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The European export support as a strategic challenge and a precondition for the EU economic growth

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Abstract: The European Union lost its priority status within the global economy, both in terms of exports growth rate and also its share in the global exports. And it just happened in a situation when the growth of economic involvement of individual countries or groups of countries is not only considered as an important indicator, but also a factor of economic growth. At the same time the global risk rate of human society development is increasing. Recently the EU went through some institutional changes, as the economic and financial crisis fades away, including the establishment of the new European Commission as well as the effort towards the change of its economic policy. However the Multiannual Financial Framework, the EU budget, was compiled back in 2012, i.e. in the period with only few minor signs of economic recovery. The structure of this EU budget for the period 2014-2020 is therefore tailored to the structure applied in the past budgeting periods. Therefore the budget neither is nor it can become a framework for the offensive EU economic policy. One of the reasons is that it counts with spending money for dealing with past rather than the future issues. The European Commission is well aware of the strategic importance of international trade and its support for future EU competitiveness and therefore it creates - on a long-term basis - preconditions for opening new markets. The problem is utilization of such newly created space in a situation where the vast majority of the "new" markets suffer from unusual economic and political risks. The state support for exports, implemented through state budgets, may often lead to unwillingness of business entities to get involved in risky projects in these unknown and unfamiliar territories, thus waiving the opportunities given by EU. One of the potential solutions for this limitation could be the introduction of an institutional base at the EU level, to provide a complex assistance and support for exports from member countries, especially those less developed, particularly in the financial sector and also in the sector of economic information.

Keywords: Multiannual Financial Framework, Export Support, Cohesion, Country and Global Risks, Preferential Treatment, New Markets

The European Union is just approaching the decisive period in terms of its future existence. The recent global situation does not give hopes to any nation, country or political-economic coalition for a comfortable existence. Besides risks resulting from continuous depletion of natural resources, from environmental and climatic changes, but also from human activities at all levels of current civilization, some new risks emerge that are associated with the latest development of the European economy, falling behind the rest of the advanced world. This is clearly acknowledged by the statistical data available.

At the same time these statistical data show that the European countries and EU itself face increasing pressure from so called third-world countries, especially from those that came off the socialistic way and turned themselves to market economy principles. We not only speak about slowing economic growth, but also about decreasing position of EU and its member states in international markets with goods, services and capital:

Quite often this lagging is articulated as the consequence of the recent economic crisis, as it - even in 2014 - did not fade away completely. But what about other countries? Did they succeed to avoid the crisis? Some of them - especially the advanced ones - overcame the crisis quite early, some of them later. Some will even have to face the crisis for few more decades. The consequences of the crisis will have to be dealt with and eliminated, which obviously may take few more years. This means no bright tomorrows for Europe, its countries and also EU as an integrating coalition, with the globally commented risks:

- uneven revenues of people,
- chronic fiscal unbalance,
- increase of greenhouse gas emissions,
- cybernetic attacks,
- lack of water (Global Risks 2014, Ninth Edition, The World Economic Forum, Geneva, ISBN-13: 92-95044-60-6 ISBN-10: 978-92-95044-60-9)

In its prognoses these risks are considered by the World Bank as the most topical. But they should be - from the European Union point of view - completed by some additional risks associated with the current economic situation, especially characterized by:

- loss of position in international markets,
- high level of debts of the member states,
- persisting differences in economic level of member states and regions,
- inefficient structure of decision-making processes,
- real existence of dual- or even multi-speed Europe model,
- inability to set and share common goals,
- lack of will to realize and especially to finance common economic intentions,
- inefficient system of political communication amongst integration center institutions and also between the center and member states.

