

6.5. Finance Requirements

The Venezuelan Financial Sector is, at the present time, in serious difficulties with more than 50% of its institutions now state-owned. It has been estimated that this sector will need four (4) years or more to "bounce-back". Today all the financial institutions are under strict government control and supervision. This situation naturally limits the import of capital goods for projects and makes long-term investment decisions difficult.

Some financial limitations can be marginalized if equipment and/or services suppliers are willing to participate in project financing.

This can be done through:

- i) participation in a local company as share-holder (joint-venture): the machinery and/or service exported to Venezuela could be used as capital investment.
- ii) offering credit lines for foreign exchange requirements that could be reimbursed through some export mechanism.
- iii) utilization of existing Canadian Government institutions that could offer credit lines and/or other services in order to promote increased exports.
- iv) A combination of (i) to (iii).