

## EDC Lines of Credit

Colombia is one of the two countries in Latin America that enjoys investment grade credits (Chile is the other); the Government of Colombia has a BBB- rating from Standard & Poors. Colombia offers excellent credit risk conditions for medium- and long-term financing due to stable economic conditions in the country and the Government's/Quasi-Governmental entities' excellent repayment record on foreign obligations. Since the United States "decertified" Colombia in March 1996 for its non-compliance with US drug-control objectives, US Export Import Bank programs have frozen new lending to Colombia. EDC views this policy measure as providing a window of opportunity for new EDC lending in support of Canadian export programs in Colombia.

Colombia is the largest market for EDC's Foreign Investment Insurance policies with over \$300 million in exposure, particularly in the oil and gas and telecom sectors. These policies cover the exporter against the political risks of war/insurrection, transfer/convertibility and expropriation.

EDC's recent loans in Colombia are concentrated in the transportation, hydroelectric, and telecommunications sectors. New lending opportunities have been identified in the area of industrial equipment sales and environmental engineering. EDC is fully prepared to consider support for a wide range of commercial contracts in Colombia with Canadian export potential. Services can be offered through a number of flexible financing alternatives to accommodate the structure of the project, including direct loans to qualified banks or companies and to the Government of Colombia, as well as through lines of credit, leases or limited recourse structures.

EDC offers the following four Colombian lines of credit:  
Banco Cafetero (US\$10 million); Instituto de Fomento Industrial (US\$10 million);  
Banco Unión Colombiano (US\$ 3 million); Ecopetrol (US\$10 million).

EDC can provide medium- or long-term support of purchases of eligible Canadian capital goods and services to creditworthy Colombian borrowers. EDC financing can be used to finance up to 85 percent of the value of the Canadian capital goods and services purchased from Canadian suppliers.

Canadian exporters are invited to contact the nearest EDC office in Canada for more information on the eligibility requirements for export financing. Interested Colombian companies may also want to contact EDC directly in Canada for more detailed information on how to apply for credit facilities.