

News Release

November 2, 1994

No. 220

GOVERNMENT AND BANKS WORKING TOWARDS BETTER SUPPORT FOR SME EXPORTERS

The Honourable Roy MacLaren, Minister for International Trade released today a report entitled *Servicing SME Exporters: Government and Banks Working Towards Better Support*. The report contains new measures to address the interests of small and medium-sized enterprises (SMEs) relating to access to export financing and information.

"This initiative is the result of an unprecedented consultation exercise with Canadian banks," Mr. MacLaren said. Banks have agreed to provide, through their extensive networks, information about help for exporters. They will also join forces with the Export Development Corporation (EDC) to provide enhanced support for SME exporters.

"This marks the beginning of a greatly expanded involvement of Canadian financial institutions in responding to the export interests of small and medium-sized enterprises," Mr. MacLaren added.

The initiative originates from a meeting called by Mr. MacLaren on May 6, 1994, involving the Minister of Finance, the Minister of Industry, financial institutions, and EDC. At that meeting, all parties were challenged to set objectives to enhance access to financing and support to SME exporters.

As a result of this meeting, a joint SME Action Plan was developed focusing on three areas where support to exporters needed improvement: access to information, short-term financing and medium-term financing. The specific measures to address these SME interests are detailed in the report released today.

The measures range from the publication of a *Road Map to Exporting and Export Finance* to the development and testing by the banks of a new EDC program to increase operating lines of credit for smaller exporters against their foreign accounts receivable.



"SMEs are critical to Canada's economic growth," noted Mr. MacLaren. "I welcome this new commitment by the banks. I encourage them to pursue all efforts to meet the objectives of the SME Action Plan. The involvement of EDC and financial institutions is essential if we are to help SMEs realize their job- and wealth-creating potential through exporting."

- 30 -

For further information, media representatives may contact:

Media Relations Office
Department of Foreign Affairs and International Trade
(613) 995-1874