

and \$2.76 billion in business deals were signed. Indonesia was Canada's largest and fastest growing export market in Southeast Asia, with exports increasing each year until 1997. That year, total two-way trade stood at \$1.6 billion. Cumulative Canadian direct investment in Indonesia is estimated at \$8 billion, making that country Canada's largest direct investment portfolio in Southeast Asia.

- The recent economic crisis has had a serious effect on the trading relationship. Canada's exports have declined by 44 per cent, while Canadian imports have increased by 23 per cent, leading to a shift in the balance of trade to favour Indonesia. Preliminary figures for 1998 indicate a drop in overall trade and a continued trade deficit for Canada.
- Despite the financial crisis, some 100 Canadian companies maintain a presence in the market, although some have scaled back their operations. Areas of opportunity for Canadian trade and investment coming out of the crisis include mining; power and energy; agri-food/agri-business; environment; transportation; telecommunications, infotech and advanced technologies; forestry; financial services; and a range of other services, such as health, insurance, business, education and geomatics.
- Exports to Indonesia are eligible for Export Development Corporation insurance and financing coverage. Canada's double taxation agreement with Indonesia was updated in 1998. A foreign investment protection agreement is being negotiated.

Development Co-operation

- Development co-operation has been an important part of Canada-Indonesia relations since 1954. Canadian International Development Agency (CIDA) programs currently focus on the environment; private sector development; good governance; and human resources development, with special attention to women's participation in development. Programs involve a wide range of Canadian non-governmental organizations, private firms and universities.
- In the areas of human rights and good governance, CIDA supports collaboration between the Canadian and Indonesian human rights commissions. Through the Women's Support Project, it helps integrate women into all aspects of Indonesia's economic and social development, and, in the wake of the May riots, helps address violence against women.
- Canada contributes about \$1.1 million a year to the needs of the people of the East Timor territory. Delivered through non-governmental groups, the aid flows mainly to grassroots organizations focusing on agriculture,