

For medium-sized exporters who want to tap into the Iraqi market, export guarantees are of fundamental importance in order to protect against risks associated with the delivery of export items.

In Germany, export guarantees are state-run, but the executive board was transferred from the federal government to the Euler Hermes Kreditversicherungs AG (chair) and to the PwC Deutsche Revision AG.

Employment security, political considerations, and foreign policy objectives are contemplated as criteria in determining the eligibility of businesses for support. Client credit assessments are administered in order to determine company risk defensibility. Costs are based upon export credit type, extensiveness, and duration as well as on the classification of risks.

In November of 2009, based on rising demand of German goods and equipment (anlagen?), the Inter-Ministerial Committee (IMA) offered moderate possibilities for coverage of exports into Iraq under the shelter of the Federal Ministry of Economy and Technology.

Even though the current export coverage policies are unquestionably capable of development, IMA's decision is a first step in the right direction towards the advancement of secured commercial operations with Iraq. Based on the decision, short-term and occasionally mid-term commercial operations can be covered by export credit guarantees starting in November of 2009. For increased transactional certainty, businesses should generally secure a guarantee with the Ministry of Finance, although letters of credit issued by Iraqi banks are also accepted for short-term operations. Responses to the coverage of foreign supplies are nonetheless conservative.

Potential group coverage is available under the same conditions as individual coverage and corresponding credit limitations are confined to 150.000 Euros. In case a payment is not received within eight weeks after its due date, the coverage for future shipments is automatically canceled.

More information and expected updates can be found online at „AuslandsGeschäftsAbsicherung der Bundesrepublik Deutschland“ ([www.agaportal.de](http://www.agaportal.de)), „Euler Hermes Kreditversicherung in Deutschland“ ([www.eulerhermes.de](http://www.eulerhermes.de)), and „PricewaterhouseCoopers“ ([www.pwc.de](http://www.pwc.de)).

Information extracted from the Iraq Guide 2010 (Irak-Handbuch 2010) that was published with the collaboration of MDC – Iraq Development Company.