

CANADIAN BENEFITS SCORECARD—2021

Export Development Canada's Canadian Benefits Policy sets out criteria that must be met by transactions contemplated by the organization. A product of that policy is a set of aggregate measures of EDC's mandate performance, collectively called the Canadian Benefits Scorecard.

EDC Economics
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CONTENTS

CANADIAN BENEFITS SCORECARD—2021 HIGHLIGHTS2

CANADIAN BENEFITS SUMMARY2

1. EDC’S ROLE IN FACILITATING TRADE AND FOREIGN DIRECT INVESTMENT3

CHART 1: SHARE OF CANADIAN EXPORTS AND CDIA FACILITATED BY EDC.....4

2. BOOSTING CANADIAN DIVERSIFICATION INTO EMERGING MARKETS4

CHART 2: SHARE OF CANADIAN EXPORTS AND CDIA IN EMERGING MARKETS FACILITATED BY EDC.....5

3. CONTRIBUTING TO THE CANADIAN ECONOMY5

4. EDC’S INVESTMENTS PROGRAM6

CANADIAN BENEFITS SCORECARD—2021 HIGHLIGHTS

- EDC’s volume of international and domestic transactions on behalf of Canadian companies was \$111 billion in 2021, an increase of 8.5% from 2020.
- In 2021, the Canadian exports, Canadian direct investment abroad (CDIA), and domestic business facilitated by EDC, is estimated to have supported \$71.1 billion in Canadian gross domestic product (GDP) and more than 0.5 million full-time equivalent (FTE) jobs. This represents 3.3% of total Canadian GDP and 2.6% of national employment.
- EDC facilitated \$22 billion in emerging markets transactions¹ in 2021, a decrease of 7.1% from the previous year. The level of support in 2021 represented 19.6% of all Canadian exports and direct investment to emerging markets, down from 26.2% in 2020.
- EDC-backed CDIA was \$12.4 billion in 2021, higher than in 2020, and equivalent to 10.1% of the Canadian total.
- EDC facilitated 12.5% of Canada’s total exports and direct investment outflows in 2021, down from 14.3% in 2020.
- The total number of EDC customers served increased by 22.6% in 2021 to 29,800.
- EDC’s partnership transactions increased by 23.1% in 2021 to 10,390. These transactions represent risk-sharing arrangements with other financial institutions to better serve Canadian companies.
- EDC recorded 8,152 small business transactions in 2021, an increase of 3.5% over the previous year.

CANADIAN BENEFITS SUMMARY

	2020 ²	2021	% Change
1. Total EDC volume (billion, C\$)	102.3	111.0	8.5%
• Volume in emerging markets	23.7	22.0	-7.1%
• CDIA supported by EDC	11.4	12.4	9.2%
2. Canadian GDP facilitated by total EDC volume (bn, C\$)	65.3	71.1	8.9%
• Share of total Canadian GDP (%)	3.4%	3.3%	-3.7%
3. Number of jobs facilitated by total EDC volume	470,298	505,004	8.9%
• Share of total Canadian employment (%)	2.6%	2.6%	4%
4. Customers served	24,305	29,800	22.6%
5. Partnership transactions	8,442	10,390	23.1%
6. Small business transactions	7,875	8,152	3.5%
7. Canadian trade and investment data (bn, C\$)			
• Canadian exports of goods and services	648	766.3	18.3%
• Canadian exports of goods and services to emerging markets ¹	88.5	94.3	6.5%
• Canadian direct investment abroad (CDIA) all countries	67.1	123.3	83.6%
• Canadian direct investment abroad (CDIA) to emerging markets ¹	1.8	18.3	919.9%

Note: All figures in nominal Canadian dollars

1. Emerging markets are categorized by EDC's Economic and Political Intelligence Centre.
2. Revised estimation. May differ a little from previous published reports.

