

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 Fenco 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 110 person-years of employment in Canada.

The transaction is financed under the \$2 billion line of credit between EDC and the Bank of China announced in 1986 and renewed in 1988. EDC lends the funds to the Bank of China, which in turn lends them to Chinese buyers. In this case, the buyers are the China National Overseas Trading Corporation of Beijing, a state-owned agency acting as purchaser of record and the Heilongjiang Coal Economic and Technology Development Corporation of Harbin, the end user.

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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For further information, media representatives may contact:

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