



Federal Ministry
for Economic Affairs
and Climate Action

Investment Guarantees Interim Report 2023

[bmwk.de](https://www.bmwk.de)

Imprint

Publisher

Federal Ministry for Economic Affairs and Climate Action (BMWK)
Public Relations
11019 Berlin
www.bmwk.de

Current as at

July 2023

This publication is available for download only.

Design

PRpetuum GmbH, 80801 München

Picture credits

PradeepGaur / Shutterstock / Title

Zentraler Bestellservice für Publikationen der Bundesregierung:

E-Mail: publikationen@bundesregierung.de
Telefon: 030 182722721
Bestellfax: 030 18102722721

Central ordering service for publications of the Federal Government:

Email: publikationen@bundesregierung.de
Tel.: +49 30 182722721
Fax: +49 30 18102722721

This publication is issued by the Federal Ministry for Economic Affairs and Climate Action as part of its public relations work. The publication is available free of charge. It is not for sale and may not be used by political parties or groups of electoral campaigning.

Contents

The first half at a glance	4
Cover policy on individual markets	6
Crisis management and loss prevention	7
Result of the first half-year	8
 Annex	 10
Services	10



The first half at a glance

The new **cover volume** assumed in the first half-year of 2023 was 1.0 billion euros (capital and earnings), and thus equal to the value for the same period of the preceding year. The number of guarantees accepted, in contrast (first half-year 2023: 19; first half-year 2022: 14), was up. The Federal Government also assumed more guarantees for **small and medium-sized enterprises** in the first half-year of 2023 (first half-year 2023: 42%; first half-year 2022: 29%). On top of this, every second policyholder in the first half-year of 2023 **received cover for the first time** (first half-year 2022: 42%), thus expanding the circle of users of the cover instrument even further. All in all, developments in 2023 reflect the fraught international environment for investment, the increased awareness of political risks and the effects of the ongoing war in Ukraine.

1,0  billion euros

The 12 projects secured by the 19 guarantees assumed are distributed over eight **markets** (first half-year 2022: eight).

90% of newly assumed cover was accounted for, thanks to a single major project, by Central and South America, making the continent in this half-year – quite unlike previous years – the **regional focus** of covered investments. Measured by the number of applications approved however, Asia – as in the preceding years – led the field with 58%, ahead of Europe with 37% and Central and South America with 5%. Ukraine and the PR China were tied in first place for the first half of 2023 by number of applications, followed by Armenia, Peru and Turkey. When the volume of applications approved is considered, on the other hand, Peru came in first by a huge margin.

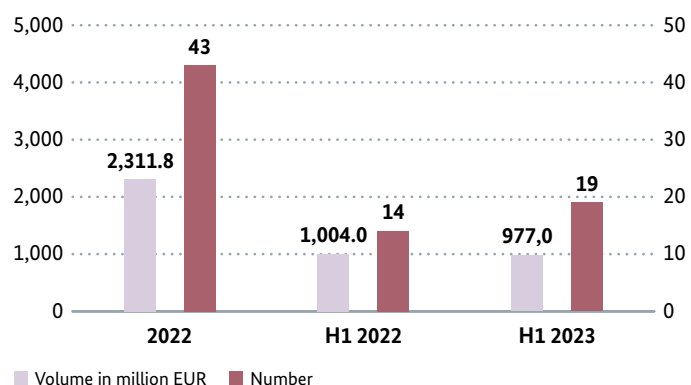
90% 

While the number of **newly registered applications** in the first half-year of 2023 only rose slightly

(34; first half-year 2022: 32), the volume of newly registered applications (1.9 billion euros) was considerably higher than the previous year's figure (1.1 billion euros). This is primarily due to applications for major projects. The regional focus here was on a project in Peru, followed by Indonesia. The strongest demand in terms of the number of newly registered applications was for cover for investments in Ukraine as well as in PR China.

