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MINISTER OF TRADE SIGNS \$15 MILLION DEVELOPMENT LINE OF CREDIT AGREEMENT WITH ZIMBABWE

The Honourable Ed Lumley, Minister of Trade, concluded his visit to Zimbabwe yesterday by announcing that two agreements were finalized which will result in over \$45 million of Canadian goods being sold to Zimbabwe.

The first agreement, worth \$32.7 million involves the supply of 26 diesel electric locomotives, spare parts and tools to the National Railways of Zimbabwe by General Motors Market Development of Canada Ltd.

The sale will be supported by a \$7-million (U.S.) loan from the Export Development Corporation (EDC), a \$6-million (Cdn) loan from the Canadian International Development Agency (CIDA) and a \$18.5-million (Cdn) loan from the Kuwait Fund for Arab Economic Development.

The sale is expected to generate 740 person-years of employment in Canada. The locomotives will be manufactured at the diesel division of General Motors of Canada Ltd. in London, Ontario.

National Railways of Zimbabwe is a state-owned railway system and has purchased 61 locomotives for its system, 35 from the United States and 26 from Canada.

The second agreement was for a \$15 million development line of credit for the purchase of Canadian equipment such as road graders, telecommunications switching gear, specialized soil conservation equipment, water pump engines, transformers and front-end loaders which Zimbabwe needs for the development of rural areas. This loan is provided by the Canadian International Development Agency.

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This financing facility fulfils part of Canada's pledge to provide at least \$10 million annually for the next five years. Canada's future aid will concentrate on reconstruction and rural development, agriculture, transportation, mineral development, technical assistance and training.

In Zimbabwe, Mr. Lumley met with Cabinet Ministers to discuss economic and commercial relations between the two countries.

His trip to Africa also includes visits to Kenya and Swaziland.

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