

Facilitating Trade and Investment with India

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Export Development Canada

EDC – Facilitating Canadian Trade

- EDC is Export Development Canada (Exportation et développement Canada) **Canada's official export credit agency.**
- Founded in 1944, EDC is a **Crown corporation** that operates as a commercial financial institution
- Mandate :
To support and develop, *directly or indirectly*, Canada's export trade and Canadian capacity to engage in that trade as well as to respond to international business opportunities.

2005 Achievements Highlights

- Supported **\$57.4 billion** (12% of Cdn merchandise exports) in exports and international investments in more than 171 markets around the world
- Supported **\$13.3 billion** in 137 developing markets
- Served **6, 828 customers** (of which 6,203 were SMEs)
- Supported **132 Cdn companies** selling to or investing in India for a business volume of **CAD \$375 million**

How can EDC help Canadian firms facing the challenges

1. Account Receivable Insurance (ARI)

- Credits insurance to exporters
- Protection against the non-payment of their buyers for a variety of commercial or political reasons

2. Bonding Services (CIB)

- Wide variety of instruments to support bid bonds, performance bonds and warranty bonds

3. Financing (FIN)

- Based on corporate risk, sovereign risk and project risk
- Pre-export financing for exporters

4. Political Risk Insurance (PRI)

- Private sector investments and loans
- Can be provided to equity investors and/or banks

Transformation in the Indian Business Environment Since 1991

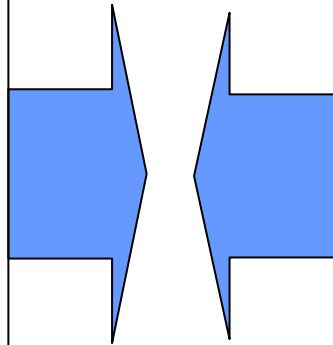
- **Progressive economic reforms**
- Dynamic, strong, and growing **private sector**
- **Services led growth**
- Sound and stable **banking sector** and well developed capital markets
- **Indian firms are going global** –Reliance, Tata, Birla, Larsen & Toubro, Infosys, etc.
- One of the **most attractive** foreign investment destinations

The private sector is the engine of growth

Business Drivers for Canadian Companies in India

Accelerators

- Strong private sector
- Cost-competitiveness of labor for services
- Cost of operations – 37% lower than China
- English language
- Legal system
- Highly skilled labour
- Liberalization and market reforms
- Developed capital markets
- Offshore outsourcing centre

