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Support plan for French exporters

Press Kit

Tuesday, 31 March 2020

Support plan for French exporters



Bruno Le Maire, Minister for the Economy and Finance, and Jean-Baptiste Lemoyne, Minister of State reporting to the Minister for Europe and Foreign Affairs, have unveiled an extraordinary support plan for French exporters to address the economic slowdown due to the COVID-19 pandemic.

This emergency plan will provide support for exporter companies having to contend with the immediate repercussions of the crisis by, inter alia, securing their cash-flow and ensuring their international recovery once the pandemic is over. It focuses on SMEs and mid-tier companies which are crucial drivers for industry throughout France. It supplements the emergency support measures for French companies rolled out by the government.

The plan contains **four one-off support measures** for exporter companies:

- 1. Bolstering government guarantees via Bpifrance for security and pre-financing for export projects to secure the cash-flow of exporter companies.** The proportions guaranteed may be increased to 90% for all SMEs and mid-tier companies. The term of export pre-financing guarantee agreements will be extended to six months.
- 2. Currently valid prospecting insurance will be extended by a year** thus prolonging the prospecting period covered.
- 3. A €2 billion capacity will be contributed to short-term export credit insurance** by broadening the Cap Franceexport public reinsurance scheme. This mechanism will extend to all the countries of the world.
- 4. Assistance and information from Team France Export stakeholders** (Business France, Chambers of Commerce and Industry, and Bpifrance) will be heightened in conjunction with the French regions and the network of foreign trade advisers, acting in tandem with private sector support players. Special monitoring of each geographic area of interest to the relevant companies is being implemented. Business France is also adjusting its offering to put forward solutions to address the ban on foreign travel.

Financial support resources for exports will also remain fully available to help businesses preserve or rapidly restore their international markets and will be actively used to assist their recovery once the pandemic is over, as will initiatives from Team France Export:

- **Prospecting insurance** for SMEs and mid-tier companies to investigate possibilities in new markets
- **FASEP**, a subsidy for upstream studies into projects for infrastructure and innovative technology demonstrators
- **Credit insurance managed by Bpifrance**

- **Treasury loans for State to State projects** in emerging and developing countries, especially for health-related issues in countries affected by the coronavirus by positioning the French industrial offering in this respect.

Bruno Le Maire declared:

“The export support plan that we are rolling out today will enable our businesses, in particular SMEs, to maintain their international positions in the face of difficulties due to the COVID-19 pandemic. Together with all Team France Export stakeholders, we will do our utmost to safeguard our exporters’ competitiveness which has improved significantly since the start of President Macron’s term of office”.

Jean-Baptiste Lemoyne declared:

“Export opportunities make our companies more robust in the face of the current problems. The sun appears to be rising already in the east, in Asia. By bolstering our financial support and international assistance, we are looking to help businesses cope with this difficult period and to pave the way for the recovery once the health situation allows this. We can rely on the strength of Team France Export and the solidity of the partnership forged with the French regions”.

The four measures of the emergency plan for exports



Measure no. 1

Bolstering export guarantee and pre-financing arrangements

- For SMEs and mid-tier companies, and for the entire duration of the COVID-19 pandemic, Bpifrance Assurance Export can now cover its insurees (credit institutions) for up to 90% of issued and declared guarantee commitments (export guarantee insurance) or pre-financing that has been set up (pre-financing guarantee) – compared to 80% previously. For other businesses, insurees may be covered for up to 70% as against 50% in the past.
- Companies that apply for an export pre-financing guarantee will now have six months (instead of four) to set up the underlying pre-financing loan, as from notification from Bpifrance Assurance Export that its guarantee has been granted.

Tangible changes brought about by the measure

- **For businesses:** less use of cash-flow to carry out export transactions.
- **For issuer institutions:** less risk when issuing guarantees or implementing pre-financing loans; extra time to implement pre-financing loans making it easier to grant this type of financing to companies.

Product description

- **Export guarantee insurance:** to answer international invitations to tender and win export contracts, or to ensure proper performance of a contract by a French exporter, guarantees often have to be given to the foreign debtor in consideration of a down payment. These guarantees, which are issued by bank partners, are first demand guarantees. Export guarantee insurance covers the issuer institution in the event that the French exporter fails to pay these amounts, whether this is due to a simple default or court-ordered insolvency. It therefore facilitates the issuance of guarantees on contracts.
- **Pre-financing guarantee:** business negotiations often impose late payments and inadequate down payments. These constraints put a drag on companies' cash-flow and require bank financing to be obtained to expedite export transactions (for instance, raw material procurement to manufacture the exported goods). The pre-financing guarantee covers lender banks against the risk of non-repayment of the pre-financing loan by the French exporter company in a situation of default or court-ordered insolvency.