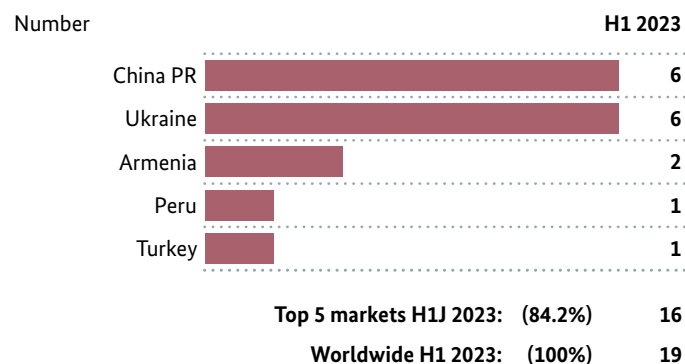
Development of accepted applications

Volume and number



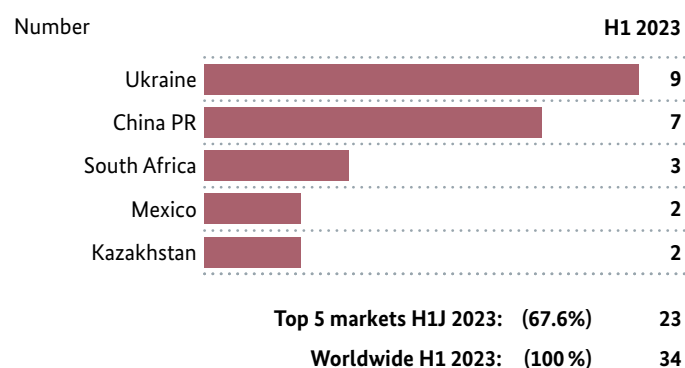
Top 5 markets

Applications accepted



Top 5 markets

Newly registered applications



The total volume of **pending applications** as of mid-2023 stands at 6.1 billion euros (mid-2022: 11.2 billion euros). The largest single amounts here are for projects in the United Arab Emirates (2.2 billion euros) and Russia (2.0 billion euros), followed by Indonesia (0.5 billion euros), Argentina and Mexico (each with 0.2 billion euros). In numbers of pending applications (186 in all), projects in Russia (21) and Ukraine (20) rank ahead of PR China (13), Egypt (7) and Iraq (7). Since the Federal Government suspended the assumption of cover for projects in Russia and Belarus until further notice on 24 February 2022, the pending applications in these markets are not being processed further, however. As a rule, pending applications are applications which were made now in order to observe the stipulated deadline and are successively completed by the companies concerned during the implementation of the projects abroad before being submitted to the Interministerial Committee for their decision. The substantial reduction in the number of pending applications in the first half-year 2023 is largely due to a clearing up of the application backlog at the beginning of 2023.

The number of **enquiries** (112) almost doubled year-on-year (first half-year 2022: 61). The share of enquiries submitted by small and medium-sized enterprises continued to rise steeply (83%; first half-year 2022: 67%). This indicates in general that there continues to be a substantial demand for risk protection due to the overall geopolitical situation, and that awareness of political risks is very strong, particularly among small and medium-sized enterprises.

Applications accepted by sectors

in % and number

Tertiary sector

5 % = 1

Waste management/Recycling

31 % = 6

Transport industry

H1 2023

Secondary sector

21 % = 4

Mechanical Engineering

16 % = 3

Construction industry

11 % = 2

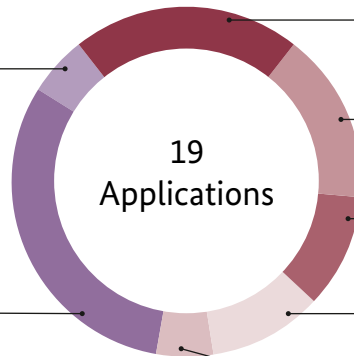
Energy industry

11 % = 2

Food and luxury food industry

5 % = 1

Glass and ceramics industry



The infrastructure **sector** (transport and traffic projects) accounted for the lion's share of applications accepted by number in the first half-year, taking a share of 31%. In total, 36% of guarantees assumed went to services and thus the tertiary sector. 64% of the applications approved were accounted for by the industrial sector. Mechanical engineering (21%) and construction (16%) led the field here.

