



MEXICO

Export Development Canada
International Business Development Group

June 2009

Facilitating Canadian Trade



- ▶ EDC is Export Development Canada (Exportation et développement Canada) Canada's official export credit agency (ECA).
- ▶ EDC helps:
 - ▶ Canadian firms complete international sales,
 - ▶ foreign buyers purchase Canadian goods & services and,
 - ▶ Canadian firms invest with confidence
- ▶ Founded in 1944, EDC is owned by the Government of Canada and operates as a commercial financial institution. EDC is AAA rated.

2008 Performance Highlights

- ▶ Facilitated \$85.8 billion in exports and international investments in up to 200 markets around the world, a 23% increase over 2007
- ▶ Nearly \$22 billion of EDC's business was in emerging markets, up 31% over 2007
- ▶ Served 8,312 customers (82% were small medium exporters)
- ▶ EDC increased the number of its transactions in support of Canadian direct investment abroad by 16% in 2008
- ▶ The business EDC helped generate 4.4% of Canada's GDP and supported 572,000 jobs
- ▶ EDC's business undertaken in partnership with financial institutions increased by 20 per cent in 2008, for a total of \$14.1 billion in support of 4,450 transactions.

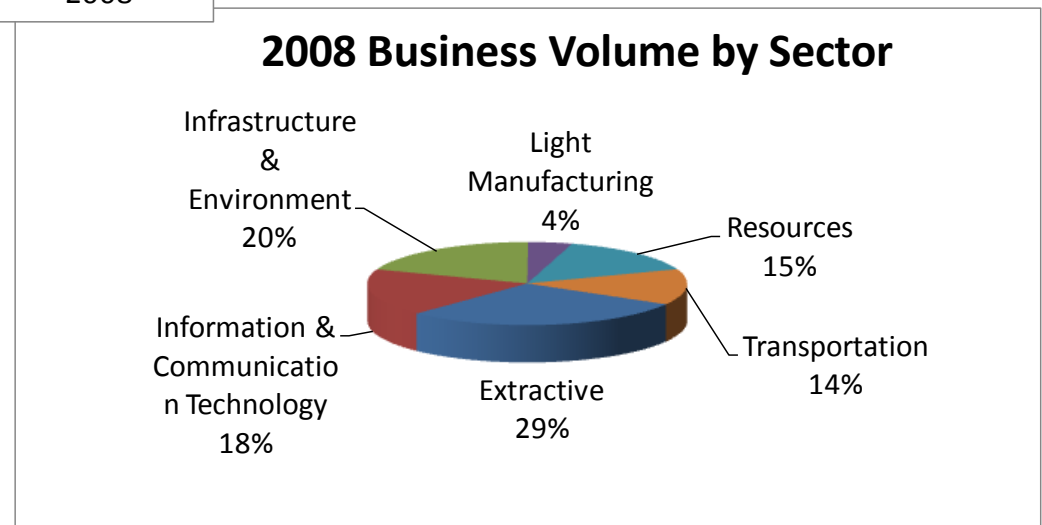
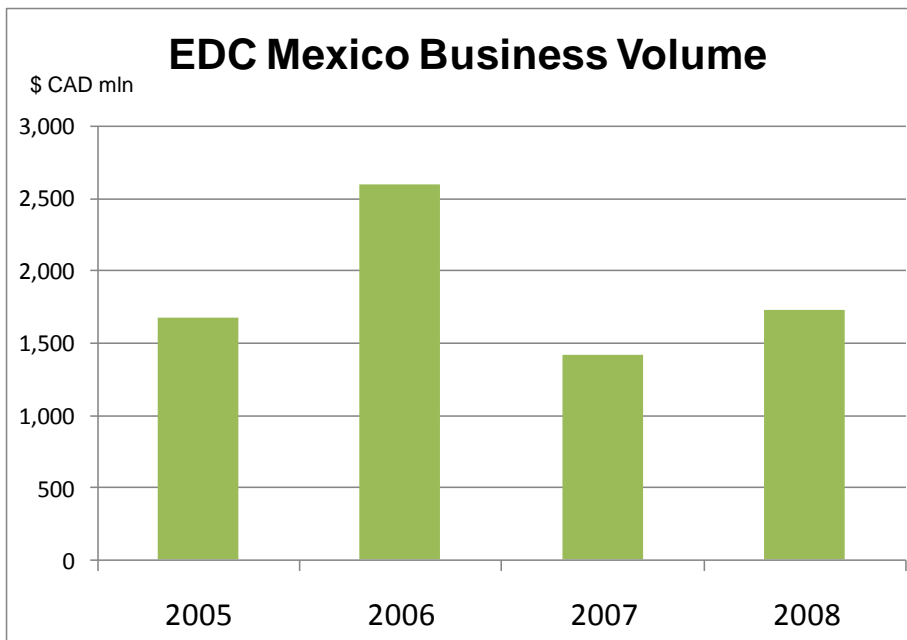
- ▶ Account Receivable Insurance (ARI)
- ▶ Bonding Services (CIB)
- ▶ Financing
- ▶ Political Risk Insurance (PRI)
- ▶ Equity

