

Testimonials

Credit insurance vital for contract wins

Dredging, Environmental and Marine Engineering (DEME Group) and Jan De Nul are Belgium's leading maritime companies worldwide, specialising in dredging, land reclamation and offshore services. As long-standing clients of Credendo – Export Credit Agency, they have made regular use of credit insurance products to secure multiple international contracts.

Jan De Nul and **DEME Group** are considered the jewels of Belgium's maritime construction industry. DEME has more than 140 years of experience in dredging and land reclamation while family-owned Jan De Nul's history dates back six generations, to 1849.

Both companies are active across four key sectors: offshore, marine, environmental and civil engineering.

DEME's relationship with Credendo started almost two decades ago with the creation of its export finance team to work with Credendo and make use of the insurer's various credit insurance solutions for their commercial contracts or their financial loans.

"The buyer credit product is a very interesting tool – we use it as much as possible to enhance our technical offer. By offering an export credit solution, we are also trying to help solve any financial issues a project developer might have," says Geert Wouters, Head of Structured Finance & Treasury at DEME.

"But of course, it is beneficial for us too. We know that we will be paid and we know when we will be paid," he says.



Jan De Nul has been heavily investing in ultra-low emission vessels to support both its dredging and offshore renewables fleet.

Mathias Van De Vijver,
Financial Manager at Jan De Nul



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Paul Lievens,
CFO of Jan De Nul

Jan De Nul has a very long-standing relationship with Credendo, which goes back more than half a century. Jan De Nul also benefited from Credendo's support, explaining it is very rare they would bid for a tender in a risky market without having some assurance that Credendo would be able to cover the political and non-payment risks.

"I want to sleep at night and not be worried about a country or client getting into difficulties. That is what we pay for and in exchange we get a good service," says Paul Lievens, CFO of Jan De Nul.

Credendo supports many types of projects in many countries

DEME has won several contracts with the support of Credendo's buyer credit insurance product.

One of them was phase 1 of the Elmina fishing port project in Ghana.

"Without financing, we would never have won the project," says Liesbeth Rosiers, Structured Finance Manager at DEME.

In Nigeria, DEME also brought in Credendo's support for the Eko Atlantic City project, which involves a new district of Lagos being built on land reclaimed by DEME from the Atlantic Ocean.

In Egypt – a major market for DEME – the company used Credendo's cover to win its largest dredging and land reclamation contract to date in November 2020.

The Abu Qir Port project involves all dredging activities for the new greenfield port development in Abu Qir, part of the city of Alexandria.

"Egypt is an important country, and we will have a lot of work to come," says Geert Wouters.

Also Jan De Nul benefited from Credendo's buyer credit solutions to win several projects in various geographies – Africa, Latin-America and Asia – and well spread over its different activities – dredging, renewables and civil construction.

Furthermore, Credendo was involved in Jan De Nul's contract in Taiwan regarding the construction of the Formosa 2 wind farm.

More than EUR 500 million of financing was mounted for the development of the port of Takoradi in Ghana and the coastal protection works in Cotonou, Benin.

Credendo's support is vital too when banks are lacking appetite for long-term risks, like during the liquidity crisis in Europe. In that case, Credendo helped Jan De Nul in Panama, providing seven-year performance guarantees on a project to construct lock complexes on the Panama Canal.

During the same period, Credendo supported the financing of the A11 road construction in Belgium.



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Liesbeth Rosiers,
Structured Finance Manager at DEME

Environmental impact is never far from minds

DEME's Geert Wouters says the environmental impact is constantly monitored during the execution of projects, with work instantly stopped if wildlife such as whales or dolphins are spotted in the vicinity of a dredging project, for instance.

DEME has independent specialists to monitor its projects and environmental policies and sends extensive environmental reports to Credendo's specialists to ensure standards are met.

DEME is also investing in new technologies such as deep-sea harvesting which involves the collection of rock-like nodules that contain nickel, cobalt, manganese and copper from the seabed. Research is being conducted to assess if the collection of these polymetallic nodules from the seabed might be a more environmentally friendly way to extract metals needed by the world's various industries.

Jan De Nul has been investing heavily in ultra-low emission vessels to support both its dredging and its offshore renewables fleet. Already in 2019, Jan De Nul secured a EUR 300 million 'green loan' via a consortium of international banks to finance its two new, next-generation renewables installation vessels: a wind turbine installation jack-up vessel, the 'Voltaire' and the crane vessel 'Les Alizés'. Both vessels will become operational in the fleet this year.

The new vessels have a dual exhaust filter system and will be the first seaworthy installation vessels in the world with extremely low emissions.



Credendo is an asset when facing competition

DEME has greatly valued Credendo's support on all its major projects, appreciating the open line of communication between the insurer and its client.

"We speak on a daily basis. We sometimes ask Credendo difficult questions. Our cases are not always straightforward and Credendo might need to invent something new. This very close level of cooperation is needed for a company like ours, where various projects will be at different stages in terms of cover they need," says Liesbeth Rosiers.

Jan De Nul also recognises Credendo's support. "We have a very close relationship with Credendo", says Paul Lievens.

"We ask for cover, and they mostly provide it. Sometimes there are discussions - but they are always solution-oriented," he says.

"30 to 40% of our projects are becoming quite complex. Standard cover is becoming less important because we are dealing with complex countries and with different debtors that need tailor-made solutions. It is quite labour-intensive," he adds.



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Geert Wouters,
Head of Structured Finance &
Treasury at DEME

Looking to the future, Geert Wouters sees a need for increased capacity from Credendo and other agencies to deal with a growing pipeline of large and increasingly complex projects.

"Projects are getting bigger – especially in renewable energy such as offshore wind. We are talking about projects well above EUR 1 billion," he says.

Paul Lievens adds: "More and more, we see clients looking for 'capex' projects with high investments in the renewables sector. The business of dredging is also becoming increasingly related to land reclamation where the client is investing in a long-term asset that needs long-term funding."

He adds that projects are becoming increasingly complex, with more deals involving private sponsors or public-private partnerships and more hybrid financing structures featuring classical export products combined with commercial and/or project financing being used.

Both companies welcome the decision of the Belgian government in 2021 to increase the capacity of the state account which will allow Credendo to support bigger deals in the future.

Ultimately, Anne Spreuwers and Laurens Hendrikkx, Senior Underwriters respectively of Jan De Nul and DEME, underline how much both clients appreciate that Credendo is available, solution-based and capable of offering customised services – an asset when competing with foreign dredging companies.



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Anne Spreuwers and Laurens Hendrikkx,
Senior Underwriters at Credendo respectively of
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