

TRADE OVERVIEW

Indonesia's population of 170 million offers an enormous relatively untapped market for Canadian products. Canadian engineering firms have been active in the country for many years implementing projects for the World Bank, the Asian Development Bank and the Canadian International Development Agency which devotes more than \$50 million annually to Indonesia as a country of concentration. These engineering firms have earned an outstanding reputation for Canada and have successfully created a number of important projects including the Bukit Asam coal project, the Suralaya power station, the Lombok irrigation project, etc.

Indonesia's imports in fiscal 1986/87 were worth some US\$11 billion, of which perhaps \$1 billion were funded under assistance programs. Canada's share is miniscule, at CDN \$305 million in calendar 1987, generally through lack of appreciation of the opportunities untapped and awaiting suppliers.

There are important commercial opportunities which remain untapped by Canada, including a gas gathering system for new dual-fired power stations as well as potential turbine co-generation projects. There will also be continuing requirements in software, space, telecommunications, electrical switch gear, coal mining, ports, industrial chemicals, food products, packaging equipment, etc. Some of these opportunities will require the support of the Export Development Corporation if they are to be successfully pursued. EDC is responsive and understanding of Indonesia's financial condition and whenever possible will provide imaginative and supportive terms to assist Canadian exporters. The project market is sometimes considered to be "spoiled" through competition from Europe, Japan, USA and Australia but there is room for Canada if exporters will visit more frequently, and develop an understanding of the market, work closely with the Commercial Division at the Embassy, with EDC and with CIDA. In 1988 there will be a particular campaign to bring the merits of the Indonesian market to the attention of Canada's exporters and improve Canada's access to an increasingly vital non-governmental market.

CANADIAN MARKETING OBJECTIVES

1. Oil and Gas Equipment and Services - The Government of Indonesia has announced its intention to exploit gas deposits as fuel for power. Therefore, opportunities to supply consulting and equipment.
2. Agriculture and Food Products and Services - Opportunities exist to expand Canadian food exports by better acquainting Indonesian importers and wholesalers with Canadian suppliers.
3. Mining, Metals and Minerals, Products and Services - Indonesian mining developments in gold, coal and nickel are expanding rapidly, resulting in significant opportunities for consulting services, mining and transportation equipment.