

terms are less important than gaining a good understanding of the way in which business is being transacted and what is needed for participation in the market.

Experienced players realize that they must be able to deal effectively with a sizable number of stakeholders in the host country and as well, secure the support of their home country governments. Furthermore, players are increasingly finding that they may need to be part of multi-disciplinary cross-border teams and bring home government support as well as access to financing (proportionate to the rewards that they receive). Accordingly, financial matters and perceptions of the lack of home government's willingness to meet competition are particularly predominant in the feedback we received.

It is also clear that despite five months of work during which considerable information was gathered on a variety of issues from many sources, it was simply outside of the scope of the work to outline and analyse the various Canadian government support programs in any depth nor was it possible to comment on the effectiveness or efficiency of the variety of support measures. Nonetheless, although in the international capital projects marketplace, project by project differences make it difficult to generalize, we have attempted to focus on differences in approaches (in both the private and public sectors) in order to present a set of basic principles that can serve as an introduction to the complexities of the structuring and financing of deals.

In writing our report, we have also attempted to be as brief as possible while still conveying important realities. In this regard, we wish to emphasize that the realities should not be taken out of context; they are mainly intended to highlight areas for improvement some of which are long standing such as the desire to have seamless and coherent government support mechanisms and some of which are emerging as integral to success, such as the formation of multi-disciplinary cross-border teams. Accordingly, the focus on apparent differences needs to be interpreted with this in mind and is best viewed in the context of advantages and disadvantages that key players encounter in participating in their chosen markets.

III. Capital Projects Implementation Activity

Main Driving Forces

The trends taking place in the international capital project market are shaped by three main driving forces, namely, competition for scarce risk capital, privatization, and heightened competition for launching of projects that are aimed at putting in place new infrastructure as well as replacing decaying infrastructure. As host governments deal with the realities of dwindling financial resources, privatization has become an important feature of their economic policy. This approach is being widely endorsed well beyond countries such as the UK, France, the United States, Argentina, Chile and Malaysia, who were among the first to move forward with financed projects. Some 20 different countries are currently interested in undertaking privatisation projects.