

Study on Insurance System of International Export Credit System

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Abstract. Export credit insurance is a state financial supported tool, providing a special support measures risk insurance policy in export trade, foreign investment and foreign project contracting and other foreign economic activities. As one of export support system, export credit insurance policy instrument allows the WTO subsidies and Countervailing Agreement principles, after nearly a hundred years in the world of development, is already quite mature, and to support the exports of these countries have played an important role. When China to join the WTO at the end of 2001, China's foreign trade exports continue to increase, while the actual needs of the development level of China's export credit insurance and export in China has a big gap. Based on the basic concepts and the legal status of international export credit insurance on the study, this paper researched world and the development of export credit insurance, focused on China's export credit insurance problems of development and put forward their views. To solve these issues, this paper put forward their own proposals and ideas.

Introduction

Export credit insurance is happening in commodity exports or related economic activities, the insurer (export credit agency, Export CreditAgency, referred ECA) and the insured (to provide credit to foreign buyers exporter or the bank) signed an Insurance Agreement ; according to the Insurance agreement, the insured pay premiums to the insurer, the insurer under the economic loss compensation insurance agreement the insured credit to foreign buyers of goods or loaned money due to buyer credit and related factors.

It is worth noting, export credit insurance and export credit guarantees (Export Credit Guarantee) easy to confuse. It refers to the so-called export credit guarantee credit guarantee institutions established by the state for their own commercial banks to exporters or importers or foreign bank guarantee provided by (guarantee). By providing more guarantees for export credit insurance agencies, export credit guarantees and therefore one of the main businesses of export credit insurance agencies. But the insurer at the time provide guarantees for commercial banks, the real name of the state is to provide one hundred percent guarantee to commercial banks, prompting commercial banks to provide export loans. Therefore, this credit insurance is actually no longer a pure insurance (insurance) business, but a special kind of guarantee business. But because the number of export contracts, export credit insurance is often used in combination with export credit guarantees, it is sometimes difficult to distinguish between the two strict.

Export Credit Insurance and Study International Legal Status

The purpose WTO "Agreement on Subsidies and Countervailing Measures" that the effective constraint and regulate the use of subsidies, subsidies to prevent distortion of competition; the same time, standardize procedures and standards subsidy, countervailing measures to prevent abuse, impede fair trade. But "Subsidies and Countervailing Measures Agreement" treatment on trade in goods only subsidies, "Agriculture Agreement" There are some special provisions in subsidies for agricultural products, subsidies on trade in services in the "General Agreement on Trade in Services" in the otherwise.

WTO "Agreement on Subsidies and Countervailing Measures". General Agreement on Tariffs and Trade (GATT) and the World Trade Organization does not deny the role of subsidies,

but the subsidies, such as improper use can also lead to unfair competition on imports or third parties related industries or other damage to the legitimate interests of trade-distorting and the impact of rational allocation of resources.

Export Credit Insurance, International Legal Status in The WTO "on Subsidies and Countervailing Measures Agreement". Export credit is a way of international credit, is a country in order to support and expand their exports of large machinery, equipment, large-scale projects, such as strengthening the international competitiveness of their exporters to give interest subsidies and credit guarantees approach encourage national banks to domestic exporters, importers or foreign banks offer lower interest rate loans to resolve the difficulties its exporters cash flow or financing foreign importers to meet a payment to its exporters need the way.

Two different means of export credit and export credit insurance as a national export promotion capital goods, its fundamental purpose is the same, that is used to encourage the country's exports. For both, the government has played a very important role. On the one hand, the government is decisive decision-making bodies; on the other hand, in both running, government responsibility in many ways. Government either as direct loans to lenders exporter, importer or importers to exporters to banks or commercial banks to provide loans to refinance, but also subsidized by export credit agencies as well as in mixed loans donor, who ultimately bear the debt as export credit insurance institutions in the export credit insurance or as a reinsurer. Therefore, we can say, without government support, export credit insurance and export credit can not survive and develop.

International Development of Export Credit Insurance

Export credit insurance systems in developed countries over 90 years of history. After the second half of the 19th century, with the continuous pioneering British overseas trade, increasing its exports, and foreign exchange risks are also growing, British merchants began recording for export credit insurance. In 1919, to promote the export of goods and services and rebuilding a post-war domestic economy, the British established the world's first officially supported export credit insurance institutions - Export Credit Guarantee Department (Export Credits Guarantee Department, Acronym ECGD), for exporters to provide goods creditor insurance and financing guarantees, for exporters to eliminate the usual marine insurance and war risk are not covered export credit risk, so that exporters get rid of the long-term problems because their customers bilk and collapse can not secure exchange earnings embarrassment, import and export trade volume increased significantly. Since then, as an important tool to promote their exports, increasing employment and improving the balance of payments, export credit insurance support of the Government in the world has been steady development. In 1926, Germany established the Hermes Export Credit Insurance Corporation. In 1934, Italy, France, Spain and the UK export credit insurance organizations established the International Association of Credit and Investment Insurers (International Union of Credit and Investment Insurers), because of the association registered in Berne, Switzerland, it is also referred to as the Berne Union (Berne Union) exchange for export credit insurance business information.