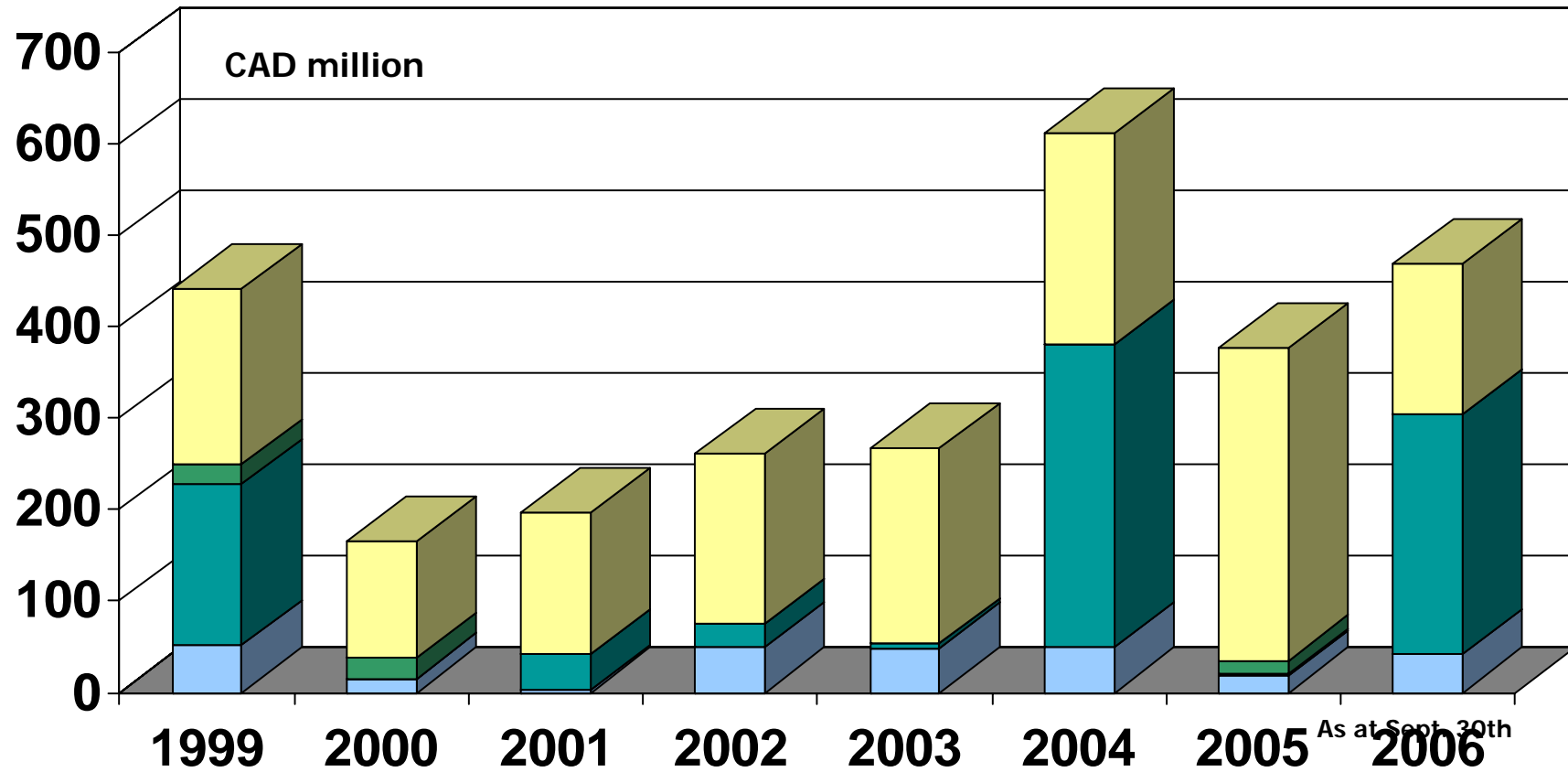


Decelerators

- Knowledge barriers
- Bureaucracy of public sector
- Price sensitivity – buyer's market
- Up-front cost to develop relationships
- Inadequate Infrastructure
- Onerous labour regulation
- Risk of slowing reforms

Achievable business potential

EDC Business Volumes in India

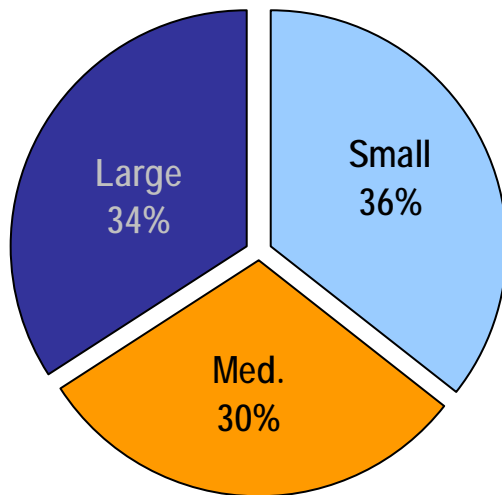


Contract and Bonding Insurance Financing Political Risk Insurance Short-Term Insurance

EDC Indian Portfolio

132 Cdn companies supported in 2005 in relation to the Indian Market
of which 36 were in the ICT sector

2005 Company breakdown



Product Type

Account Receivable Insurance (ARI)	99 companies
Contract Insurance & bonding (CIB)	39 companies
Financing (FIN)	2 companies
Political Risk Insurance (PRI)	1 company

Key sectors of support

(by # of companies) include:

- **Telecom**
- **Advanced Technology**
- Base & Semi Manufactured Goods
- Energy
- Machinery & Equipment

