

Our proposals for change to the EDC's governing legislation have been designed to allow the EDC to support you as you face the challenges of globalization in an increasingly competitive world.

While the EDC would continue to provide the insurance, bonding and financial services for which it is currently known, the Corporation would also be able to offer new types of insurance and financing arrangements that have been difficult or impossible to provide under the current Act.

The intent is not to compete with private sector financial institutions, but rather to complement them, thereby enhancing the financing available to you.

Some of the specific areas that we are looking at include better pre-export financing, broadened insurance coverage and enhanced project financing and leasing support, as well as a streamlined Canada account approval process.

The proposed changes should serve to meet your needs more effectively. I encourage you to share these needs with us. We shall keep you abreast of new proposals by way of the EDC. Thus, we will be able to provide you with complete services, comparable with those of our foreign competitors, and help you to compete more effectively with them.

With regard to the Program for Export Market Development (PEMD), with which you are all familiar, the Program underwent a fundamental review last year. The private sector across the country was consulted, as were the provinces.

When we asked users what they thought was needed from PEMD, the answers were clear: the Program required assured support on a longer term basis and reduced administrative burdens for its clients.

The revised PEMD will be a risk and benefit sharing partnership between the government and the private sector. The fundamental concept will be that of market development strategies. Instead of requesting assistance on a single activity basis, companies will be able to apply for assistance for a number of activities. PEMD will then provide longer term assistance for the export strategies that these companies have developed.

Despite all these efforts, more remains to be done to help Canadian firms to prosper in an increasingly competitive international environment.

Let me use Japan as a microcosm of what we need to do to succeed internationally. Japan is a market where we have usually done quite well, but now find ourselves struggling for market share. Canada's exports to Japan, our second largest market, dropped by over \$1 billion in 1991 and recovered only slightly in 1992.