



No. 186

August 31, 1990.

EDC LENDS UP TO \$37.9 MILLION TO CHINA TO BUILD A CEMENT 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 \$37.9 million to China in support of a contract awarded to Fuller-F.L. Smidth Canada Ltd. to supply equipment and related services for a cement plant in Shanxi Province, 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 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 1,189 person-years of employment in Canada.

The transaction is 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 Chinese buyers. In this case, the buyer is the China National Technical Import and Export Corporation. It is a state-owned agency that participates in commercial negotiations and acts as purchaser of record for Chinese end-users.

Fuller-F.L. Smidth Canada Ltd. of Scarborough, Ontario designs, engineers and manufactures process equipment for the cement, pulp and paper and mining industries.

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 -

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