

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 69

March 18, 1991

FIVE CANADIAN FIRMS SUPPLY TELECOMMUNICATIONS EQUIPMENT TO CHINA WITH SUPPORT OF EDC FINANCING

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will support the export of various telecommunications equipment to China's Ministry of Communications and Ministry of Machinery and Electronics. The sales will be made under separate contracts by five companies -- Northern Telecom Canada Limited (NTCL), Harris Farinon Canada, Inc., E.F. Johnson Canada Inc., Electrohome Limited, and Newbridge Networks Corporation -- and will be financed with funding to China of up to US\$14.9 million.

NTCL of Mississauga, Ontario, Harris Farinon of Dorval, Quebec, E.F. Johnson of Pickering, Ontario, Electrohome of Kitchener, Ontario and Newbridge Networks Corp. of Kanata, Ontario will supply telecommunications equipment and services. NTCL is a leading global supplier of fully digital telecommunications systems. Harris Farinon is a designer and manufacturer of communications equipment. E.F. Johnson is a designer and manufacturer of radio products and systems, and electronic components. Electrohome is an international marketer of commercial video electronic products and has operations in Canadian television and radio broadcasting. Newbridge is a designer and manufacturer of digital networking products.

The exports will cumulatively generate 426 person years of employment in Canada.

The transactions have been reviewed under and comply fully with the Canadian government guidelines regarding trade with China announced in June, 1989. The exports preserve existing links established by the exporters in the past, and include training components that offer direct, people-to-people exchanges. The telecommunications equipment and services to be exported are clearly directed towards civilian domestic needs.

The exports will be 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 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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