

INDONESIA

*A Guide
for Canadian Exporters*

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I. THE COUNTRY, CUSTOMS AND BUSINESS PRACTICES

Indonesia is located on the equator between Australia and Singapore, and has a land area of some 1.9 million km² (735 354 square miles) spanning 1 770 km (1 000 miles) from north to south and 5 152 km (3 200 miles) from east to west. Its location across important trade routes has long influenced its political and economic development. The world's largest archipelago, it comprises 13 677 islands of which 6 000 are inhabited. The five main islands are Sumatra, Java, Kalimantan (the major part of Borneo), Sulawesi and Irian Jaya (the western part of New Guinea). The most important island is Java where the capital city, Jakarta, is located. Jakarta is also Indonesia's largest city with a population of 7.6 million. Other major cities (population in brackets) include Surabaya (2.3 million), Medan (2 million), Bandung (1.6 million), Semarang (1.3 million), Ujung Pandang (900 000), Palembang (900 000), Pontianak (355 000) and Balikpapan (350 000).

More than 40 per cent of Indonesia's industrial activity is found in or near Jakarta, while another industrial zone is located near Surabaya, West Java. Primary industry, mining, and forestry activities generally are concentrated on the larger islands of Sumatra, Kalimantan, Sulawesi and Irian Jaya.

History and Government

Indonesian history extends over 2 000 years with a succession of Hindu, Buddhist and Islamic kingdoms. Marco Polo visited parts of Sumatra and Java in 1292. Portuguese and Spanish traders arrived in the sixteenth century, followed by the Dutch, who started colonizing the archipelago as of 1602. Indonesia was known as the Netherlands East Indies during the 350-year Dutch period. Independence was unilaterally declared on 17 August 1945, three days after the Japanese surrender. In December 1949, the Netherlands Government unconditionally recognized the sovereignty of the new republic, with Soekarno as the president.

According to the 1945 constitution, the Indonesian state is based on five principles, known as Pancasila: belief in one supreme God; a just and civilized society; the unity of Indonesia; democracy led by the wisdom of deliberations among representatives; and social justice for all the people of Indonesia. All political parties and social organizations must adhere to these five principles.

The constitution of 1945 provides for a presidential system with strong executive power. The country's highest political institution, the People's Consultative Assembly (MPR), comprises 1 000 members who represent five factions: the Armed Forces, the Functional Development Group (GOLKAR); the Indonesian Democratic Party (PDI); the United Development Party (PPP); and regional representatives. The MPR meets at least once in five years to set guidelines of state policy and to elect the president and the vice-president for five-year terms. It will be convened next in 1988.

The president is the highest executive of the state. He heads the government, besides being the head of state. He is assisted by cabinet ministers who are answerable to him. President Soeharto, a retired army general, was appointed acting president in 1967. He was elected as president by the MPR in 1968, and re-elected in 1973, 1978 and 1983.

The House of Representatives (DPR) has 500 members, 400 of whom are elected through general elections and 100 of whom are appointed from the Armed Forces. All members of the DPR are also *ex officio* members of the MPR. The DPR is divided into 11 committees, covering all areas of government. By law, only GOLKAR and the two political parties, PDI and PPP, may contest the elections. GOLKAR enjoyed an absolute majority in past elections. The next general elections will be held in 1987.

Other state organs include the Supreme Advisory Council, the Supreme Court and the State Audit Board.

The People

With 167 million inhabitants, Indonesia is the fifth most populous country in the world, exceeded only by China, India, the Soviet Union and the United States. Approximately two-thirds of the population lives on the island of Java. While the people of Indonesia are

predominantly of Malay origin, there are, nonetheless, approximately 300 ethnic groups. The people of Irian Jaya are Papuan, and in the eastern Indonesian islands the populace tends to represent both the Malay and Papuan groups.

The Moslem religion is followed by 90 per cent of the population; there are also Christian, Hindu and Buddhist communities.

The official language, Bahasa Indonesia, is now spoken widely, although many other regional languages and dialects are also spoken. English is common among government officials and business representatives.

Adult literacy is estimated at 60 per cent; 19 per cent of the population are elementary school graduates; 2 per cent are high school graduates; and less than 0.5 per cent are graduates of universities or advanced secondary institutions.

Local Customs

Indonesians are very polite people. Handshaking is customary for both men and women on introduction and greeting, and smiling is a national characteristic. It is well to remember that as Indonesia is a predominantly Moslem country, alcohol is not important in social situations. It is polite not to start to consume proffered drink or food until invited by the host to do so. A certain modesty of approach is definitely well regarded. Only the right hand should be used for giving and receiving, and crooking one's finger to call someone is considered impolite.

