

## **Euler Hermes: One-third of Taiwan businesses miss opportunities due to an inability to evaluate their trading partners**

**TAIWAN – 6 AUGUST 2014** – In an opening ceremony today for its new service company in Taiwan, Euler Hermes, the world's leading trade credit insurer, announced the findings of a Taiwanese exporter survey.

"Over the past five years, we have seen a significant shift in focus from traditional markets like the U.S. and Europe toward Asian countries - in particular mainland China," said Edmond Lee, general manager of Euler Hermes in Hong Kong, Taiwan and Korea. "This shift has allowed Taiwan exporters to seize opportunities generated by the current growth environment, but it has also created new challenges they haven't experienced before. The tremendous increase in Asian regional trade means that many companies are now doing business with partners they have never traded with before."

More than 300 Taiwan businesses participated in the Euler Hermes survey. Three-quarters of their exports are traded within the region, with China topping the list at 41%. Established markets like Europe and the U.S. account for a combined 25% share of the total exports. More than one-third of respondents indicated that an inability to assess their trading partners overseas has resulted in missed business opportunities. When asked about their greatest challenges, 22% cited cash flow management, while 13% identified collection of account receivables.

"These results confirm that companies will face cash flow issues if their buyers are unable to pay for any reason," Lee explained. "Non-payment of invoices weakens a business and reduces its investment capacity. This is a particularly frequent issue when venturing into new markets or accepting new buyers."

Lee noted that, as trade debts can account for 40% or more of a company's assets, trade credit insurance is an effective protection against non-payment. He explained that it can also increase company confidence in extending credit to new customers, making the company more competitive in turn. Policyholders also often benefit from access to bank funding at improved rates due to their protected cash flow.

In officially opening the new Euler Hermes Taiwan offices, Lee said that "Having a risk center close to our customers is key to serving them well. That's why Euler Hermes is present in more than 50 countries – it ensures understanding of local rules and practices. Reducing the risk of non-payment begins with gathering relevant and up-to-date information. Our Taiwan services desk will provide valuable on-the-ground insights for Taiwanese entrepreneurs and businesses."

Euler Hermes Taiwan Services risk officers join the company's global network of 1,500 risk experts and economists monitoring the financial health of exporters' customers domestically and across multiple countries and sectors. Euler Hermes' worldwide risk information database tracks companies active in markets representing 92% of global GDP.

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**Euler Hermes** is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong. The company posted a consolidated turnover of €2.5 billion in 2013 and insured global business transactions for €789 billion in exposure at the end of 2013. Further information: [www.eulerhermes.com](http://www.eulerhermes.com), [LinkedIn](#) or Twitter [@eulerhermes](#).

Euler Hermes' Asia Pacific trade credit insurance activities were established in 2000 and today are present either directly or through local partners in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Taiwan and Thailand. More than 250 people are employed in trade credit, bonding and collection services across the Asia Pacific region. Euler Hermes' Asia Pacific headquarters are based in Hong Kong. In 2013 and again in 2014 Euler Hermes was named best trade credit insurer in Asia Pacific in the *GTR Asia Leaders in Trade* awards by GTR (Global Trade Review) magazine and in 2013 as best credit service provider in China at the *10<sup>th</sup> China International Credit and Risk Management Conference* in Beijing. Further information: [www.eulerhermes.hk](http://www.eulerhermes.hk)

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