

Around the Region

INDONESIA

SSEA Signs Three Bilateral Agreements in Jakarta

While attending the ASEAN Foreign Minister's Post Ministerial Conference in Jakarta, the Deputy Prime Minister and Secretary of State for External Affairs, Jean Chrétien, met with his Indonesian counterpart, Professor Dr. Mochtar Kusumaatmadja. The two Ministers held friendly and fruitful discussions on the state of bilateral relations between Canada and Indonesia.

The Ministers completed their discussions by finalizing three agreements to further cooperation between the two countries.

Loan to Sulawesi Regional Development Project

The first agreement which the Ministers signed was an \$8.6 million loan agreement covering a portion of the Sulawesi Regional Development Project. This loan precedes the extension of a Canadian grant to the project amounting to a further \$12 million.

Canada's contribution to the Sulawesi project will be directed towards providing technical assistance, training and project assistance for strengthening rural development institutions and programs in support of one of Indonesia's more important regional development programs.

Canada/Indonesia Investment Insurance Agreement

An amendment to the Foreign Investment Insurance Agreement was also signed by the Indonesian and Canadian Ministers. The Agreement, signed in 1973, was designed to assist in the promotion of Canadian capital investment in Indonesia through the provision of insurance on such investments by the Canadian government, through its agent,

the Export Development Corporation.

The amendment broadens the scope for investment insurance coverage for Canadian investors. Formerly, coverage was restricted to investment made under one specific law. The amendment extends coverage to investment made under all laws of the Republic of Indonesia.

Canadian investors, particularly those in the oil sector, are expected to benefit substantially from the amendment. Several Canadian companies, notably INCO, Alcan and Bata, have already taken advantage of Indonesia's potential by investing close to \$1 billion, thus making Canada the fifth largest investor in this country.

Canadian Loan for Bukit Asam Extended

The two Foreign Ministers signed a document formally extending the validity of a loan provided by the Canadian International Development Agency (CIDA) for the rehabilitation of the railway for the Bukit Asam coal project to December 31, 1985.

Parallel financing offered by Canada's Export Development Corporation (EDC) for this project has already provided for the supply of new rails, coal wagons and the Tarahan coal handling terminal from Canada. The CIDA loan of \$45 million is in place to provide for the purchase of locomotives and a permanent telecommunication system from Canada.

The Indonesian Government is currently evaluating the locomotive manufactured by General Motors Canada. Other Canadian companies will be among the bidders submitting proposals for the telecommunication systems late in August.

Indonesian Education Officials Visit Canada

Human resources development has been identified by the Indonesian Government as a key element in the country's development process. Unfortunately, lack of first-hand knowledge in Indonesia of Canadian capabilities in this area have prevented greater involvement of Canadian companies and other institutions specializing in the supply of education and training services.

As an initial step towards solving this situation, a group of five Indonesian officials attached to the Ministry of Culture and Education participated on a two-week mission to Canada in April.

The mission, headed by Dr. Anwar Jasin, Secretary of the Directorate General for Primary and Secondary Education, visited educational institutions based in British Columbia, Alberta, Ontario and Quebec. They also received briefings on the educational systems of these provinces, and met with private companies specializing in the education and training market, thus enabling mission members to gauge Canadian capabilities and establish contact with leading firms and institutions in this sector.

The program for the Indonesian visitors was quite intensive and varied. During their stay in Ontario, for instance, the mission visited the Ontario Institute for Studies in Education, three technical colleges, three universities, a management training institute, a management consulting firm, an educational services firm and the headquarters of the International Development Research Centre (IDRC). Similar visits in the other three provinces gave members an excellent overview of Canadian systems, institutions and approaches in the field of education and training.

National Oil Company Purchases Canadian Aircraft

Pertamina, Indonesia's national oil company, has announced the purchase of two DASH-7 aircraft and spare parts from De Havilland Aircraft of Canada Limited.

The purchase, valued at US\$20.25 million, will be financed by the Export Development Corporation of Canada, under a financing agreement signed with the Government of Indonesia.

De Havilland Aircraft, based in Ontario, also manufactures Buffalo and Twin Otter aircraft, and is now developing the DASH-8.



Canadian and Indonesian delegations meet to sign agreements.