

**立法會**  
**Legislative Council**

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Date : 8 May 2017

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 24 May 2017**

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

The Secretary for Commerce and Economic Development will move the proposed resolution in **Appendix 1** under section 23 of the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115) at the above meeting. The President has directed that the proposed resolution 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 in **Appendix 2**.

(Dora WAI)  
for Clerk to the Legislative Council

Encl.

## **Hong Kong Export Credit Insurance Corporation Ordinance**

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### **Resolution**

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

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**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 55,000 million dollars.

*(Please refer to the final speech to be delivered at the Legislative Council)*

**Speech by the Secretary for Commerce and Economic Development  
in Legislative Council on 24 May 2017**

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

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 Ordinance) to promote and support the export trade through the provision of insurance protection 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 ECIC, and section 23 stipulates that the contingent liability of ECIC under contracts of insurance shall not exceed a specified amount which may be determined by the Legislative Council by resolution. Currently, the level of ECIC's maximum contingent liability is \$40 billion.

4. The Financial Secretary proposed in the 2017-18 Budget that the cap on the contingent liability of ECIC be raised from \$40 billion to \$55 billion. As of 31 March 2017, the contingent liability of all valid policies amounted to about \$39.1 billion, representing 97.8% of the cap

## **DRAFT**

of \$40 billion. ECIC estimates that the contingent liability would reach \$40 billion by mid-2017.

5. To strengthen our support for Hong Kong exporters, particularly small and medium enterprises, in light of the uncertainties in the global business environment, we need to provide our exporters with further support to enable them to sustain their business and open new markets. In view of the continuing volatility in the global markets, we consider that ECIC should be provided with sufficient underwriting capacity so that it can continue to provide export credit insurance covers to Hong Kong exporters. It is expected that the new cap of \$55 billion should be sufficient to meet ECIC's business growth in the next five years.

6. I would like to emphasize that the contingent liability only refers to the maximum amount for which 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 ECIC's prudent approach to business and its healthy financial condition, we do not expect that there would be a need for the Government to provide funding to ECIC to meet its liabilities in at least the short to medium term. ECIC will continue to conduct its business within the bounds of prudent risk management and review its financial situation regularly.

7. President, I beg to move.