

## **Team Canada in Pakistan signs more than \$2 billion in deals**

January 15, 1996

Prime Minister Jean Chrétien and seven provincial premiers today witnessed the signing by Canadian businesses of 20 new business deals worth \$2.1 billion as Team Canada made history with the largest trade mission to ever visit Pakistan.

The business deals include \$926 million in commercial contracts and \$1.2 billion in agreements in principle, including memoranda of understanding and letters of intent.

"Team Canada's historic presence in Islamabad is testimony to the large role we want to play in the economic development of Pakistan," said Prime Minister Chrétien. "Through this Team Canada visit we have been able to showcase the skills and know-how of Canadian businesses of all sizes. And the signings today show that the Pakistanis are taking notice - and that means jobs and growth in both our countries."

In addition to today's commercial signings, and not included in the total value, the Government of New Brunswick signed a memorandum of understanding with the Pakistan Government for a 10-year dairy and meat project that would see the export of 50,000 head of cattle. The project would mean hundreds of millions of dollars in the Canadian agricultural sector.

The value of today's signings is particularly significant in light of the fact that two-way trade between Canada and Pakistan totalled only \$260 million in 1994 - with only \$62 million in Canadian exports. Indeed, over the last 12 months, Canadian companies have concluded sales worth more than \$400 million. Canadian investment has increased from virtually zero in 1993 to an estimated \$10 million in 1995.

Today's signings in the Pakistan capital bring the amount of business deals signed so far during Team Canada's visit to South Asia to \$5.5 billion.

Backgrounders on the deals signed today in Islamabad are attached.

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### **NEW CANADIAN BUSINESS INITIATIVES IN PAKISTAN Background to the Signing Ceremony in Islamabad January 15, 1996**

#### **New Brunswick Department of Economic Development and Tourism, Fredericton, New Brunswick**

Premier Frank McKenna has signed, on behalf of the New Brunswick Department of Economic Development and Tourism (NBDEDT), a memorandum of understanding with Jahan Zaeb, Managing Director of Green Enterprises Ltd. of Lahore, to investigate the feasibility of establishing light manufacturing and processing operations in New Brunswick. The Pakistani firms, which specialize in textile manufacturing, juice processing, leather and wood furnishings, are interested in locating in New Brunswick as an access point to the North American market. Members of the Green consortium plan on visiting New Brunswick in the coming months to study site selection, distribution systems and manufacturing options.

#### **AGRA Industries Limited, Mississauga, Ontario**

AGRA International Limited, a wholly-owned subsidiary of Agra Industries Limited, has signed a

memorandum of understanding with Laraib Energy Limited of Islamabad to jointly develop a 45-megawatt hydroelectric project at the Bong Escape canal flowing from the Mangla Dam Powerhouse on Pakistan's Jhelum river. Initially, the companies will carry out a study to determine the feasibility of the plant. If they agree to proceed, the joint venture and other partners would finance, design, procure, construct and own the facility. The project would cost an estimated \$115 million and would generate power to be sold to the national power grid. AGRA Industries Limited is a Canadian-based international corporation which provides engineering, construction, environment and systems engineering services around the world. Laraib Energy Limited specializes in energy generation and related activities.

**ALERT Disaster Control Ltd., Calgary, Alberta**

ALERT Disaster Controls Ltd., an emergency response and preventative safety service company, and the Oil and Gas Development Corp. (OGDC) have signed a \$7.4-million contract to undertake a gas well recovery operation at the Qadirpur Field Well No. 4. ALERT maintains ISO 9001 certification as accredited by Det Norske Veritas.

**Alcan Cable, a division of Alcan Aluminium Limited, Montreal, Quebec**

Alcan Cable has signed an agreement with Chaudri Cables (Pvt) Limited of Lahore, one of the largest cable manufacturers in Pakistan, signalling the successful conclusion of financing negotiations and the receipt of Pakistani government approval for their \$55-million contract with the Water and Power Development Authority to supply a 500-kilovolt transmission line conductor from Jamshoro to Guddu. The Canadian Export Development Corporation will provide financing for this project.

