

立法會
Legislative Council

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Date : 29 November 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 19 December 2012

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

I forward for Members' consideration a proposed resolution which the Secretary for Commerce and Economic Development will move at the Council meeting of 19 December 2012 under section 23 of the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115). 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 Chinese and English, which the Secretary will deliver when moving the proposed resolution is also attached.

(Odelia LEUNG)
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 must not at any time exceed the sum of 40,000 million dollars.

(Translation)

**Speech by the Secretary for Commerce and Economic Development
in Legislative Council on 19 December 2012**

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

Mr 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 (Ordinance). It aims to support export trade through the provision of export credit insurance covers for Hong Kong exporters against non-payment risks arising from commercial and political events.

3. Section 18 of the Ordinance provides that the Government shall guarantee the payment of all moneys due by the ECIC. Section 23 stipulates that the contingent liability of the ECIC under contracts of insurance shall not at any time exceed a specified amount determined by the Legislative Council by resolution. Currently, the level of the ECIC's maximum contingent liability is \$30 billion.

4. As at 31 October 2012, the contingent liability of the ECIC

amounted to \$28.8 billion, or 96% of the maximum liability permitted. The ECIC forecasts that it will reach its existing cap on contingent liability by end March 2013.

5. With the continuing uncertain global economic environment and taking into account the business growth of the ECIC in the coming few years, we consider that the ECIC should have sufficient underwriting capacity to continue to provide export credit insurance for Hong Kong exporters, especially small and medium enterprises. We propose to raise the ECIC's contingent liability from \$30 billion to \$40 billion. According to the ECIC, the new cap should be sufficient to meet its business growth in the next four years.

6. I would like to emphasize that the contingent liability only refers to the maximum amount for which the ECIC could be contractually liable to indemnify policyholders in respect of its insurance policies. The actual claims figures in the past were far below the maximum contingent liability. In view of the ECIC's prudent approach to business and its healthy financial condition, we do not expect that there will be a need for the government to provide financial assistance to the ECIC to meet its liabilities in at least the short to medium term. The ECIC will continue to conduct its business within the bounds of prudent risk management.

7. Mr President, I beg to move.