



# After the perfect Storm: Competitive Forces Shaping the Auto Industry

Supporting the (Canadian) Supply Base

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# Outline

- ▶ About EDC
- ▶ EDC's Role
- ▶ Canadian Auto Sector
- ▶ EDC Support to Canadian Auto Sector
- ▶ How EDC Facilitates Innovation
- ▶ Government support programs for R&D

# About EDC

- ▶ Canada's Export Credit Agency
- ▶ Crown corporation wholly owned by Government of Canada
- ▶ Financially self-sustaining
- ▶ Operates on commercial principles



# EDC's Role



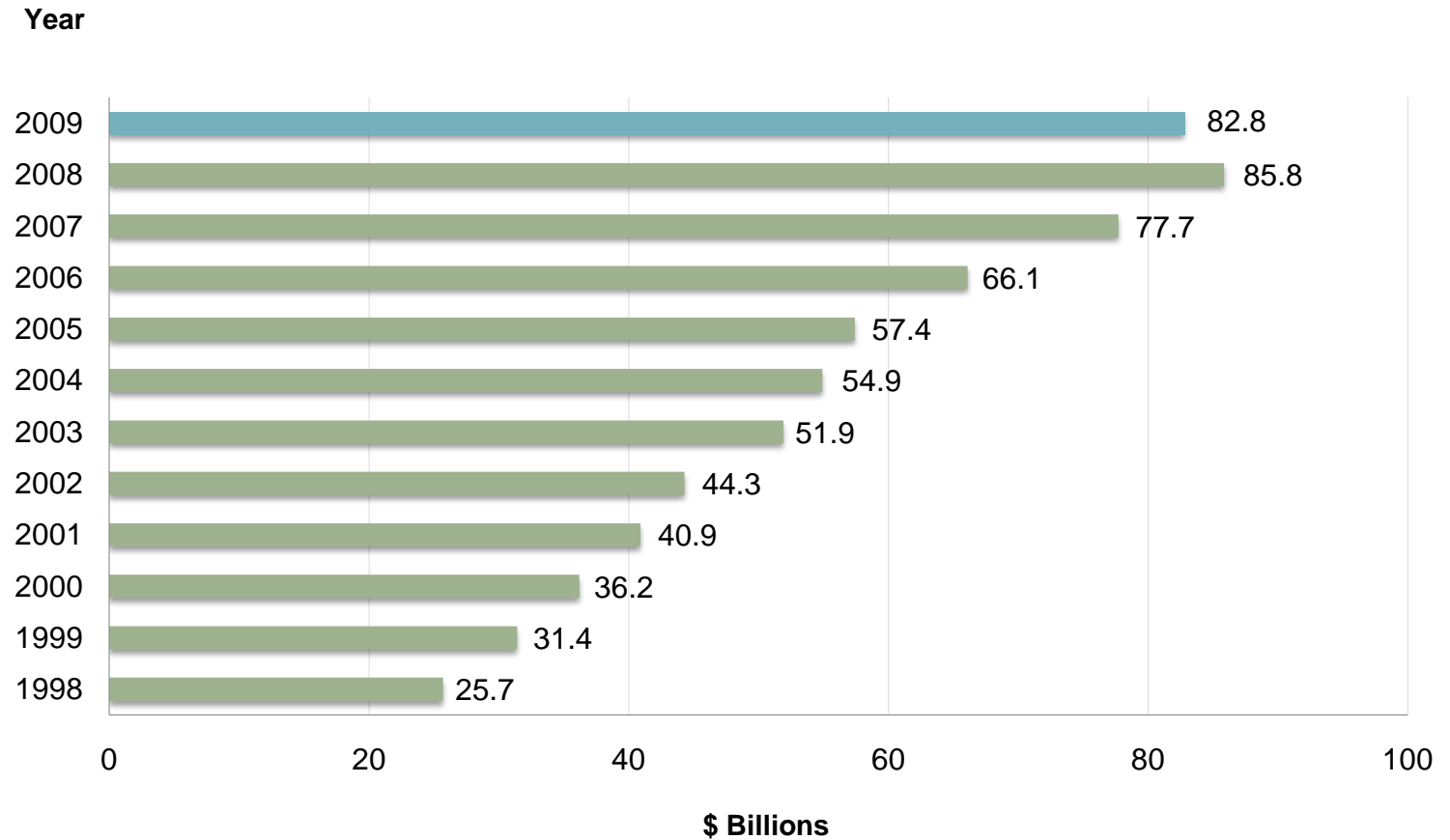
- ▶ To support and develop Canada's export trade and international business efforts
- ▶ Financing and insurance solutions for Canadian exporters and investors

