

These transactions have been reviewed under and comply fully with the Canadian government guidelines regarding trade with China announced in June, 1989. The projects preserve existing links established by Spar and SR Telecom with China in the past and include training components that offer direct, people-to-people exchanges. The equipment for both projects is clearly directed towards civilian domestic needs.

These two transactions are being financed under a line of credit between EDC and the Bank of China. EDC lends the funds to the Bank of China, which in turn lends them to end users.

EDC is Canada's official export credit agency responsible for providing export credit insurance, loans, guarantees and other financial services to promote Canadian export trade. EDC reports to Parliament through the Minister for International Trade.

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