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Framework for Co-operation

5.1 Agreements and Arrangements between Canada and Indonesia

The expansion of economic and commercial relations between Indonesia and Canada is supported through various agreements and arrangements.

An Exchange of Notes for the protection of Canadian investments in Indonesia was signed in March 1973 and amended in July 1984. The purpose of the Investment Insurance Agreement is to facilitate the EDC's provision of insurance covering losses due to inconvertibility, expropriation, nationalization or war and insurrection, through the Export Development Corporation. The investment insurance arrangement serves to make Indonesia potentially more attractive for investment by Canadian firms.

In conjunction with that agreement is the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, which came into force in December 1980. The Convention is designed to encourage trade and investment between Canada and Indonesia by eliminating double taxation of individuals and companies of one country that earn money or work in the other. Revisions to the Convention are under discussion.

Canada and Indonesia are also signatories to a regional agreement which came into force in June 1982, the Agreement between Canada and ASEAN on Economic Co-operation. This established a Joint Co-operation Committee to review progress in a range of commercial and development co-operation endeavours between Canada and the ASEAN countries.

Canada and Indonesia have also signed a Nuclear Co-operation Agreement which allows for the possibility of trade in nuclear materials, equipment and technology for the development of nuclear energy. It took effect in July 1982.

A Memorandum of Understanding was signed in 1986 regarding the export of certain clothing and textiles from Indonesia for import to Canada. The arrangement covered the period 1987-1991 and was extended to the end of 1992. It has provided for the implementation of an Export Authorization System by the Government of Indonesia and quantitative restrictions on clothing and textiles originating in and exported from Indonesia to Canada.

Finally, the two countries signed a Development Co-operation Agreement in 1990, which covers a wide range of development assistance areas including technical assistance and human resource development.

5.2 Other Areas of Co-operation

Telecommunications

External Affairs and International Trade Canada, Canada Communications and the Canadian private sector all help to fund the Telecommunications Executive Management Interchange Centre (TEMIC) located in Montreal. TEMIC provides training in telephone and communications systems for senior government and business officials from various developing countries. Six Indonesian officials from Perumtel and the Ministry of Posts and Tourism have so far participated in TEMIC courses.

Transportation

Canada and Indonesia are co-operating in various areas of transportation, from urban transport to aerospace.

Transport Canada, with the Government of Canada, the International Civil Aviation Organization, and Indonesian authorities, negotiated a Memorandum of Understanding (MOU) for the initiation of a Training Needs Analysis Mission in May 1992. The purpose of this