As the climate is hot and humid throughout the year, safari suits are worn widely during business hours. Trousers along with shirt and tie are also worn. However, businessmen calling on senior officials are expected to wear a full suit and tie, and businesswomen are expected to dress appropriately as well. Formal dress is usually a long-sleeved batik shirt and dark trousers, considered to be the Indonesian equivalent of the "lounge suit" or "black tie." Travel to mountain areas warrants the wearing of a light jacket or sweater in the evenings. Women travelling to Indonesia should avoid halter tops, shorts and preferably opt for dresses that cover the shoulders and part of the arms.

Telephoning Muslims between 6:45 and 7:15 p.m. should be avoided since this is the time for evening

prayers. It is also advisable to avoid calling at Friday noon, a time when many Muslims are at prayers. During Puasa (Ramadan), the fasting month, Muslims will not eat, drink or smoke from sunrise to sunset. As a general rule, therefore, food, drink or cigarettes should not be offered to Muslims during these hours.

General Information

Climate. The climate of Indonesia is tropical with temperatures varying from 21°C (69.8°F) to 33°C (92.4°F). The seasons are defined by two monsoon periods: the dry, which prevails from May to September; and the wet, which lasts from October to April. Humidity in Indonesia is consistently high, particularly in the wet season. Average annual rainfall varies from 500 cm (197 inches) in Java to 100 cm (39 inches) in the lesser Sunda islands.

Electricity. The state-owned Perusahaan Listrik Negara (PLN) is responsible for the generation, transmission and distribution of electrical energy. For industrial use, single or three phase 110/115 or 220/380 volt, 50 cycle AC is supplied. Most hotels use 220 volts, 50 cycles and two-prong, European-type plugs, although some in the provinces use 110 volts.

Measures. Indonesia uses the metric system.

Post, telex, telephone. Air mail from Canada can take anywhere from 10 to 30 days. Internal mail between main cities is quick by express service (posKILAT). Telegram and telex facilities are available 24 hours a day and are generally good. International telephone service out of Jakarta is also available 24 hours a day. Because of greatly overloaded circuits, placing a telephone call in Jakarta can be an extremely frustrating experience during peak office hours.

Business practices. There are three time zones within Indonesia: Western Indonesia Standard (including Jakarta) is 12 hours ahead of Eastern Standard Time (EST); Central Indonesia Standard Time is 13 hours ahead of EST; and East Indonesia Standard Time is 14 hours ahead of EST.

Business hours. Commercial and business offices are open from 8:00 a.m. to 4:00 p.m. Monday through

Friday and 8:00 a.m. to 1:00 p.m. on Saturday. Government offices are open from 8:00 a.m. to 3:00 p.m. Monday through Thursday, 8:00 a.m. to 11:00 a.m. Friday and 8:00 a.m. to 1:00 p.m. on Saturday. The Canadian embassy is open 8:00 a.m. to 4:45 p.m. Monday through Thursday, and 8:00 a.m. to 1:30 p.m. Friday.

II. ECONOMIC INFORMATION

The Indonesian economy is primarily based on agriculture, the oil and gas sector, and the exploitation of other minerals such as tin, copper and nickel. Although still at an infancy stage, the manufacturing sector is becoming a more important segment of the economy with notable contributions from the textiles and clothing industry, housing-related sector, plastics industry, motor vehicles and electronics industries. Industries processing their own natural resources are also growing at a steady pace, namely urea fertilizer, cement, pulp and paper, aluminum and steel.

Indonesia is currently into its fourth Five-Year Development Plan (Repelita IV), which covers the fiscal years 1984-85 through to 1988-89 and focuses, as in the past, on a development strategy that calls for equity, growth and stability. Repelita IV comes at a time when Indonesia will have to absorb over nine million people into its labour force over a five-year period. The creation of productive employment opportunities on a regionally equitable basis, the provision of basic needs and social services and industrial and agricultural growth in general are, therefore, important priorities under this plan.

