

# ANNUAL REPORT 2018

## – HIGHLIGHTS

The Federal Republic of Germany assumed investment guarantees with a total volume of over 1.2 billion euros in 2018. The majority of guarantees in 2018 were for investments in China, Iran, Belarus, Russia and Turkey. The main industries in 2018 were the chemical and pharmaceutical industry, followed by the energy industry (mainly renewable energies).



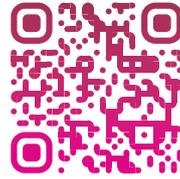
## 1.2 billion

The Federal Republic of Germany assumed investment guarantees with a total volume of over 1.2 billion euros (capital and earnings) in 2018.

## 51 projects

Investment guarantees support 51 projects and thereby facilitate the creation and safeguarding of about 11,500 jobs in the host countries.

## Investment Guarantees



About 61% of the newly generated volume of guarantees went to projects in Asia (mainly in China, Armenia and Iran), followed by projects in (Eastern-) Europe with about 25% (mainly in Belarus, Russia and Turkey). The share of guarantees that went to Africa (mainly Algeria, Mozambique and Kenya) increased substantially from 0.2% in 2017 to 11% in 2018. Projects in South and Central America (Colombia, Mexico) made up 3% of the newly generated volume of guarantees. Investments of any size can be covered. The guarantees assumed in 2018 ranged from 13,000 euros to 191 million euros.

The volume of new applications (4.0 billion euros) increased by about one third compared to the previous year. Pending applications increased in volume by 14% to a record high of ten billion euros. In 2018, the Federal Government was again successful in averting claims. For a project in Ukraine, it was possible to prevent an event of loss. Additionally the Federal Government actively assisted policyholders with problems with public authorities in several host countries, including Russia, Belarus, Montenegro and China.

A prerequisite for the assumption of an investment guarantee is a sufficient level of legal protection in the host country. This is in principle given if there is a Bilateral

Investment Treaty (BIT) between the Federal Republic of Germany and the host country.

In December 2018, a solution to problems arising from an as yet unresolved claim was worked out with Argentina. Since then the Federal Government is once again prepared to review applications for eligible investments in the country. Additionally and after intensive analysis of the risks involved, the Federal Government has decided in the beginning of 2019 to examine applications for projects in India, which has cancelled its BIT with Germany, on the basis of domestic law in India.

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# 17 countries

Projects in 17 countries received cover. For the first time the Federal Government assumed investment guarantees for projects in Mozambique, Kyrgyzstan and Armenia.

# 37%

Over a third of the applications approved in 2018 were accounted for by small or medium-sized enterprises. This is the highest number for the past ten years.