EDC and Mexico

- ▶ Mexico is a priority market for Canada and EDC
- ▶ Mexico is EDC's one of the most important markets in terms of business volume. In 2008, EDC support in Mexico has totalled more than CAD\$ 1.7 billion.
- ▶ Recognizing the opportunities to build on its business in Mexico, EDC established direct representation in Mexico city in April of 2000, and a second representation in Monterrey in October 2002.



EDC Business Metrics



Automotive – Mexico Sector of Opportunity

▶ Why?

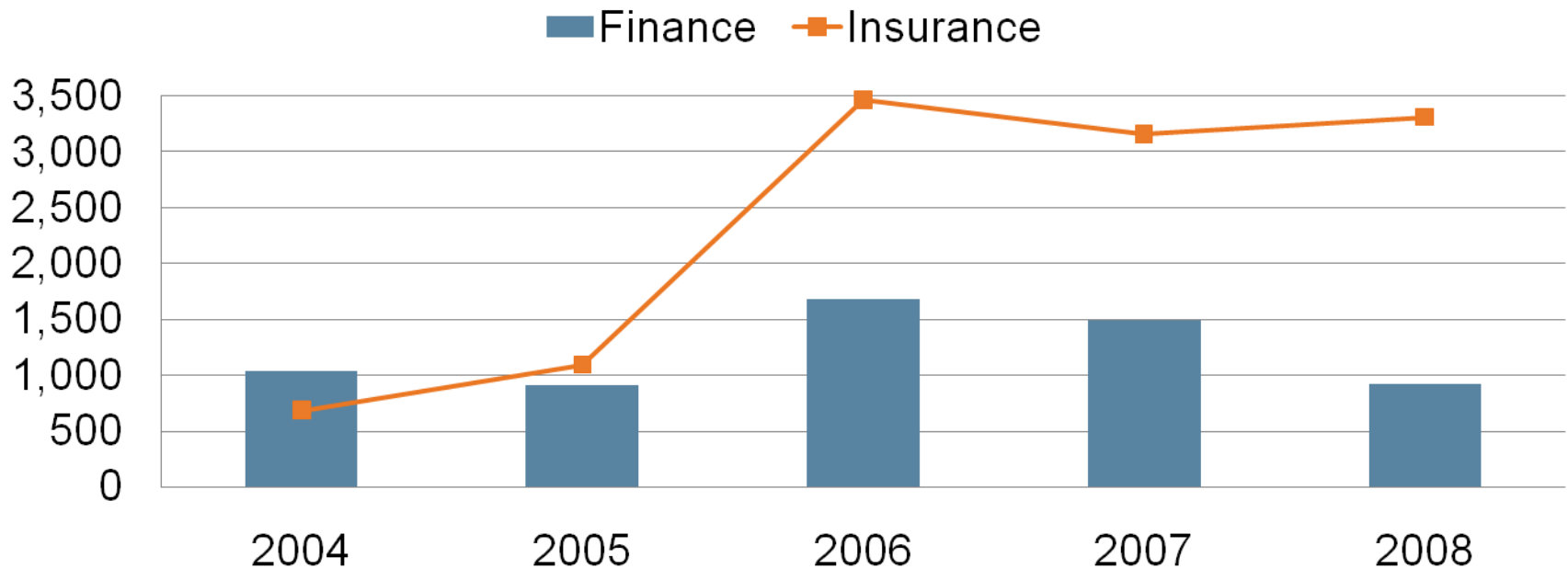
- ▶ Proximity to the US – largest destination
- ▶ Approximately 40 Free Trade Agreements – ideal manufacturing location
- ▶ Lower labour costs
- ▶ Strong OEM presence in Mexico

Auto parts manufacturers of Canadian origin represent 5% of all international auto parts manufacturers in Mexico.