In 1985, the Indonesian economy grew by 1.3 per cent, which is in sharp contrast to the growth of 6.7 per cent in 1984. Plunging oil prices were largely responsible for this decline, which was exacerbated by a much slower rise in production of liquified natural gas than predicted. Because of uncertainties in the international oil market, growth may well remain below 2 per cent for the next two years, or may even contract for the first time in twenty years. In addition to the oil price drop, Indonesia has been hurt by the sharp decline in the value of the dollar, as nearly 90 per cent of the country's export earnings, led by oil, are denominated in dollars, while some 55 per cent of its imports come from Japan and Europe. The rising dollar value of imports could cost the economy as much as US\$700 million in fiscal year 1986-87.

The Indonesian government has been praised for careful economic management and policy reforms since oil

prices began to slide in 1983. Major reforms have been made in tax and banking laws and customs procedures, and because of budget austerity and the accumulation of significant foreign exchange reserves, the country has been cushioned against lower oil prices, at least in the short term. However, in order to reduce dependence on oil, raise non-oil exports and create employment, protectionist trade and industrial policies that have made it difficult to compete abroad will have to be dismantled. Recent regulatory changes relating to investment and export incentives (known as the "May 6 Package") are considered a major step in the right direction and the World Bank has predicted that if additional appropriate measures to create a more efficient economy continue to be put in place, a GDP growth of 3.0 to 3.5 per cent by the end of the decade is a possibility.

Indonesia faces major challenges, but it is a country of great promise and represents currently an import market of US\$10 billion plus.

According to Repelita IV allocations, education, agriculture, transportation and power are the sectors that will receive more than half the total development budget. More specifically, the education, health, housing and water supply sectors are receiving substantially larger shares than they did under Repelita III. Transmigration will as before continue to remain an ambitious program. This involves moving people from over-populated Java to lesser-populated areas of the country. In the face of declining revenues, the Indonesian government will also rely more on the private sector to assume its share of the development task. The telecommunications field will also receive priority attention, as Indonesia strives to increase its telephone density rate from the current 0.5 per 100 persons to 0.9 by 1989.

During Repelita IV, the state budget was originally estimated to reach US\$151 billion, with revenues projected at US\$121.6 billion and the remaining portion coming through multilateral and bilateral assistance. However, because of declining oil revenues (oil historically accounts for some 60 per cent of Indonesia's foreign exchange earnings), the budget has been reduced to US\$19 billion for 1986-87 from US\$20.4 billion in 1985-86 and this will be a continuing trend until oil prices firm up. Priority sectors according to development expenditures (expressed in percentage terms) are

Agriculture and irrigation	14.3
Transportation and tourism	12.9
Education	12.3
Industry and mining	12.1
General public service (including defence)	10.5
Electric power	10.0
Regional development	8.5
Manpower and transmigration	6.1
Government capital participation	5.2
Health	3.8

Development projects planned under Repelita IV should provide export and investment opportunities for Canadian firms. Interested Canadian firms should contact the Commercial Division of the Canadian embassy in Jakarta for further details.

III. CANADIAN TRADE WITH INDONESIA

As there is no bilateral trade agreement, trade between Canada and Indonesia is carried out under the General Agreement on Tariffs and Trade (GATT). Indonesia is a beneficiary of Canada's General Preferential Tariff.

Other bilateral accords in place include a Double Taxation Convention (1979) and a Foreign Investment Insurance Agreement (1984).

Canadian trade with Indonesia totalled \$340 million in 1985 (exports \$258 million, imports \$82 million). Leading individual exports include wheat, sulphur, potash, drilling equipment, aircraft engines and power boiler components and equipment. Exports of manufactured goods account for about one-third of total Canadian shipments to Indonesia.

Canada currently supplies less than 1 per cent of the total annual Indonesian import requirement (\$14 billion).

Indonesian sales to Canada comprise primarily natural rubber, clothing and textile goods, plywood, coffee and tea.

Market Development

Indonesia has been identified for priority consideration within the context of Canada's National Trade Strategy. Canada's Trade Development Program for Indonesia is designed to highlight Canadian supply capabilities in areas where Indonesia is known to have significant import requirements and where Canada has a demonstrated export capability. Priority sectors include telecommunications, oil and gas, forestry, and electric power. The value of potential project opportunities for Canadian suppliers is placed at approximately \$2 billion.

Investment

Canadian direct investment in Indonesia totals approximately \$1 billion. Leading companies include Inco, Bata and Alcan. There is no direct Indonesian investment in Canada.

Trade Issues

A textile and clothing restraint arrangement was concluded with Indonesia in 1984. In September 1985, this agreement was extended *ad referendum* for an additional year, and the coverage was broadened to eight product categories.

