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**B.C. COMPANY TO BUILD
ACTIVATED CARBON PLANT IN CHINA
WITH SUPPORT FROM 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 US\$3.94 million to China to support the sale of goods and services by Fenco Lavalin Corporation of Vancouver (Fenco) for the construction of an activated carbon plant in Lixin, Heilongjiang Province.

Fenco will supply goods and services for a 3,000 tonne activated carbon plant to be erected at the Lixin coal mine in northeastern China. The activated carbon produced at the Lixin plant will be used for water purification and solvent recovery in the petrochemical industry.

Fenco, a division of Lavalin Inc., has domestic and international expertise in engineering, project management and start-up and plant operation services. Its expertise is mainly in infrastructure development projects and industrial processing plants.

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.

- 30 -

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