## Introduction

Last week the Globe and Mail reported that Mark Carney, in his final speech as Governor of the Bank of Canada, said that faster economic growth will depend on business investment and export growth. He stated that exports should be $130 billion higher now if the trajectory of previous recessions is a guide, and that the central bank expects business investment to remain below average.

In the previous *Spotlight on Cleantech* we discussed the contributions of small and medium-sized enterprises to Canada's exports. Canadian SMEs have proven that they can deliver $84 billion on non-resources exports annually [i], as was the case before the disappearance of liquidity during the global financial crisis and the loss of more than 10 years of export gains by SMEs, including rising exports during the appreciation of the Canadian dollar starting in 2003.

Canadian clean technology companies are accomplished exporters, with 48% of industry revenues being derived from exports and 44% of these exports being to countries other than the US.  Estimated exports for the clean technology industry were $5.2 billion in 2011, approximately 9% of 2010 SME non-resources-related exports. We forecast that the industry will deliver between $10.6 and $17.5 billion in exports by 2015, a doubling or tripling of 2011 exports. To put this in context, in a recent speech Minister of Natural Resources Joe Oliver stated that hampered access to markets for Canadian oil caused a $20 billion shortfall in Canadian exports.

We also stated our view that financing vehicles enabling international procurement are critical to clean technologies export growth. In this edition, Export Development Canada (EDC) outlines its pull credit facility with multinational corporations as such a vehicle to promote trade.

Best regards,

Céline Bak

[i] SME non-resources related exports includes transportation and equipment and excludes wholesale exports. Data sources from Chief Economist Office, Department of Foreign Affairs and International Trade


# Spotlight on Cleantech

analytica advisors

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## EDC Pull Facility: Enabling Clean Technology Exports and Procurement

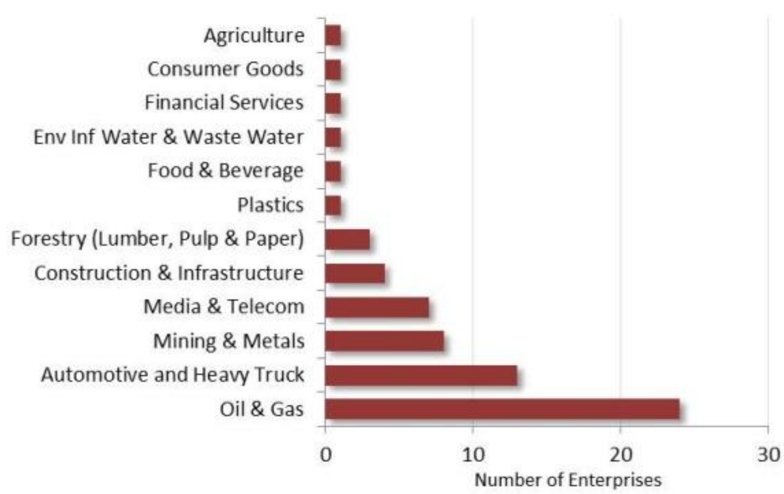
In 2012, EDC formally launched its clean technology commercialization strategy, specifically to aid financing of earlier stage companies. As a result, EDC facilitated transactions for 212 companies in the cleantech space last year, up from 135 in 2007.

To date, EDC has focussed on established Canadian companies with commercially proven technologies in subsectors such as alternative fuels, water, wastewater treatment, lighting, wind and solar. Going forward, EDC will still continue to assist mature clean technology firms and technologies through its standard processes and criteria. However, in order to help develop new trade opportunities for Canada, the corporation will now also focus on relatively young clean technology firms access to vitally important lending and insurance solutions and trade expertise to help them grow. And now, these young companies also benefit from EDC Pull Facilities.[i]

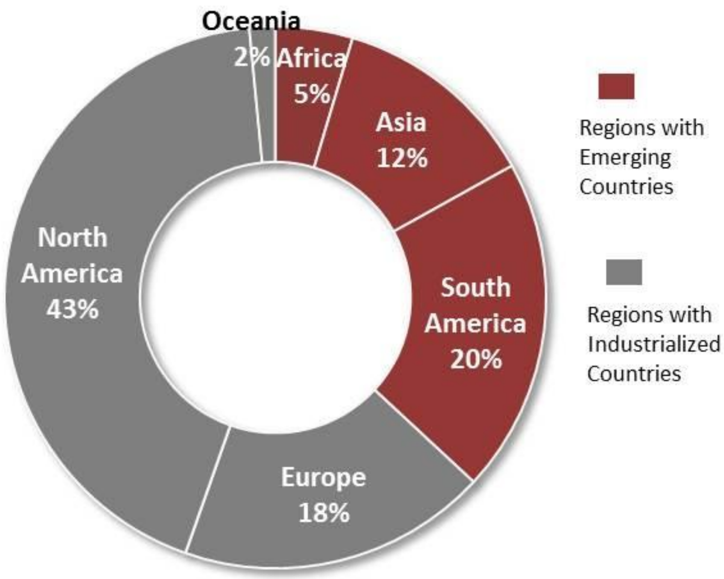
A pull credit facility is a loan that EDC makes to a foreign buyer in advance of, or in addition to, existing Canadian supply and services to that buyer. Through its participation in these international financing facilities, EDC is able to leverage its financial capacity towards raising awareness of Canadian suppliers and making introductions to senior procurement decision makers. With EDC financing in place, these companies will take a closer look at potential Canadian suppliers when buying goods and services internationally. Over time, these foreign companies tend to purchase more than the amount of the original loan. This provides opportunities for many Canadian exporters to access these companies and their projects in a more efficient manner.

Currently, EDC has negotiated pull facilities with 65 large enterprises, including subsidiaries, in 19 countries and a wide range of industries. As shown below, 24 (37%) of these enterprises are headquartered in emerging markets. Mirroring Canada's export weightings, over a third of these enterprises are concentrated in the oil and gas sectors, followed by transportation-related sectors, mining and metals, and the media and telecom sectors.

**Enterprises with EDC Pull Facilities by Industry**



**Enterprises with EDC Pull Facilities by Region**




Source: Analytica Advisors; Data: EDC

In the clean technologies space specifically, EDC recently signed a pull credit facility with China Everbright Environmental Energy Limited (China Everbright).[ii] China Everbright is seeking procurement of equipment, services and technology for current and future projects in waste to energy, waste water treatment and treatment of plastic waste.

Follow this link to find a list of the buyers where EDC has pull financing in place. You can also sort the list by industry.

For more information on how you can use EDC's relationships with these foreign companies to grow your business with them, please contact Lynn Côté, Sector Advisor for Clean Technologies at EDC at 613-598-6601 or lcote@edc.ca.

[i] 2012-2016 Corporate Plan Summary, Ottawa, EDC

[ii]] EDC finances waste-to-energy plants in China, Ottawa, January 24, 2012

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*This cleantech insight was prepared by Analytica Advisors, a trusted research and advisory firm and a thought-leader in Canada's technology and innovation industries. The firm's original research and advisory work serving start-ups, financial institutions, think-tanks and governments both in Canada and internationally, combines focused primary research with decades of experience in start-up operations, global management consulting, human capital development, as well as capital market valuations.*


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