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EXPANDED EXPORT CREDIT FACILITIES WITH MEXICO

On the occasion of the visit to Canada by Mexican President Carlos Salinas de Gortari, International Trade Minister John C. Crosbie is pleased to announce that the Export Development Corporation (EDC) is expanding its export credit facilities with Mexico. The announcement was made during Minister Crosbie's participation at an official signing ceremony between Prime Minister Brian Mulroney and the Mexican President.

Minister Crosbie witnessed the signing of a Memorandum of Understanding between EDC and Petroleos Mexicanos (PEMEX). The agreement represents an interest on the part of both parties to establish an EDC US\$500 million line of credit with PEMEX. As the public agency responsible for the petroleum sector in Mexico, PEMEX is undertaking a major expansion of its oil exploration and development activities over the next five years. "Canadian exporters in the oil and gas industry are expected to participate extensively in the expansion of Mexico's petroleum sector with financing support under this line of credit to be established in the near future," said Minister Crosbie. EDC currently has a US\$10 million line of credit with PEMEX.

EDC also intends to double the amount of funds available under existing lines of credit with Mexico in recognition of the growing potential for Canadian exports to Mexico arising from closer economic ties between the two countries. The EDC lines of credit that will be affected are with: Nacional Financiera; Comision Federal de Electricidad; Banco Nacional de Mexico, S.N.C.; Banca Serfin, S.N.C.; Multibanco Comermex, S.N.C.; Banco Internacional S.N.C.; and Banco del Atlantico, S.N.C. Once implemented, the amount of funds available under these lines will increase from US\$65 million to US\$130 million.