, to the fact that the majority of the agencies support domestic exporters on terms other than specified in the OECD Arrangement. That is suggested by the study conducted among ECAs by the US Ex-Im Bank. Respondents reported a greater number of cases in which ECAs offered competitive non-OECD financing in addition to similar patterns in the countries providing this financing. From among ECAs covered by the study, 31 respondents indicated that they had encountered competition backed by ECAs.

Table 4. Non-OECD ECA competition

ECA	Number of exporter and lender survey responses	
	OECD compliant	Non-OECD compliant
BNDES (Brazil)	2	7
China Development Bank	0	5
China Exim Bank	0	6
ECGC (India)	1	2
EXIAR (Russia)	1	2
Exim Bank of India	1	3
Sinosure (China)	0	6
Total	5	31

Source: [EXIM, 2014].

Irrespective of systemic solutions adopted in individual countries, export credit agencies across the world have common economic and financial goals. The list of major economic goals includes [Gianturco, 2001]:

- developing export of goods and services in the private sector,
- assistance in export financing independently of the size and country of destination,
- complementing, not competing with commercial banks,
- improving the balance of trade and boosting employment,
- assisting in the diversification of products and foreign markets for operators who start exporting,
- improving exporters' skills and qualifications in finance, credit risk management for foreign buyers,
- improving knowledge base about export credits in banks,
- encouraging domestic insurance companies to cooperate,
- supporting export important for the domestic economy,
- effectively meeting foreign competition.

Main financial goals of ECAs include [Gianturco, 2001]:

- profitable operations,
- support offered only to transactions with credibly secured payment,
- accumulation of capital from domestic and foreign sources to finance domestic exports,
- determining interest rates on credits and other charges to ensure repayment of costs,
- investing to produce maximum profit in compliance with guidelines on cash flows and the security of payments,
- ensuring adequate financial means for term payments required for credit, guarantee or insurance agreements,
- concluding co-insurance and re-insurance contracts to limit excessive loss,
- following reasonable risk-sharing principles and maintaining a balanced portfolio,
- maintaining an adequate relationship between capital and reserves and current/urgent liabilities.

Official export credit agencies also represent common features when it comes to technicalities of export transactions. These are: similar criteria decisive for the scope and form of granted support, risk classification and insurance cover, insurance techniques, premiums and interest rates as well as risk assessment, management, and sharing.

These common characteristics are not accidental. Procedures, terms, and goals of export credits financing, insurance, and guarantees have been 'internationalised' as a result of systematic and rapid exchange of information, cooperation and agreements reached within the framework of the Berne Union and OECD. International arrangements identified parameters within which agencies could operate and operating principles in cases when they infringe common arrangements. That has increased the comparability of national export support systems through export credit agencies.

Conclusions

The size of support and the use of individual mechanisms/instruments of official support to export depend on, *inter alia*, state engagement in export support through export promoting policy and operations of ECAs as institutions authorised to support export. The activities of export credit agencies became more significant in the provision of the required financing for trade in times of crisis as weakening internal demand forced enterprises to seek new outlet markets and support to export was perceived by the government as the opportunity to main-

tain the output and employment. Recent data on export insurance and guarantees suggest that ECAs have played an important role in preventing trade finance markets from completely drying up during the global economic crisis [Chauffour, Saborowski, Soylemezoglu, 2010].

Government support to export is justified by the unquestionable fact that to successfully compete in the international market we need to offer attractive terms of contract financing to foreign clients. The assistance is also an element of government foreign policy, regulation of trade relations, and responsibility for the balance of payments. Government plays a special role in export credits insurance. There are some arguments for its reasonable interference in this area:

- in markets characterised by an asymmetry of information, potentially profitable projects may be rejected when applying for insurance coverage; hence, if the government decides that enhanced export is one of its main goals, it should interfere in the market by relatively reducing the prices,
- the government may take over risk due to lower social cost of capital, which is why its role in support of small and medium-sized exporters may be especially important,
- the government may take over political risk *vis-à-vis* markets representing higher risk, in particular in relation to contracts executed with the use of medium- and long-term credit,
- the private sector in developing countries is held back by poor access to finance, so ECA support plays a critical role in providing access to capital especially in these countries.

It is also of primary importance to focus on strengthening the international disciplines guiding ECA activity by:

- encouraging greater engagement by the OECD with non-OECD emerging market economies on official export credit activity,
- negotiating rules in the OECD that limit government-backed export credit financing in other developed countries,
- calling for a greater role for the WTO in disciplining international ECA activity.

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