Companies Supported Include (2005):

- Bowater Incorporated (FO)
- Canpotex Ltd (BS)
- Precision Drilling Corp (EN)
- Aker Kvaerner Chemetics (ME)
- Research In Motion (AT)
- Nortel Networks Ltd. (TE)

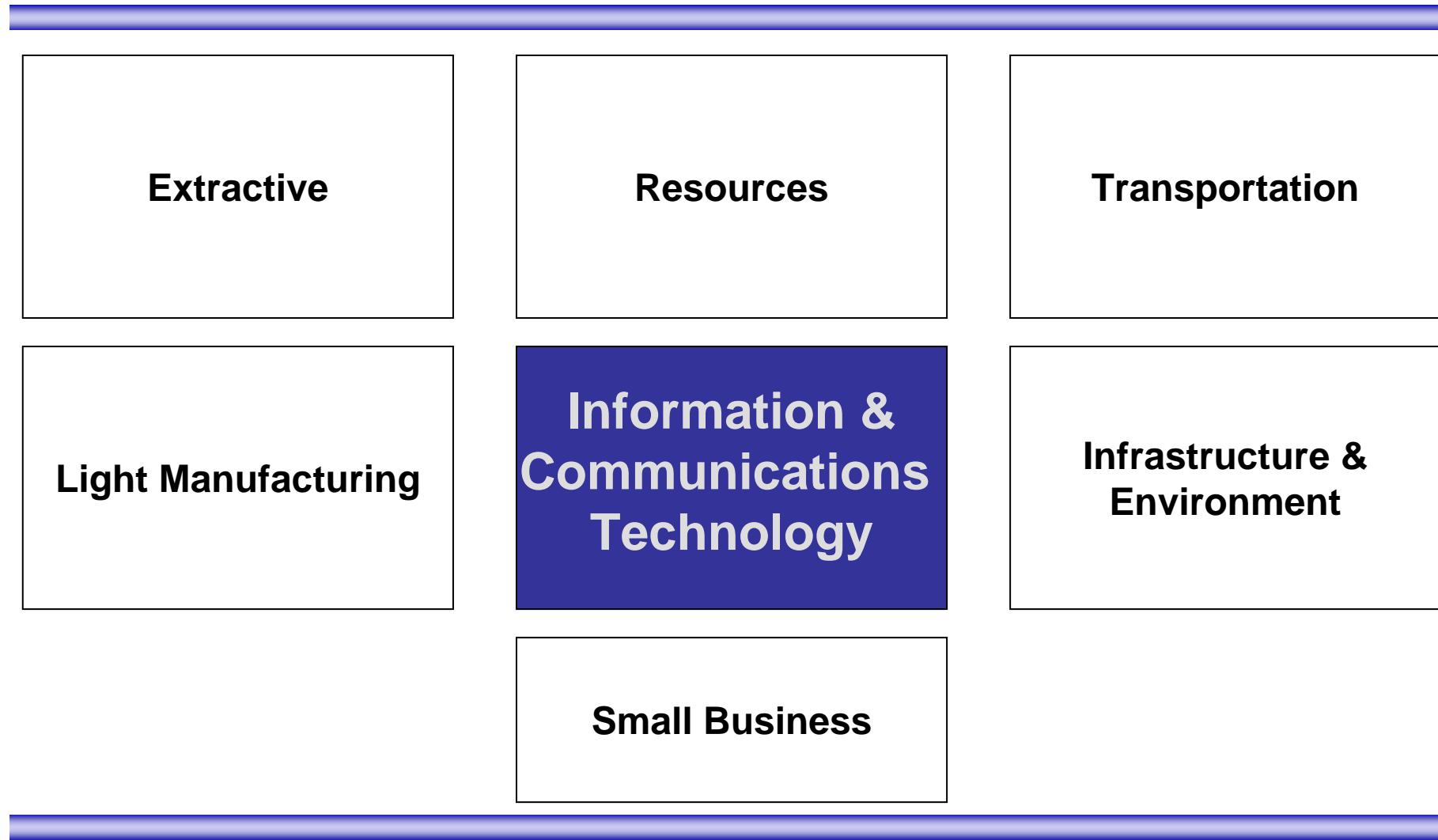
Recent Financing Scoreboard

Indian Corporate	Canadian Exporter/Beneficiary	CAD \$Value (mlns)
Tata Steel	Various	48.5
SREI Infrastructure	Various	\$20.0
Essar Steel	Various	\$16.7
VSNL	Purchase of Teleglobe	\$83.7
Lunarmech	Husky	\$0.7
Reliance Energy	Various	\$56.5
Tata Motors	Various	\$22.3
Bharti Airtel Ltd	Ericsson	\$55.8
GTL	Nortel	\$16.74
TOTAL (Year to Date)		CAD \$ 320.9 Mln