# 2009 Performance Highlights



- ▶ Supported a record volume of direct and indirect Canadian exports amounting to \$83 billion
- ▶ Served 8,500 customers
- ▶ Supported business in 190 countries
- ▶ \$19 billion in emerging markets
- ▶ Contributed to 5.0% of GDP, supporting 642,000 jobs

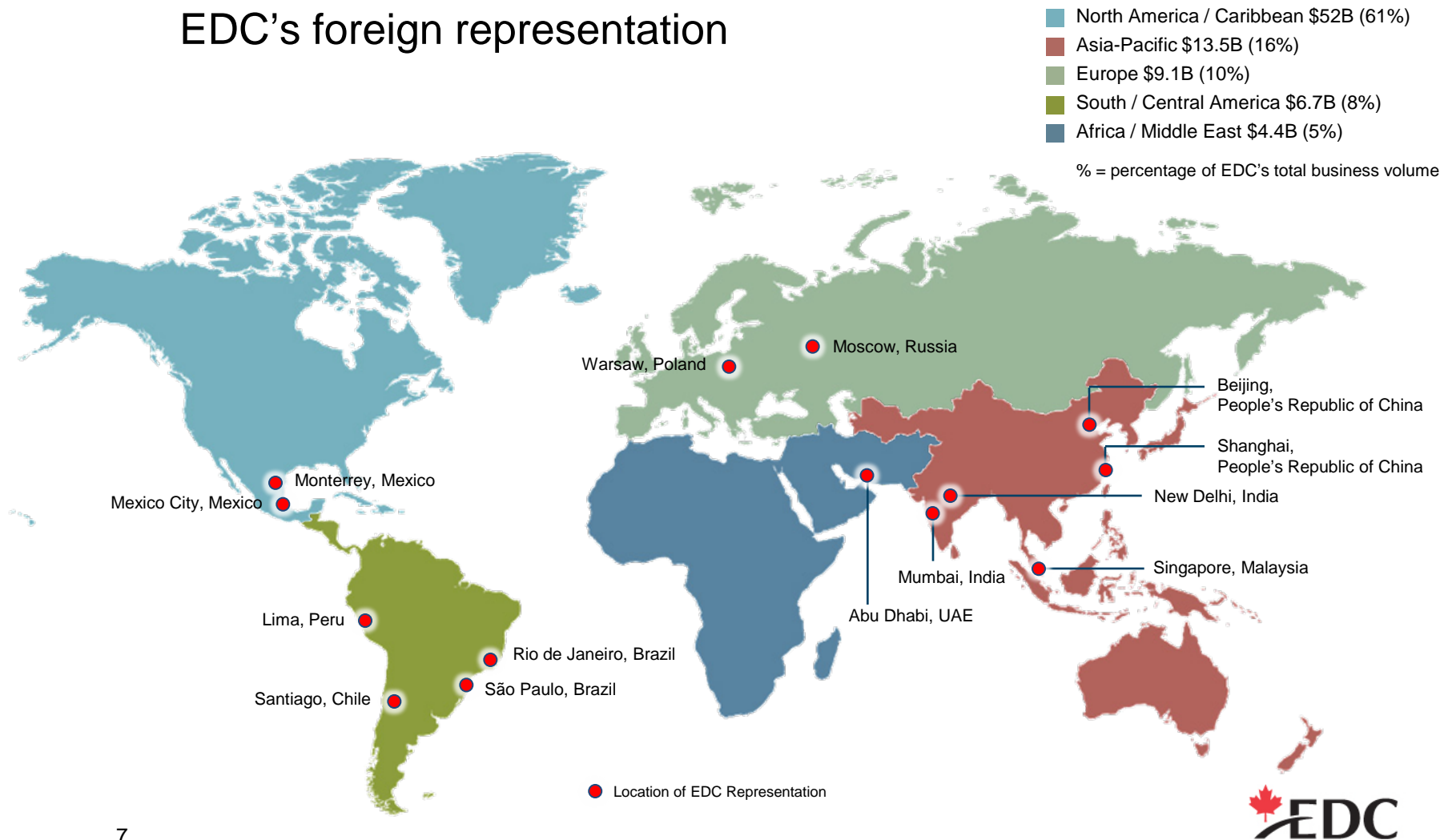
# Business Growth



EDC supported \$82.8B in volume, despite a 24 per cent decline in Canadian exports in 2009.