The newly assumed guarantees support projects with an **investment volume** totalling 2.6 billion euros, which secure or create some 2,700 **jobs** in the markets. At the same time the covered projects also contribute to safeguarding jobs at production locations in Germany.

Cover policy on individual markets

The Russian invasion of Ukraine caused the Federal Government to suspend the assumption of investment guarantees for **Russia** and **Belarus** until further notice.

The Federal Government remains willing to assume cover – including cover for war risks – for German investments in **Ukraine** and has in fact assumed a number of guarantees for the capital invested in projects in Ukraine in the first half-year 2023. The Federal Government continues to monitor the fast-changing situation in Ukraine closely. Decisions on applications will be made on the basis of the individual risk situation on a case-by-case basis taking into consideration the political and economic specifics, in particular the location of the project.

The Interministerial Committee (IMC) for Investment Guarantees also gave the green light for the assumption of a guarantee for a project in **Taiwan** as well as the extension of already existing guarantees for projects in **Colombia**. Since in each case no bilateral Investment Protection Treaty (BIT) exists between Germany and Taiwan and Colombia, the guarantees were assumed on the basis of each country's domestic legal system.

The Federal Government also assumed cover for investments in **Armenia, Malaysia, Peru** and **Vietnam**. The required conditions for legal protection for German investments are met under the BIT with the Federal Republic of Germany applying in each case.

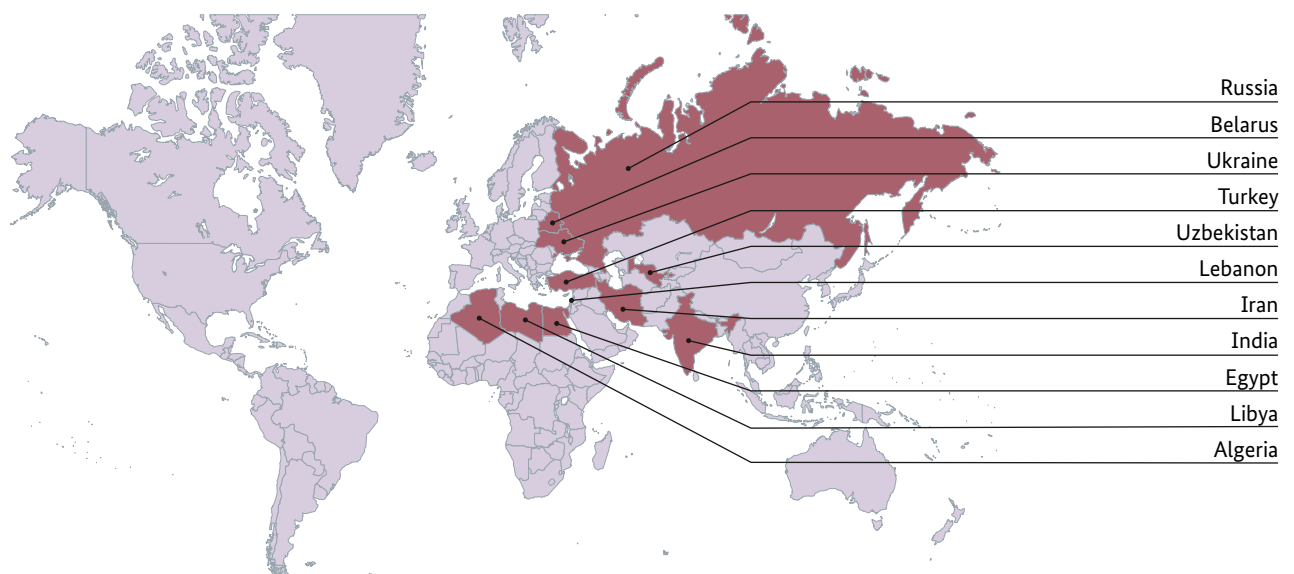
Crisis management and loss prevention

The Federal Government again accompanied several covered investment projects with **political and diplomatic measures** in the first half-year 2023 in order to prevent the failure of the projects and the occurrence of events of loss.

