

News Release

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WHITING EQUIPMENT CANADA INC. SELLS TO CHINA WITH FINANCING
SUPPORT FOR THE BUYER FROM THE EXPORT DEVELOPMENT CORPORATION

International Trade Minister John C. Crosbie announced today that the Export Development Corporation (EDC) has supported a sale by Whiting Equipment of Canada Inc. to China with \$3.3 million in export financing.

The export contract calls for Whiting to supply an aluminum oxide furnace system and related services to the Second Abrasive Grinding Wheel Factory, located in Zhengzhou, in the province of Henan.

Minister Crosbie applauded the sale, saying "export sales create economic benefits in Canada that extend far beyond a company's gates; I am glad that agencies like EDC are so actively and successfully involved in supporting Canada's international trade."

The sale is a breakthrough for Whiting, being its first such agreement with a Pacific Rim country. Approximately 102 person-years of employment are expected to be generated in Canada as a result of the sale. Recently, G&B Automated Equipment Ltd. sold grinding wheel manufacturing equipment to China for use in the same factory, with financing of over \$11 million from EDC.

Whiting Equipment Canada Inc., based in Welland, Ontario, is a privately owned company founded in 1910. In addition to metallurgical furnaces, the company manufactures custom-engineered products such as specialized cranes, conveyors, crystallizers, and railroad services equipment.

Financing for the project is being provided through EDC's \$2 billion General Financing Protocol signed with the Bank of China in 1984. Under the Protocol, EDC lends the funds to the Bank of China, which on-lends to Chinese buyers -- in this case, the China Machine Building International Corporation.

The Bank of China is a state-owned institution specializing in international operations and offering a full range of banking services. The buyer, the China Machine Building International Corporation, is a state-owned agency which negotiates and purchases goods and services on behalf of end-users such as the Second Grinding Wheel Factory.

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.

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