

## Credit Guarantee Insurance Co. Ltd

# Risk assessment of over 8,000 domestic and international buyers

**CREDIT GUARANTEE INSURANCE CO. LTD (CGI)** is the first specialist credit insurance company in Mauritius; that is contrary to other General Insurers, CGI carry on only credit insurance business. Credit insurance provides protection to policyholders against non-payment of their debtors which may either be located locally or internationally for goods or services provided on credit.

CGI currently service a portfolio of about 235 clients generating around Rs 60 billion worth of turnover across the five continents. Annually, their underwriting team carries out risk assessment of over 8,000 buyers located domestically and internationally. By the very nature of their product, they are therefore present in both markets covering either domestic clients exporting in India or Indian clients present in the Mauritius financial services sector exporting to Africa. They also provide debt recovery services for both the domestic market and the African market.

*"We provide insurance covers to our domestic companies exporting to India and also provide cover to Indian companies using our financial services system either through the offshore sector and exporting to Africa or through invoice discounting services provided by Mauritian banks for exports in Africa. Credit insurance is more than just a coverage; we offer risk management services through a credit risk assessment and worthiness of existing buyers or potential buyers. It provides our client the peace of mind that when they are supplying goods and services either in India or Africa, they are doing it safely, hence facilitating trade in this triangular India-Mauritius-Africa or Africa-Mauritius-India relationship,"* states Andy Chin Chew, Sales and Marketing Manager



of Credit Guarantee Insurance Co. Ltd.

Andy Chin Chew adds that it is also crucial to mention at this point that Government of Mauritius is leaving no stone unturned to help domestic Mauritian companies export to Africa. It is very important to remind the Mauritian entrepreneurs, he added, that the government, through the Economic Development Board, provides a subsidy on the cost of credit insurance premium to Mauritian Companies subscribing for Credit Insurance Covers for their direct exports to Africa in order to encourage them to take a credit insurance cover and hence boost up trade with Africa and direct exports to all countries of Africa are covered.

Regarding their activities in the post-Covid-19 era, Andy Chin Chew says that undeniably Covid-19 is causing much disturbances to business globally. On a risk management perspective, they expect an increase of default of payment and unfortunately insolvency in both markets. *"It's important that even in the face of unprecedented change, we take every opportunity to create efficiency and continue to provide value to our customers and stakeholders. Despite changes in our customers' portfolio and continued impacts due to the pandemic, CGI have maintained an unwavering commitment to delivering the best in risk assurance products and services. Today, we ensure we continue in our mission.*

*Having said so, businesswise, Covid-19 has shown our business community here in Mauritius that business resilience is not just a question of having the right term of payment, an adherence to same with customers having a long standing proven track record but there is more to it and our product offers the assurance that default of payment or insolvency of your customers will not force you out of business. We, optimistically, expect that the demand for credit insurance covers will increase significantly in the coming months."*

Furthermore, in their business eye scope, CGI have recently observed many Indian automotive and steel companies moving to Africa either through the Mauritian financial services sector or through the Dubai route. Andy Chin Chew underlines that we tend to believe that our cultural and historic bonds will certainly make Mauritius an easier choice for Indian companies in their venture of the continent but such business prospects take time to set up and are usually on a longer term vision but we can undoubtedly say that we have the professional and technical capabilities to be partners for Indian companies.

*"Regarding to their Africa operations, Mauritius offer Indian investors – traders – and companies a vibrant dynamic financial services sector with knowledgeable honest professionals. Honest bilingual professionals, stable political and social environment, ease to set up and do business and an availability of financing within a mature financial and legal system are the keys we possess. We tend to believe these keys are determining aspects in the conundrum of choosing the best channel for investments and Mauritius is the place of choice through its proximity to Africa."*