

News Release

Communiqué

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 007

January 16, 1989.

INDIAN COAL PROJECT TO USE CANADIAN EXPERTISE

International Trade Minister John C. Crosbie announced today that the Government of India has signed a contract valued at Cdn. \$166 million with the Canadian Commercial Corporation to have Met-Chem Canada Inc. (Montreal) provide equipment and services to increase the output of the Rajmahal Open Cast Coal Mine in India. The Export Development Corporation (EDC) is providing financing to the buyer to support the sale.

The contract calls for Met-Chem Canada to increase the mine's production from one million tonnes per year to 10.5 million tonnes per year. The coal will be used as feedstock for two local thermal power stations. In the course of executing this contract, Met-Chem Canada will be supplying engineering services and will be procuring equipment, including mining, power supply, communications, and earth moving equipment, along with power shovels, drills, trucks and generators -- all sourced in Canada. The sale is expected to generate 5,000 person-years of employment over the 5-year contract.

In making the announcement Mr. Crosbie stated that "this project is important to Canadian manufacturers in the mining industry because it is an opportunity to supply equipment, to establish new manufacturing capability, and to create a higher profile for Canadian expertise in this sector".

Met-Chem Canada is an engineering and consulting firm that was formed in 1969 and has extensive consulting, design, procurement, and operating experience in the mining and steel industries, both in Canada and abroad, including India.

Canadian Commercial Corporation is a Crown corporation mandated by the Government of Canada to act as the prime contractor when other countries and international agencies wish to purchase products and services from Canada on a government-to-government basis.

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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