While Indonesian shipments to Canada have increased in recent years, Canada's trade surplus with Indonesia has also grown (\$176 million in 1985). This development has been watched with some anxiety by Indonesia.

IV. BUSINESS INFORMATION

Sources of Financing

Foreign aid creates trade opportunities in Indonesia for Canadian businesses not only through Canadian aid programs but also through projects financed by multi-lateral lending institutions such as the World Bank and the Asian Development Bank. Development projects provide for the supply of goods and services through both competitive bidding and sub-contracting to prime contractors. Procurement systems for projects financed by international lending agencies follow "international competitive bidding" procedures. Information on the status of projects is published by the information offices of the World Bank and the Asian Development Bank. Project information can also be obtained from the Asia Pacific South Trade Development Division, Department of External Affairs in Ottawa or the Commercial Division of the Canadian embassy in Jakarta, Indonesia (see Other Useful Addresses section).

To further Canadian export development objectives, two federal trade promotional programs are available:

1. the Promotional Projects Program (PPP) through which the Department of External Affairs plans and implements promotional projects abroad; and
2. the Program for Export Market Development (PEMD) through which repayable loans are made to individual companies to cover costs in developing export business that might otherwise not be undertaken.

Through PPP, Canadian trade fairs abroad, trade missions and visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets.

There are a number of specialized trade fairs held on a regular basis in Jakarta. Canadian companies recently

exhibited at fairs relating to education, communication, electronics, mining, aeronautics, transportation and construction. The Canadian embassy in Jakarta also runs information booths at most of the important trade fairs, thus allowing the dissemination of literature on Canadian companies interested in the Indonesian market but unable to participate as exhibitors. The fairs usually run for a short time and audiences are drawn from government and business interests rather than the general public. More information on various trade fairs can be obtained from the Commercial Division at the Canadian embassy in Jakarta or the Asia Pacific South Trade Development Division, Department of External Affairs, Ottawa (see Other Useful Addresses section).

In contrast to PPP projects, proposals under PEMD are made by Canadian industry rather than government. PEMD is made up of several sections, each of which is designed to support a particular phase of market development including project proposal preparation, market identification, participation in trade fairs and sponsoring of incoming buyers. In all sections of the program, companies are encouraged to develop self-sustaining export markets for their products.

The Canadian International Development Agency (CIDA), under its Industrial Co-operation Program (ICP) provides direct support for Canadian companies to investigate industrial co-operation opportunities in developing countries. The program funds proposals by Canadian investors for projects such as joint ventures, licensing agreements, management contracts, or other commercial undertakings. For more information on assistance available from this agency contact:

Country Manager — Indonesia

Bilateral Program

Canadian International Development Agency

200, promenade du Portage

Hull, Quebec

K1A 0G4

Tel: (819) 994-3400

Industrial Co-operation Bureau for Asia

Canadian International Development Agency

200, promenade du Portage

Hull, Quebec

K1A 0G4

Tel: (819) 997-0560

Of importance to Canadian business persons is the Export Development Corporation (EDC) whose purpose is to encourage, facilitate, and develop Canadian export trade by providing credit insurance, guarantees, loans, and other financial assistance to enable exporters to meet international competition. For further information on EDC services contact:

Export Development Corporation
Head Office
151 O'Connor Street
P.O. Box 655
Ottawa, Ontario
K1P 5T9
Tel: (613) 598-2500

Marketing Information

Representation

With some exceptions, foreign firms in Indonesia are not permitted to engage in the importing, exporting, distribution or marketing of goods or services. For example, BULOG (Indonesia's food commodity logistics board) maintains a monopoly on all imports of basic food commodities such as wheat, sugar, soybeans and cloves. Canadian business persons wishing to sell their products in Indonesia must appoint a government-approved Indonesian distributor and/or an importer. A foreign company may, however, establish a local representative office to assist the Indonesian firm directly responsible for importing, sales, distribution and service, but may not actually conduct business independently. Alternatively, the Indonesian firm may apply for permission to hire a foreign national directly as a technical advisor.

Although a few organizations have agents in Singapore and in other centres outside Indonesia, it is difficult to secure sustained business without representation in Indonesia. The services of an aggressive and active agent in Indonesia have always been the most effective means of expanding sales in the market. Government regulations dictate that an Indonesian agent must be used for all sales to government departments and to the state-owned oil company, PERTAMINA. Likewise, tenders for government purchasing must be made through a local agent. Moreover, the major islands of Indonesia constitute distinct marketing areas, each

having its own ethnic and socio-cultural differences and varying degrees of economic development. Limited transportation facilities and distribution networks make representation in several centres important in ensuring nation-wide coverage. Most Canadian firms have agents or importers located only in Jakarta.