Against the background of the war in Ukraine, the main focus of such crisis management continues to be covered projects in **Ukraine, Russia** and **Belarus**. On top of this, the Federal Government supported covered projects of German investors in **Turkey** and **Egypt, Algeria, India, Libya, Uzbekistan** as well as in **Lebanon** and **Iran**.

No claims were paid out during the period under review.

Focus of crises management in H1 2023



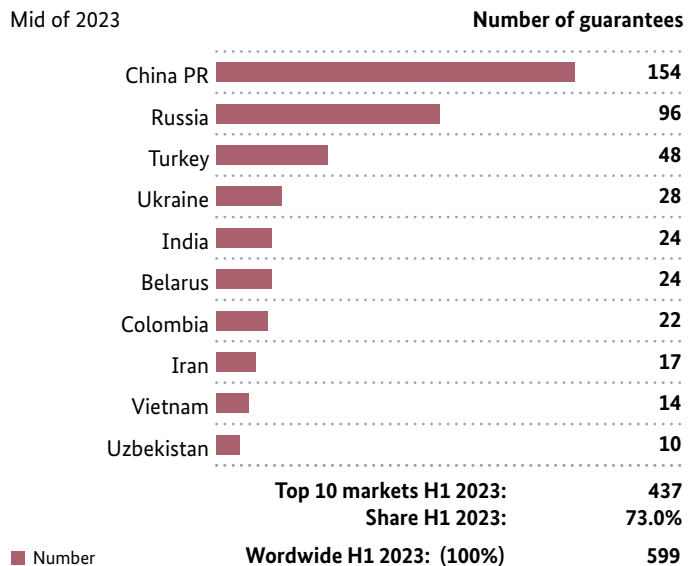
The map material used here is for illustrative purposes only. It does not contain an official statement of the Federal Republic of Germany.

Result of the first half-year

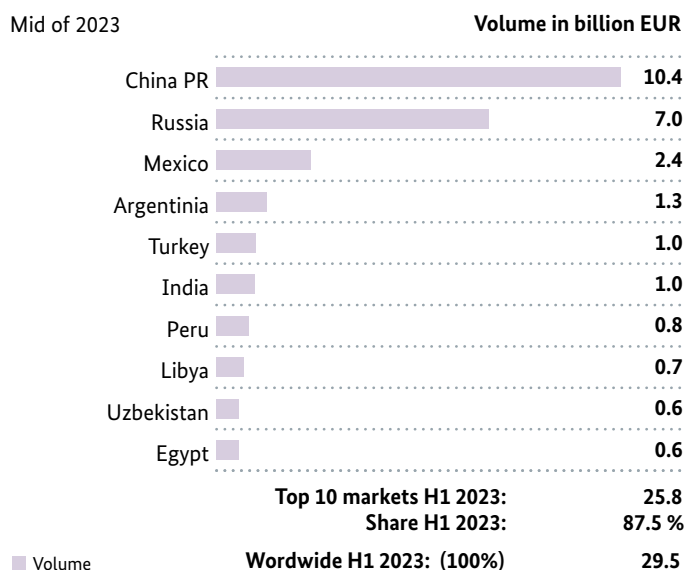
The maximum liability of the Federal Government (exposure) from outstanding commitments at mid-year 2023 stands at 29.5 billion euros and thus remains at a high level (end of 2022: 30.1 billion euros). The number of guarantees in the portfolio due to the expiry of guarantees, cancellation or termination of guarantees for other reasons (for instance through the sale of shares in a project company) has fallen slightly to 599 (end of 2022: 603).

The guarantee portfolio at the end of the first half-year comprised projects in 55 markets, whereby the composition of the TOP 10 markets in the guarantee portfolio remained nearly unchanged in comparison to the previous year. The greatest change here was in Ukraine, which moved up to fourth place of the TOP 10 markets by number of guarantees thanks to the assumption of a large number of new guarantees in the first half-year 2023 (at the end of 2022 it still occupied seventh place). The guarantee portfolio in Russia and Belarus, in contrast, has declined since the end of 2022 due to the sale of shares, loan repayments and cancellations. With 47% of outstanding liabilities, projects in Asia (principally in PR China and India) continue to predominate in the portfolio. 30% of outstanding liabilities are accounted for by projects in (Eastern) Europe, here mainly in Russia and Turkey. Guarantees for projects in Central and South America came in third place with 16%. Projects in Africa accounted for 7% of the guarantee portfolio. In volume terms PR China, with 10.4 billion euros of covered investments, was the country with the highest value; projects in Russia, with 7.0 billion euros, came second. In absolute numbers of guarantees too, projects in PR China and Russia are the front runners.

