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Framework for Co-operation

5.1 Agreements and Arrangements between Canada and Indonesia

Economic and commercial relations between Indonesia and Canada are 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 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.

Working 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 the two countries by eliminating double taxation of individuals and companies of one state 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.

Finally, Canada and Indonesia have 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.

5.2 Other Areas of Co-operation

Telecommunications

External Affairs and International Trade Canada, Canada's Department of Communications and the Canadian private sector fund the Telecommunications Executive Management Interchange Centre (TEMIC) located in Montreal. TEMIC provides training in the management and use of telephone and communications systems for ministry and agency representatives from developing countries. Six Indonesian officials from Perumtel and the Ministry of Posts and Tourism have so far participated in TEMIC courses aimed at senior and executive managers.

Transportation

Canada and Indonesia are co-operating in various areas of transportation, from urban transport to aerospace. For example, Delcan International Corporation and the Ministry of Communications have recently signed a contract to improve bus system management and operations in Jakarta, work which will be carried out under World Bank financing. Canadair, the aerospace group of Bombardier Inc., has begun a joint feasibility study with IPTN, the state-owned aircraft maker in Indonesia, to investigate co-production of the Canadair CL-215T amphibian water-bomber. In addition, Indonesian officials have attended sessions of the CIDA-supported International Aviation Management Training Institute (IAMTI), based in Montreal. IAMTI provides training to executive, senior and middle-level managers in all fields of civil aviation. In May 1990, IAMTI organized a three-day training seminar in Bali, which was well attended by Indonesian and regional specialists.