Apart from appropriate geographic representation, the key to success in the Indonesian market is ensuring that the chosen agent is both knowledgeable of the industry, product or project and familiar with business practices prevailing in that particular sector. One must often rely on the agent to arrange appointments with appropriate government officials and corporate officers as well as to process necessary documents through bureaucratic channels. In recent years, the government began requiring certain government agencies to deal through Indonesian agents when purchasing imported goods and services.

The Commercial Division of the Canadian embassy in Jakarta can advise Canadian firms on suitable agents in Indonesia. Interested business persons should write to the Commercial Division and enclose six sets of company brochures. The Canadian company should then contact the recommended Indonesian firm directly and, as soon as serious correspondence takes place, plan a business visit to Indonesia.

After visiting Indonesia, the Canadian business person will be in a better position to select an agent. Letters of understanding in which the agent is appointed can then be exchanged. Any such appointments should be for a trial period of a year, with the appointment confirmed at the end of the allotted time only if performance is satisfactory. Advertising promotion and the number of visits to potential clients are matters to be specified in such appointments. It is also important to support one's agent by visiting Indonesia at least twice a year or by bringing the agent to Canada to visit the home office.

Canadian companies seeking reports on the credit rating and stability of local firms being considered as agents should contact the Commercial Division of the embassy. As no credit inspection bureau exists in Indonesia, the required information may take several weeks at least to compile. The Commercial Division currently uses the services of a specialized outside firm, Creditpulse International Ltd., Jalan Brantas 10, Jakarta 10150, Indonesia, Telex 45859 RSA IA, which

performs two types of credit investigation — short format at US\$45; and comprehensive at US\$125. The cost of the investigation is billed back to the Canadian company wishing to obtain such credit information.

Finally, it should be kept in mind that good positive initial contacts, the establishment of legitimacy, and patience are important factors in business development. Business methods in Indonesia require a particular commitment to a long-term effort. The establishment of a market in Indonesia for a company's goods or services often involves an initial investment of both time and money, but this perseverance can be profitable.

Indonesian Import Regulations

Indonesian organizations have free access to foreign exchange; however, product import licences are required for all goods entering Indonesia. The importation of certain items is prohibited. Banned imports include completely assembled automobiles and motorcycles and a variety of other commercial vehicles; completely and partially assembled television and radio receivers; electric light bulbs and fluorescent lamps; matches; basic metal products; certain types of textiles; batteries; motor vehicle tires; glass bottles; and many finished pharmaceutical products.

Some foodstuffs, such as rice, wheat and sugar, can only be imported by BULOG, Indonesia's food commodity logistics board. In certain instances, imports can only go through approved importers, e.g., such items as electrical and electronic goods, other food items, newsprint and paper, rawhides and skins, motor vehicle spare parts.

Arms and ammunition can only be imported by the Indonesian Armed Forces. The importation of second-hand machinery is restricted to specific items and to designated importers. Products such as food, beverages, cosmetic and health care items must be registered with the Department of Health. Items such as agricultural chemicals must be tested before importation is approved. Oil lubricants and polystyrene are also subject to restricted importation.

As of 1 May 1985, the Indonesian government completely revamped and simplified its customs procedures. As of that date, most imports must be inspected at point of origin or shipping by local offices of the

Geneva-based inspection company, Société Générale de Surveillance (SGS). SGS's role is to inspect all goods intended for Indonesia for quality, price, tariff classification and freight. It is suggested that Canadian exporters contact the SGS co-ordinator in Canada at the following address:

Mr. Graham Martin
SGS Supervision Services Inc.
35 Basin Street
Toronto, Ontario
Tel: (416) 461-6337

Counter purchase. On 1 January 1982, the Indonesian government introduced a policy that linked government import procurement for contracts valued in excess of Rp. 500 million (the rupiah is the Indonesian unit of currency) to the export of Indonesian products, with the notable exception of oil and gas products. This policy obliges foreign suppliers winning government-sponsored contracts to export from Indonesia non-oil and gas products equivalent to the f.o.b. (free on board) value of their contract. These exports are intended to be incremental to Indonesia's traditional trade with the recipient country concerned. Projects funded by the World Bank, the Asian Development Bank, or financed through bilateral aid are exempt from this policy. As a general rule the counter purchase obligation must be undertaken within the life of the supply contract. The obligation can be transferred to a third party (e.g., to a trading house for a fee), and the obligation need not necessarily be with the country of the exporter. Bids submitted under international tenders are subject to this policy and must include a letter of undertaking agreeing to comply with the policy. If this is not done, the bids will not be considered for further evaluation.

