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DRESSER PUMP AND SGP-VA INC. TO EQUIP CHINESE WATER TREATMENT PLANT

Minister of Industry, Science and Technology and Minister for International Trade Michael H. Wilson announced today that the Government of Canada, working through the Export Development Corporation (EDC), will lend up to US\$3.1 million to China to finance the sale of equipment and services for a water treatment plant by two Brantford, Ontario firms. Dresser Pump, a division of Dresser Canada, Inc., and SGP-VA Inc. will supply equipment and provide associated training and engineering services for a water treatment plant in Shiyan, Hubei Province.

Dresser Pump manufactures capital goods for water resources, pulp and paper, petroleum, mining and other industries. SGP-VA, an environmental technology company, designs and manufactures equipment and processes. SGP-VA and Dresser's primary project responsibilities will be to supply equipment and provide design engineering and procurement services. This sale to China by the two companies is expected to generate 90 person-years of employment in Canada.

This transaction has been reviewed under, and complies fully with, the Canadian government guidelines regarding trade with China announced in June 1989. The project preserves existing links established by the exporters in the past and includes a training component that offers direct, people-to-people exchanges. The equipment and services for the water treatment plant are clearly directed towards civilian domestic needs.

The transaction is financed under a line of credit between EDC and the Bank of China. EDC lends the funds to the Bank of China, which in turn lends them to 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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