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CANADIAN GOVERNMENT TO LOAN \$30 MILLION
FOR POTASH FOR INDONESIA

JAKARTA, INDONESIA--The Canadian Government will provide a \$30 million line of credit with which Indonesia will buy Canadian potash fertilizer.

The project was announced in Jakarta today by the Minister for International Trade, James Kelleher.

"The potash project is in line with the priorities of Canada's development assistance program to Indonesia, and it will have a significant beneficial impact on the potash industries in Saskatchewan and New Brunswick," Mr. Kelleher said. "It facilitates the participation of the private sectors in both Canada and Indonesia in support of long-term development needs in Indonesia."

The line of credit will pay for some 224,000 tonnes of potash fertilizer necessary to strengthen Indonesia's agriculture sector and increase agriculture production. It is used both in the production of rice for domestic consumption and for cash crops for export, such as rubber and palm oil, coconut, cloves, coffee, and tea. The Canadian International Development Agency (CIDA) is providing the line of credit.

"It will also provide balance of payments support at a time when Indonesia has been particularly hard hit by falling international oil prices," Mr. Kelleher added.

Indonesia has a population of 160 million and a per capita income of \$700 a year. Canadian development assistance to Indonesia since the program began includes \$53.5 million in contributions, \$207.8 million in loans, and \$31.2 million in food aid. This assistance now concentrates on the long-term needs of human resource development and natural resources management.

"We welcome this opportunity to assist Indonesia with its balance of payments situation and look forward to expanding markets for our potash and a steady growth in both commercial and cultural relations between our two countries," Mr. Kelleher said.

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