

The Department of External Affairs announced today an exchange of notes between the Honourable Allan J. MacEachen, Secretary of State for External Affairs, and Mr. Aziz Ahmed, Minister of State for Defence and Foreign Affairs of the Islamic Republic of Pakistan, constituting a Foreign Investment Insurance Agreement between Canada and Pakistan. Mr. J.A. MacDonald, President of the Export Development Corporation, was present for the signing.

Under its Foreign Investment Insurance Programme, the Export Development Corporation insures investments in other countries by Canadian investors against certain risks. The Corporation may not issue such insurance for any investment which will not provide economic advantages to Canada or contribute to the economic growth and development of the country in which it is made. Under the bilateral agreement signed today, the Export Development Corporation, in the event that it makes a payment to an insured investor who has suffered a loss, is authorized by the Government of Pakistan to exercise the rights assigned to the Corporation by the Canadian investor in Pakistan. The agreement is designed to strengthen Canadian investor confidence as well as to facilitate the settlement of any claim which might arise under the Corporation's Foreign Investment Insurance Programme in Pakistan.