

EDC Forecasts Export Growth Will Continue in 1998

Canadian exports will increase 5 per cent in 1998 and grow at an average rate of about 7 per cent annually until 2002, according to the latest Export Development Corporation forecast.

Canada's export growth is expected to be strong in telecommunications, aerospace and textile industries, due in large part to technological innovation, very competitive productivity factors, and a reputation for delivering high-quality products and services.

Among other EDC forecasts:

- exports to the United States are expected to grow 5.6 per cent in 1998, down from 8 per cent recorded in 1997;
- exports to Western Europe are expected to increase 1.7 per cent in 1998 after a decline of 4 per cent in 1997;
- exports to Japan are expected to decline by 1.7 per cent in 1998 after a 0.5 per cent increase in 1997;
- exports to Asia are expected to increase 4 per cent, following a 1.5 per cent increase in 1997; and
- exports to Latin America are expected to increase 5.8 per cent in 1998, following an increase of 1.2 per cent in 1997.

"While there are many trade opportunities abroad for Canadian business, there are also risks," warns EDC chief economist Jim Olts. "This is especially true in emerging markets, where Canadian goods and services are in demand. Exporters need to pay particular attention to these risks and ensure that they are managed prudently."

Exports account for 40 per cent of Canada's output and are a key factor driving economic growth, job creation and prosperity. One of every three Canadian jobs is tied to exports.

EDC LOAN SUPPORTS JOINT CANADA-TURKEY EXPORT SALE TO RUSSIA

Export Development Corporation (EDC) is providing US\$38 million in financing to enable Russia's Vneshprominvest Joint-Stock Company to buy telecommunications equipment and services from Northern Telecom Canada Limited (Nortel) and its Turkish affiliate Northern Electric Telekomunikasyon A.S. (Netas).

This is the first allocation under a US\$50-million facility that EDC established in December 1996 with the Turkish export credit agency Turk Eximbank, to finance the purchase of Canadian goods or services in Turkey and neighbouring markets.

"This partnership helps Canadian exporters gain access to Eastern European and Central Asian markets,

where they've had difficulty doing business and arranging financing," says Michael McLean, EDC vice-president, Americas and Europe.

To qualify for financing, Canadian firms must have Turkish partners involved in the transaction. The financing is available for the Canadian portion of projects identified by Turk Eximbank, subject to EDC approval.

EDC Signs Agreement with Japan to Help Exporters

A new trade and investment insurance co-operation agreement reached between Export Development Corporation and its counterpart in Japan — the Export, Import and Investment Insurance Department of the Ministry of International

Trade and Industry — should increase support for joint Japanese and Canadian projects in third countries.

"By forming strategic alliances and ventures, Canadian companies and their partners gain an advantage when

competing for trade and investment opportunities abroad," says EDC president and CEO A. Ian Gillespie.

This agreement enables the two countries to share risk on large-scale projects such as construction of power plants and manufacturing facilities.