**B.C. Hydro International Ltd., Vancouver, British Columbia**

B.C. Hydro International Ltd. (BCHIL), a subsidiary of Crown-owned B.C. Hydro, has signed a contract with Southern Electric Ltd. (SEL) of Islamabad to develop a 70-megawatt hydroelectric project valued at about \$126 million and to pursue other Pakistan hydroelectric projects.

B.C. Hydro International Ltd. has also signed a memorandum of understanding to pursue the development of about 670 megawatts of medium size hydroelectric power projects on the Swat River System. These projects are valued at more than \$1 billion.

**CAE Aviation Ltd., Edmonton, Alberta**

CAE Aviation Ltd., which specializes in aircraft maintenance and modifications, has signed a memorandum of understanding with Shaheen Foundation of Islamabad to jointly work toward the development of an aircraft overhaul "Centre of Excellence" in Pakistan. The two partners will create a joint venture company to staff and manage the new Centre. As an initial project, the Centre may service and modify the Pakistan Air Force's fleet of C-130 (Hercules) aircraft. Development of the Centre will be carried out in stages to ensure that effective management, administration and profitability is maintained throughout its growth. CAE Aviation Ltd. will make an initial investment to upgrade existing facilities, install the necessary tooling and equipment and provide program management.

**First Canada Hotel and Consulting, Kingston, Ontario**

First Canada Hotel and Consulting, a hotel marketing and consulting firm planning to establish a worldwide hotel chain called First Canada Inns, has signed a memorandum of understanding to negotiate a contract with S & R International (Pvt.) Ltd. of Lahore to provide a franchise for, and construct, a First Canada hotel. The estimated value of the deal is \$10 million. The proposed Lahore hotel would have 125 guest rooms, 25 suites, conference and restaurant facilities. This agreement includes plans for five other sites in Pakistan and 10 in India. The hotels are 80 per cent prefabricated in Canada using Royal Building System.

**Hartford Fibres Ltd., Kingston, Ontario**

Hartford Fibres Ltd., a manufacturer of flocked velvet fabrics, has signed a letter of intent with Bengal Fibre Industries of Karachi making Bengal a distributor of Hartford Fibre velvet products in

Pakistan. Flocked velvet fabrics are used in home furnishing, apparel, footwear, luggage and the automotive industry. This arrangement could generate revenues of at least \$500,000 a year.

**International Road Dynamics Inc., Saskatoon, Saskatchewan**

International Road Dynamics Inc. has signed a memorandum of understanding with National Engineers of Lahore to develop a joint venture manufacturing and service capability in Pakistan. Current projects under negotiation are valued at \$2.7 million. International Road Dynamics is a multi-disciplinary, engineering firm specializing in automated weigh station, toll road, vehicle identification, traffic data collection and other related systems. National Engineers is active in the transportation and telecommunications field with sales and after-sales service centres in Lahore, Karachi and Islamabad and branch offices in the United States.

**Nortech Surveys (Canada) Inc., Calgary, Alberta**

Nortech Surveys (Canada) Inc., a geodetic surveying and consulting company, has signed a \$500,000-contract establishing a joint venture company, Nortech Pakistan, with Shahzad International of Islamabad, a services and trading company and the exclusive representative in Pakistan of seven major oil and gas companies and over 60 manufacturers and equipment suppliers. Through an office opening in Islamabad, Nortech Pakistan will provide Nortech's complete range of geodetic services, including automated land surveying, marine navigation and positioning services, integrated airborne remote-sensing systems, and the development of specialized hardware and software systems. The Canadian International Development Agency Industrial Co-operation Program funded a feasibility study by Nortech, which made this joint venture possible.

**Presson Manufacturing Ltd., Nisku, Alberta**

Presson Manufacturing Ltd., which designs and manufactures natural gas and crude oil processing facilities and plants, has signed a \$1-million contract with the Oil and Gas Development Corp. (OGDC) of Pakistan, a government agency, to supply a gas dehydration plant. Work is scheduled to be completed by July or August 1996.

