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EDC LOAN TO SUPPORT PLANT BUILDING IN CHINA

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will provide financing support for an ethylene oxide plant to be erected by using Canadian equipment and technology from Fluor Daniel Canada Inc. of Calgary, Alberta.

The transaction has been reviewed under and complies fully with the new Canadian government guidelines regarding trade with China announced June 30, 1989. It preserves existing links established by Fluor Daniel Canada Inc. over the past several years. The project is clearly directed to civilian domestic production and it includes a training component that offers direct, people to people exchanges.

EDC will provide up to \$28.3 million in financing, approximately \$11 million of which will be on concessional terms. The entire financing provided is repayable.

The Alberta-based company will supply know-how, design, equipment and technical services to build the plant which will have production capacity of 40,000 tonnes per year. More than 850 person-years of employment will be generated in Canada by the transaction.

The plant, ordered by the China National Chemical Construction Corp., will be located at Jilin, in northeast China. Ethylene oxide is used to produce solvents, antifreeze, detergents and other products.

This transaction is financed under the \$2 billion line of credit between EDC and the Bank of China announced in 1986 and renewed October 27, 1988.

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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. It reports to Parliament through the Minister for International Trade.

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