

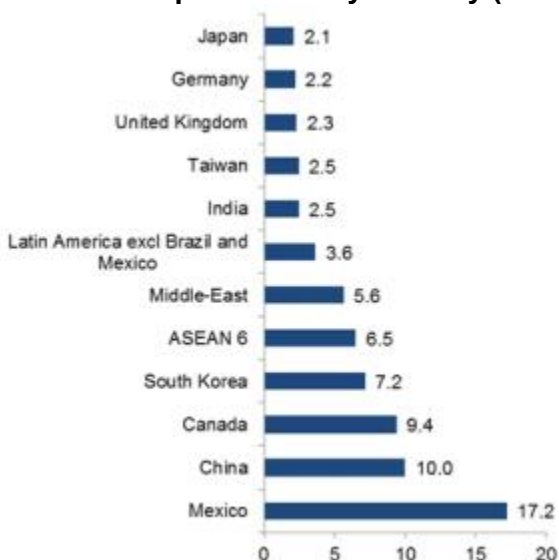
## U.S. Exports to grow by \$88 billion in 2015, reports Euler Hermes

**BALTIMORE, Md. – 10 DECEMBER 2014 –** [Euler Hermes](#), the world’s leading provider of [trade credit insurance](#), expects U.S. exports to grow by \$88 billion or 5% in 2015, despite tepid global GDP growth.

“Demand for U.S. exports is, of course, dependent on the strength of the global economy,” said Dan North, senior economist for Euler Hermes Americas. “While the global economy is set to enter its fourth straight year of lackluster growth, the U.S. economy continues to grow and many of our industrial sectors are showing strength both at home and abroad.”

According to the company’s [Economic Insight report](#) released today, the U.S.’s biggest export gains in 2015 come from Canada, China and Mexico. Euler Hermes also projects strong export increases to smaller countries in Asia, Latin America and the Middle East, reflecting recent rapid growth in these emerging markets, while also providing the U.S. with more diversification in its export composition.

### 2015 Potential Export Gains by Country (USD billions)



Sources: IHS, Chelem, Euler Hermes

Export gains will primarily come from the agrifood, chemicals, energy and mechanical sectors. Textiles and ferrous metals show the smallest increases as the U.S. has become a much smaller player globally within these industries. As U.S. energy companies are expected to start exporting natural gas globally by the end of 2015, revenues from this sector could be significant, growing from \$16 billion in 2012 to \$42 billion in 2040 or nearly 1 percent of GDP.

The planned 2016 expansion of the Panama Canal, which may double its capacity, will also boost U.S. trade by allowing larger ships to carry exports from the U.S. through the canal, significantly reducing costs and making those exports more competitive.

The U.S.’s largest trade deficit is with China, but several factors could shrink it, especially as China pivots toward a more domestically driven economy. The U.S. natural gas boon and favorable labor conditions have reduced China’s competitive wage advantage to the point that jobs are returning to the U.S.



## The Future of Free Trade

In the coming year, exporting companies will face three major risks:

- The value of the U.S. dollar is expected to rise in 2015 making U.S. exports more expensive and less competitive.
- Export financing faces several challenges including tight lending conditions and risk-averse bankers. Rising rates in 2015 may make financing more costly and/or harder to obtain, especially given fragile global growth and geopolitical uncertainty.
- In 2015, global business insolvencies as measured by the Euler Hermes' Global Insolvency Index are expected to fall 3 percent, a much slower rate than 2014's decrease of 12 percent. At the same time, insolvencies still remain 12 percent above 2007's pre-crisis levels, meaning that exporters will need to continue stringently evaluating their partners for insolvency risk.

To further promote U.S. exports, two major trade agreements – the Trans-Pacific Partnership and the Trans-Atlantic Trade and Investment Partnership – are currently being negotiated to reduce the burden of customs, regulations, tariffs and taxes. They would both lower barriers to trade and allow increased access to new markets.

To learn more, please access Euler Hermes Economic Insight on U.S. Exports [here](#).

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### Contacts

#### **Euler Hermes Americas Media Relations**

Morgan Salinger – +1-212-931-6158

[msalinger@peppercomm.com](mailto:msalinger@peppercomm.com)

Laura Crovo – +1-410-753-0862

[Laura.Crovo@eulerhermes.com](mailto:Laura.Crovo@eulerhermes.com)

#### **Euler Hermes Group Media Relations**

Remi Calvet – +33(0)1 84 11 61 41

[remi.calvet@eulerhermes.com](mailto:remi.calvet@eulerhermes.com)

#### **Euler Hermes North America Insurance Company**

Euler Hermes' regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America's largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around \$120 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

**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 Europe. 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](#).



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