The management of the Canada Account is particularly important to the success of Canadian firms in many markets, especially highly-indebted and middle-income developing countries. The recent developments in the international economic environment discussed in the paper have also increased demands by Canadian exporters upon this program. As a result of increased risk perceived by commercial banks, the private banking system has reduced its activities in the developing world, transferring much financing of project activity to official export credit agencies, such as the EDC.

The Canada Account serves as a facility of last resort which can respond to exporters' requests for export finance, trade-related insurance and foreign investment insurance in circumstances where EDC is not able to provide such services on its own account. There are three circumstances in which the Canada Account provides services the EDC would otherwise undertake:

1. Although the risk is acceptable to EDC, the amount of financing or foreign investment insurance required is too great for EDC to adopt on its own account. The Canada Account is thus necessary to support exporters pursuing very large capital projects such as urban transportation systems, mining, or hydro-electric facilities.

2. The risk, whether commercial or sovereign is considered greater than that which EDC can accept.