**SNC-Lavalin, Montreal, Quebec**

Indus Mass Transit Company, an international consortium composed of SNC-Lavalin, acting as leader with a majority of shares, Adcon Engineering (Pvt) Ltd., part of the Adamjee Group of Pakistan, and Sezai Turkes Feyzi Akkaya Construction Co. (STFA) of Turkey, has signed a contract with the Government of Pakistan, represented by the National Mass Transit Authority, granting the consortium the right to build and operate for 30 years an elevated light rail mass transit system in Karachi. With an estimated value of more than \$700 million, this project would be executed on a build-own-operate-transfer basis. Today's agreement follows the letter of intent signed in October and will include a pre-investment study and the engineering phase during which the financing will be arranged. Financing will be provided by the consortium, foreign lenders and the Government of Pakistan. The Karachi Light Rail Mass Transit System (LRT) will comprise approximately 14 kilometres of fully segregated and mostly elevated guideway and a bus feeder system along four kilometres of road, feeding into the light rail line at its northern terminus. The LRT line will serve 14 passenger stations from Mereweather Tower at the southwest end of the corridor to Karimabad Station at the northeast end.

**Sunora Foods Ltd., Calgary, Alberta**

Sunora Foods Ltd., a food oil company specializing in canola oil, has signed a contract with Healthway Food International (PVT) Ltd. of Islamabad for a joint venture worth approximately \$81 million. The partners will initially supply bottled and bulk canola oil to Pakistan.

**Teleglobe Canada Inc., Montreal, Quebec**

Teleglobe Canada Inc., a North-American based international telecommunications carrier, has signed three contracts with three telecommunications carriers in Pakistan to link local Internet facilities to Teleglobe's intercontinental network for worldwide data transmission. The agreements were signed with three Islamabad-based partners, namely Pakistan Telecommunications Corp.,

Pakistan's national telecommunications carrier, Pak Datacom, a subsidiary of the Telecom Foundation, and Supernet, a subsidiary of Arfeen Group. The total value of the three contracts is estimated at approximately \$700,000. In addition, Teleglobe Canada Inc. has signed a memorandum of understanding with Supernet to provide an F-3 earth station in 1996. Teleglobe Canada Inc. provides a network of cables and satellites linking Canada with 240 countries and territories.

**University of British Columbia, British Columbia**

The University of British Columbia (UBC) has signed a memorandum of understanding with the Aga Khan University of Karachi for a co-operative initiative in respiratory medicine. This agreement represents a commitment to develop linkages between the Aga Khan University and UBC's Faculty of Medicine and St. Paul's Hospital. Linkages between UBC's Faculty of Education and the Aku Institute for Educational Development will also be encouraged. The University of British Columbia has linkage agreements with 132 universities in 41 countries around the world.

**World Tel, Vancouver, British Columbia**

World Tel, a global marketing and information technology company, has signed a contract with World Tel Meca Pvt. Ltd., a joint venture company owned by World Tel and Khadim Ali Shah Bukhari and Co. Ltd. (KASB) Group, which is a leading investment dealer and stock broker in Pakistan. World Tel Meca is acquiring a license for internetworking and data communication services to supply the Pakistan market as well as Central Asia, including Uzbekistan, Khazakastan, and several Middle Eastern countries. The total investment in the project is valued at approximately \$8.4 million. Through this joint venture, World Tel Meca will become a member of the World Tel MIT (Marketing, Investment, Trading) Network which is expanding throughout Asia and the world. The MIT Network provides value-added business services drawing heavily on Canadian technology as well as the strengths and talents of its strategic partners including BBN, a New York Stock Exchange firm that built the original internet and launched the world's first email service.

Information, including estimated costs, investment projections, and contract values, contained in this document has been compiled based on press releases and other submissions provided by the companies listed. The Government of Canada takes no responsibility for the accuracy of this information.