

garments, electronics, and footwear as the main foreign export areas. Even when you see the data now, the export for textiles and garments was still something like Rp. 7 trillion, compared to Rp. 49 trillion in terms of total export. I have seen for myself that most of the bank, even the central bank, has a place for this sector, textiles and garments. That's serious. As one of the economists invited by Indonesian Chamber of Commerce, to give a "roadmap" to the new president, I have seen how one of the suggestions from businessmen in the textile and garment industry is to have the government push the banks to keep on giving credit to them. But banks now no longer under state control, with many of them owned by foreigners. So there is no solution yet. What I understand from the Ministry of Industry and Trade is that they would like to convince the WTO to give some kind of special treatment to Indonesia. Even though there is no more multi-fiber agreement, they would like to have something. But I think that it would be very difficult for them to grant Indonesia special treatment. So there is no other option except for the textile industry and the government of Indonesia to work together with the bank to try to develop a means for restructuring, not just in terms of labour but with regard to the internal workings of the companies.

Elms: I agree with my colleague on these points. I think the textile industry and also the footwear industry are being perceived by many as sorts of sunset industries, but also by many as areas of concern because there is a significant number of people unemployed in those industries, and to have sudden layoffs which the industry is not prepared for could be very devastating to the economic outlook and the new government's health. So I think in the absence of any strategic plan to increase productivity or at least allow Indonesia to compete with other countries, they are going to try to lobby for special status or extension of those agreements, which are not likely to work. So it would be an interesting and hopefully not too unfortunate experiment in rapid deregulation and how impact a developing country like Indonesia. On the capital flight issue, in a sense, Indonesia has gone through a process of a slow-motion bankruptcy restructuring. Money went out rapidly at the onset of the crisis, tended to stay out for a while - and some figures you show that \$50 to \$60 billion may have gone out - and some of it is coming quietly back in, which may explain some of the growth that is