Contact:

Bpifrance. If you have any questions, send an email to:

Assurance-export-caution@bpifrance.fr or Assurance-export-prefi@bpifrance.fr

Measure no. 2

Broadening the Cap Francexport short-term export credit reinsurance scheme

- With the Cap Francexport scheme, the French government, acting via Bpifrance, will reinsure private insurance companies to support the credit insurance market as regards short-term export receivables (less than two years), with dual cover: as a supplement to cover offered by a private insurance policy or to enable cover to be maintained for clients that have more difficulty securing it.
- The scheme will apply for a wide range of export destinations (in addition to the 17 currently covered), including EU Member States and OECD Member countries.
- The government's contribution to this scheme has been doubled and is now capped at €2 billion thanks to the guarantee stipulated in the Supplementary Budget Act of 23 March 2020.

Tangible changes brought about by the measure

- **For businesses:** preservation of credit insurance arrangements allowing cash-flow to be secured.
- **For insurance companies:** a public reinsurance capacity enabling them to address a mainstreamed rise in payment defaults on the international stage due to worsening global economic conditions.

Product description

- **Cap Francexport:** short-term export credit insurance enabling payment options and lead times granted by exporters to their buyers to be guaranteed, usually by several months. It allows international payments to be secured and boosts the competitiveness of the French offering by letting exporters offer attractive financing terms to their customers. The Cap Francexport scheme, which was unveiled in 2019, includes a reinsurance contract between the government, via Bpifrance Assurance Export, and four private insurance companies, which focuses on 17 countries in which market failures have been identified.

Find a detailed overview of the scheme on the [Bpifrance website](#).

Contact:

Bpifrance.

If you have any questions, send an email to: assurance-export@bpifrance.fr

Measure no. 3

Extending the prospecting period covered by prospecting insurance by one year

- **Businesses having taken out a prospecting insurance policy which is currently valid will be granted a further year of insured prospecting (three years' prospecting for two-year policies, four years' prospecting for three-year policies).**

Tangible changes brought about by the measure

- **For businesses:** companies will be able to take advantage of an additional year of prospecting to forestall the failure of their prospecting strategy and, where applicable, to improve turnover in the relevant area.

Product description

- **Prospecting insurance:** this product assumes some of the prospecting expenditure incurred by the company which was unable to be recouped by sufficient sales in the geographic area covered (65% of expenses for Bpifrance Assurance Export). The company receives an advance of 50% of its guaranteed prospecting budget as soon as the policy is executed. The company repays this advance progressively depending on the turnover recorded in the countries covered by the policy. The guarantee extends to a two or three year prospecting period and is repayable over three or four years.

Contact

Bpifrance Assurance Export. If you have any questions, send an email to:

assurance-export@bpifrance.fr

Measure no. 4

Informing and assisting SMEs and mid-tier companies in the context of the COVID-19 pandemic

- Team France Export stakeholders (Business France, Chambers of Commerce and Industry, and Bpifrance), in conjunction with the French regions and the network of foreign trade advisers, are rolling out a new free information service for all businesses concerning changes to international markets. The service can be accessed on www.teamfrance-export.fr and www.businessfrance.fr
- A series of geographic, sectoral and theme-based webinars, the first of which will be held on 31 March (Asia zone), then on 3 April (Near and Middle East – Africa zone), 7 April (Europe) and 9 April (The Americas) will continue over coming weeks and Team France Export's public and private partners will be involved in each topic.
- To help exporters preserve or expand their business, Team France Export is also introducing a new and fully digitised prospecting offering.

Tangible changes brought about by the measure

- **For businesses:** special monitoring of the situation in the various countries of interest to them and customised and digitised support capabilities.

The other public export financing instruments will remain available for the duration of the COVID-19 pandemic

Conventional public export financing instruments will remain fully available to French exporters during the economic slowdown attributable to the COVID-19 pandemic. It will be easier to access these instruments throughout this period.

