

## What EDC offers

EDC provides a number of products and services to Canadian exporters and their buyers including export credit insurance, financing, guarantees and bonds.

EDC insurance services protect exporters against various losses due to commercial and political risks and include:

- short-term and medium-term credit insurance;
- bid/performance-related insurance and guarantees;
- surety bond support;
- equipment (political risk) insurance; and
- foreign investment insurance.

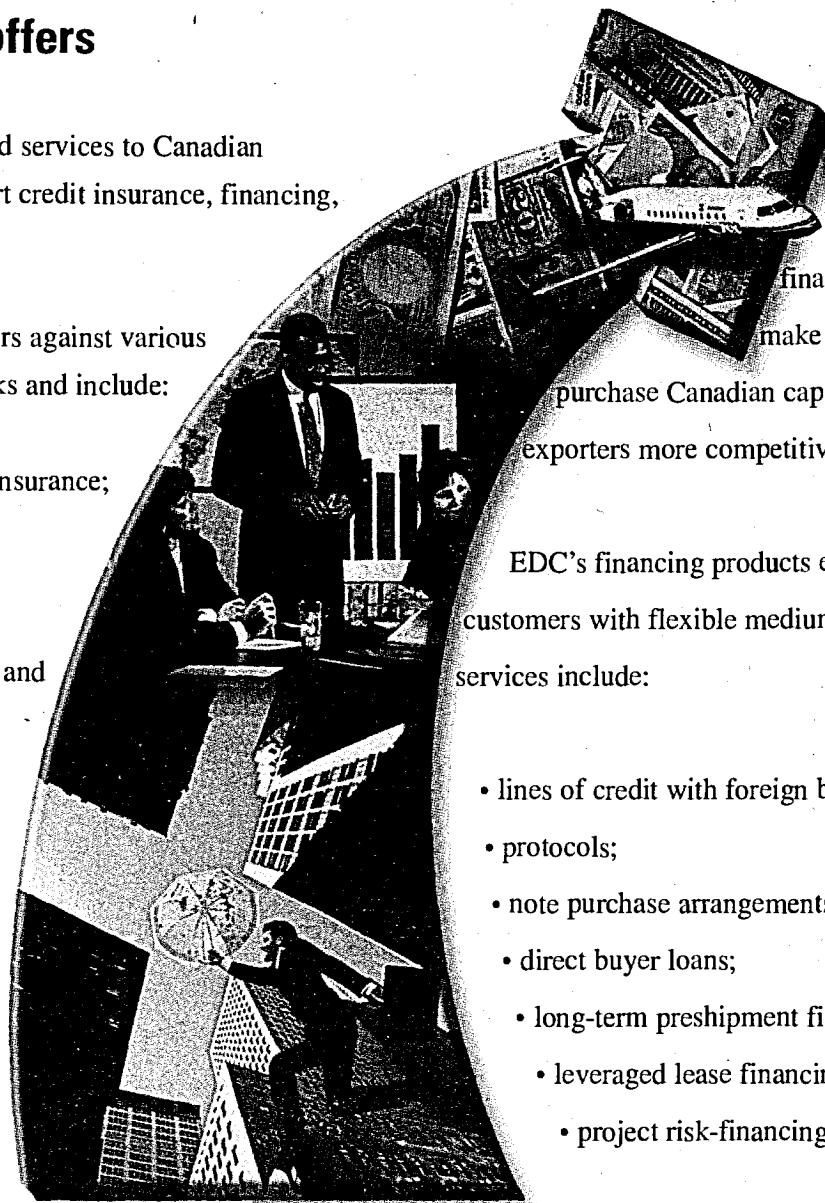
Through its risk management services, EDC can cover a company against 90 per cent of losses if its foreign buyer doesn't pay. This helps a business expand into new markets without jeopardizing its bottom line. EDC-insured export receivables can also be taken to the bank and used against a line of credit.

## Financing a world of difference

Because a foreign buyer often looks for financing as part of an export transaction, EDC can make loans to foreign buyers so that they can purchase Canadian capital goods and services, making Canadian exporters more competitive and reducing their risks.

EDC's financing products enable Canadian exporters to provide their customers with flexible medium-or long-term financing. These services include:

- lines of credit with foreign banks or agencies worldwide;
- protocols;
- note purchase arrangements;
- direct buyer loans;
- long-term preshipment financing;
- leveraged lease financing; and
- project risk-financing packages.



## EDC services for small and medium-sized exporters

EDC is helping small and medium-sized enterprises (SMEs) develop the export component of their businesses using the following experts and tools:

• **The SME Financial Services Team:** Responsible for co-ordinating all EDC initiatives aimed at SME capital goods and services exporters, this team focuses on streamlining administrative procedures, developing products, building partnerships and trouble shooting for this important segment of the Canadian economy.

• **Emerging Exporters Team:** Created in 1995 to focus exclusively on helping smaller exporters manage risks associated with exporting, this team consists of small-business specialists who can put insurance coverage in place on the spot and approve million-dollar sales to foreign buyers. Exporters can access a team member by calling 1 800-850-9626 Monday to Friday, from 9 a.m. to 5 p.m.

• **Credit insurance:** Provides accounts receivable protection and the ability to free up working capital and increase capacity on bank lines of credit and surety lines.

• **Bonding programs:** International buyers often require an exporter to post security that guarantees both the exporter's performance as well as completion of the work or delivery of the goods. This security is usually offered through a surety bond issued on behalf of the exporter by a surety company.

• **Buyer credit approvals:** Frequently, a sale hinges on an exporter's ability to respond quickly to a buyer's request for credit. EDC's Credit Surveillance and Analysis Department uses various innovative information technology and other tools to help meet customers' needs for timely credit approvals.

• **Export financing:** Capital goods exporters and companies that typically sell on longer credit terms can benefit from a range of EDC's buyer financing solutions that can help close deals.

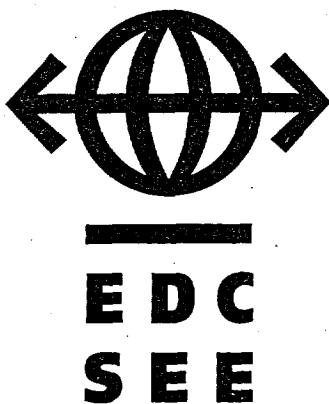
• **Master Accounts Receivable Guarantee (MARG) program:** Through a co-operative working relationship between EDC and various Canadian financial institutions, MARG helps exporters increase their lines of credit by leveraging their foreign accounts receivable as bank security.

• **Smaller Exporters' Guarantee Framework:** A risk-sharing arrangement whereby EDC guarantees up to 75 per cent of the loans made by Canadian banks to foreign parties so that they can pay cash for Canadian SMEs' exports of capital goods and services.

• **Northstar Trade Finance Inc.:** Through a partnership with EDC, Northstar helps Canada's SMEs boost their competitive edge by providing loans ranging from \$100 000 to \$3 million, principally to buyers of capital goods or services. EDC insurance protects Northstar against buyer non-payment.

### TO FIND OUT MORE

For more information about EDC,  
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### EDC 1996 facts and figures

- Number of customers: 2 965 (2 520 were SMEs)
- Business volume: C\$22 billion
- EDC supports exports to 200 countries worldwide