

and forestry - in a sustainable fashion, are all priorities that we share.

It is not surprising therefore, that we already enjoy a strong bilateral trade and investment relationship. Two-way merchandise trade should exceed \$1.1 billion this year. The value of Canadian investment in Indonesia is estimated at \$5 billion.

This relationship is important to Canadians.

To state the obvious, Canada is a major trading nation. Over one third of our gross domestic product is derived from exports, compared with about one quarter just four years ago. On a per capita basis, Canada exports three times as much as the United States, twice as much as Japan and 25 per cent more than Germany.

In Southeast Asia, Indonesia is our largest market for merchandise exports; it accounts for over \$100 million annually in our service exports and is the most important destination for direct foreign investment. This provides us with a strong foundation for future growth.

Canadian firms are keen to forge relationships with their Indonesian partners and clients and to grow with your market as it responds to the challenges of increased industrial development.

We want to work with Indonesia in meeting your ever-rising demand for energy, in all its forms, including conventional, coal-fired and hydro power.

Firms such as the Asia-Power Group, which brings together our largest provincial utilities and private sector partners, hope to be strategic partners with Indonesia in future generation and transmission activities.

In the field of nuclear energy, Atomic Energy of Canada Ltd. is working with Indonesian experts to assess the applicability of CANDU technology to meet local needs, should a decision be made by your government to pursue this option. Scientific and regulatory co-operation in the nuclear area is also under way.

Canadians also have extensive expertise in harnessing natural gas resources for energy and petrochemical applications. Our gas transmission and distribution networks are the most extensive in the world, bringing the benefits of this resource across North America to our consumers.

World-class Canadian firms are pursuing a substantive role in the implementation of the trans-Indonesian gas pipeline system, now