Product description

- **Credit insurance (buyer credit):** this instrument provides lender banks with cover offered by Bpifrance Assurance Export against the risk of non-payment of amounts owed by a foreign buyer as part of a loan granted to it to fund a transaction with a French supplier. It is crucial for ensuring the competitiveness of the French offering in terms of exports.
- **Treasury loans:** these are sovereign loans granted to foreign governments to fund projects with strong French involvement. There are two types: direct Treasury loans which are granted with no additional financial and banking costs relating to the amount borrowed for the beneficiary and concessional Treasury loans which come under development assistance and are granted to lower-middle income countries (LMICs) with a 35% grant element. In both cases, the amounts are paid over directly to exporter companies as the project progresses. The borrower government begins to repay the loan either when the project ends or following a “grace period” for concessional loans.

Find a detailed description of the product on the [Directorate General of the Treasury's website](#).

- **FASEP:** this is a subsidy or repayable advance to fund feasibility studies or innovative technology demonstrators, which France offers to foreign governments. It enables French companies to be placed upstream of infrastructure projects (feasibility study) or to obtain a “showcase” effect (demonstrator). It also allows French beneficiary companies to establish the effectiveness of their methods and to win over major customers to become a reference in the partner countries. When granted in eligible sectors and countries, the FASEP is recognised as part of French official development assistance.

Find a detailed description of the product on the [Directorate General of the Treasury's website](#).

Contacts

Directorate General of the Treasury:

If you have any questions, send an email to: aide-projet@dgtresor.gouv.fr

Bpifrance Assurance Export:

If you have any questions, send an email to: assurance-export@bpifrance.fr

FAQ:

Emergency support measures for exporter companies



To all exporter companies:

What is France's current foreign trade situation?

Recently, in an unfavourable international context, France's foreign trade has been remarkably robust, particularly in comparison with other European countries.

Last year, for the first time since 2015, France's balance of trade in goods improved, with a trade deficit of €58.9 billion, down from €62.8 billion in 2018. France's exports were buoyant (+3.3% in 2019 after +3.9% in 2018), totalling €508 billion, particularly due to good performances by the aeronautics, pharmaceutical and luxury goods sectors.

France enjoys a surplus balance of trade in services, which stood at €21.8 billion in 2019. Exports of goods and services together account for some 31% of France's GDP, and are estimated at more than €470 billion in value added, according to the OECD's TIVA database.

In the long term, and in structural terms, France's competitiveness is on the rise. This can be seen in the cost competitiveness indicators in relation to other OECD countries, which show an increase of nearly 7% over the end of 2013, with this trend accelerating recently.

The number of exporter companies continued to increase in 2019. It is now more than 128,000 (125,000 in 2018), and has been rising steadily since 2011 (when it was 116,000).

Whom should I contact for support during the coronavirus crisis?

France's central government agencies and Team France Export are committed to helping you. We have set up telephone hotlines to answer your questions:

- Team France Export's regional offices: <https://www.teamfrance-export.fr/>
- Business France hotline +33 4 96 17 25 25 (toll-free number)

If you have any questions, you can also contact your Chamber of Commerce and Industry (CCI) or your Chamber of Trades and Crafts (CMA). As first-level contacts, the CCIs and CMAs will be able to redirect you to the central and regional Directorates for Enterprises, Competition Policy, Consumer Affairs, Labour and Employment (DIRECCTEs / DIECCTEs), as well as to Bpifrance, the Public Finances Directorate General (DGFIP) and URSSAF if you have more complex requests or if your economic situation requires close monitoring (CCI: <https://www.cci.fr/coronavirus-entreprise>; CMA: <http://covidcma.artisanat.fr>).

Whom can I contact to obtain financial support or an adjustment of my existing export financing?

Any company experiencing financial difficulties with its international projects that are pandemic-related can contact Bpifrance Assurance Export advisers, who can provide information and support, and discuss adjustments to financial operations that are insured.

- Your usual contacts at Bpifrance
- Bpifrance e-mail: assurance-export@bpifrance.fr
- Bpifrance toll-free number: +33 9 69 370 240. If you want an adviser to contact you, please fill out the contact form at the following URL: <https://www.bpifrance.fr/A-la-une/Actualites/Coronavirus-Bpifrance-active-des-mesures-exceptionnelles-de-soutien-aux-entreprises-49113>

What sort of financial support is available to help me maintain my export activities, even during the crisis?

Several schemes are available to help you pursue your international development. They have been adjusted to help you cope with the current crisis.

- To secure your cash flow by providing coverage for your bank:
 - Export guarantee insurance
 - Pre-financing guarantee
- To help you find new markets:
 - Prospecting insurance
- To secure payments from your foreign customers:
 - Credit insurance
 - Short-term export credit insurance (Cap Franceexport)
- To protect you against currency fluctuations:
 - Exchange risk insurance

I need to secure my cash-flow for export projects during the COVID-19 crisis – what schemes are available?

