

Around the Region

Canadian Connections with ASEAN Countries

INDONESIA

Indonesia's Director General of Foreign, Economic, Social and Cultural Relations, Department of Foreign Affairs, Mr. Rusli Noor, and Canada's Ambassador to Indonesia, Mr. W.H. Montgomery, signed a loan agreement for the **South Sumatra coal transport project**. Under the loan agreement, the Government of the Republic of Indonesia and the Government of Canada will co-operate in the improvement and expansion of railroad facilities in southern Sumatra as part of the Bukit Asam coal mining and transportation project.

Through the Canadian International Development Agency (CIDA), Canada will provide a loan of \$45 million to Indonesia for the project. The loan, the largest CIDA has ever extended to Indonesia, will be used to provide 15 diesel locomotives, temporary and permanent communications networks, and related services for the improvement of the railroad systems. It is complementary to a parallel loan agreement signed by the Indonesian government and the Export Development Corporation (EDC) of Canada last October for \$144.7 million, supporting the purchase of railway and port equipment and related engineering services.

The project involves the upgrading of the rail facilities, and the construction and improvement of coal port handling facilities in southern Sumatra. It is being carried out in conjunction with the recently announced World Bank-supported Bukit Asam coal mining project in which the Canadian consulting firms of Canadian Pacific Consulting Services, and MCS (Montreal Engineering and Swan Wooster Ltd.) are providing overall project supervision and management assistance.

The Bukit Asam project will result in the development of a coal mine with an annual output of three million tonnes and the transportation of that coal by rail to a new coal handling terminal at Tarahan in Lampung province. From Tarahan the coal will be shipped to the Suralaya power station now under construction in West Java, where Montreal Engineering is acting as project consultant. Another Canadian firm, Lavalin International, is acting as design consultant to the Marubeni Corporation of Japan, and Babcock and Wilcox of Canada is providing boilers to the power station.

The total estimated value of Canadian involvement to date is over \$129 million.

Canada's participation in upgrading and expanding the railway facilities of southern Sumatra continues the active co-operation that has existed between Indonesia and Canada in the transportation sector over the past ten years. The South Sumatra coal transport project is the largest single project that Canada has funded in Indonesia and will complement other CIDA-supported projects in the transportation field, such as the Banda Aceh-Meulaboh Highway in the special territory of Aceh, the Sulawesi road betterment office in Ujung Pandang, South Sulawesi, and the establishment in Ujung Pandang of Merpati maintenance facilities to service Canadian-supplied Twin Otter aircraft used by Merpati in eastern Indonesia.

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A highly successful **trade and investment seminar** was held in Indonesia's second largest city, Surabaya, East Java, on February 9. The seminar, which was conducted by Canadian Ambassador W.H. Montgomery and the staff of the Embassy's commercial division, was organized in co-operation with the East Java branch of the Indonesian Chamber of Commerce and Industry (KADIN). Approximately 50 leading businessmen from the East Java area attended the meeting, which was held at the Hyatt Bumi Hotel.

Dr. Moh Zuhdi of the Surabaya office of the Indonesian Investment Promotion Board (BKPM) and Dr. Tjiptono Darmadji, a prominent East Java cardiologist and businessman and a member of KADIN, outlined the trade and investment interests of East Java.

The wide ranging experience of Canadian exporters was examined in detail and brochures and other information material outlining these capabilities were distributed. The Embassy prepared a special publication in Indonesian which provided information on Canada-East Java trade as well as on other aspects of Canadian relations with Indonesia.

At the conclusion of the seminar there was an opportunity for more detailed discussions with representatives of individual companies and organizations in the East Java area, including P.T. Pal Shipyards, one of the largest in Indonesia; P.T. Eternik Gresik, an asbestos cement manufacturer that purchases large quantities of Canadian asbestos; Petrokimia Gresik, a fertilizer manu-

facturer that purchases sulphur from Canada; P.T. Cement Gresik, a cement manufacturer that purchases kraft paper and refractory brick from Canada; and Leces, a paper producing company that purchases pulp from Canada.

MALAYSIA

Under its **Mission-Administered Fund Program (MAF)** for the fiscal year ending March 31, the Canadian High Commission in Kuala Lumpur once again provided funds totalling \$200,000 for the financing of small projects in Malaysia. The allocation for the 1981/82 fiscal period concentrated on projects in the agricultural, health and rehabilitation sectors, the single largest contribution being towards farm mechanization. Through the provision of three 30 hp-40 hp tractors, farmers in a group planting project in the Kelantan region will be able to undertake the planting of padi twice a year, increase land utilization and, through productivity, increase incomes.

The MAF represents a unique instrument for Canadian missions in several countries to identify and implement innovative developmental projects, having high developmental impact at relatively small funding levels.

Since the commencement of the program in Malaysia in 1970, funds totalling approximately \$628,000 have been disbursed. A major portion of the allocations have been made in the agricultural area, a dominant sector in the Malaysian economy.

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The **Malaysian Airline System (MAS)** recently signed an agreement with de Havilland Aircraft of Canada Limited for the purchase of two DHC-6 Twin Otter aircraft.

The planes, which cost approximately \$3.75 million, are scheduled to begin operating this month on the Rural Air Services system of Sabah and Sarawak.

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Representatives of Via le Monde Canada Inc. visited Malaysia at the end of last year to explore the possibilities of producing **documentary films** and were successful in obtaining permission to produce two films—one in Perlis, the other in Negeri Sembilan.

Following the completion of the Malaysian productions in February, 1982, permission was obtained in Brunei to produce a documentary film featuring facets of life in that country.

These documentary films were co-produced with the Canadian Broadcasting Company for presentation on prime television time during 1982. They are