

News Release

Communiqué

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 028

February 9, 1990.

EDC SUPPLIES ADDITIONAL FINANCING TO BUILD CHEMICAL PLANT IN CHINA

International Trade Minister John C. Crosbie announced today that the Export Development Corporation (EDC) will lend an additional \$820,000 (US) in support of a contract awarded to SNC Services Ltd. to build a chemical plant in China. The additional funding supplements the original financing of up to \$13.8 million (US) which was approved by Order-in-Council December 2, 1988. The entire financing is repayable.

The transaction has been reviewed under, and fully complies with, the Canadian government guidelines regarding trade with China announced June 30, 1989. SNC will be undertaking the promotion of people-to-people exchanges through training programs both in China and in Canada during the course of the contract. The contract preserves existing links established by SNC in the course of more than 10 years in China.

470 person-years of employment will be created in Canada, mostly in Quebec, Ontario and Alberta.

The contract is to supply the license and know-how, equipment and materials, and design and technical services for the construction of a plant at Jiujiang, in Jiangxi province in eastern China. When completed, the plant will produce chemical intermediates used primarily as solvents. It will have an annual production capacity of 20,000 tonnes of propylene oxide, 5,000 tonnes of propylene glycol and 20,000 tonnes of polypropylene glycol, chemical agents which are used in a variety of consumer products.

SNC Services Ltd. is a subsidiary of SNC Group Inc. based in Montreal, which is one of the largest engineering construction companies in the world, and provides comprehensive services in project management, engineering, procurement, construction, and commissioning of facilities.

This transaction is financed under the \$2 billion line of credit with the Bank of China announced in 1986 and renewed in 1988. 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 Chemical Construction Corp.

.../2

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.

For more information, media representatives should contact:

Media Relations Office
External Affairs
and International Trade Canada
(613) 995-1874