The French government can help you secure your cash-flow by facilitating the issuance of guarantees on contracts by issuer institutions (export guarantee insurance) and the granting of pre-financing loans by credit institutions (pre-financing guarantee) as part of your export operations.

For these Bpifrance schemes, the applicable proportions guaranteed may be increased to 90% for all SMEs and mid-tier companies, and 70% for other companies. The period of validity of guarantee commitments for pre-financing will be extended to six months - compared to four months at present.

For more information about export guarantee insurance and pre-financing guarantees, please send an email to: Assurance-export-caution@bpifrance.fr or Assurance-export-prefi@bpifrance.fr

What are the terms and conditions of compensation in the event that my customer requires guarantees?

For more information on the terms and conditions of compensation, contact your Bpifrance account manager or e-mail your questions to: Assurance-export-caution@bpifrance.fr

What should I do in the event of late payment by my foreign buyer?

For current export contracts, and in view of the many likely delays in transactions, the French government will, via Bpifrance, facilitate requests to extend payment schedules by a few months, consistent with the length of the crisis.

I have prospecting insurance and cannot properly carry out my prospecting operations due to the crisis. What should I do?

Any company covered by prospecting insurance will be granted a one-year extension to the initial prospecting period. You will need to submit your request to your usual contact in your region.

I carry out many short-term export operations, how can I secure the payments of my foreign customers? Can I still benefit from short-term inter-company credit during the crisis?

To secure payments to exporting SMEs and mid-tier companies by their foreign customers, short-term export credit insurance by private insurers will be facilitated thanks to the extension of the Cap Francexport public reinsurance scheme to all countries of the world, whenever coverage by the private sector alone is insufficient.

For more information [click here](#).

Bpifrance's are standing by, ready to help you find the solution that best fits your needs: [Please click here](#).

If you have any questions, please send an e-mail to: assurance-export@bpifrance.fr

I'm having difficulties with contract performance or paying the sums due under the policy I have taken out. What should I do?

If you are running into difficulties, Bpifrance may be able to help. Depending on your situation, Bpifrance advisers will try to find the most appropriate solution. Please contact your usual account manager or send an e-mail to assurance-export@bpifrance.fr.

How can I insure myself against currency fluctuations during negotiations and the contract period?

Please check the Bpifrance website for the terms and conditions of exchange risk insurance and send your questions to: assurance-export-change@bpifrance.fr.

In the first half of this year, I was scheduled to take part in a major international trade show at the France Pavilion set up by Business France. The show has been cancelled or postponed; will I be reimbursed? The show will take place in the second half of the year but I don't yet know if I will be able to participate. Do I have any flexibility?

Business France will fully reimburse all companies registered for trade shows that have been postponed or cancelled as part of the COVID-19 crisis (excluding any expenses borne directly by the company), and will cover in-built costs with the organisers and stand providers. To be reimbursed, all you have to do is e-mail your request to recette.compta@businessfrance.fr together with your bank details (RIB).

To give more flexibility and visibility to companies registered for trade fairs held in the second half of the year, Business France will allow customers for French Pavilions to confirm or cancel their participation free of charge up to two months prior to the date of the event.

Where can I find concrete information on the markets in which I operate through my importers and distributors (isolation of the population, logistical circuits, etc.). The situation is constantly changing and my local contacts are difficult to contact. What is the most up-to-date source of information?

Team France Export has a new information service for all French companies and ecosystems interested in how foreign markets are evolving. It is free of charge and available in every region of France and at national level on the regional [Team France Export](#) and [Business France](#) websites, and is distributed via a programme of geographic, sectoral and theme-based webinars.

The first webinars will take place on 31 March (Asia), 3 April (Near and Middle East - Africa), 7 April (Europe) and 9 April (the Americas).

To help exporters preserve or expand their business, Team France Export is also introducing a new and fully digitised prospecting offering.

My SME has an International Business Volunteer (VIE) who oversees my main export zone abroad. Due to travel restrictions and containment measures, he is currently unable to go to the office. Can I set up teleworking arrangements for my volunteer to allow him to work from home in the country of assignment?

To adapt to the exceptional context of the COVID-19 pandemic, Business France allows teleworking for VIEs in all countries of assignment, where possible and with the agreement of the company. This solution makes it possible to maintain and develop business activity remotely, as is currently the case in France.

Media contacts

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Jean-Baptiste Lemoyne's Private Office

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