

development that require improved allocation and management; and as a custodian of globally important forest resources and biodiversity. CIDA's new country development plan for Indonesia will focus on efforts to reduce vulnerability to poverty in three inter-related areas: improved governance; growth of the private sector; and, sustainable use of natural resources.

So, with that understanding of where we are in the relationship, let me return now to the question of what we could do to strengthen the bilateral ties. As Canada's Ambassador to Indonesia, my job is to ensure that we are working towards our full bilateral potential. I need your help in this. I see in the audience today many key players in the Canada-Indonesia relationship. Not just government people. I'm thinking of a much broader partnership. Let's use today to look for ideas on how to build an even stronger bilateral relationship. Here are some ideas by way of perhaps inspiring or at least structuring the conversation.

We appear to have a common agenda that can be grouped into three areas of focus, each of which relates to our mutual interests:

- promoting bilateral trade and investment;
- partnering in the fight against terrorism; and
- promoting democracy, pluralism, human rights and good governance.

From the Canadian perspective, this common agenda aligns with the three pillars of Canada's foreign policy: prosperity, security and values. If you will bear with me a little longer, I will suggest a few ideas in each area:

First, let's consider what we might try to achieve in our trade and investment relationship. There is a lack of clarity and certainty in the Indonesian regulatory environment and judicial system that affects negatively the business and investment climate. If Indonesia wants 7.5% growth in order to create employment for the 30 to 40 million Indonesians who are underemployed, then Indonesia will need foreign investment. There are, however, specific regulatory and governance issues that affect Canadian and other foreign business interests in Indonesia. Recent developments such as the long-awaited reform of the bankruptcy law are a welcome signal, but more needs to be done. In the mining sector, for example, Canada has important investments in Indonesia and significant opportunities for expansion. Some of these investments and opportunities for growth are at risk due to the lack of clarity in the application of mining and