1. EDC'S ROLE IN FACILITATING TRADE AND FOREIGN DIRECT INVESTMENT

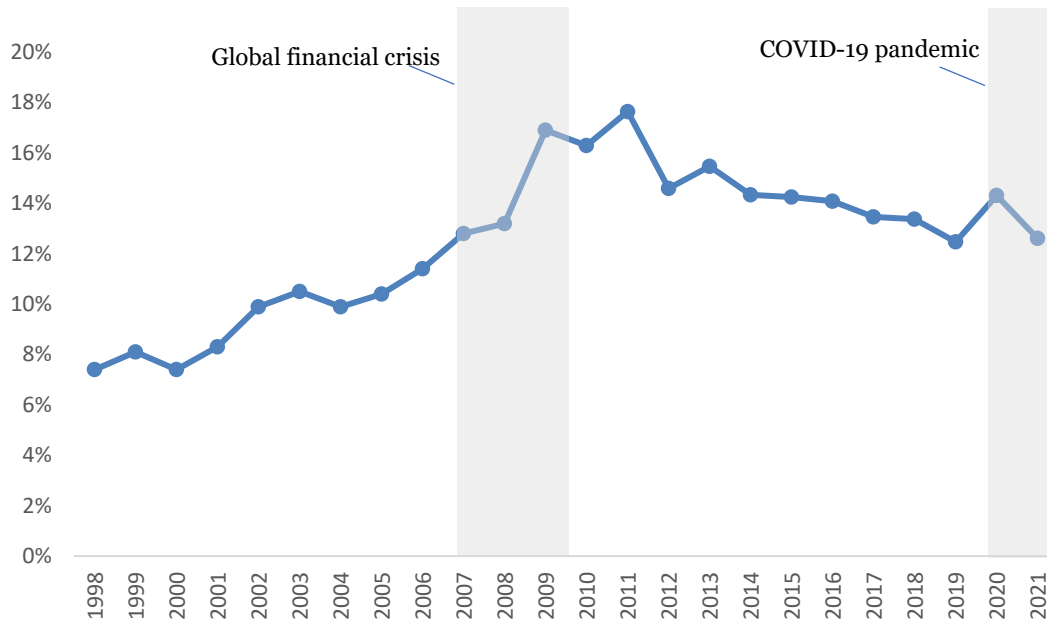
EDC supported 12.5% of total Canadian exports and investment abroad in 2021 (Chart 1), lower than the 14.3% support in 2020. In 2021, Canadian exports of goods and services increased 18.3%, from \$648 billion to \$766 billion in current prices reflecting the rebound from the COVID-19 situation in 2020. CDIA also bounced back with an increase of 83.6%, from \$67 billion to \$123 billion. EDC's transaction volume also increased nearly \$9 billion in 2021 to \$111 billion, an 8.5% increase from 2020.

In emerging markets, the picture was mixed. EDC volume of business facilitated in emerging markets declined by more than 7.1%, from \$24 billion in 2020 to \$22 billion in 2021. Total Canadian exports of goods and services to emerging markets on the other hand increased by 6.5% from \$89 billion to \$94 billion. CDIA to emerging markets saw a significant increase from \$2 billion in 2020 to \$18 billion in 2021.

EDC entered into 10,390 partnership transactions in 2021, an increase of 23.1% from 8,442 in 2020. These transactions represent financial services delivered to Canadian companies in conjunction with other financial institutions. Such risk-sharing allows EDC to leverage its capital for financing and insurance beyond what could be provided if EDC was the sole provider, increasing EDC's economic impact. The numbers show that EDC is making significant investments in this partnership model. Over the past five years, the number of partnership transactions have grown at an annual rate of 25.2%.

EDC's total number of customers served increased by 22.6% in 2021 to 29,800, continuing the growth trend of recent years. EDC is strongly committed to supporting small and medium-sized enterprises (SMEs) as part of its broader mandate. EDC continues to support SMEs that may find it more difficult or costly to obtain bank financing or commercial credit insurance. For example, in 2021, the number of small business transactions supported by EDC increased by 3.5%, from 7,875 to 8,152 and a compound annual growth rate of 23.9% in last five years.