# Supporting Business Worldwide

## EDC's foreign representation



# Connecting with Canadian Businesses Across Canada

- ▶ 16 offices across Canada
- ▶ Able to respond locally to Customer Needs







# The Canadian Automotive Industry & EDC's Role

# Canadian Automotive Supply Chain

- ▶ Extensive automotive history
- ▶ Strong OEM presence
- ▶ Diverse parts supply base
- ▶ World-class TDM industry

# How does EDC support the Sector?

## ▶ Risk Mitigation

- Receivables Insurance
- Contract Insurance and Bonding
- Political Risk Insurance

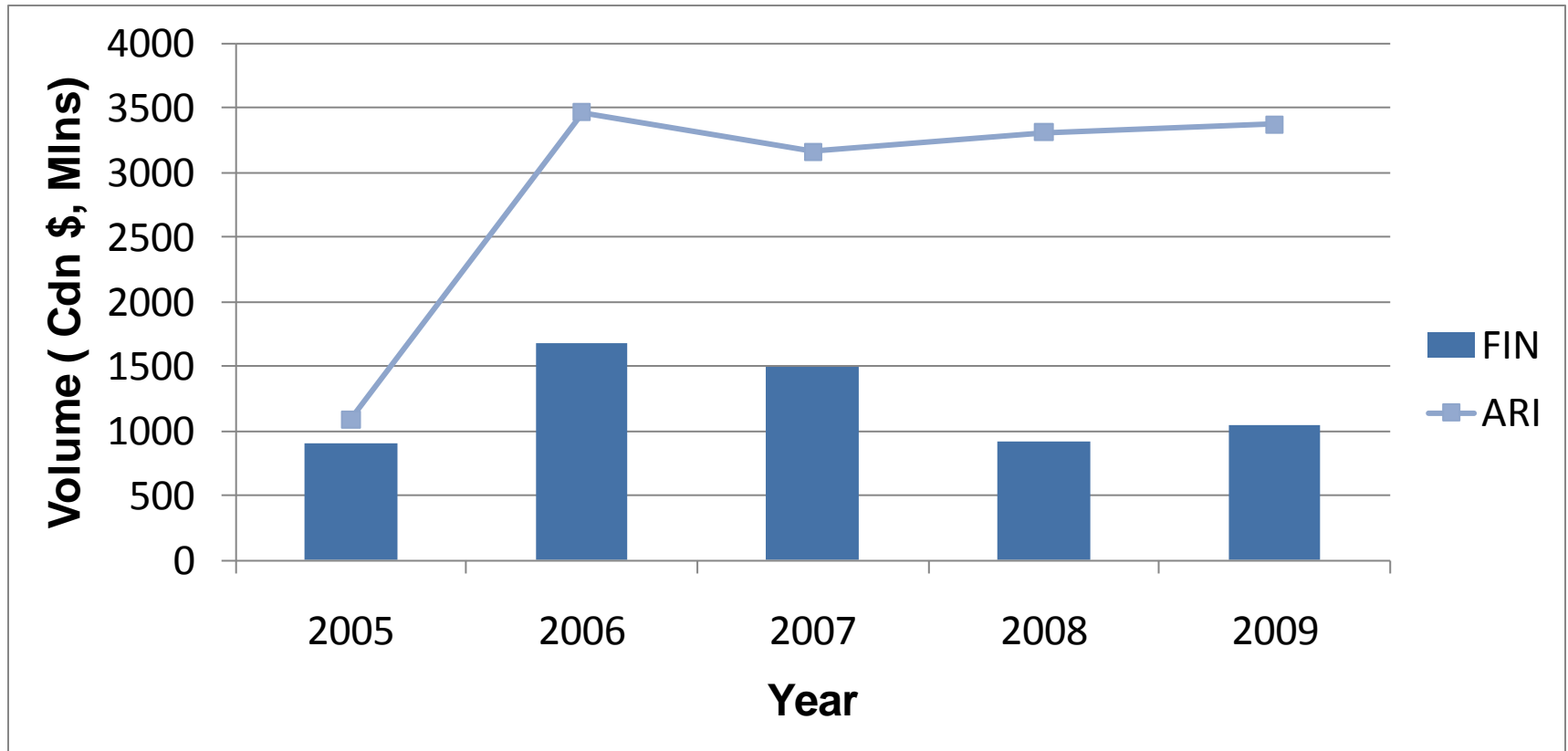
## ▶ Exporter Credit Capacity

- Working Capital Guarantees
- Syndicated Loans

## ▶ Buyer Credit Capacity

- Loans, Project Finance, Syndicated Loans

# EDC's Support of the Canadian Auto Sector



# EDC Support of the Auto industry

## Financing

- Working capital support for Canadian exporters
- Support to enable foreign expansion
- Buyer financing for purchase of Canadian goods

## Insurance

- Support for sales of parts, tools, and molds
- Support for foreign affiliates of Canadian companies

