

Press Release

SACE SIMEST (CDP Group) and SUMEC strengthen cooperation to support trade opportunities with Italian companies

Rome, 23 March 2019 – SACE SIMEST, the Export and Internationalization Hub of the CDP Group, and SUMEC, the Chinese Government's import agent, signed a Memorandum of Understanding to enhance Italian exports to China by facilitating trade relations between SUMEC and Italian companies, particularly SMEs.

Broadening and strengthening the existing collaboration between SACE SIMEST and the Chinese Import Agent, the current Agreement aims at increasing the opportunities of future contracts between Italian suppliers and Chinese buyers – fixing a target of €1 billion within the next three years. The partnership focuses on sectors where SACE SIMEST can engage Italian exporters with specific know-how, like Textile, Machinery, Packaging, Food & Beverage Processing and Oil & Gas.

Besides sharing expertise and information on ongoing or potential new projects, the Agreement provides for the creation of a dedicated team at SUMEC to identify and support business opportunities for Italian companies in the various Chinese provinces where SUMEC operates, while the Office of SACE SIMEST in Shanghai will be the preferred entry point for all inquiries from SUMEC. It also envisages the organization of joint annual B2B meetings, match-making events and forums in Italy and China.

*"We are proud to sign this memorandum that enhances the strategic collaboration between our two Countries – declared **SACE CEO Alessandro Decio** -. SACE SIMEST's partnership with SUMEC builds a bridge of major importance that allows, on the one hand, Italian SMEs to access the opportunities offered by the Chinese market, and on the other one Chinese corporations to rely on high quality supplies and services to support growth and industrial development. This week full of meetings and business matching events has already proven the potential and effectiveness of this agreement."*

*"SUMEC ITC as significant partner of SACE in China – declared **Lin Yang, SUMEC General Manager Financial Service** - would work closely with SACE to provide solid export finance and import agent service of capital goods to extensive Chinese manufacturers. We believe that it would be meaningful and beneficial to both countries."*

During this week, on occasion of the official visit to Italy by the Chinese President Xi Jinping, SACE SIMEST and SUMEC have already held meetings with Italian companies, trade associations and local authorities, match-making events and workshops with banks. The Agreement was signed by Mr. Alessandro Decio, CEO of SACE, and Mr. Lin Yang, SUMEC General Manager Financial Service.

Italian exports and investments in China

China is the eighth largest destination market for Italy and the first in Asia. In 2018, Italian exports slowed down, reaching around € 13.2 billion (-2,4% YoY), however, trade between the two Countries remained dynamic, with Italian imports exceeding € 30 billion (+8,2%). Excellent opportunities are likely

to arise from Machinery (currently around 29% of total exports), Textiles and Clothing (18%), Transportation (9%), Chemicals (7%) and Pharmaceuticals (7%). In addition, Italy has stakes in 1700 companies in China, with a total of 150,000 employees and a turnover of almost € 22 billion.

SACE SIMEST in China

SACE SIMEST's business operations in China, on the one hand reflect the huge opportunities offered by this market, whilst on the other one, is affected by certain regulatory constraints. Nevertheless, through the Hong Kong offices as well as the Shanghai office (which opened in June 2018 as the first time presence of a European ECA in mainland China), today the Hub is an important bridgehead for Italian enterprises in China. Acting as an intermediary with China's key economic and financial stakeholders, SACE SIMEST offers guarantees to Italian companies against the risk of non-payment, makes Italian products and services more competitive for major international buyers and facilitates the implementation of major projects engaging companies in China and third party countries under the Belt and Road Initiative.

SACE's exposure currently amounts to € 30 million, with a strong potential for growth, and over new €400 million worth of transactions under study, largely in aeronautics, mechanical industry and food sectors, as well as agriculture and livestock. SIMEST holds equity stakes amounting € 41 million in 49 investment projects and has provided 97 loans for a total of € 38 million; it has also entered into 45 equity stakes worth an aggregate of €40 million through the venture capital fund.



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