

Press release

Madrid, 20 February 2013

Euler Hermes offers insights into Spain, Latin America economic trends, export opportunities

At the first public event hosted by [Solunion](#), the [credit insurance](#) joint venture of [Euler Hermes](#) and [MAPFRE](#), Euler Hermes chief economist Ludovic Subran offered insights into global, Spanish and Latin American economic scenarios and export trends.

More than 200 clients and insurance industry representatives attended the February 14th event at the Madrid Stock Exchange celebrating the recent launch of Solunion in Spain and Argentina.

Below are speech highlights from the event:

- Global economic outlook 2013: GDP forecast +2.5%. There is reason for optimism as the main stock market indices were on the rise in late 2012, early 2013. However, it is the sixth consecutive year of crisis for businesses.
- A reason for some concern is the rise in business insolvencies. Globally, insolvencies rose by +1% in 2012 and should further increase by 4% in 2013, mainly driven by high levels in Europe, but also by increases in Africa.
- Eurozone outlook 2013: GDP forecast -0.1%. Major challenges remain despite important progress in 2012, such as the reversal of budget deficits, gains in competitiveness and structural reforms. Further progress is needed in terms of integration, to recover higher GDP growth in the region, and bringing down public debt.
- Spain is still in for a bumpy ride in 2013 and may need additional ECB support, as the country remains in recession: GDP forecast -1.6% in 2013. A gradual recovery is expected in 2014 with higher household spending and business investment: GDP growth forecast 0.6%.
- In Spain, external trade will provide some cushion even in 2013. On the other hand, the deep domestic housing crisis remains a concern -- activity in the sector is at an all-time low. Credit to the private sector may suffer from necessary deleveraging.
- Exports can boost growth if Spanish businesses target the right countries and sectors. Strongest growing markets are the BRICs, the Asian Dragons and Tigers, and the Latin American Jaguars¹.
- Latin America has strong potential for sustained growth (+3.5% in 2013, +3.8% in 2014), and not only in Brazil. Yet the region still requires sound economic policies and more stable governments to ensure adequate investment.
- Key Latin America markets include Mexico, which is seeing good growth (GDP +3.8% in 2012) and improved competitiveness, as well as Colombia (GDP +3.7% in 2012) that benefits from a strong and diverse commodity base (coal, coffee, ferro nickel, oil).
- Chile achieved +5.3% GDP growth in 2012 thanks to its rich natural resource base: a leading copper producer, agriculture, fishing, forestry. Nevertheless, the country remains vulnerable to oil prices.

¹ **BRIC:** Brazil, Russia, India and China

Dragons: Singapore, Hong-Kong and South Korea

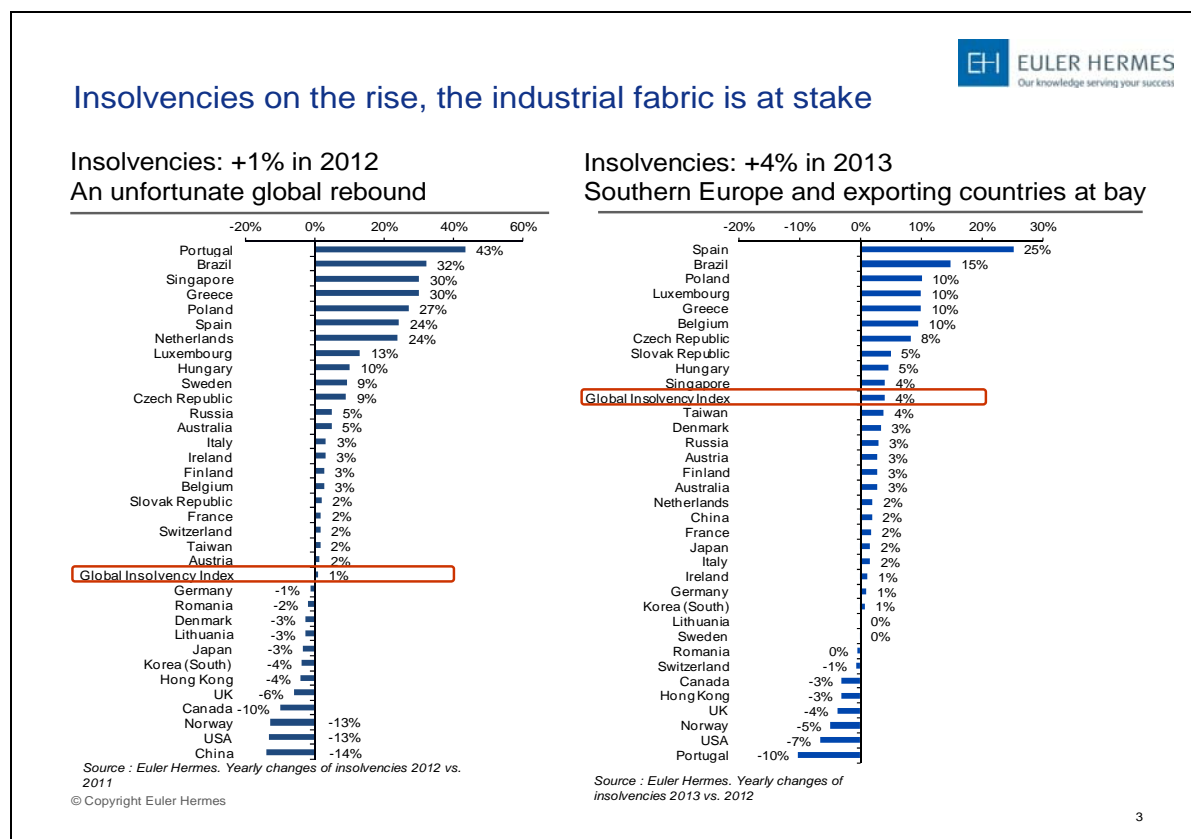
Tigers: Thailand, Malaysia, Indonesia, Vietnam and Philippines

