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CANADIAN COMPANIES WIN CONTRACTS TO EXPORT 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 sales of equipment and services for the supply of a water treatment plant by BCA Industrial Controls Limited (BCA) of Surrey, British Columbia and Dresser Pump Division, Dresser Canada, Inc. (DCI) of Brantford, Ontario. In a second transaction, EDC will support the sale of muffler making machinery, tooling and services by Eagle Precision Technologies Inc. (Eagle Precision) of Brantford, Ontario. The two transactions will be financed with loans to China of up to C\$6.39 million and US\$2.2 million, respectively.

BCA is a sales and manufacturing company that offers packaged systems for municipal and industrial markets. DCI manufactures capital and consumable goods for the petroleum industry, mining and construction, and general industrial equipment. Both companies, in a joint transaction, will supply equipment for a water treatment plant in Wuhan, Hubei province.

Eagle Precision designs and manufactures metal tube end forming machines, computer controlled metal tube bending machines and a variety of machines used to manufacture automotive exhaust systems, shock absorbers and catalytic converters. The company will provide machinery and services to YunYang Automotive (Oil) Tank Factory in Hubei province to increase its production capacity in passenger car muffler manufacturing.

BCA and DCI's transaction will generate 210 person years of employment in Canada. Eagle Precision's transaction will generate 70 person years.

These transactions have been reviewed under and comply fully with the Canadian government guidelines regarding trade with China announced in June, 1989. The projects include training components that offer direct, people-to-people exchanges. The equipment for both projects is clearly directed towards civilian domestic needs.

These 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 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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