

Two thirds of Indonesia's exports in 1990 were directed to Japan, the U.S. and Singapore. These three countries also accounted for more than 40 percent of Indonesia's imports. With export markets in Asia, the prospects for increased benefits to Indonesia from trade and investment within the region are excellent.

Indonesia's global exports amounted to U.S.\$25.7 billion in 1990, and were largely composed of primary commodities. Oil and gas constituted over 40 percent of the total; wood and wood-related products for approximately 13 percent; and textiles and garments, 11 percent. The broadening of Indonesia's exports since 1985, when oil and gas accounted for almost 70 percent of the total, has made Indonesia less vulnerable to fluctuating world oil prices.

Indonesian imports in 1990 reached US \$21.9 billion. Sixty-eight percent of that total was made up of intermediate goods, including industrial raw materials, spare parts, and fuels, while a further 27.8 percent was accounted for by capital goods such as machinery.

Principal Exports 1990

Crude oil and products 28.8%
Natural Gas 14.3 %
Wood and products 12.9%
Textiles & garments 11.4%
Rubber & products 3.5%
Shrimp 2.6%

Principal Imports 1990

Industrial raw materials 41.2%
Spare parts & accessories 15.4%
Fuels and lubricants 8.4%
Capital goods 27.8%
Consumer goods 4%

(Source: The Economist Intelligence Unit)

Foreign investment in Indonesia comes mainly from Japan, Taiwan and Hong Kong and has grown significantly in recent years. Actual 1990 foreign investment inflows amounted to about U.S. \$9 billion, a substantial increase from the mid-1980's when annual inflows were about \$0.4 billion.

Canada-Indonesia Trade

Trade between Canada and Indonesia is carried out under the General Agreement on Tariffs and Trade (GATT); Indonesia is a beneficiary of Canada's General Preferential Tariff (GPT). In 1990, almost half of the dutiable shipments from Indonesia were eligible for preferential access to the Canadian market under the GPT.

Traditionally, Canada has enjoyed a large trade surplus with Indonesia, although the margin has narrowed in recent years. In 1991, bilateral trade totalled Cdn \$562.8 million, with a trade balance in Canada's favour of \$118.8 million. Although two-way trade has more than doubled since the early 1980's, neither country is a major player in the other's market. Canada's exports account for slightly more than 1 percent of Indonesia's annual import requirements, while less than 1 percent of Indonesia's