Jaguars: Mexico, Argentina, Chile, Colombia and Venezuela

- Argentina currently presents the highest Latin American country business, economic, political and financing risks. The country faces fading growth (GDP +1.8% in 2012) due to the tightening of import controls. Its fiscal balance continues to deteriorate and inflation remains high.

The Solunion event also provided participants with the latest update on the Euler Hermes Global Insolvency Index.

Euler Hermes Global Insolvency Index



About Solunion

Solunion Seguros de Crédito offers credit insurance solutions and services for companies in Spain and Latin America. Established in 2013 with initial activities in Spain and Argentina, it is a joint venture owned equally by [MAPFRE](#), an international insurance company with presence on the five continents, market leader in Spain and, of non-life insurance, in Latin America, and [Euler Hermes](#), the global leader in trade credit insurance and a leader in bonding and collections. Solunion offers clients an international network of risk monitoring from which it analyzes the financial stability of more than 40 million companies. An extensive distribution network responds to the needs of companies of all sizes in a wide range of trade sectors.

www.solunionseguros.com

About Euler Hermes

Euler Hermes is the worldwide leader in credit insurance and one of the leaders in the areas of bonding, guarantees and collections. With 6,000+ employees in over 50 countries, Euler Hermes offers a complete range of services for the management of B-to-B trade receivables and posted a consolidated turnover of €2.40 billion in 2012.

Euler Hermes has developed a credit intelligence network that enables it to analyze the financial stability of 40+ million businesses across the globe. The Group insured worldwide business transactions totalling €770 billion exposure end of December 2012.

Euler Hermes, a subsidiary of Allianz, is listed on NYSE Euronext Paris (ELE.PA) and is rated AA- by Standard & Poor's.

For more information visit www.eulerhermes.com or follow us on Twitter [@eulerhermes](https://twitter.com/eulerhermes).

About MAPFRE

MAPFRE is the leading insurance company in Spain and has a presence in more than 40 countries, especially in the Latin American insurance, reinsurance and assistance markets, in which the Group leads the Non-Life insurance business. MAPFRE, which ranks as the sixth largest Non-Life European company, has over 35,000 employees and more than 23 million customers worldwide. In 2011, its net result exceeded €963 million and its revenues amounted to over €23,530 million. MAPFRE is listed on the Madrid and Barcelona stock exchanges, and forms part of the IBEX 35. www.mapfre.com

For further information, please contact:

Solunion – Communication Department

Eva Muñoz

Phone. +34 91 417 80 11

eva.munoz@solunionseguros.com

Avda. General Perón, 40

28020 Madrid

Spain

EULER HERMES

Euler Hermes Group Media Relations (Paris): Bettina Sattler

Phone +33 (0)1 8411 6141; bettina.sattler@eulerhermes.com

MAPFRE

MAPFRE Corporate Communications (Madrid): Susana Díaz

Phone + 34 91 581 81 96; + 34 91 581 87 14; fax 91 581 83 82; susanadiaz@mapfre.com

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The company assumes no obligation to update any forward-looking statement.