

urging Canadian exporters to also look at opportunities opening up in Indonesia's private sector. Economic liberalization has spurred real growth in this sector. The resulting industrial expansion and diversification will provide new opportunities for foreign suppliers.

Indonesia remains one of the largest recipients of funds from the multilateral developments banks. Thus, Canadian trade priorities in this market continue to include the vigorous pursuit of procurement funded by these institutions.

Market studies of various sectors of the Indonesian economy are available from External Affairs and International Trade Canada:

Animal Feed	1988
Aquaculture	1990
Canadian Food Products	1988
Industrial Chemicals	1989
Oil and Gas	1988
Pulp and Paper	1989
Mining Projects	1989

Brief market profiles (1991) are also available on Agri-food, Iron and Steel, Chemicals and Plastics, Education and Training, Electrical Equipment, Health Care Products, Telecom and Consulting Services.

Recent visits and trade promotion activities with Indonesia have included the following: 12 Indonesian companies in the pulp and paper sector on a cross-Canada trade mission in October, 1991; the visit of the Indonesian Forestry Minister in September 1991; and in May 1992 a mission of 33 companies from Canada participated in a Pulp and Paper Technology Showcase. Canada also participated in the Asia Pacific Mining Conference in Jakarta in March 1990. Other recent trade missions have been in the rural telecom, remote sensing, aquaculture and air transportation sectors.

Canada's Program for Export Market Development (PEMD), provides repayable loans to individual companies to cover costs in developing export business and aids companies in efforts to reach markets in new geographic and product markets. Between April 1980 and March 1992, PEMD approved 478 applications for assistance in Indonesia, with total funding of \$3.4 million. Since its inception in 1971, PEMD programs have resulted in reported sales of over \$105 million in Indonesia.

The Export Development Corporation (EDC) is Canada's official export credit agency, providing export credit insurance, loans, loan guarantees, and

other financial services that promote Canadian trade and support Canada's exporting community. Within the ASEAN region, the EDC considers Indonesia a target market and is interested in expanding its business activity in connection with the rapidly increasing opportunities in Indonesia for Canadian exports.

Since 1979, the EDC has entered into 19 financial agreements totalling over CDN \$480 million, without experiencing any material payment difficulties. These agreements include 18 loans for capital goods ranging from aircraft to a nuclear electronics laboratory, and one multiple disbursement loan co-financed with the Canadian International Development Agency (CIDA) in support of a coal rail transportation project (Bukit Asam). The Bukit Asam project, established in 1981 and recently disbursed in full, has included 11 allocations totalling U.S. \$130.2 million, and includes transportation and telecommunications goods and services from various Canadian exporters.

The Indonesian public sector historically has enjoyed substantial benefits from a financing perspective. In certain cases where international bidding is to be pre-empted, Presidential Decree 8, introduced in 1984, requires foreign financing terms for long-term projects to reflect an interest rate of 3.5 percent, with a 7-year grace and an 18-year repayment schedule. A scarcity of concessional funds has limited EDC's ability to support export transactions where such Decree 8 financing is a prerequisite. However, in 1990 EDC successfully supported Canadian supply on OECD consensus terms for the Paiton Power Project and a trend towards more non-concessional consensus-based lending to the public sector is expected to continue. Significant opportunity exists to support exports to the private sector where EDC has targeted key borrowers.

The Canada-Indonesia Business Council is yet another vehicle for export marketing efforts in Indonesia. Its Indonesian counterpart, the Indonesia-Canada Business Council, is a subsection of the Indonesian Chamber of Commerce and Industry, and focuses on promoting Indonesian exports and investment inflows. These organizations of companies and individuals aim at fostering links between the private sectors with a view to increasing activities in the markets of both countries.