

Britain's SunFlag Group

builds \$32-million plant in

Canada to serve North America

Drawn by the continental market that NAFTA wove,

Atlantic Yarns Inc. is spending \$32 million to build an advanced-technology textile manufacturing plant in Atholville, New Brunswick, to serve the North American market.

Atlantic Yarns is a division of the British-based multinational SunFlag Group, an integrated textiles manufacturer which operates plants in the U.K., Kenya, Tanzania, Cameroon, Nigeria, Thailand and India. The company employs more than 8,000 people worldwide.

The Atholville facility will produce quality open-end cotton and cotton/polyester yarns for user industries. Initially, Atlantic Yarns will sell

75 per cent of its output to the knitting industry in Canada, and 20 to 25 per cent to the United States — a proportion that the company expects to increase rapidly in the year ahead. The plant will employ 50 people at the outset.

Buhshan Bhardwaj, President and CEO of the SunFlag Group, said:

● **“Our decision to**
 ● **locate in Canada**
 ● **was largely**
 ● **motivated by NAFTA.**
 ● **The plant, with its**
 ● **state-of-the-art**
 ● **spinning equipment,**
 ● **will be able to match**
 ● **all competitors in the**
 ● **North American**
 ● **market.”**

Marcel Pilon, President of Sogeffa Inc., a Montreal-based consulting company with special expertise in the textile industry, did the preliminary market and cost studies for SunFlag. Interviewed by *Canada Investment News*, he said: “The decision to locate here was preceded by two years of technical studies, market studies and site locational analyses. This was the best choice.”

Comparing Canada/U.S. costs in the textile industry, Mr. Pilon says the arithmetic favours Canada. “The most important advantage is in overall labour costs. In New Brunswick, statutory employer-paid benefits alone are about 16 per cent. In the United States

you are looking at an average of 32 per cent. Electricity costs are lower in Canada too, and particularly in New Brunswick.”

Marcel Pilon points out that the company has established its plant in a spacious 20-acre site, giving it plenty of room for growth. With the cost advantages, and NAFTA in the final years of its ten-year phase-in period, SunFlag will evaluate other opportunities to expand its presence in the North American industry. ♦

British Columbia offers fund for immigrant investors

The Government of British Columbia has established a \$35-million fund under the Immigrant Investor Program, a federally-regulated immigration and economic development program.

The British Columbia Investment Fund Ltd. provides a channel for immigration to Canada for successful business people whose presence would enrich the economy and provide investment capital for businesses in the province.

The fund, which British Columbia is marketing primarily in Asia, offers bond units of \$350,000 to prospective immigrants who qualify under the Citizenship and Immigration Canada requirements. ♦

For more information about the British Columbia Investment Fund, please contact:

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