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## VANCOUVER-BASED CHEMETICS WILL EQUIP CHINESE PLANTS WITH EDC \$16.32 MILLION LOAN

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will finance the supply of chemical plant equipment and associated services by Chemetics International Company Ltd. (Chemetics) of Vancouver, B.C. to China. EDC will lend up to \$16.32 million to the Bank of China for supplying a fertilizer plant in Anhui Province and a chemical plant in Hubei Province.

These transactions will generate 570 person-years of employment in Canada.

Chemetics' expertise in chemical and pulp and paper sectors is particularly relevant for the plant at Jiang Han, Hubei since chemicals produced at the facility will be used in these sectors. The plant in Anhui will help increase China's production of agricultural fertilizers.

These transactions have been reviewed under and comply fully with the Canadian government guidelines regarding trade with China announced June 30, 1989. The projects preserve existing links established by Chemetics over the past ten years and include a training component that offers direct, people-to-people exchanges. The production is clearly directed towards civilian domestic needs.

The transactions are financed under the line of credit between EDC and the Bank of China. Under the agreement, the Bank of China lends EDC funds to Chinese buyers. In this case, the buyers are the China National Chemical Construction Corporation and the China Newtech Development and Trade Corporation, state-owned agencies which act as purchasers of record for Chinese end users.

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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