



STATE OF ISRAEL
MINISTRY OF FINANCE

SPOKESPERSON'S OFFICE

INTERNATIONAL AFFAIRS
DEPARTMENT

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Press Release

Ministry of Finance Launches NIS 2.75 Billion Aid Plan for Exporters

Minister of Finance, **Dr. Yuval Steinitz**, has asked the Knesset Finance Committee to approve a framework of guarantees for exporters in order to launch a new plan and expand the scope of activity of Ashra Ltd. The goal of the plan is to expand Israel's export activity out of recognition of the importance of exports as a growth engine for the economy. The NIS 2.75 billion plan will expand the financing solutions available to exporters and will also increase the basket of services offered by Ashra, the government insurance company.

The plan includes two steps for expanding the medium and long-term credit offered to Israeli exporters:

1. State guarantee for export deals in the medium range – the Top Up 2 Plan: For the first time in Israel, the business sector will enter into the area of medium-range insurance, with the government's encouragement. Further to the government's activity during the crisis, which included the Top Up (short term) Plan, through which export deals totaling approximately NIS 1.8 billion were carried out, the Ministry of Finance is launching a new plan for expanding the credit offered for medium-term deals (from over one year to five years), by means of government cooperation with export credit insurance companies. The plan will promote competition, improve the response received by Israeli exporters and lead to the leveraging of State funds. The plan changes the distribution of risks between the private sector and the State, such that the private sector will enter this field, which is important for the development of the economy. The plan will be offered in a

scope of NIS 1 billion and will be operated for around two and a half years, *inter alia* in order to establish the private sector's activity in this area.

2. Expanding the scope of activity of Ashra Ltd: Ashra is a government company providing credit insurance for exporters in countries where there is a market failure or in medium and long-term credit deals. Due to the increasing competition in global commerce and the demand for financing deals on long-term credit terms, the Ministry of Finance will work to improve the competitive ability of Israeli exporters by expanding the financing solutions and basket of services provided by the company to exporters. In light of the great increase in demand on the part of exporters and the planned expansion of services, the quota of guarantees granted to the company will be increased from \$1.25 billion to \$1.75 billion.

Minister of Finance, **Dr. Yuval Steinitz**, said: “We are continuing to support exporters. We did so at the height of the crisis and now we are developing new and creative plans. The government's initial entry into the medium-term insurance market is intended to strengthen the exporters, who are coping in a complex global market and with currency rate pressure. The Ministry of Finance will continue to examine and promote aid plans for industry and exports.”

Accountant General **Shouky Oren**: “One of the critical factors for the success of exports, and exports to new markets in particular, is the ability to finance the exports. Promoting the area of export deal insurance constitutes a genuine lever for bringing Israeli industry to new markets. Conditions of uncertainty in large parts of the world increase the credit risk for buyers in the target markets, and we see the government's role in reducing this risk in order to increase export activity.”