Table 1. *The current economic situation*

Country Group Name	85/80	90/85	95/90	00/95	05/00	41769	41927	15/80
World	111,6	185,6	134,3	108,5	141,1	138,4	133,1	784,1
European Union	83,5	230,6	130,3	92,6	162	118	115,5	513
Central and Eastern Europe	105,1	138,2	139,6	119,2	195,2	149,9	135,5	958,2
Advanced economies	115,5	187,5	137,3	105,9	134,8	119,4	120,4	609,7
Developing Asia	126,1	135,7	162	129,6	174,1	234,6	171,3	2513,4
Latin America and the Caribbean	91,6	150,3	159,4	116,9	124,5	184,4	138,2	814,3
Middle East and North Africa	90,3	120,3	108	132,8	169,2	179,2	141,8	669,7
Sub-Saharan Africa	67,6	154,9	110	103,2	190,4	166,2	151	568

1. Financial Framework 2014-2020 as a Tool for EU Resurgence

Under these circumstances EU starts to realize tasks scheduled for the period 2014-2020 and economically as well as numerically declared in the financial framework (a sort of budget) for the same period.

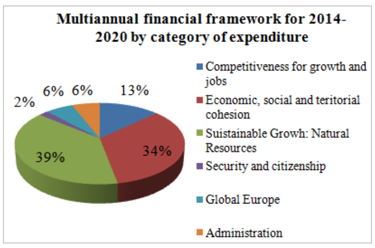
Let's take a closer look at problems - risks - EU responds to:

Here is the basic structure of Multiannual financial framework (EU – 28) 2014-2020:

Table 2. *The structure of Multiannual financial framework 2014-2020*

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020 (2011 prices)
1. Smart and Inclusive Growth	60,283	61,725	62,771	64,238	65,528	67,214	69,004	450,763
1a Competitiveness for growth and jobs	15,605	16,321	16,726	17,693	18,49	19,7	21,079	125,614
1b Economic, social and territorial cohesion	44,678	45,404	46,045	46,545	47,038	47,514	47,925	325,149
2. Sustainable Growth: Natural Resources	55,883	55,06	54,261	53,448	52,466	51,503	50,558	373,179
of which: Market-related expenditure and direct payments	41,585	40,989	40,421	39,837	39,079	38,335	37,605	277,851
3. Security and citizenship	2,053	2,075	2,154	2,232	2,312	2,391	2,469	15,686
4. Global Europe	7,854	8,083	8,281	8,375	8,553	8,764	8,794	58,704
5. Administration	8,218	8,385	8,589	8,807	9,007	9,206	9,417	61,629
of which: Administrative expenditure of the institutions	6,649	6,791	6,955	7,11	7,278	7,425	7,59	49,798
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS	134,32	135,328	136,06	137,1	137,87	139,078	140,24	959,988
as a percentage of GNI	1,03%	1,02%	1%	1%	0,99%	0,98%	0,98%	1%

The related proportions may be graphically illustrated as follows(https://www.euroskop.cz/8879/sekce/vydaje-rozpoctu-eu/:



Graph 1. *The structure of Multiannual financial framework 2014-2020*

It is obvious that from our point of view the most significant is the item related to the competitiveness for growth and employment, representing 39 % of all budgeted costs EU countries plan to expend. Of course we do not know whether such amount of money would be sufficient or not. However the fact that about 20 years after the Maastricht Treaty EU plans to expend about 34 % of all budgeted costs on its own cohesion cannot be considered as an offensive economy policy.

In terms of further development of the EU should be more significant spending on competitiveness for growth and employment; these activities will go in the period 2014-2020

125.6 billion. Euros, which should be directed in particular at:

- research and innovation,
- education and training,
- trans-European networks in energy, transport and telecommunications,
- social policy,
- development of enterprises etc.

The importance of these activities is unquestionable; the question is, what specific activities will be funded by these sources. In the financial framework identifies the following areas should be within this budget chapter for funding:

- European satellite navigation systems (EGNOS and Galileo),
- European Earth Observation Programme (Copernicus),
- Nuclear Safety and Decommissioning,
- International Thermonuclear Experimental Reactor (ITER),
- Horizon 2020,
- Competitiveness of enterprises and SMEs (COSME),
- Education, Training, Youth and Sport (Erasmus +),
- Employment and Social Innovation,
- Connecting Europe Facility,
- Agencies before transfer.

This list is aimed at future balancing of the European level to the one that may be expected from direct competitors of Europe, i.e. other advanced countries, but also from those that will probably become the hegemons of the world growth during the current European budget period.

