



NO. 175

August 17, 1990

## EDC SUPPORTS NORTHERN TELECOM SALES TO CHINA

### WITH LOANS WORTH US \$9.4 MILLION

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will lend up to US\$9.4 million to China in support of contracts awarded to Northern Telecom Canada Limited to construct telecommunications systems in two Chinese provinces.

Northern Telecom Canada Limited (NTCL) will supply a digital microwave system to the Liaoning Provincial Posts and Telecommunications Administration and a digital packet network telecommunications system to the Guangdong Posts and Telecommunications Administrative Bureau. NTCL will provide equipment, installation, and training in both Canada and on-site in China.

The 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 NTCL over the past several years, and include a training component that offers direct, people-to-people exchanges. The telecommunications systems are clearly directed towards civilian domestic needs.

The transactions will generate 298 person-years of employment in Canada.

The transactions are 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 buyers. In these cases, the buyers are the China Machine Building International Corporation and the Guangdong Machinery Import and Export Corporation. They are state-owned agencies that participate in commercial negotiations and act as purchasers of record for Chinese end-users.

Northern Telecom Canada Limited is a wholly-owned subsidiary of Northern Telecom Limited, itself a Canadian company that is a leading global supplier of fully digital telecommunications systems.

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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