



communiqué

N°:
No.: 112

AUGUST 6, 1984

CANADIAN FINANCING FOR MAJOR HYDROELECTRIC PROJECT IN INDIA

Francis Fox, Minister for International Trade, in collaboration with his colleague, the Honourable Jean Chrétien, Deputy Prime Minister and Secretary of State for External Affairs, announced today in Montreal financing support in the amount of \$620 million for the export of Canadian goods and services to India.

Minister Fox reported that on Friday, August 3, 1984, the Export Development Corporation (EDC) and Canadian International Development Agency (CIDA) signed parallel loan agreements in New Delhi with the National Hydroelectric Power Corporation. These agreements will finance \$403 million and \$217 million, respectively, of Canadian goods and services for the 540 megawatt Chamera Hydroelectric Project on the Ravi River in the State of Himachal Pradesh in northern India. These amounts will complement India's own substantial contribution of domestic goods and services valued at about \$648.5 million. CIDA is lending an additional \$28.5 million separately under a CIDA power sector line of credit with India. The total cost of the Chamera project is \$1.3 billion.

The Minister went on to point out that this parallel financing by EDC and CIDA was on a scale well exceeding previous joint loans and was an example of using their combined funds to facilitate Canadian exports while at the same time materially advancing India's goals for development. The project has been examined and approved by the Indian environmental authorities and a monitoring committee will be appointed by the Government of India to make sure that environmental concerns are fully taken into consideration in implementing the project.

.../2