



# AVIATION WORKING GROUP

## Statement on Revisions to Sector Understanding on Export Credits for Civil Aircraft

1 February 2011

The revisions to the Aircraft Sector Understanding take effect today (*2011 ASU*). AWG notes the efforts, under the auspices of the OECD, to continue the development of global rules applicable to export credit support for aircraft and engines.

We support the structural change in the 2011 ASU creating a single system for, with common terms and provisions applicable to, export credit for all aircraft and engines. We encourage non-ASU Participant countries that manufacturer new aircraft and engine models, including China and Russia, to apply the international rules governing export credit.

AWG supports the continuation of the material discount in the 2011 ASU for borrowers in countries that have ratified the Cape Town Convention, made the qualifying declarations, and properly implemented the texts into national law. This underscores and reinforces the risk reduction and benefits available through the Cape Town Convention.

The 2011 ASU seeks a balanced relation between export credit and the commercial markets, supporting various level playing objectives. The extent to which these aims, with which we agree, are achieved in practice will depend on implementation under prevailing market conditions. Accordingly, AWG encourages the OECD Participants to evaluate the 2011 ASU as applied, seeking to ensure that a proper balance is maintained. In particular, careful assessment of applicable ASU 2011 pricing should be undertaken during the transition period, with any needed adjustments being made by the end of that period.

In that regard, we note the complexity of the 2011 ASU, and the resulting need to monitor and report in a transparent manner on applicable pricing. Such information should be available to the sector in a timely manner.

AWG stands ready to work with the ASU Participants and industry to assess and implement the 2011 ASU, including through its internal adjustment, review, administrative, and implementation provisions.

**END**