EDC's On-the-Ground Representation

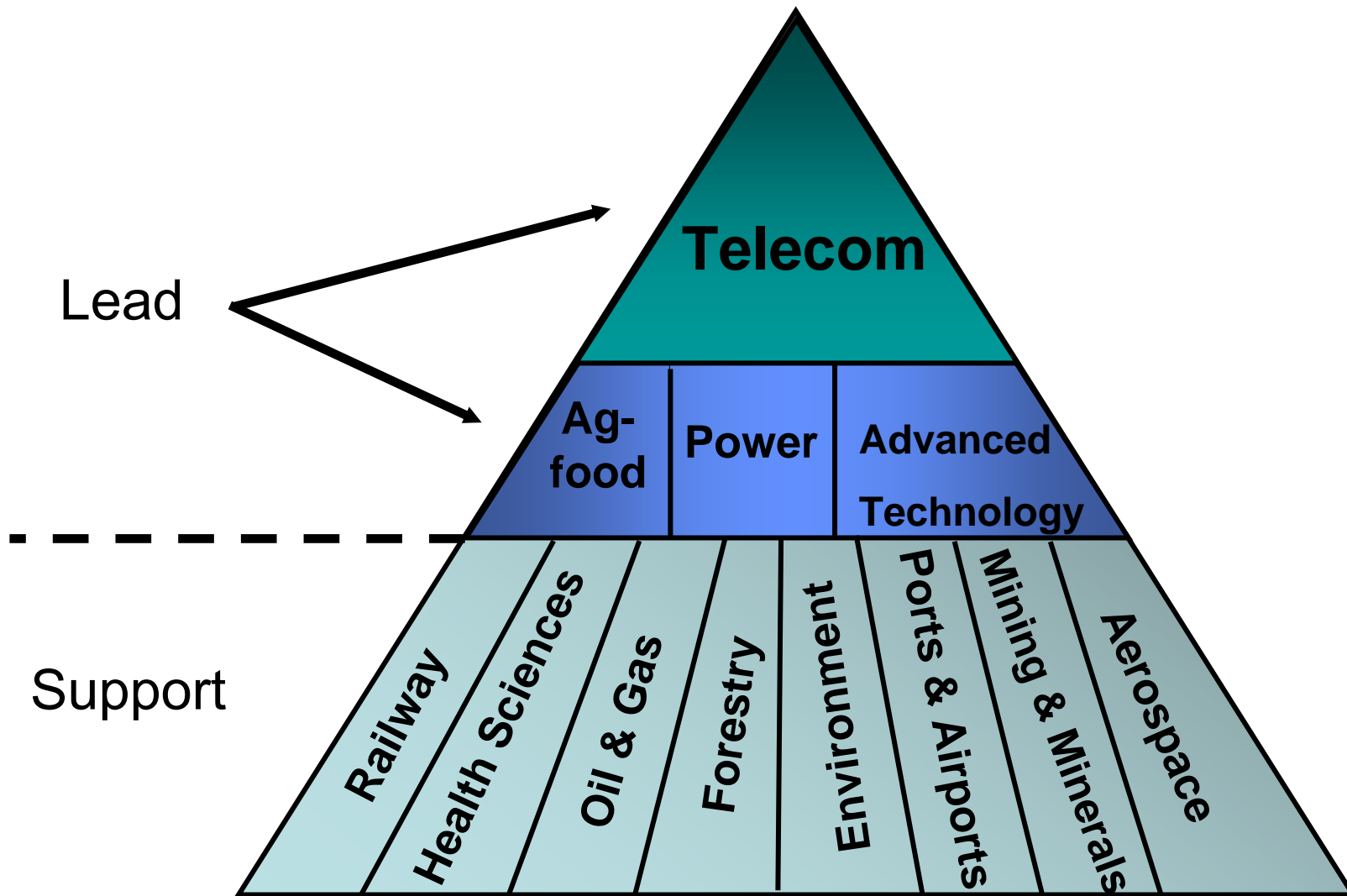
- EDC has a **local presence in India** and has maintained and developed its relationships through our **Chief Representative, Peter Nesbitt** who has been in New Delhi since April 2005
- **Promote the partnership approach** with fellow Cdn government colleagues and the Indo-Canadian community
- **Position** EDC as a strategic partner with key Indian companies (Pull Cdn suppliers to major Indian corporates)
- **Develop** local solutions for Canadian firms with a presence in India
- **Develop** partnerships with other financial institutions to share risks and broaden market coverage