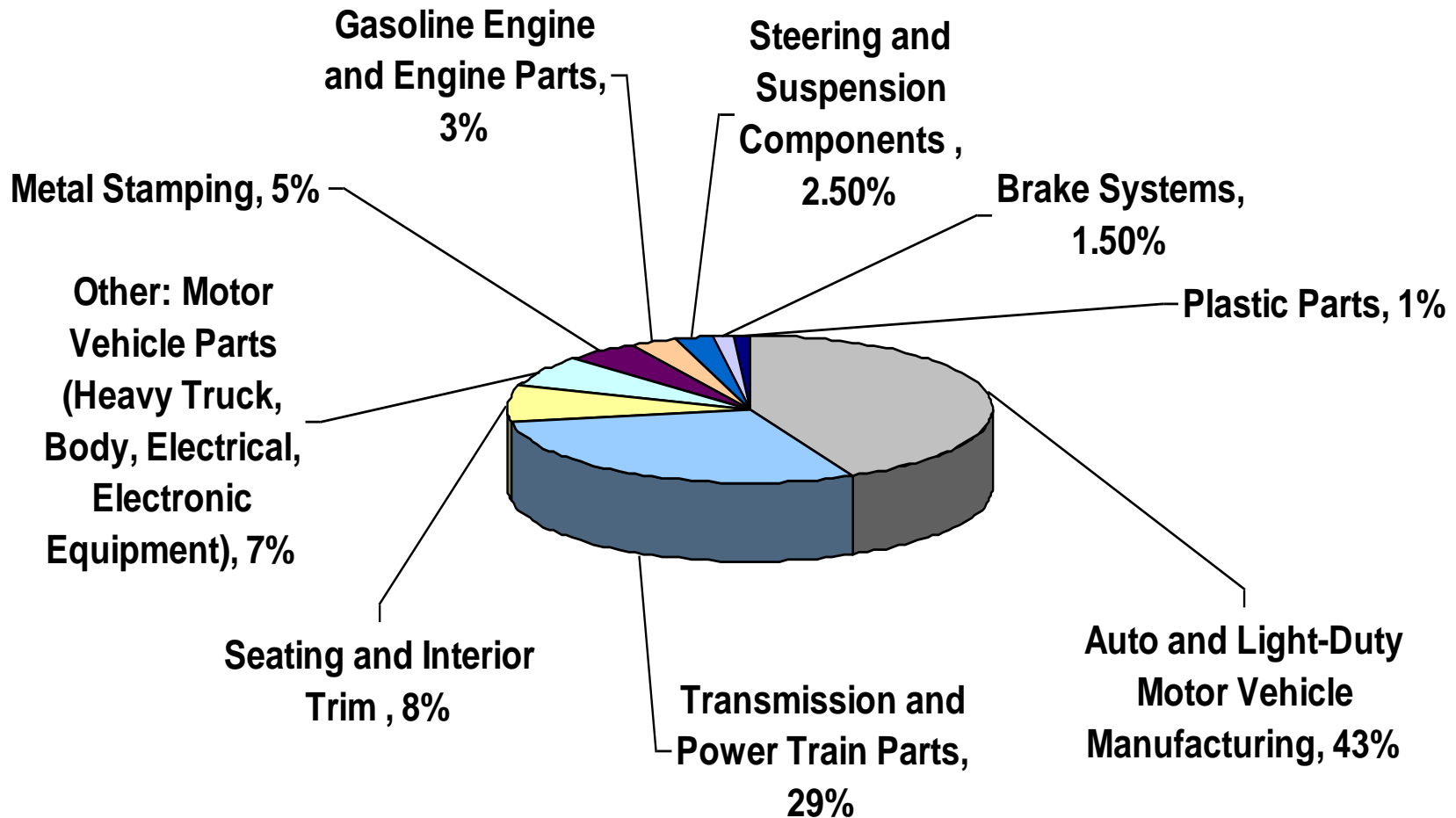
EDC and the Automotive Sector

2004 to 2008 Evolution of EDC's Automotive Volumes



- ▶ Automotive customers served rose from 478 in 2007 to 595 in 2008
- ▶ EDC support as a percentage of automotive exports rose in 2008 vs. 2007

Canadian Auto Exports to Mexico in 2008



EDC Offerings in Mexico

▶ Financing

▶ Scotiabank Mexico Master Guarantee

- EDC guarantees up to 75% of the loan amount to a maximum of \$5 million
- To supports export contracts or facilitate Canadian capacity
- May be provided in US dollars or Mexican pesos.

▶ Pull Strategies

- Financing facilities to promote future Canadian supply
- Ability to introduce new Canadian supply to Mexican companies
- Current “Pulls” in Mexico Auto: Metalsa, Nematik & Navistar

▶ Accounts Receivable Insurance

- ▶ EDC is now able to provide this program to affiliates of Canadian companies in Mexico through a partner agreement with Atradius Seguros



▶ Political Risk Insurance

- ▶ Insure your assets in Mexico
- ▶ Protect your contract by insuring your sovereign buyer against non payment.

▶ Contract Insurance and Bonding

- ▶ To help Canadian companies meet bonding requirements of Mexican buyers
 - Bid bonds
 - Performance bonds

EDC - Mexico

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