



EVOLVING WITH THE CHANGING NEEDS OF EXPORTERS

Submission to the 2018 Legislative Review of Export Development Canada
October 2018

EXECUTIVE SUMMARY

International trade is a driver of Canada's economic growth and prosperity. But the Canadian trade ecosystem is at a crucial point. Global markets are teeming with competition, complexities and new risks abound, and sustained success in global commerce is an unprecedented challenge for Canada's exporters.

In the face of this challenge, the Government of Canada has a robust trade agenda that calls for increased trade diversification, particularly to emerging markets, enhanced support for small and medium sized businesses (SMEs), and overall export growth of 30% by 2025.

For nearly 75 years, Export Development Canada (EDC) has played a key role in contributing to Canada's trade agenda. The 2018 Legislative Review of the Export Development Act provides an excellent opportunity for all those with an abiding interest in trade to focus on how EDC can continue to meet the needs of Canada's exporters and contribute to Canada's economic prosperity.

Understanding Exporters

In the decade since the last review, EDC has enhanced our role as a provider of financing and risk mitigation products, while also establishing ourselves as a foremost center of expertise in international trade. We have made substantial investments in research and product development and have worked with our customers to develop a more thorough understanding of exporters – who they are, how they get started, and what they need to succeed internationally. This understanding shapes the evolving franchise of EDC.

EDC is adapting its business strategy to remain relevant to exporters and have a greater impact on Canadian trade, while respecting our international obligations as Canada's export credit agency. We are reorganizing our planning and our deployment of skills, market understanding and business channels in ways that directly align with the challenges of exporters. In short, we are doing more to increase the number of Canadian companies that go, grow and succeed internationally by offering the best available knowledge, connections and financial solutions that meet the needs of Canadian companies.

Exporters are increasingly relying on EDC's expertise in trade, and our experience transacting in global markets and assisting Canadian companies successfully respond to international business opportunities. Knowledge and information are pre-conditions for exporting. Responding to the need for knowledge deepens EDC's relevance to Canadian companies, particularly to SMEs and new exporters. Facilitating the early success of exporters with our knowledge resources will ultimately result in greater demand for EDC's financial products and greater export growth for Canada.

Evolving to Meet Exporter Needs

Our traditional financing, insurance and working capital solutions have evolved to meet more complex exporter needs and to better serve Canadian SMEs. EDC is continuously adapting our programs and risk appetite to address the challenges faced by exporters and to increase our responsiveness to SMEs. We intend to continue substantial investment in our digital platform and in the creation of new digital solutions for our customers. This investment is necessary to ensure EDC's long-term sustainability and our relevance to exporters.

Today, EDC not only supports the existing business of our customers, we also proactively create new opportunities for trade by providing the knowledge, connections and financial solutions to accelerate the success of Canadian exporters and generate enduring prosperity for Canada. EDC's "trade creation" activities go beyond the current transaction flow to a more proactive identification of new opportunities in international markets or specific sectors where Canada has a competitive advantage.

EDC has developed a substantial Corporate Sustainability and Responsibility (CSR) strategy that considers the social and environmental impacts of every business decision. With an understanding that strong practices in social and environmental responsibility are drivers of innovation and sustainable business, EDC strives to balance diverse priorities by integrating principles of sustainability and good governance into our strategic framework.

Prospects for Canadian trade are bright, as recent trade agreements will open up significant opportunities for exporters (particularly in Europe and Asia) and have a sustained positive impact on trade growth. To help Canadian companies take advantage of these opportunities, EDC understands the importance of partnership and collaboration with all key stakeholders across the trade and business landscapes.

The Trade Commissioner Service (TCS) is EDC's closest partner in trade and our work together has been substantially upgraded to provide better coordinated service to Canadian exporters. Partnership with the private sector also remains a core tenant of EDC's business. EDC is investing in an expansion of our partnership business through the establishment of dedicated teams, like our Bank Channel team, which will enable significant enhancement of our service to exporters through the implementation of a national partnership strategy based on customer input and clearly defined goals.

The View Forward

The 2018 Legislative Review will look beyond the challenges of today to examine the evolving needs of Canadian companies and the ability of EDC to contribute to Canada's trade priorities in the years ahead. This examination will serve the public interest by ensuring a resilient, adaptable EDC that is well-positioned to leverage its mandate and maximize success for Canadian exporters. In terms of EDC's legal framework, we believe that a small number of regulatory changes – described in our Submission - could provide better flexibility and clarity to Canadian companies.

Over the past decade, Canadian companies have called on EDC to do more to assist in bringing their capabilities and expertise to the world. While we expect the decade to come to prove challenging to exporters, we believe that our mandate and our corporate vision for the years ahead will position us to remain a relevant partner in trade and to continue to deliver results for Canada.

For more information about the Legislative Review visit:
www.edc2018.ca



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