Sector Business Development

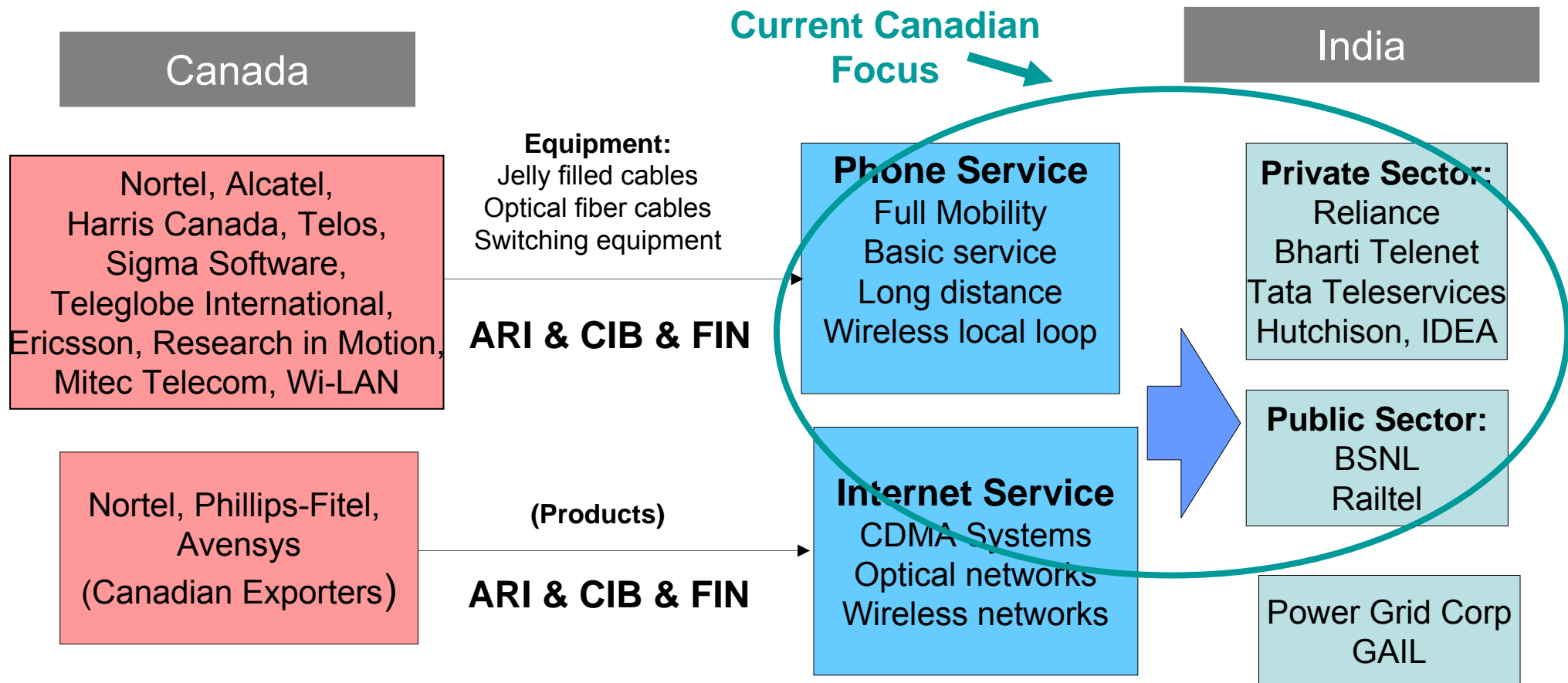


Account Management

Indian Industry Opportunities



