

# News Release

Minister for  
International  
Trade



# Communiqué

Ministre du  
Commerce  
extérieur

No. 098

May 11, 1990.

## EDC FINANCING HELPS CHINA BUILD CHEMICAL PLANT

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will lend up to \$9.8 million (U.S.) in support of a contract awarded to Klockner Stadler Hurter Ltd. of Montreal, to design and supply a carbon disulfide plant in China.

The transaction has been reviewed under and complies fully with the Canadian government guidelines regarding trade with China announced June 30, 1989. The project preserves existing links established by Klockner Stadler Hurter Ltd. (KSH) over the past several years and includes a training component that offers direct, people-to-people exchanges. The plant production is clearly directed towards civilian domestic needs.

The transaction will generate 320 person-years of employment in Canada.

The China National Chemical Construction Corporation, acting for and on behalf of the Liaoyang Electrochemical Factory, negotiated the contract with KSH, which provides consulting, engineering and contracting services in Canada and abroad.

The plant will have an annual production capacity of 26,000 metric tonnes of carbon disulfide, which is used as a solvent for oils, tars, rubbers and paint removers.

EDC lends funds to the Bank of China, which in turn lends them to Chinese buyers. In this case the buyer is the China National Chemical Construction Corporation, a state-owned agency that participates in commercial negotiations and acts as purchaser of record for Chinese 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.

- 30 -

For more information, please contact:

Media Relations Office  
External Affairs  
and International Trade Canada  
Ottawa (613) 995-1874

Affaires extérieures et  
Commerce extérieur Canada

External Affairs and  
International Trade Canada

Canada