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CHINA BORROWS UP TO US\$6.1 MILLION FROM EDC TO ACQUIRE RADIO SYSTEMS FROM HARRIS FARINON

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\$6.1 million to China to support the sale of telecommunications systems by Harris Farinon Canada, Inc. to Xinjiang Province.

Harris Farinon Canada, Inc. will supply two digital radio microwave systems to the Posts and Telecommunications Administration of Xinjiang Uygur Autonomous Region in northwestern China. The systems will link 15 cities in Xinjiang Province and will provide new telephone service to Urumqi, the provincial capital. Harris Farinon will provide equipment, installation, and training in both Canada and on-site in China.

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 Harris Farinon Canada Inc. over the past several years, and includes a training component that offers direct, people-to-people exchanges. The telecommunications systems are clearly directed towards civilian domestic needs.

The transactions will generate 235 person-years of employment in Canada.

The transaction is 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 them to Chinese buyers. In this case, the buyer is the China National Instrument Import and Export Corporation of Beijing. It is a state-owned agency that participates in commercial negotiations and acts as purchaser of record for Chinese end-users.

Harris Farinon Canada, Inc. of Dorval, Quebec designs and manufactures communications equipment. It markets its products in 60 countries.

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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