CHART 1: SHARE OF CANADIAN EXPORTS AND CDIA FACILITATED BY EDC



Source: EDC Economics

2. BOOSTING CANADIAN DIVERSIFICATION INTO EMERGING MARKETS

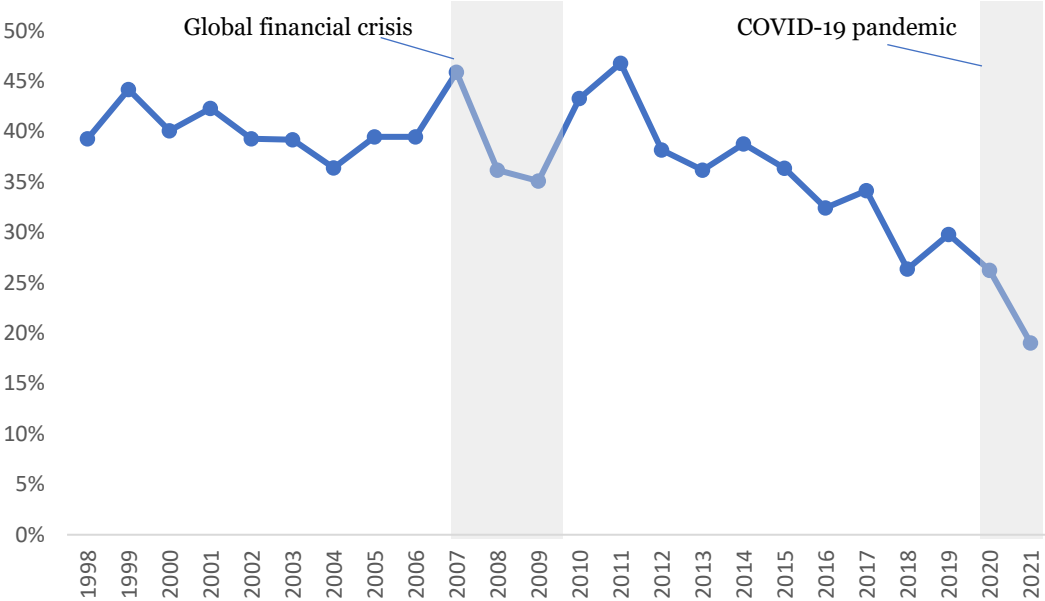
In a global economy beset by major challenges, including inflation, war, drought, increased risk of sovereign defaults and myriad supply chain challenges, Canada will need to expand and diversify trade with traditional markets as well as with emerging markets to alleviate concentration risk in its trade and investment profile. EDC's activities support these efforts with financing and market information.

Over the past decade, Canadian exports to and direct investment into emerging markets have shown significant growth. In 2021, Canadian exports to emerging markets bounced back registering an annual growth of 6.5% after a COVID-19-induced decline in 2020. Canada's exports to emerging markets in 2021 stood at \$94 billion, comparable to the 2019 figures. CDIA to emerging markets increased ten-fold from \$1.8 billion in 2020 to \$18 billion in 2021. Total CDIA to all countries also jumped from \$67 billion to \$123 billion.

Canadian firms' trade and investment in emerging markets as a share of total has shown slow but steady increases. Emerging markets now account for 12.7% of total trade and investment, higher by 0.1% point over last year's proportion. The five-year average share (2017-2022) of emerging markets in total Canadian trade and investment stands at 12.1%. This is a doubling in overall share of emerging markets in Canadian trade and investment from the early 2000s, although it remains a comparatively small share of the total.

EDC’s business facilitated in emerging markets stood at approximately \$24 billion in 2021, a decline of 7.1% from 2020. Given EDC’s total business volume of \$111 billion in 2021, this meant that business in emerging markets comprised 19.8% of EDC’s total business, down from 26.8% from the 2016-2020 average.

CHART 2: SHARE OF CANADIAN EXPORTS AND CDIA IN EMERGING MARKETS FACILITATED BY EDC



Source: EDC Economics

3. CONTRIBUTING TO THE CANADIAN ECONOMY

The exports, CDIA, and domestic business facilitated by EDC in 2021 are estimated to have sustained \$71 billion in Canadian GDP¹, up by 8.9% from 2020. This includes both direct GDP impact as well as the impact through exporters’ supply chains.² The contribution to the Canadian economy in 2021 represented 3.3% of Canada’s total nominal GDP, slightly lower than the 2017-2020 average of 3.5%. This means that for every \$1 in income earned in Canada during 2021, more than three cents are supported by EDC’s trade and investment facilitation. The employment associated with the business facilitated by EDC in 2021 is estimated at 505,004 full-time-equivalent jobs, about 2.6% of total national employment.

¹ The GDP impact is less than total EDC business volumes because exports facilitated by EDC contain imported input content which is subtracted from the GDP calculation.

² Direct impact is the value added created as a direct result of EDC-supported exporters’ activities. Indirect impact is the value added created by suppliers of the exporters. In addition to the \$71 billion supported in direct and indirect value added, EDC also supported an estimated \$10.4 billion induced impact. The induced impact materializes when exporting and employees spend their profits and wages in the economy. To be conservative, we haven’t added the induced impact in the overall GDP impact quoted in this report.

During the pandemic, EDC supported the Canadian economy by providing loans and other financial products to non-exporting firms under its Business Credit Availability Program (BCAP). The program accounted for 1% of EDC's total business volume in 2021 and 0.8% in 2020.

4. EDC'S INVESTMENTS PROGRAM

EDC's fund investments domiciled in Canada reported \$34.1 billion in revenues for the year ending December 2021. The sum of partnership gains (net of losses) for Canadian domiciled firms approximated \$3.4 billion, a 32% decrease from prior year gains. This is representative of the slow economic recovery from the height of COVID-19 in late 2020 and early 2021. These investments helped to sustain a Canadian investment presence in companies and funds that purchase goods and services from Canada and help to sustain high-value jobs in Canada.