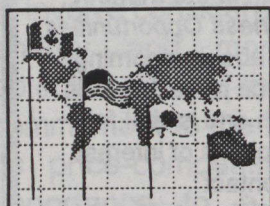


- **Build-Own-Transfer (BOT) and Build-Own-Operate (BOO)**

The Indonesian public sector contract market, in particular large infrastructure projects, is especially favourable to "turn-key" operations, such as BOT and build-own-operate (BOO) schemes. This is where a firm or a consortium of firms undertakes all aspects of a project, that is its management, financing, and construction, and then

operates it in lieu of the government under terms of concession that specify rates and fix a timeframe of operation. For example, a consortium of firms would underwrite and manage a power plant under terms of concession that specify the price per kilowatt/hour the operators would receive for power generated by the plant, and a timeframe of between 15 and 30 years for their concession. The facilities would then be transferred to the Indonesian government.

INDONESIA'S GLOBAL TRADE



Indonesia's global merchandise trade reached US\$65.2 billion in 1993, a 57% increase over trade levels of a decade earlier. In 1993, Indonesia's exports totalled US\$36.8 billion, while imports stood at US\$28.3 billion, earning Indonesia a trade surplus of US\$8.5 billion. Almost half of Indonesia's exports went to Japan and the United States; Japan has been Indonesia's largest source of foreign investment and in 1993 accounted for 26% of Indonesia's two-way trade.

Exports were largely composed of primary commodities. Crude oil and products ranked first at 16.5% of the total, textiles and garments, at 16.3% and wood and wood-related products, at 15% followed. Sixty-three per cent of total imports constituted intermediate goods, including machinery and transport equipment.