

Euler Hermes Switzerland

# Trade Credit Risk in USA

07.06.2017, Paradiso



## Customers

We have over 52,000 clients worldwide

- ✓ 6,000+ employees
- ✓ €789 billion business transactions protected around the globe
- ✓ 1,700 claims indemnified per week
- ✓ 20,000 credit limit requests received per day

## Expertise

We monitor over 40 million companies internationally

- ✓ 1,500 risk experts in more than 50 countries
- ✓ We are the world market leader in trade credit insurance
- ✓ 245 countries rated
- ✓ 85% of credit limit requests processed within 48 hours
- ✓ 34% market share globally
- ✓ 380,000 debt collections handled in 130 countries

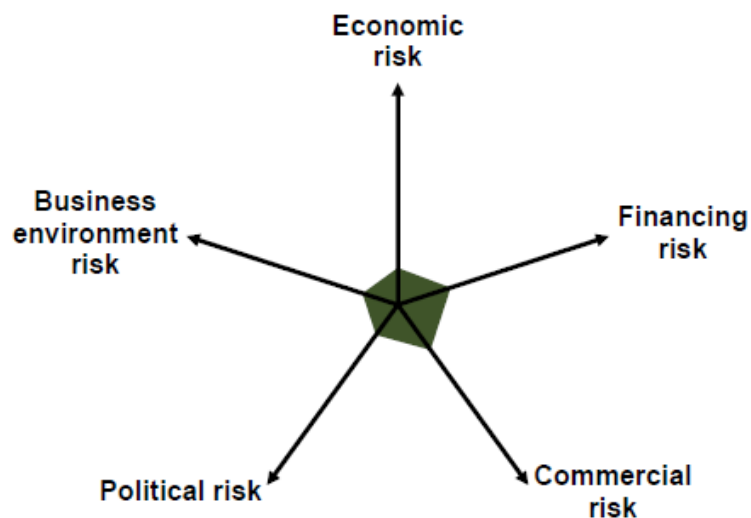
## Solidity

We are rated AA– by **Standard & Poor's** and **Dagong Europe**

- ✓ 2016 consolidated turnover: €2,3 billion
- ✓ 2016 net income: €373,3 million
- ✓ A company of Allianz

## Country Rating

**AA1**



Source: Euler Hermes

## Strengths

- World's largest economy
- Politically stable
- High per capita GDP
- Relatively low unit labor costs
- High data transparency

## Trade structure

By destination/origin (% of total)

Exports		Rank		Imports	
Canada	18%	1	19%	China	
Mexico	14%	2	16%	Canada	
China	9%	3	13%	Mexico	
Japan	5%	4	6%	Japan	
Germany	4%	5	5%	Germany	

By product (% of total)

Exports		Rank		Imports	
Refined Petroleum	8%	1	11%	Crude Oil	
Engines	5%	2	7%	Cars and Cycles	
Plastic Articles	4%	3	5%	Telecom Equip.	
Precisions Instruments	4%	4	5%	Computer Equip.	
Pharmaceuticals	4%	5	4%	Electrical Apparatus	

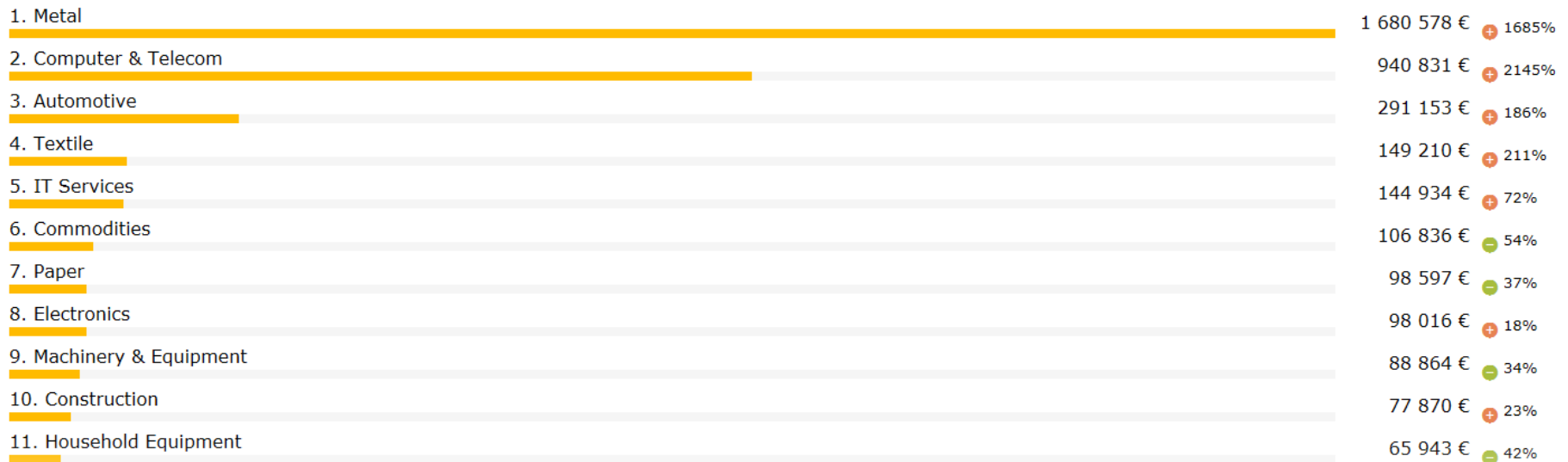
Source: Chelem

## Weaknesses

- Structural unemployment
- Lack of skilled workers
- Low productivity
- High corporate tax rate
- High public debt, persistent budget deficits

(Insolvency is when a company, business, or individual, cannot meet their financial obligations with lenders when debts become due)

## Insolvencies by sectors over the last 12 months

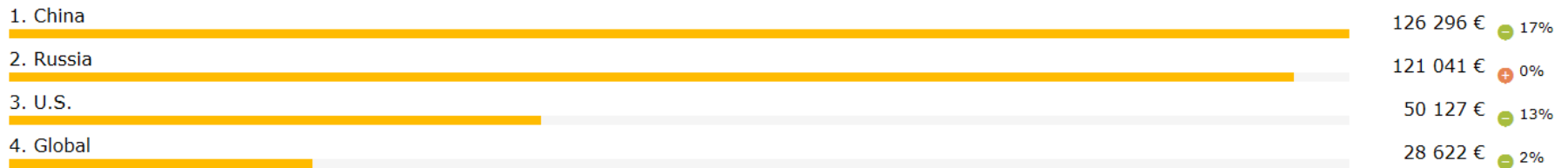


Over the full year, we expect bankruptcies to **increase +3%**, the first increase since the end of the recession seven years ago.

## Past dues

Average past dues amount : A loan payment that has not been made as of its due date.

U.S. in 3<sup>rd</sup> position (-13%)



# Non-payments

Average non-payment amount : Failure to pay an amount of money that is owed.

U.S. has highest increase +146%



# Collection profile

## Collection complexity



## Complexity relating to



Payments	\$ \$ \$ \$
Court proceedings	⚖️ ⚖️ ⚖️ ⚖️
Insolvency proceedings	↘ ↘ ↘ ↘

# Q&A



*Sales Manager*



*Senior Risk Underwriter*

*«Take care of your account receivables!  
In case you might need help, just call us.»*

## **Euler Hermes Switzerland Team Ticino**



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