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## DOW CHEMICAL TO SUPPLY CHINESE PLANT

### EXPORT SALE FINANCED BY EDC

Ken James, Member of Parliament for Sarnia announced today on behalf of International Trade Minister John C. Crosbie that the government will support a sale of chemical equipment and services by Dow Chemical Canada Inc. (Sarnia, Ontario) to China, by providing up to U.S. \$15.2 million in financing to the buyer through the Export Development Corporation (EDC). The sale is expected to generate approximately 480 person-years of employment in Canada.

This transaction is financed under the \$2 billion Line of Credit with the Bank of China announced by Minister Crosbie October 27, 1988.

In making the announcement, Mr. Crosbie stated, "This sale of chemical process technology is a major success on two fronts. It helps to create employment in Canada, and it also shows that Canadian industry is earning the respect of buyers from other countries, outside our traditional areas of expertise, such as agriculture, forestry, mining, and telecommunications."

Dow Chemical Canada Inc. has been awarded a contract to supply equipment and related services for the construction of a chemical plant in Ningbo, Zhejiang province, on the east coast of China. The plant is to be completed within five years, and Dow Chemical Canada will provide the process design technology, procurement of equipment and materials, the training of operating personnel, and the technical support for the engineering, construction, commissioning and start-up phases of the project. The plant will use Dow technology to produce propylene oxide, propylene glycol, and polyol, which are used in the manufacture of flexible foams and solvents. Dow Chemical is a wholly-owned subsidiary of the Dow Chemical Company and is a major producer and marketer of inorganic and organic chemicals.

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The loan for this transaction is being provided by the Export Development to the Bank of China. EDC lends the funds to the Bank of China for on-lending to Chinese buyers, in this case it is the China National Chemical Construction Corporation. The Corporation is a state-owned agency which participates in commercial negotiations and acts as purchaser of record for end-users, which for this sale is the Zhejiang Pacific Chemical Corporation.

Export Development Corporation (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.

Contacts: Brendan Hawley  
Corporate Communications  
Export Development Corporation  
Ottawa (613) 598-2902

Sylvain Leclerc  
Corporate Communications  
Export Development Corporation  
Ottawa (613) 598-2904