Telecom Value Chain



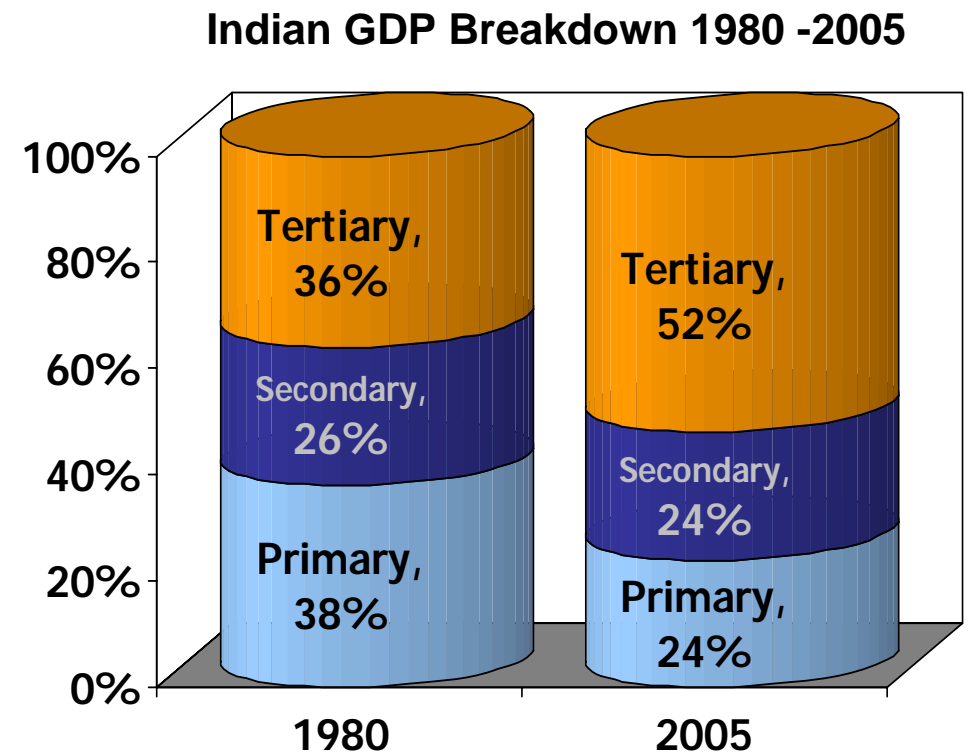
“Growth, growth, and more growth – that is our No. 1 priority.”