Top 10 markets according to guarantee portfolio

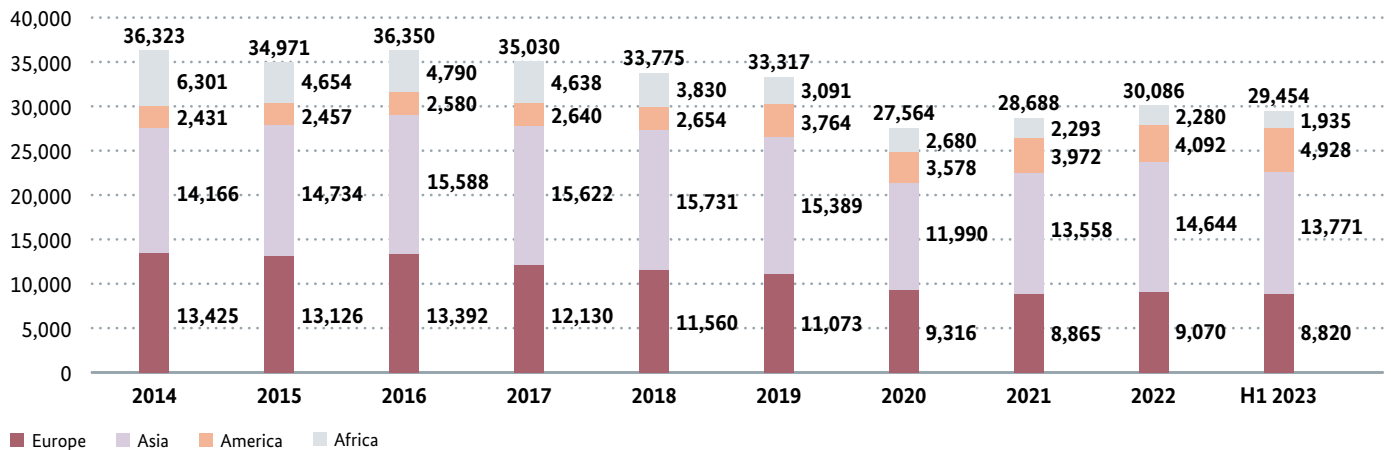


Top 10 markets according to guarantee portfolio



Maximum liability 10-year overview regional

in million EUR



In terms of its guarantee portfolio, the Investment Guarantee scheme of the Federal Republic of Germany was unchanged in second place at the end of 2022 in an international comparison of the insurers organized in the Berne Union, the international organization of credit and investment insurers.

Annex

Disclaimer:

Investment Guarantees have been an established and effective foreign trade promotion instrument of the Federal Government for decades. Investment Guarantees protect eligible German direct investments in developing countries and emerging economies against political risks. This promotion instrument plays an important role in fostering economic growth as well as in protecting and creating jobs both in the host country and in Germany. The Federal Government commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) to manage the federal funding instrument Investment Guarantees.

Information on other foreign trade promotion instruments of the Federal Government can be found at www.bmwk.de/en under the heading Promotion of foreign trade and investment.

Services

Further information as well as detailed consultation concerning the cover available may be obtained from PwC. General information on the investment guarantees of the Federal Republic of Germany is also available under www.investitionsgarantien.de/en, e.g. the latest information in the DIA-Report, an informational video, the General Terms and Conditions, leaflets, a flyer as well as the annual and semi-annual report.

We have created a special hotline for small and medium-sized enterprises. For details of this, please see our website (www.investitionsgarantien.de/en)

Rounding differences: For reasons of calculation, tables and figures may show rounding differences of +/- 1 unit (EUR,% etc.).



[Contacts](#)
[Investment guarantees](#)

