

News Release

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EDC ESTABLISHES \$20 MILLION INSURANCE FACILITY WITH POLAND

International Trade Minister John C. Crosbie announced today that the government, working through the Export Development Corporation (EDC), will establish a \$20 million short term export credit insurance facility for Poland to cover sales of Canadian products to that country.

"The EDC insurance will support sales of products urgently needed in Poland to improve production and aid the further development of local industries," said Crosbie. "This means Canadian exporters who provide the goods needed to improve the Polish economy will be protected against 90 per cent of losses by EDC."

Because the \$20 million export insurance package is structured as a revolving credit facility, actual sales supported in any one year may exceed this amount. In other words, after the maximum \$20 million exposure is reached, additional credits will be extended as previous sales are paid.

The facility will provide support for transactions involving short payment terms generally of 180 days or less. The insurance or guarantee cover will be limited to transactions with payments to be made by irrevocable documentary credits issued by Polish banks acceptable to EDC (currently only Bank Handlowy w Warszawie SA). The agreement is in line with Canada's announcement last October of an economic assistance package to support reform in Poland.

EDC is Canada's official export credit agency, responsible for providing export credit insurance, loans, guarantees, and other financial services to promote Canadian export trade.

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