We must admit that EU has quite lot problems that must be treated now. Especially its debt rate (that prevented from drafting of more ambitious budget) and - which is much worse - it inability to cope with this situation.

Let's have a look at some detailed data:

Table 3. *Estimation of gross government debt / GDP development.*

	2012	2013	2014	2015	2016	2017	2018	2019
EU	86,6	88,7	89,0	88,4	86,9	84,8	82,5	79,9
Eurozone	92,8	95,5	95,6	94,5	92,6	90,4	88,1	85,5

What are the potential solutions of this situation? According to our opinion this remains unanswered by the financial framework as it covers future problems (see the topics mentioned above) which is correct, but on the other hand it deals with past problems (so far unresolved) from past decades (especially the questions of balancing the economic and social situation amongst regions and also questions of their cohesion).

At this point it is definitely not about balancing of economic levels of different and often incomparable regions based on some centrally determined parameters - it did not work anywhere in the world and probably it will not work in Europe too. Now it is all about the future of EU as a whole. Moreover, the administratively applied process of balancing is - from cohesion point of view - counterproductive. This was obvious from a low level of will of member states to contribute to EU budget financing as well as from the recently imminent eccentric tendencies of some regions towards their parent countries. The rescue against such crumbling of territorial structure is an intelligent policy of relevant countries which is also obvious from the fact that the "unsatisfied" regions always wanted to leave their parent country, but not the EU.

2. Potential Starting Points for EU Economic Growth

Despite many of the EU budget sequences can be considered as truly purposeful, it seems that in the next period the EU operation will be solely based on a subsidy principle and the whole business economy will be narrowed to a fight for subsidies. And despite the European Commission promised more strict rules for drawing of subsidies, also in this budget period we can definitely count with some non-essential or even useless projects to be supported.

Under the current conditions in EU it is really important to start a massive growth so that EU becomes once again one of the most significant partaker in the global economy. Meeting this goal is rather complicated, especially due to the following reasons:

- high level of market saturation in advanced EU countries with parallel unbalance in other group of member states,
- different unemployment rates and social situation of unemployed,
- different structures of available resources for growth - capital and labor,
- different possibilities for entry into foreign markets with various potential of state subsidies,
- discontinuation of economic preferences of various member states and their groups as well as methods of their enforcement.

So how to raise EU back to the position it occupied in the global economy ten years ago?

It is obvious that the return to a fierce growth trajectory is not an easy or short-term task. It has its time, financial and political dimension.

Without doubts the tasks set in the multi-year financial framework for the period 2014-2020, as we mentioned them in connection with measures for competitiveness, are necessary but also they are of a long-term and strategic nature. Only few of the solutions resulting from implementation of these tasks will - through their assumed positive effects - show themselves in the same period. This is the key issue as EU definitely does not need any hesitation with implementation of the needful measures right in the current period.

Another problem are financial demands or better to say the rate of their return. The fact is EU does not have financial resources to waste so it must consider this aspect really thoroughly.

As we already indicated, one of the key EU problems of the last decade is the regression from the position of leading participant in the international distribution of labor, which is well documented by the following table (Own calculations on the basis of IMF.org):

Table 4. *The share of EU and regional groups of countries in world exports.*

country/year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Sub-Saharan Africa	1,47	1,45	1,48	1,55	1,72	1,89	1,94	1,99	2,19	2,07	2,32	2,43	2,38	2,27
EU28 (European Union)	38,02	39,96	40,68	41,59	40,88	38,79	37,94	38,22	36,77	36,7	33,88	33,23	31,58	32,29
Developing economies: Asia	23,84	23,1	24,01	24,93	26,02	27,64	28,65	29,02	29,85	31,06	32,78	33,62	35,04	35,63
G8	47,19	46,9	45,41	44,18	42,75	40,87	39,86	38,92	37,53	36,82	35,83	34,8	34,1	33,84
Developing economies: Africa	2,29	2,24	2,22	2,36	2,59	2,96	3,06	3,11	3,48	3,13	3,4	3,31	3,47	3,2
Central America and Greater Caribbean Islands	2,97	2,94	2,86	2,54	2,37	2,41	2,43	2,29	2,13	2,21	2,31	2,28	2,41	2,39
CEFTA (Central-European Free Trade Area)	-	-	-	-	-	-	-	-	0,15	0,14	0,14	0,15	0,13	0,15
South America excluding Brazil	1,72	1,65	1,56	1,5	1,66	1,87	2,02	2,01	2,09	2,07	2,09	2,24	2,27	2,16
Transition economies	2,32	2,4	2,43	2,64	2,96	3,37	3,66	3,84	4,48	3,72	3,98	4,42	4,69	4,28

