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EDC SIGNS PROTOCOL WITH NORWAY AND RENEWS
CREDIT AGREEMENT WITH GERMAN BANK

International Trade Minister John C. Crosbie today announced that the Export Development Corporation (EDC) has signed a Cdn. \$10.0 million credit protocol with Den norske Creditbank of Oslo, Norway and has renewed a Cdn. \$25.0 million line of credit with Deutsche Aussenhandelsbank A.G. of the German Democratic Republic (GDR).

The Norwegian credit protocol is a financing agreement initiated by EDC that will allow Norwegian buyers to use EDC financing when they want to source goods and services from Canadian exporters. The financing is provided in the form of a supplier credit. This means that Canadian exporters can provide credit to their Norwegian buyers and receive promissory notes as payment in return. The notes will then be purchased by EDC giving the exporters, in effect, a cash sale.

The notes to be redeemed by EDC have the guarantee of Den norske Creditbank. The Protocol is in place for a two year period.

The renewed German credit agreement is the fourth such signed between EDC and Deutsche Aussenhandelsbank in Berlin. The credit agreement allows buyers in the GDR to have access to credit financing through the state bank when they want to source goods and services from Canadian companies. It is expected that with the renewal of this credit agreement, buyers in the GDR will be encouraged to consider Canada, rather than traditional partners in Europe, as a source of technology and equipment.

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EDC is Canada's official export credit agency, responsible for providing export credit insurance, loans, guarantees, and other financing services to promote Canadian export trade.

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