

Press release

SACE SIMEST (CDP Group) and SINOSURE to support trade and investment between Italy and China

Rome, 23 march 2019 – SACE SIMEST, the Export and Internationalization Hub of the CDP Group, and SINOSURE, China Export and Credit Insurance Corporation, signed a Memorandum of Understanding (MoU) to support business relations between Italy and China.

The Agreement, signed by Mr. Alessandro Decio, CEO of SACE, and Mr. Song Shuguang, Chairman of SINOSURE, aims at strengthening the collaboration between the two Parties in order to increase trade and investment opportunities for both Chinese and Italian companies, with particular attention aimed at SMEs.

In particular, under this MoU SACE SIMEST and SINOSURE will i) exchange information on potential new projects in the interest of the Parties, including transactions of mutual interest in third Countries; ii) share information and business practices in areas of mutual interest; iii) exchange expertise and best practices and explore mutual opportunities for risk sharing in China as well as in third countries and iv) facilitate the access of SMEs and Mid-Caps in the respective countries relative to export finance and overseas' investments.

*"China is undergoing a significant economic transformation, implementing important initiatives that translate into concrete and qualitative opportunities for Italian companies in a diverse range of sectors where their respective excellence and competitiveness is widely recognized - **SACE CEO Alessandro Decio declared.** A stronger collaboration with SINOSURE will allow us to support our companies in a more effective way, assisting them in gaining access to Chinese buyers and collaborating jointly on transactions based in China as well as in third countries".*

*"The financial cooperation, as indispensable part of the practical China-Italy cooperation in various fields, is flourishing now - **SINOSURE Chairman Song Shuguang** said - The ECAs of the two countries, like other financial institutions, are very active in making efforts to establish deeper and more substantial cooperation. The two agencies both expect to provide more convenient, comprehensive and cutting-edge service to the costumers for their trade and investment between the two countries and together in the third markets".*

SACE SIMEST confirms its role of business facilitator for Italian companies operating in international markets. With its two offices located in Shanghai and Hong Kong, the Export and Internationalization Hub collaborates with major Stakeholders in the Chinese market in order to financially support and facilitate access by Italian exporters to trade and investment opportunities involving both Chinese and Italian companies.

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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*SACE, a wholly-owned subsidiary of Cassa Depositi e Prestiti, offer export credit services, credit insurance, protection of foreign investments, financial guarantees, bonding, and factoring. With € 94 billion in transaction insured in 198 countries, it supports the competitiveness of companies in Italy and abroad, ensuring more stable cash flows and transforming the default risk of companies into development opportunities. With **SIMEST**, of which it owns 76%, it forms the export and internationalization hub: a single point of reference for access to all the insurance-financial instruments of the CDP Group designed to support the competitiveness and foreign growth of Italian companies worldwide.*