The solution of this fall of EU share in the international trade represents a significant contribution to solution of other EU structural problems; expansion of export, broader EU participation in international trade and related economic benefits may be the key factor for economic resurgence and - through means obtained from export - for allocation of more resources to resolution of problems with competitiveness and assurance of more efficient regional policy. However there are some problems as well, such as a lack of will of business partners to purchase European commodities, risks and conditions of such business relations and also efficient support by governments and EU provided to these activities.

2.1. Growth of Export into New Territories and Necessity of its Support

Considering the existing territorial structure characteristic by enormous commercial orientation of individual countries to other EU countries (see table 5), there is not much space left for further growth of mutual business transactions.

Table 5. *Share of imports from eu in total imports (%).*

country / Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU (28 zemí)	65.9	66.3	66.2	64.6	64.1	64.4	62.7	63.5	61.9	61.4	60.6	62.1
EU (27 zemí)	:	:	:	:	:	:	:	:	:	:	:	:
Belgie	72.9	73.6	72.9	72.1	71.5	70.6	69.9	70.4	69.1	67.7	67.6	66.3
Bulharsko	57.8	58.0	57.2	62.9	61.4	58.8	57.0	60.2	58.7	59.5	58.8	59.6
Česká republika	72.7	71.5	80.4	81.5	80.6	80.2	77.0	78.1	75.0	74.7	75.4	76.6
Dánsko	74.8	73.4	70.9	71.0	72.3	72.9	71.7	69.9	69.9	70.5	70.8	70.1
Německo	65.8	66.2	65.8	64.6	63.8	64.7	63.7	64.7	63.3	63.5	63.3	64.6
Estonsko	68.9	65.0	73.8	76.3	74.5	78.6	79.8	80.4	79.8	76.4	77.4	81.7
Irsko	67.1	62.8	65.9	66.7	68.5	70.0	69.9	65.5	67.4	69.5	66.9	70.4
Řecko	55.8	58.4	62.7	60.8	59.1	58.2	55.8	57.8	52.4	51.5	45.9	47.3
Španělsko	69.2	69.3	68.0	64.2	61.8	63.0	59.3	62.4	59.0	56.9	54.2	55.1
Francie	68.6	70.3	69.7	67.6	69.2	69.5	68.2	69.5	68.5	67.4	67.1	67.8
Chorvatsko	71.9	73.2	71.0	67.9	67.2	64.8	64.1	62.7	60.2	61.8	62.5	65.1
Itálie	63.2	63.7	62.6	59.9	58.0	58.1	55.0	57.9	55.2	54.1	53.3	55.3
Kypr	57.6	60.4	69.6	69.3	68.8	69.1	68.0	72.5	70.5	69.2	69.2	70.5
Lotyšsko	77.6	75.6	75.7	75.4	76.6	77.5	75.6	75.5	76.1	77.7	78.2	79.9
Litva	56.9	56.1	63.5	59.5	62.8	68.4	57.6	59.1	56.6	56.8	57.7	59.3
Lucembursko	83.3	77.5	76.0	72.4	70.5	73.7	74.7	71.4	80.5	81.6	77.1	79.0
Maďarsko	65.2	64.7	68.7	70.1	70.5	69.8	68.6	68.9	68.0	69.8	70.7	71.7
Malta	68.2	68.2	73.2	75.9	70.7	74.0	76.4	75.0	70.2	73.8	77.1	69.6
Nizozemsko	55.2	54.9	53.2	49.5	49.8	50.1	48.1	49.1	46.6	46.3	45.2	46.3
Rakousko	81.3	82.4	83.5	81.1	80.3	79.9	78.7	78.4	78.0	77.4	76.5	76.5
Polsko	69.8	69.7	75.4	75.4	73.1	73.4	71.9	72.7	70.8	70.0	67.7	68.6
Portugalsko	79.9	79.5	77.1	77.6	77.0	76.6	74.8	78.6	76.4	73.6	71.8	72.2
Rumunsko	68.2	68.3	66.1	63.2	63.5	71.4	69.8	73.2	72.6	72.8	73.6	75.7
Slovinsko	81.1	80.1	85.7	83.6	82.3	78.4	75.4	75.2	72.5	72.2	72.0	70.2
Slovensko	73.2	74.5	79.0	78.0	75.4	74.8	73.2	75.0	72.1	73.3	73.7	74.3
Finsko	69.9	68.3	67.4	66.7	64.0	64.1	62.1	65.1	64.2	61.5	62.8	66.2
Švédsko	71.1	72.0	72.3	70.5	69.7	71.1	69.2	68.0	67.1	68.2	67.3	68.9
Spojené království	57.3	56.7	56.1	56.0	56.3	53.7	51.4	49.5	49.1	48.4	47.9	52.1

