



Conclusion

Indonesia's recent economic progress and its growing political importance in the region are leading to more mature bilateral relations. Development assistance is, and will remain for some years, a necessary and vital component of the Indonesian economy. However, Canada recognizes the potential for much wider trade and investment relations, as well as more extensive links between educational institutions in both countries, which will further benefit both Indonesia and Canada.

These changes are already taking place. Over the course of the past decade, Canada's trade with Indonesia has doubled. Increasingly, Canada's merchandise trade is expanding beyond primary products to include manufactured items. Less visible, but equally important, are the links created by exports of services to Indonesia, providing engineering expertise as well as training, to strengthen Indonesia's ability to compete in the global market. Neither country has a major share of the other's total trade but the potential remains high, and further efforts are needed to take advantage of the benefits to each country in meeting Indonesia's development needs with Canada's experience and expertise.

Increased co-operation over a variety of sectors will facilitate these efforts. Some provinces, recognizing the potential of Indonesia's market, have been actively promoting companies in Indonesia through activities such as trade fairs and missions. Canada and Indonesia already benefit from co-operation agreements in agriculture and defence, as well as from participation in a range of multilateral organizations; however, there is scope for an even stronger partnership.

Indonesia has demonstrated its commitment to developing a more liberal, market responsive economy. Canada encourages the private sector to explore the opportunities offered by Indonesia's markets. Through partnership in ASEAN and bilateral relations, Canada can continue to provide assistance to Indonesia in its progress towards lasting economic and social prosperity.