

News Release

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ALGERIA BUYS GM LOCOMOTIVES WITH FINANCING HELP FROM EDC

OTTAWA -- International Trade Minister, John C. Crosbie, today announced that the Government, through the Export Development Corporation (EDC), will provide up to Cdn. \$36.6 million to Algeria to help finance the purchase by Algeria of 10 mainline locomotives, and 10 shunter locomotives, from the Diesel Division General Motors of Canada Limited (London).

The Diesel Division will manufacture, deliver, and commission the locomotives, and supply related spare parts and service. The sale will generate approximately 1,240 person-years of employment in Canada.

Mr. Crosbie said that, "the significant employment benefits generated by the sale are an important illustration of the economic benefits that can be created by companies working with the support of agencies like the EDC".

The locomotives will be delivered to La Société Nationale des Transports Ferroviaires (SNTF), which is the state-owned company responsible for railway transportation and development in Algeria.

The EDC financing for the sale will be provided to SNTF through the Banque Algérienne de Développement (BAD). BAD is the Algerian financial institution responsible for monitoring capital investment for state enterprises.

EDC has many lines of credit in place around the world with banks and similar state organizations. The lines of credit enable EDC to lend to these central institutions so that subsequent loans can be made available to local clients wanting to buy Canadian goods or services.

Export Development Corporation (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.

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