This is the first limitation. The second one, even more significant, rests in the need to search for and discover less indebted export target countries in Europe, i.e. outside EU, though their financial situation, legislation and payment morale are often immature so we obviously cannot talk about a non-risk re-orientation of European export.

The risk profile of individual entities involved in international business may be deduced from their classification in one of the eight categories of complex territorial risk rate, regularly used by export credit insurance companies and export banks. Current numbers of countries included in these categories are as follows (Country Risk Classifications of the Participants to the Arrangement on Officially Supported Export Credits, Valid as of 25 July 2014, available here: http://www.oecd.org/trade/xcred/crc.htm):

Table 6. *Country Risk Classifications*

Country Risk Classifications								
Category	0	1	2	3	4	5	6	7
Countries	35	2	11	18	8	16	31	54

These numbers are of course changing on an ongoing basis together with the changing financial, economic and political situation in individual countries, as well as their ability to pay off credits to creditor countries, associated with implementation of exports into relevant territories (payment morale).

From the numbers we can assume that often the re-orientation to new markets will be only possible and successful if the exporter is well aware of the risks and secures itself against such risks (insurance or bank guarantee instruments). In any case, to obtain new business opportunities and job-orders, the tools of financial support of export will have to be combined with the business-political as well as pure political tools and instruments.

In this process the assumable risks especially cover those described in the fundamental document stipulating forms, methods and limits for granting the state export subsidies, titled as "Arrangement on Officially Supported Export Credits", so called OECD CONSENUS:

- non-payment of outstanding receivables due to political circumstances in the debtor's country, i.e. payment constraints resulting from political situation such as war, revolution, uprising, civil war, civil commotion or general strike,
- inability, delay or restriction of transfer or conversion of payments into the exporter's resp. creditor's country due to political circumstances, legislative or administrative measures or serious economic problems in the debtor's country; this includes declared insolvency of the country, postponement of payments or introduction of foreign-exchange regime that limits transfer of payments into foreign countries,
- administrative resolution or legislative measure or intervention of authorities / bodies in the debtor's country that makes the contract realization or settlement of receivable impossible without any failure on the part of the debtor; these resolutions include withdrawal of import or export license, cancellation or withdrawal of already issued permits that are necessary for contract realization or freezing the debtor's money,
- administrative or political actions in third countries through that the payments should be realized, making the contract realization or transfer of payments into the exporter's country impossible; examples include embargos, restriction of free movement of goods or transfer of payments,
- non-payment of receivable by a statutory importer,
- expropriation by nationalization, confiscation or dispossession of foreign company without adequate compensation by debtor's country government or foreign investment's host country abridging the investor of basic rights associated with the investment for at least six consecutive months,
- natural disaster in the debtor's country resulting in non-payment of receivable without any fault on the debtor's part.

From the nature of risks above we can conclude that their intensity will remain unchanged in the crisis as well as post-crisis period and their presence will not only endanger common business transactions, but also transactions realized within the scope of the monitored re-orientation of export from EU countries.

