

levels of comfort with this type of activity. In terms of the actual provision of project finance, EDC is considered to have fewer dollar commitments to project financing than Eximbank (United States), COFACE (France), and JEXIM (Japan). This tends to reflect lower "market demand" for EDC to provide this kind of financing relative to other ECA's. Moreover, EDC is perceived as providing relatively strong support to international capital projects with regard to domestic content requirements, but may be relatively weaker in providing local cost financing.

It is also worth noting that countries such as the UK realise that they cannot continue to have their players fight each other to the delight of the competition. The UK tends to provide less coordination in major export projects than does its continental competitors. Accordingly, a reorganization of the Overseas Project Board (in 1993) was aimed at redressing this perceived gap. New sector groups within the Board will be headed by business people and will pinpoint UK national champions, identify priority export markets, and seek joint ventures in infrastructure projects.

Private Sector Approaches

The important players in the international capital project market include contracting firms, equipment suppliers, financiers, design engineers, project developers and consultancies. Firms in Europe, Japan and the United States distinguish themselves in a number of ways, including their size and breadth of operations, their overseas work experience, their attitude to risk and their packaging capabilities, to mention a few features and approaches.

European and American equipment manufacturers supply a full range of industrial equipment, including industrial process, petroleum and petrochemical, transportation, building, power and other sectors. Consequently, many competitor nation firms have developed extensive international networks in numerous equipment supply categories relevant to international capital projects. This breadth of supply capability is a distinguishing feature compared to Canadian supply capability.

Financing often represents the most important element of an international capital project. Without appropriate financing even the most technically appropriate project solution will likely not be selected. Consequently, although it is difficult to quantify, there is widespread agreement that the links between the industrial groups and home financiers foster greater activity and, possibly support.

European, American and some Asian financial institutions have considerable experience in the international capital project market. This experience provides them with a strong base to critically assess market opportunities, better evaluate political and commercial risks, develop strong relationships (including those of an equity nature) to support repeat customers who are internationally active, and become more familiar with indigenous firms in the project country, to mention a few benefits. In general, Canadian financial institutions have not benefited from developing client relationships, either in Canada or abroad, that would generate the international capital project market experiences and benefits of competitors.