

INDONESIA'S BUSINESS ENVIRONMENT

Business Dispute Procedures

Canadian firms are advised to thoroughly investigate the financial status of prospective customers before concluding credit transactions. There is no debt collection agency in Indonesia and the legal process tends to be time-consuming and ineffective. Where a dispute does arise, a negotiated settlement under the direction of legal counsel may be the best solution.

Advertising and Research

The majority of Indonesia's purchasing power is concentrated in the Jakarta and West Java markets. Consequently, exporters of consumer goods should direct their advertising toward these areas.

Advertisements may be placed in any of Jakarta's eight newspapers, three of which (The Jakarta Post, The Indonesia Times and the Indonesian Observer) are published in English. Television and radio advertising is mainly in Bahasa Indonesia. A number of magazines and specialized publications provide exposure to a varied readership.

Government regulations dictate that all material distributed in the Indonesian language must be prepared in Indonesia. The addressees of facilities to translate promotional material and labels can be obtained from the Canadian Embassy's Commercial Division.

Member firms of the Association of Indonesian Consultants may be engaged to perform research and consulting activities. Market research in Indonesia is difficult,

however, because detailed statistics on production, consumption and imports are not readily available in published sources. Results may be questionable due to the unreliability of the sources.

Intellectual Property Protection

Indonesia is party to the International Convention for the Protection of Industrial Property.

In 1991 a new patent law came into force in Indonesia. In theory it should offer more protection to manufacturers, international property rights holders and international businesses.

Computer software is expressly covered in these amendments, but piracy by software retailers remains common. The government plans to continue to improve the legal protection accorded to intellectual property. Manufacturers and exporters are advised to consult a patent or trade mark agent in Indonesia.

Inquiries concerning patent appli-

cations should be directed to: Director of Patents and Copyright, Department of Justice, Jalan Daan Mogot KM 23, Tangerang, Indonesia. Tel: (62-21) 924-995.

Indonesian Import Regulations

Indonesian organizations have free access to foreign exchange; however, product import licenses are required for most goods entering Indonesia. The October 1993 reform package has made significant inroads into eliminating import restrictions.

Banking and Local Finance

The banking system is controlled by Bank Indonesia. Full banking services are available in Jakarta from state-owned commercial banks and numerous national private banks, primarily from the United States, Europe and Japan. At the present time, there are no Canadian banks in Indonesia. Six major Canadian banks, however, have offices in neighbouring Singapore.

Transportation

— (Continued from page IV)

per cent of the total land area (Java, Bali, Sumatra, and Nusa Tenggara), roads remain the primary mode of transport, carrying about 53 per cent of medium- to long-haul freight and 88 per cent of the passenger traffic and accounted for 80 per cent of 1992 transportation development funds.

It is estimated that U.S.\$46.8

billion will be needed to finance the establishment of new land, sea and air transportation facilities under the new Five Year Plan (1994-1999).

There are currently several projects that Canadian firms may be able to pursue in port, airport, toll road, and railway development.