It is obvious that the current situation with regard to penetration to new markets but also elimination of these so called territorial risks may not be left to member countries only, as in the past. The situation calls for intervention of EU institutions in two ways:

- political support of penetration of the European exporters to new markets, i.e. creation of business and investments opportunities; and
- financial participation in support of export realized and guaranteed through budget resources of member states (improved utilization).

2.1.1. Political Support of European Exporters Penetration to New Markets

The European Union is one of the most open global economies. Volume of trades with the rest of the world doubled in the period 1999-2010 and currently almost three quarters of import to EU is subject to zero or reduced customs duty. EU is the major business partner for 80 countries. Just for comparison, USA is the major business partner for 20 countries. The European external trade with goods and services represents 15 % of EU's GDP - three percentage points more than in USA.

The European Commission estimates (Politiky Evropské Unie, Obchod ISBN 978-92-79-24225-0) that completion of all the ongoing negotiations on free trade could increase EU GDP by more than 2 %. According to the Commission it is the same as if Austria or Denmark joins EU economy. Also it would mean more than 2 million new job opportunities (Available here: http://www.mpo.cz/dokument92562.html).

Targets of free trade agreements:

- to open new markets for goods and services,
- to improve protection of investments and expand opportunities for investments,
- to make business cheaper by reducing customs duties and bureaucracy,
- to make business faster by facilitation of customs clearance and introduction of compatible technical and sanitary standards,
- to bring more confidence through clearer rules regarding intellectual property rights, economic competition and awarding of public contracts,
- to support sustainable development by strengthening cooperation, transparency and dialogue on social and environmental matters.

In particular the agreements are to be concluded with the following countries or coalitions:

- exercised bilateral preferential trade agreements between EU and Turkey, some states of former Yugoslavia, Norway, Switzerland, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Tunis, Chile, Iraq, Columbia, Peru, Korea, Mexico and Central American countries,
- prepared preferential trade agreements with USA (TTIP), Canada (CETA), Japan, Mercosur (Brazil, Argentina, Uruguay, Paraguay), Ukraine, Moldavia, Georgia, Armenia, ASEAN (Singapore, Malaysia, Vietnam, Thailand), India, GCC (Gulf Cooperation Committee), Libya, Euromed (Union for the Mediterranean – Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria, Tunis), China, Russia, Kazakhstan).

It is obviously a wide range of countries at various level of economic development, with various political systems and trading with them is subject to various risks. Despite that all of these agreements may be considered as a potential contribution to prosperity of these countries. In fact they only mean opening of doors for the European exporters to new territories. Whether they will profit from this opportunity or not depends on their ability to offer advantageous terms and conditions to their counterparts. This may be however difficult as often the risk of insolvency is quite high in new territories.

2.1.2. Possibilities of State and European Support of Exports

Because of diversity of countries, the European Union concluded contracts on elimination of tariff as well as non-tariff barriers with, and also considering the associated risks, we can assume application of differentiated instruments of protection of European exporters' interests.

With regard to the needed development of business relations this not only applies to countries with advanced market economy, but also countries the economic, financial and political situation of that calls for extra financial means and insurance mechanisms to eliminate or at east minimize the associated risks. According to OECD calculations the long-term data confirm that the risk of non-payment of export claims is about 50 % or more with countries in five to seven risk category. In other words, exporters trading with countries of such risk classification (and according to the overview of agreements on preferential treatment there are most of them) have only 50% chance to get their money.

Therefore in most of advanced and developing countries the system of export credit insurance and export financing with state subsidy according to the rules of the above mentioned OECD consensus are used on a long-term basis.

The insurance of export credits is not only important for exporters, but also for continuing ability of target countries to import the necessary commodities. With regard to insurance and financing of export, various forms of credits are used, from supplier credits through customer credits to pre-export credit financing. In the context of penetration to new markets, provision of so called customer credits seems to be advisable (a special-purpose credit granted by the exporter's bank to the foreign buyer / debtor). In this case the debtor may be either the foreign buyer's bank or the foreign buyer itself.

