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**CANADIAN FIRM IN CONSORTIUM WINS CHINA SALE,
EDC TO PROVIDE SUPPORT THROUGH BUYER FINANCING**

International Trade Minister John C. Crosbie announced today that the government is supporting a sale of construction goods and services by Klockner Stadler Hurter Limited (Montreal) to be used in building a chemical plant in China, by providing financing of up to U.S. \$52.16 million to the Bank of China (BOC) through the Export Development Corporation (EDC). The sale is expected to generate some 1,850 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 the face of international competition, KSH has been awarded the contract to supply manufactured goods and services for the construction of a caprolactam plant in Yueyang, Hunan province in south-central China. The contract is expected to require some 48 months to complete. The plant, which uses petrochemical feed stock to produce caprolactam, which is a basic chemical used in the production of synthetic fibres and industrial plastics, is planned to have a production capacity of 50,000 tonnes per year. Also participating in the project as consortium partners are Chiyoda Corporation (Japan), which will provide the plant design, and Stamicarbon B.V. (Holland), which will provide the licensed process technology.

In making the announcement Mr. Crosbie commented, "This sale by a Canadian firm in partnership with firms from other countries demonstrates that Canadian capability can be used to complement the expertise of other companies in developing export sales, and that these partnerships can open up unlimited commercial opportunities, which ultimately help create employment here in Canada."

Klockner Stadler Hurter Limited is a consulting engineering firm with previous experience in developing large industrial plants offshore.

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EDC's financing covers the KSH portion of the contract. The financing is being provided through the BOC for onlending to the buyers who are the China Petro-Chemical International Company (SINOPEC) and Yueyang General Petrochemical Works of Beijing and Yueyang respectively. The construction of the plant will be the responsibility of the Yueyang General Petrochemical Works, which will also operate the completed plant.

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.

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