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G&B AUTOMATED LANDS SALE IN CHINA WITH FINANCING SUPPORT
FOR THE BUYER FROM THE EXPORT DEVELOPMENT CORPORATION

The Honourable Pat Carney, Minister for International Trade, announced today that the Export Development Corporation (EDC) will provide financing of up to Cdn \$11.49 million -- in U.S. dollars -- to support a sale by G&B Automated Equipment Limited, of Downsview, Ont., to China.

The sale consists of grinding wheel manufacturing equipment and related services to update the manufacturing capability of the Second Grinding Wheel Factory of China, of Zhengzhou, in Henan province. The factory will be used to manufacture vitrified abrasive wheels which will be sold to other factories producing industrial goods such as ball bearings, machine tools and metal components.

The financing is in the form of an allocation under EDC's \$2 billion General Financing Protocol signed with the Bank of China in 1984. EDC is lending the funds to the Bank of China for on-lending to Chinese buyers, in this case the China National Machinery and Equipment Import and Export Corporation, of Beijing..

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Minister for
International
Trade

Ministre du
Commerce
extérieur

G&B won the contract against strong competition from European and Japanese suppliers, by virtue of a strong commercial proposal and competitive financing from the Government of Canada. The sale is expected to generate approximately 460 person-years of employment in Canada.

G&B designs and manufactures process equipment used in the production of grinding wheels. The company exports virtually all of its production. In 1985, the company signed two contracts with China for the supply of equipment to the Chengdu Grinding Wheel Factory in Szechuan province, and to the Fourth Grinding Wheel Factory in Shandong province. G&B has also concluded sales in the United States, Western Europe, the USSR and other East European countries, Japan, Taiwan, Australia, Mexico and South America.

The China National Machinery and Equipment Import and Export Corporation is a state-owned agency responsible for coordinating purchases and sales by companies controlled by the Ministry of Machine Building.

EDC is a Canadian Crown corporation established to support Canada's export trade. EDC arranges medium and long-term financing for foreign buyers of Canadian goods and services, and also provides insurance and bank guarantee services to Canadian exporters.

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