– Chairman of India’s Telecommunications Regulatory Authority

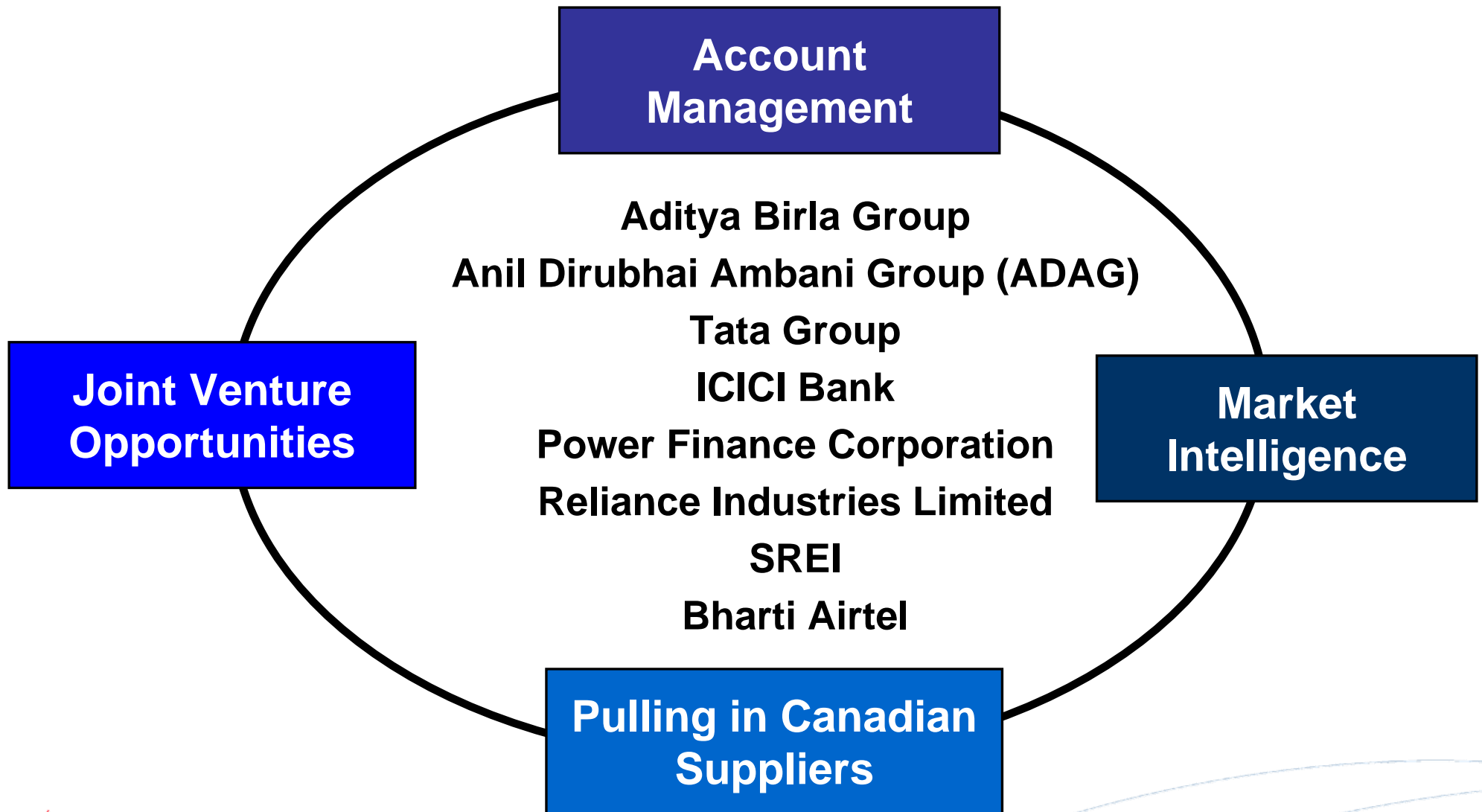
Services Sector

AN EMERGING SECTOR OF OPPORTUNITY

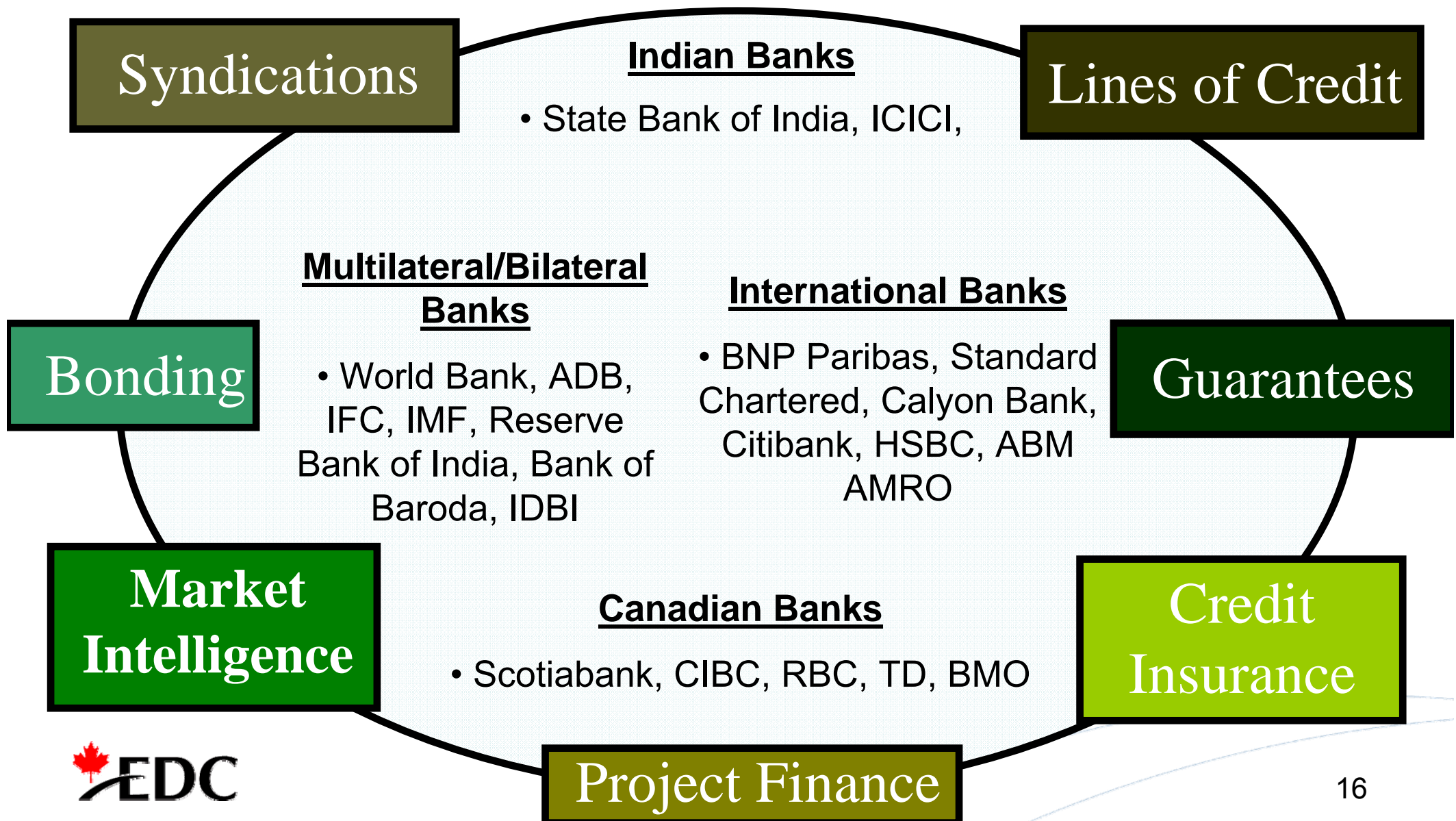
- Services represent a growing segment of Canada's trade with India. It is also a sector where India has acquired a competitive advantage for the outsourcing and offshoring of software development, call centres and engineering, which could be woven into Canadian firms global supply chains.



Key Targeted Buyers/Borrowers



Multi-faceted Financial Partnerships



EDC Value Added Support from India

- **Develop key relationships** with targeted creditworthy buyers
- Brief exporters on the ground regarding **perceived risks and how to mitigate them**
- Offer on the ground **market intelligence** relating to sectors, projects, buyers
- Provide advice regarding **appropriate credit terms**
- Meet with **key buyers and government agencies** to resolve issues
- Assist EDC Sector Teams in **closing of transactions**
- Provide **key intermediary contacts** (bankers, lawyers, tax specialists, etc.)

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Interested in getting more info ?

**Get the New EDC Publication:
“Exporting To India, A Guide For
Canadian Businesses”**

Or a Copy of Today’s Presentation

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