

Around the Region

Canadian Activities in ASEAN Countries

INDONESIA

The Honourable Marc Lalonde, Canada's Minister of Energy, Mines and Resources visited Indonesia from May 3-6 at the invitation of Dr. B.J. Habibie, Indonesia's Minister of State for Research and Technology.

In an energy-short world, global energy issues are of great concern to world leaders. In this context, the discussions that Minister Lalonde held with President Soeharto, Minister Habibie, Mines and Energy Minister Soebroto, and other members of the Indonesian Cabinet led to a broader understanding of the Canadian and Indonesian points of view. In addition, the areas in which Canada and Indonesia can develop bilateral co-operation in the energy field, particularly with regard to Indonesia's plan to diversify its energy sources, were explored.

During Minister Lalonde's call on President Soeharto, the discussion focussed on future developments in the North-South dialogue. This was particularly appropriate in view of Prime Minister Trudeau's concern that the leaders of the world's seven industrialized nations review this subject at the Ottawa economic summit meeting on July 20-21. Accordingly, progress in the North-South dialogue has been clearly identified as a matter of high priority for both Canada and Indonesia. In President Soeharto's words, Canada and Indonesia are "bridging countries" in the North-South dialogue.

Canada's interest in entering into co-operation with Indonesia in the field of the peaceful uses of nuclear energy was the main topic reviewed during Minister Lalonde's discussions with his host, Dr. B.J. Habibie. Canada has offered to negotiate with Indonesia a nuclear non-proliferation safeguards agreement and to supply Indonesia with the CANDU nuclear reactor and related technology and support. Dr. Habibie indicated that Indonesia's decision on whether or not to "go nuclear," as an aspect of its bid to diversify energy sources, would likely be made in 1984 and that the interest shown by Canada would be taken into account.

Dr. Soebroto and Minister Lalonde held wide-ranging discussions covering

North-South relations in the energy context, current issues in OPEC including the development of the OPEC long-term strategy, the proposed energy affiliate for the World Bank, and possibilities for further co-operation between Canada and Indonesia in the energy, minerals and resources sectors. Minister Lalonde also invited Dr. Soebroto to pay an official visit to Canada in the near future.

In other discussions, Minister Lalonde exchanged views with Indonesian ministers and senior officials on Canadian investment in energy-related industrial projects in Indonesia, on the Indonesian economic mission to Canada that subsequently took place in May, and on the role of Indonesia's state oil company, Pertamina, in the development of the Indonesian economy.

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Calgary-based Hudson's Bay Oil and Gas (HBOG) has recently announced an oil discovery off the coast of Sumatra. The well, called MSA-1, produced oil at a rate of 12,000 barrels a day from six separate sand formations and HBOG's Indonesian subsidiary is now trying to determine whether there is enough oil to bring in a production platform. This is the second oil discovery by HBOG in the recent past and the company is planning more tests in the area.

HBOG holds an 8.66 per cent interest in a southeast Sumatra contract area consisting of nine fields.

Since November, 1980 HBOG has put three platforms to work in the Krisna field of Indonesia's Java Sea, producing 25,000 barrels, 16,000 barrels, and 15,000 barrels of oil a day respectively, and a fourth platform is scheduled to begin production in September. Additional platforms will be installed also this year in the Zelda field.

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The Indonesian Institute of Science (LIPI), with financial support from Canada's International Development Research Centre (IDRC), will undertake an 18-month study that should help Indonesian authorities develop a program to enhance the country's capability to undertake technology policy research and allow it to make more effective use of science and technology in its quest for national development by ensuring that

investments in science and technology are effectively related to national objectives.

This policy study is one of the first attempts by Indonesia to undertake this type of research and is designed to obtain an overview of the policies currently affecting the development of science and technology in Indonesia. Two types of scientific and technological activities will be examined — the supply of new knowledge from Indonesian research and development activities, and the demand for local technologies by Indonesian industry. A separate component of the investigation will examine the validity of the generalizations developed in the first phase in the context of a specific industry. This second phase of the inquiry will examine the science and technology policy framework in which the textile industry operates and determine the effect of policies set up to promote the transfer of technology within the industry.

IDRC is a Canadian government financial institution which concentrates on development research in the developing countries of the world. IDRC's regional headquarters for Asia are located in Singapore.

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Canada continued the expansion of its development co-operation program with Indonesia on May 26 when the Canadian International Development Agency (CIDA) loan for \$31.0 million was signed by Indonesian Foreign Minister Dr. Mochtar Kusumaatmaja and Canadian Ambassador W. H. Montgomery.

The loan, together with a \$10.3-million grant for consulting services signed last September, will assist Indonesia with the upgrading and reconstruction of 244 kilometres of highway between Banda Aceh and Meulaboh in the Special Territory of Aceh, Sumatra. The new road will provide more direct access to the Medan and Banda Aceh markets for north-west Aceh and open up the area for major agricultural development. The Banda Aceh Highway Project is the largest single project Canada has funded in Indonesia and is the first major Canadian bilateral project to be undertaken in Aceh.

The grant component of the project will provide Canadian consulting services for road design and construction supervision as well as for a major training program in equipment operation and maintenance. Permanent facilities will also be established for ongoing road maintenance in Aceh. The CIDA loan will