Alfonso said the first ratings are expected to be published after this summer, probably starting in the second quarter.

According to the basic principles on creditor-debtor relations early revealed by Dagong, "it is creditors who should assess the credit risks of debtors rather than trying to protect the interests of creditors by relying on the credit rating information provided by debtors," the chairman said.

Gu'an noted that the lesson of the European debt crisis was that many economic entities with high ratings ended up in the credit crisis due to erroneous ratings, and thus it became a strategic issue how to change the situation where the European economy was highly dependent on the U.S.-provided ratings.

He added that Dagong entered the European market as a "rating responsibility taker" with a completely different view, originated from the perspective of a country which has become the world's second largest economy as well as an international creditor and capital export power.

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The agency's values pursuit lies in providing the world with "true and objective" information of the creditworthiness of the EU debtors, following the laws of evolution of matters and "taking public responsibility while putting its own commercial interests on the secondary place," he highlighted.

The European branch concentrates on corporate credit ratings to be assigned to both financial and non-financial entities, with the objective to have some 60 ratings issued in a few years, General Manager of Dagong Europe Mauro Alfonso said.

Dagong Europe was the result of a joint venture between Dagong Global Credit Rating based in Beijing, which holds 60-percent ownership, and Milan-based Mandarin Capital Partners, a leading private equity fund by institutional investors from Europe and China. It features a team of around 15 international professionals with experience at major rating agencies, which shall extend to 50.

Alfonso said the first ratings are expected to be published after this summer, probably starting from financial entities of various countries, along with some specific reports both in the financial and industrial sectors. The goal is to gain a market share of at least 5 percent in a few years and annual revenues of around 10 million euros (around 13 million U.S. dollars), he added.

Dagong Europe will provide a smoother path for credit flows between China and Europe by taking advantage of its relations with Chinese investors, who are increasingly important for debt issuers and keep vigilance but also show confidence in Europe and the eurozone, the general manager said.
Interview: Dagong Europe brings new angle in int'l rating industry


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