



communiqué

N^o:
No.: 009

JANUARY 13, 1984

CANADIAN COMPANY WINS MALAYSIAN CONTRACT

The Honourable Gerald Regan, Minister for International Trade, today announced a US \$143.7 million financing agreement to support a sale of Canadian goods and services for the South Sabah pulp and paper project in Malaysia. The announcement was made on the occasion of the official visit to Canada of the Malaysian Prime Minister, Dr. Mahathir bin Mohamad, and his delegation of officials and businessmen.

The project, totalling US \$324.5 million, will be built by a consortium led by Klockner-Stadler Hurter Ltd. (KSH) of Montreal; Klockner Industrie Anlagen GMBH of Germany and Voest-Alpine AG (Voest) of Austria are the other members.

The Export Development Corporation (EDC) loan supports the Canadian portion of the contract. The German and Austrian portions are receiving similar support from the export credit agencies of Germany and Austria.

The sale is expected to generate about 4,000 person-years of employment at Klockner-Stadler Hurter Ltd. and its sub-suppliers.

The buyer is Sabah Forest Industries Sdn. Berhad, Kota Kinabalu, Sabah.

Mr. Regan said "My visit to Malaysia in May, 1983 leading a trade mission of some 40 Canadian businessmen was a follow-up to Prime Minister Trudeau's earlier ASEAN tour. I am pleased that our combined efforts have contributed to the successful conclusion of negotiations for this very important project."

In the last few years there has been a notable strengthening of the bilateral relationships between Malaysia and Canada, including a mutual interest in commercial opportunities. This significant project should serve to focus additional Canadian interest on Malaysia and to encourage Canadian companies to look towards Malaysia regarding new investment and commercial opportunities.

The project, situated near Sipitang on the island of Borneo, will involve the construction and commissioning of a pulp and paper mill and associated facilities.

Mr. Gerry Van de Weert, President of KSH said "This award is very satisfying in that, under intense pressure from international competition, the work and effort put in by our consortium, by EDC and officials of External Affairs has proved successful. This contract will provide a major boost to the Canadian engineering and pulp and paper equipment manufacturing industries, as well as help open the door for future Canadian exports to Malaysia".

Contact: J. Kneale
Minister's Office
Department of External Affairs
Ottawa (613) 992-7332