



Australian Government  
Export Finance and Insurance Corporation

## PRI MARKET – AN ECA’S PERSPECTIVE

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PRI Seminar  
Asian EXIM Banks  
Bangkok  
18 October 2006

### Agenda

- Rationale for EFIC, as official national ECA, offering PRI
- EFIC's PRI product range
- Recent policies and experiences
- Risk sharing with other public and private insurers:  
via co and/or re-insurances

## Rationale for EFIC as a PRI Insurer

History – PRI traditionally the domain of ECAs

Currently driven by necessity:

- Market gap argument - correcting for market failure
- Play a Catalytic Role – ‘halo effect’ which crowds “in” the private market
- Meeting the Competition – match competitive terms to level playing field

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## EFIC's PRI Product Menu

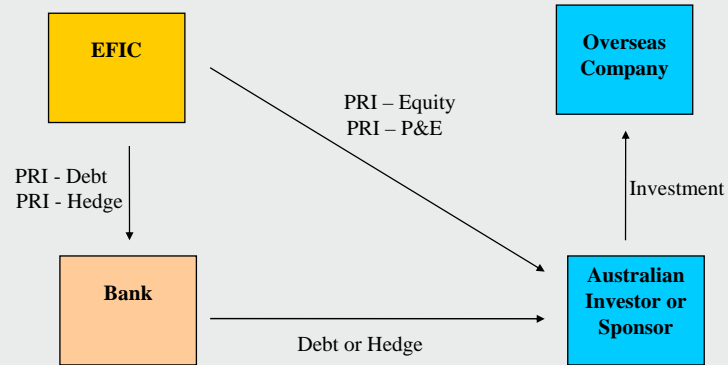
For financial institutions:

- Lender or Debt – Loan Agreement
- Commodity Hedge – Hedge Agreement
- Equity or Investor's policy for overseas investors
- Plant & Equipment policy for contractors

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## EFIC's PRI experience – since late 1990s

- Kutubu oil pipeline in PNG
- Alumbra Argentina gold/copper project
- Lihir PNG gold project
- Payment stream for fast ferries exports to Turkey
- Sepon gold project in Laos (BFS)
- Gas pipeline in Mozambique
- Mehdiabad zinc project in Iran (BFS)
- Gold Ridge project in Solomon Islands (BFS)
- Kwale mineral sands project in Kenya
- Lumwana copper project in Zambia

No claims experience to-date

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## Risk Sharing - experiences

- Lihir, PNG and Alumbra, Argentina
  - Catalytic in project start up
  - Subsequent risk sharing, via reinsurances, with private insurers after project is established
- Kwale, Kenya
  - Capacity constrain necessitated seeking a major risk partner at outset
  - Subsequent sell down of EFIC's exposure
- Lumwana, Zambia
  - Large PRI capacity needs necessitated co- and re-insurers
  - EFIC front 50% with reinsurers' support and 50% co-insurers from London Lloyd's markets

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## Questions ???

## THANK YOU

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