

## **Canada-Indonesia Relations**

### **Bilateral**

- Indonesia's size (with a population exceeding 190 million, it is the fourth most populous nation on earth), its leadership role in ASEAN, its position as current chair of APEC and the Non-Aligned Movement, its role as a moderating member of the Organization of the Islamic Conference, the Group of 77 and the Organization of the Petroleum Exporting Countries (OPEC), make it an important partner in the region.
- In 1993, Canada marked the 40th anniversary of the establishment of the Canadian Embassy in Jakarta. Canada-Indonesia relations have developed from a traditional development co-operation relationship into a mature, mutually supportive and beneficial partnership at all levels.

### **Trade and Investment**

- Indonesia is Canada's largest export market in the ASEAN region. Exports have been growing approximately 10 per cent a year, and two-way trade is expected to exceed \$1 billion by the end of 1994. In 1993, bilateral trade reached \$905 million. Canadian exports to Indonesia were worth \$461 million, while imports from Indonesia were valued at \$444 million.
- Indonesia has been experiencing rapid economic growth rates, averaging over 6 per cent a year. Canadian exports will benefit from further tariff reductions announced by the Indonesian government in July 1994. In addition, import duties have been reduced on 739 kinds of manufactured, agricultural and health products; non-tariff barriers have been removed on 27 commodities; and surcharges have been lifted on 38 products containing alcohol.
- The Indonesian market offers some of the most significant business opportunities in the region for Canadian companies. For example, Indonesia has the largest oil and gas reserves in Southeast Asia and many Canadian firms currently operate in the market. By the year 2000, it is anticipated that Indonesia will have 60 pulp mills and 71 paper mills, offering further prospects for Canadian companies in the forestry sector.
- Sectors with particular potential for Canadian companies include telecommunications and information technology; energy, including power generation, oil and gas; the environment; forestry; mining; and construction and health products.