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## SALE OF HEAVY MACHINERY TO CHINA SUPPORTED BY EDC

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will lend up to \$3.5 million to China in support of a contract awarded to Whiting Equipment Canada Inc. (Whiting) to supply an aluminum oxide furnace system.

Whiting will supply the computer-operated furnace system to the China Machine Building International Corporation. The exporter is responsible for installation of the equipment in Xinzhou City, Shanxi Province, and will also train personnel in both Canada and on-site in China. The system will produce refined aluminum oxide, which is used to manufacture grinding wheels and sandpaper.

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 Whiting since 1985, and includes a training component that offers direct, people-to-people exchanges. The furnace system is intended for civilian domestic needs.

The transaction will generate 116 person-years of employment in Canada.

The transaction is financed under a line of credit established 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 Machine Building International Corporation, a state-owned agency that participates in commercial negotiations and acts as purchaser of record for Chinese end-users.

Whiting, a manufacturer and distributor of heavy industrial machinery, has two plants in Ontario, one in St. Catharines, and the other in Welland where the company's head office is located.

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 -

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