## Market Services

- Leveraging buyer financing to engage in matchmaking missions

# EDC- Facilitating Innovation

## Supply Chain Support

- Programs for all levels

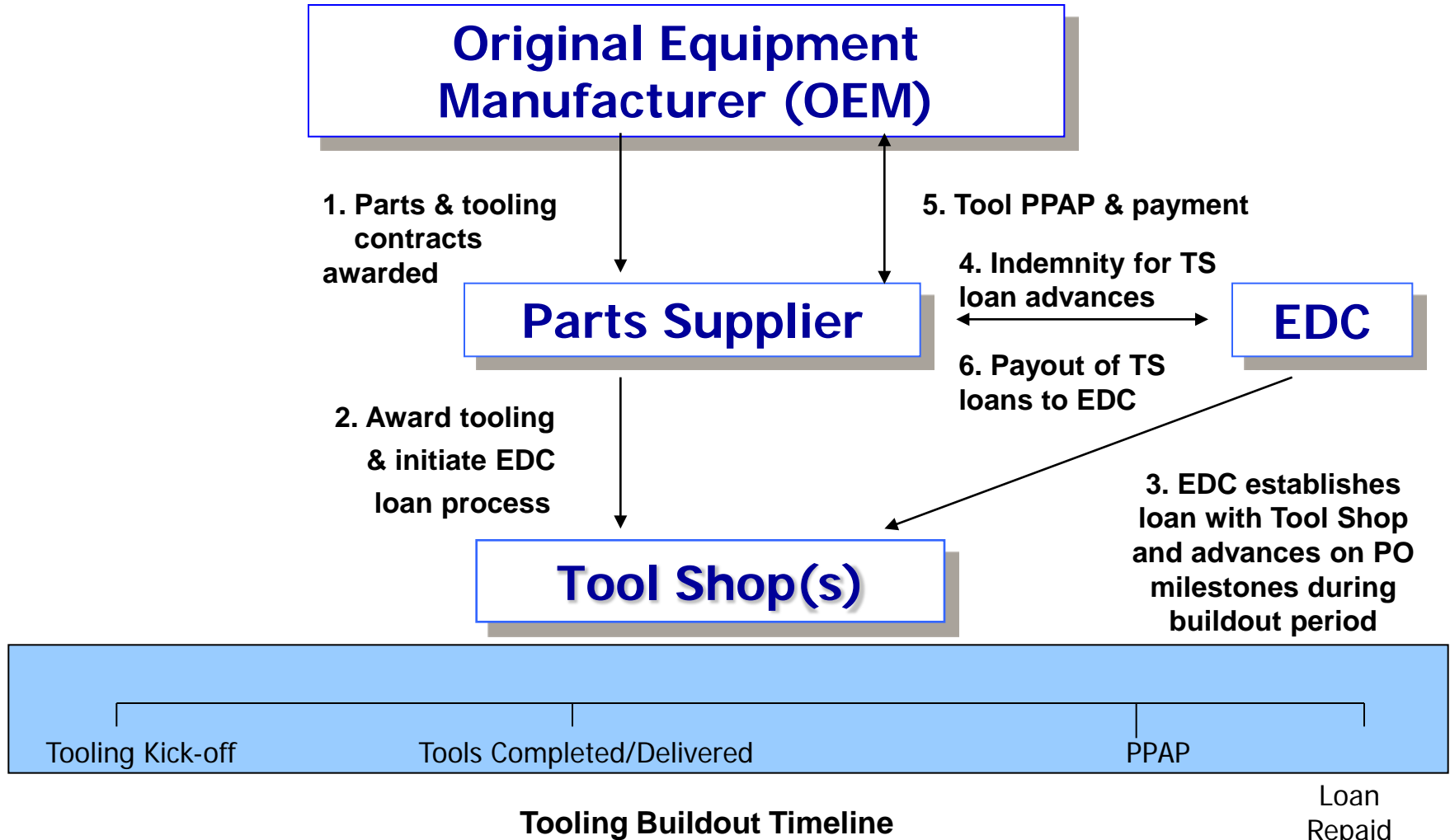
## Unique Products

- Tooling Facilities
- Bank guarantees
- FX guarantee

## Partnering for Success

- Banks
- Government
- Industry

# Revolving Tooling Buildout Facility



# Government of Canada Innovation Programs

- ▶ The Government of Canada offers a number of programs to support innovation in the supply base, including:
  - ▶ AIF - Automotive Innovation Fund
  - ▶ SR&ED - Scientific Research & Experimental Development Program
  - ▶ IRAP - Industrial Research Assistance Program
  - ▶ CETC - CANMET Energy Technology Centre
  - ▶ AUTO21- Automotive Network of Centres of Excellence



# Summary

- ▶ EDC is a Canadian Crown Corporation established to support Canadian Industry in the global marketplace
- ▶ EDC is a key supporter of the Canadian Auto Industry
- ▶ Innovative financing solutions are a contributor to technical innovation
- ▶ The Government of Canada offers a number of programs that complement EDC support and contribute to technical innovation in the supply base

# Questions/Comments

- ▶ Export Development Canada

[www.edc.ca](http://www.edc.ca)

[www.edc.ca/automotive](http://www.edc.ca/automotive)

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