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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.

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The generation of additional power will play a key role in India's economic development, and this project is one part of an overall plan to develop its substantial hydro resources. These contracts will result in an estimated 14,100 person-years of employment in Canada. In addition to the work performed by the four prime companies, some 200 other Canadian firms could be involved as sub-suppliers over the next six years during the execution of the project. The Indian supply of domestic goods is expected to generate about 24,000 person-years of employment in India.

For this project, the Canadian Consortium of Chamera Constructors (sponsored by SNC Inc. and composed of SNC, Acres, Canadian General Electric, and Marine Industries Limited) was nominated as exporter of record for the Canadian participation in the project. SNC and Acres will provide engineering services which will consist of project management, technical training, construction assistance, and procurement services. Marine Industries Limited's equipment package will consist principally of turbines, gates and accessories, while Canadian General Electric Company Limited's will consist of generators, generator exciters, bus ducts and accessories.

In making this announcement, the Minister stated, "This hydroelectric project is clearly in the best interest of both countries, with Canada providing technical expertise and machinery for which our country is a world leader, to a sector in which India plans to make major investments. This is truly a showpiece of Canadian-Indian cooperation, and I am confident that it can serve as a model for future joint participation."

EDC is a Canadian Crown corporation that provides a wide range of insurance and bank guarantee services to Canadian exporters and arranges credit for foreign buyers in order to facilitate and develop export trade. CIDA operates and administers Canada's official international development assistance program in about 80 countries.