

Both transactions have been reviewed under and comply fully with the Canadian government guidelines regarding trade with China announced June 30, 1989. The projects preserve existing links established by both exporters in the past, and include a training component that offers direct, people-to-people exchanges. The communications equipment is clearly directed towards civilian domestic needs.

The transactions are 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 to the buyer, the China National Instruments Import and Export Corporation. This Corporation then acts as purchaser for the endusers in Guangdong and Shaanxi, the Communications Telemetry and Telecontrol Research Institute, and the Northwest Power Bureau.

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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