Construction of the developed countries of export credit insurance system so that their businesses in support of the Government, with strong strength and high level of protection in emerging markets. It exports the whole process of all safeguards to reduce or divert trade, foreign exchange, settlement risk, so that exporters interests are protected; for exporters to provide trade financing or project financing services, through buyer credit guarantees, project financing guarantees and fixed-rate financing and guarantees the insurance and other means to provide protection for the corporate finance.

Improve the export credit insurance system

China's export credit insurance, although there are many problems, but with the continuous growth of China's exports, export credit insurance still has much room for development. Especially with China's accession to WTO in 2001, China's insurance industry is facing unprecedented

opportunities and challenges. How to follow the WTO rules to accelerate the development of China's export credit insurance and thus for the country's export services, it has become a pressing issue. I believe that, as a national policy to encourage exports of financial support, the development of export credit insurance should be strengthened from the government, export credit insurance and export business operators three levels.

Impact Of WTO Rules on China's Insurance Industry. 2001 China joined the WTO, "WTO rules will have a significant impact on China's insurance industry, which is mainly manifested in the WTO: World Trade Organization Ministerial Conference on the members of the Party's specific commitments on financial services was reached include maintaining the status quo, market Access and National Treatment "understanding on Financial Services" .WTO all members of the party after several financial services trade negotiations, in December 13, 1997 reached a "global financial services trade agreement." the agreement covers 95% of the global financial services trade, signed an agreement to accelerate the further liberalization of international financial services market.

Measures Taken by The Chinese Government. We should learn from the mature experience of foreign countries to speed up the legislative process, the introduction of practical and able to adapt to China in line with international practice, "Export Credit Insurance Law" and relevant laws and regulations as soon as possible. Determine export credit insurance through the legislative purpose, the operating principle of management, rights and obligations of participants and the supervision of managers and other matters. Signed export credit insurance contract and to fulfill the law, so that export credit insurance beforehand transparent, open operation. Thus, the insured before the insured will be able to understand that national export credit insurance laws and regulations, insurance rates, etc., so that all the rights and obligations of export credit insurance can get involved in the subject of legal protection. Thereby, providing a sound legal environment for the development of export credit insurance is much important. In a sound legal system, the government can enact advance, operability of relevant policies and measures have to ensure the healthy development of China's export credit insurance.

Common international export credit insurance has four operating modes, how to export credit insurance based on the characteristics and the specific situation in China, select the export credit insurance business model with Chinese characteristics is very important. China in November 2001 formally established the China Export & Credit Insurance Company located in the policy of the insurance company, so that China's export credit insurance business is a government set up wholly owned handle pattern. But precisely because of export credit insurance has policy and commercial duality, which means it does not rule out the possibility of the country eventually to assume the risk of commission agency business model selection, and not to exclude the two countries can be delegated to an agent (institutions) to enable them to operate under the constraints of certain rules competitively and give different compensation reserve increase other forms of incentives based on their own business performance. Therefore, the China Sino sure exclusive export credit insurance businesses not only have a monopoly, but also avoid transition competition, is a relatively suitable business model. However, the present situation of our export credit insurance business point of view, compared with developed countries, China's insurance rate is too high, indicating that China's export credit insurance monopoly too, should introduce a competitive mechanism, reduce insurance rates promote the development of export credit insurance in China. We can learn from the French export credit insurance business model, pilot commercial export credit insurance agencies, so as to jointly launched with China ECIC export credit insurance business, thus promoting the development of the system and business in our country

China's current export credit insurance rate is much higher than other types of insurance, such a high premium for profit difficult to export enterprises is not a small burden, easy to give up insurance companies. Therefore, China ECIC should be determined in line with the principles of science "does not seek profit, preservation management" and due to lower insurance rates, reduce export costs exporters, mobilize the enthusiasm of its insured, so as to promote further healthy development of export credit insurance

Conclusion

As a national a policy support tool, export credit insurance systems protect the interests of its exporters and thus promote their foreign trade export and it plays a very important role in national economic development. In the deepening of China's opening and have joined the WTO today, the export credit insurance in our country has considerable room for development, and there are many issues worthy of discussion and study. I think we should vigorously strengthen export credit insurance to support and develop all aspects of government, export credit insurance agencies and export enterprises, so that China's export credit insurance and international practice and in line with China's actual exports, thereby enabling it to the health of our national economy, the rapid and comprehensive development to play its due role.

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