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EDC AND INDONESIA AGREE TO EXTEND EXPIRY DATES OF BUKIT ASAM LOAN

JAKARTA, INDONESIA--The Minister for International Trade, James Kelleher, announced in Jakarta, Indonesia that the Export Development Corporation (EDC) and the Republic of Indonesia have agreed to extend the expiry dates of a US \$122.7 million multiple disbursement agreement loan signed in 1981 to support the supply of Canadian goods and services for the Bukit Asam Coal Rail Transportation Project. The Canadian International Development Agency (CIDA) loan of Cdn \$45 million was also extended.

The deadline for contract approvals, which was October 15, 1985, will be June 30, 1987.

A multiple disbursement loan is a financing agreement in which the buyer (who is usually also the borrower) requires, for planning purposes, that the terms of the financing be determined at an early stage and remain fixed during the life of the project. Normally, there will be several exports of record under the project and, therefore, several disbursement procedures agreements linked with the loan.

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When completed, the Bukit Asam Coal Rail Transportation Project will convey up to 5.5 million tons of coal per year from South Sumatra to fuel the 1,600 MW Suralaya Thermal Power Station on West Java.

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.

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