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October 21, 2014

Jayson Myers
President and CEO
Canadian Manufacturers and Exporters
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Cernavoda 3&4 Nuclear Project in Romania

Dear Jayson:

As you may know, the Canadian nuclear industry supports more than 30,000 direct skilled well-paid jobs and many more indirect jobs across Canada. More than 12,000 of these direct jobs are in the supply chain sector comprised of more than 200 companies across Canada that manufacture specialized equipment and components. Many of these companies are members of CME.

The Cernavoda 3&4 CANDU Nuclear Project in Romania, outlined below, could represent a significant opportunity for the Canadian nuclear industry if Canadian financing can be arranged. Without Canadian export financing more of the reactor component supply will be lost to China since that country is provided the lion- share of project financing. **I am therefore writing with some urgency to enlist your support in Ottawa for use of the Canada Account to provide over \$1 B in total export credit financing to ensure that reactor equipment for the Cernavoda 3&4 Project in Romania is sourced from Canada.**

The Cernavoda 3&4 CANDU Project has been under development for several years and has now moved into an important phase with the agreement that the state-owned China General Nuclear (CGN) will become a majority investor of the project. The Cernavoda 1&2 CANDU reactors were supplied largely by Canadian industry through EDC financing with the second unit company on line in 2007. The Cernavoda Unit 1 loans have been fully repaid while the Cernavoda Unit 2 loans are being repaid on schedule. Both the Unit 1 and Unit 2 loans have been lucrative for EDC and were backed by a sovereign guarantee from Romania, as would the loans for units 3 and 4. The two operating CANDU units at Cernavoda are among the best performing reactors in the world and supply almost 20 % of Romania's total electrical energy.

The Canadian company, Candu Energy Inc., has been working with CGN as both the majority investor and delivery partner on the project to define the key equipment that can be supplied from Canada for this project. **The value of Canadian contacts could exceed \$1.2B for nuclear products and services from the Canadian nuclear supply chain.** The total package of export credit financing of this large Canadian equipment and services supply would require approval from Cabinet because of its large size.

In March 2014, Candu Energy and its Chinese partner/investor, CGN, met with Export Development Canada to provide an overview of the Cernavoda 3&4 Project and to build support for potential for export credit financing. CGN is has now requested clarification on the amount and terms of export credit support from Canada.

Jayson, I would very much appreciate your support for this important project that could bring many high quality manufacturing and export jobs to Canada.

Yours sincerely,

Ron Oberth
President
Cc: Ian Howcroft