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TELECOMMUNICATIONS FIRMS AWARDED CONTRACTS IN CHINA WITH SUPPORT OF EDC LOANS

International Trade Minister John C. Crosbie announced today that the Government of Canada, working through the Export Development Corporation (EDC), will support sales of telecommunications equipment by Spar Aerospace Ltd. and the sale of radio system equipment by SR Telecom Inc. The transactions will be financed with loans to China of up to US\$31.7 million and US\$4.6 million, respectively.

Spar Aerospace Ltd. of Dorval, Quebec will supply 17 domestic satellite earth stations and a central maintenance/repair facility to the Ministry of Posts and Telecommunications. Spar is one of Canada's leading advanced technology companies and a designer and manufacturer of a wide range of systems and products for the communications, aviation and space markets.

SR Telecom Inc. of St. Laurent, Quebec, a designer, manufacturer and marketer of microwave telecommunications systems, will supply subscriber radio system equipment, services, and technology transfer to the Tianjin Great Wall Electronic Corporation and Tianjin University Radio Factory.

Spar's transaction will generate 900 person years of employment in Canada and SR Telecom's project will generate 167 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 preserve existing links established by Spar and SR Telecom with China in the past and include training components that offer direct, people-to-people exchanges. The equipment for both projects is clearly directed towards civilian domestic needs.

These two transactions are being 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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For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874