Together with insuring such receivable, suitably selected financing of business transaction allows for smooth realization without any financial burden for importer. Such burden is carried by financing bank or exporter itself, acting as the creditor. This situation is however only a partial precondition for success; even here the case cannot be declared as closed until debtor's obligations are fully settled.

This is where the serious problems occur that lead to complications on the part of creditors and impair the confidence in further trades with importers from such territories.

In this context there is another significant factor - the scope of insurance engagement of export credit insurers. For example with regard to insurance of short-term, medium-term and long-term credits and investments in 2013, the aggregate insurance engagement for the whole Berne Union exceeded USD 2 trillion, as shown in the following table(Own processing on the basis of Berne Union Statistics, 1980-2013, Available here http://www.berneunion.org/):

Table 7. *Insurance engagement of the Berne Union members (insurers) and insurance indemnities paid.*

	all figures given in USD Million			
	Receivables	**Short ST**	**Medium and long MLT**	**Investment INV**
2009	Exposure	768525	582792	145785
	Claims Paid	2418	3004	24
2010	Exposure	836573	593089	193368
	Claims Paid	1508	1836	312
2011	Exposure	884662	646373	201842
	Claims Paid	1323	2457	179
2012	Exposure	1032223	687679	221898
	Claims Paid	1827	2608	125
2013	Exposure	1092130	715862	234745
	Claims Paid	1913	2440	147

The insurance in the segment of medium-term and long-term credits and investments is largely realized with state subsidy with government acting as underwriter of such insurance through state budget. Such a system however results in higher demands on state budgets or inability / unwillingness to trade with unknown or risky territories, thus giving up opportunities coming from EU activities.

One of the steps to solve this limitation would be to establish an EU institutional base for the promotion of exports from member, especially those less developed, countries for comprehensive assistance in promoting their exports, especially in the financial sector and in the area of economic information. If this were the next budget period, it would not necessarily be an additional cost, as it would be possible to terminate the current grant "assistance" under the Cohesion program and just devote the necessary resources to support the financing of much needed boost exports. Obviously it would help exporters from these countries and therefore their budgets that they themselves could export created resources far more targeted than the EU pay for balancing economic and social levels still lagging regions

These problems with low credibility of a number of countries is, especially in case of large infrastructural exports, by financial participation of various national and international special-purpose credit funds with capital involvement of entities from advanced countries. At the same time it would be advisable for the European Union to consider its direct involvement in dealing with protection of its exporters, thus expanding the portfolio of trade opportunities for its member states. This would help EU to meet its goal - to make use of export development as a GDP growth factor.

3. Conclusion

This year the European Union entered into the period of fulfillment of intentions covered in the Financial Framework for 2014-2020. It outlined certain goals concerning its competitiveness and once again also - in terms of values - the cohesion policy goals.

In its financial framework the European Union assumes a continuing massive support for cohesion programmes that are repeatedly realized in multiple budget periods and in favor of still the same regions. Also there are some programme goals in the field of competitiveness improvement that - because of the current situation of the European economy and its needs - extend beyond the approved financial framework period.

The overriding problem is the lagging of the European Union, as one of the most significant participant of international markets, that may become even more serious with a fierce rise or a continuous intensive growth of other regions.

Despite it is positive that the European Commission has been stipulating many agreements in the field of commercial or customs policies, covering countries from all continents with various (usually high) level of territorial risks jeopardizing repayment of commercial and investment credits, it often leads to depletion of insurance capacity of export credit insurers and also it means higher demands for state budgets of member states acting as underwriters with regard to insurance against territorial risks. At the end these insurers cannot offer insurance of credit transactions with high-risk territories.

One of the solutions of financial demands associated with elimination / minimization of high territorial risks is to realize business transactions through international special-purpose funds having higher credibility than the export target countries themselves. However this is not a long-term solution. This would be for the next budgetary period, the institutionalization of comprehensive financial and information support for EU export.

If EU wants to represent itself in the global economy as a cohesive unit, then it should consider the common solution on increasing costs for growth of exports. It is not only the way to resurrection of EU position, but also acknowledgement of its identity.

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