

立法會
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Tel : 2869 9205
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From : Clerk to the Legislative Council
To : All Members of the Legislative Council

Council meeting of 29 March 2006

**Proposed resolution under the Hong Kong Export
Credit Insurance Corporation Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for Commerce, Industry and Technology will move at the Council meeting of 29 March 2006 under the Hong Kong Export Credit Insurance Corporation Ordinance. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both English and Chinese versions, which the Secretary for Commerce, Industry and Technology will deliver when moving the proposed resolution, is also attached.

(Ray CHAN)
for Clerk to the Legislative Council

Encl.

HONG KONG EXPORT CREDIT INSURANCE
CORPORATION ORDINANCE

RESOLUTION

(Under section 23 of the Hong Kong Export Credit Insurance Corporation
Ordinance (Cap. 1115))

RESOLVED that the contingent liability of the Hong Kong Export Credit
Insurance Corporation under contracts of insurance shall not at any
time exceed the sum of 15,000 million dollars.

(Translation)

**Speech by the Secretary for Commerce, Industry and Technology
In Legislative Council on 29 March 2006**

**Hong Kong Export Credit Insurance Corporation Ordinance
(Cap. 1115)**

Madam President,

I move that the motion as set out under my name on the Agenda be passed.

2. The Hong Kong Export Credit Insurance Corporation (ECIC) was established in 1966 under the Hong Kong Export Credit Insurance Corporation Ordinance. The objective of establishing ECIC is to encourage and support export trade through the provision of insurance protection for Hong Kong exporters of goods and services against non-payment risks arising from commercial and political events.

3. Section 18 of the Hong Kong Export Credit Insurance Corporation Ordinance provides that the Government shall guarantee the payment of all moneys due by the ECIC, and section 23 stipulates that the contingent liability of the ECIC under contracts of insurance shall not exceed a specified amount which may be determined by the Legislative Council by resolution. The existing cap on the contingent liability of the ECIC stands at \$12.5 billion.

4. As at 31 December 2005, the ECIC's contingent liability amounted to \$11,712 million, or 93.7 per cent of the maximum liability permitted. The ECIC has therefore proposed to raise the cap on its contingency liability by \$2.5 billion to \$15 billion, in order to cater for its business growth in the next

few years and to ensure that it continues to promote export trade effectively. The Government agrees to the proposal.

5. Let me stress that contingent liability refers to the total amount which the ECIC is contractually liable to indemnify policy-holders in respect of all its insurance policies at any point of time. The actual gross claims of the ECIC are much lower than the maximum contingent liability. For example, the gross claims incurred in 2004-05 amounted to only \$33.89 million. The ECIC will continue to adhere strictly to the principle of prudence in underwriting and risk management.

6. Madam President, I beg to move.