Documentation. Only government-approved Indonesian importers may import into the country. The recent revision of customs clearance has introduced a new system of documentation procedures, based on the off-shore inspection services that are undertaken by SGS.

1. In the case of imports into Indonesia covered by letters of credit, goods are only allowed to enter Indonesia if they have the appropriate inspection reports (LKP) issued by SGS. Letters of credit must stipulate that foreign banks can only disburse funds once they have received the appropriate LKP.

Overseas banks then forward all documents including the LKP to Indonesian foreign exchange banks, which verify the amount of duty to be paid based on data contained in the LKP. Upon payment of the duty, these banks then issue the appropriate notification that authorizes the withdrawal of the goods from customs without any further inspection or delay.

2. In cases where letters of credit are not utilized, the LKP is sent directly to the Indonesian foreign exchange bank designated by the importer which then follows the same procedures after receipt of the documents from the importer.

Labelling. Goods should be packed to withstand port handling, pilferage and prolonged exposure to heat and humidity in the event of delays in customs clearance. References to the letter of credit must normally appear on all outer packaging.

Samples. Samples of no commercial value are not dutiable, although a per-kilogram tax is levied against product literature entering Indonesia. Samples that are valuable can temporarily enter duty-free, at the discretion of customs authorities. In such cases, companies should advise the Canadian embassy in Jakarta of their exact arrival plans in Indonesia and if they intend to temporarily bring equipment into the country. The embassy will attempt to facilitate customs clearance of such items. Usually customs officials will annotate the bearer's passport to ensure that the equipment later leaves the country with the traveller. Films for commercial purposes are subject to customs approval and censorship. This process may take several weeks. Where there is great urgency (e.g., bid documents), Canadian firms may wish to make special arrangements through the embassy in Jakarta or with the Asia Pacific South Trade Development Division, Department of External Affairs.

Tariff. The Indonesian tariff is based on the International CCCN Nomenclature. For tariff classification purposes imports are grouped into four categories: (1) most essential goods attracting tariffs of 5 to 20 per cent; (2) essential goods attracting tariffs of 20 to 40 per cent; (3) less-essential goods attracting tariffs of 40 to 60 per cent; and (4) luxury items attracting tariffs of 70 to 100 per cent. In addition, there is an import sales tax which ranges from 0 to 20 per cent. Where goods are

destined for inclusion in capital investment projects or other government-related public works, these duties and taxes may be waived. Canadian firms, in any case, are advised where possible to bid exclusive of customs duties and other internal charges.

All products in Indonesia are now subject to a 10-per-cent VAT (value added tax); the sales tax on luxury goods which ranges from 10 to 20 per cent is still imposed in addition to the VAT. (See also Indonesian Export Regulations at the end of this section.)

Exchange Controls

All Western and Asian currencies are freely convertible in Indonesia. Foreign investors generally may freely transfer funds to or from abroad. However, some conditions are attached to the transfer of funds relative to investment capital. (These regulations are dealt with in the Investment portion of this section of the brochure.)

Tendering on Projects

Procurement by government agencies may be financed through Indonesian government funds or through funds made available by donor governments of international agencies. Procurement procedures, therefore, vary with the government department, lending country (including Canada) or international agency. SEKNEG (the State Secretariat) must review and approve all government procurement valued in excess of Rp. 500 million (approximately US\$450 000).

In Indonesia, BAPPENAS (the National Development Planning Agency) prepares annually a document that catalogues a description of those projects to which the government has assigned priority, and which require bilateral or multilateral foreign aid assistance. Entitled "List of Project Proposals" and informally called "The Blue Book," this list is presented at meetings of the IGGI (Intergovernmental Group on Indonesia) where individual nations and multilateral lending institutions indicate sponsorship of specific projects. The blue book is a key starting point for any Canadian firm interested in public sector projects. The Canadian embassy in Jakarta and the Asia Pacific South Trade Development Division of the Department of External Affairs in Ottawa retain copies of the blue book for reference purposes; the blue book is usually published in June/July of each year.

The Indonesian government has no central purchasing agency. Rather, each line department is given the responsibility for its own buying once it has received its budget from the finance minister. Most overseas goods are procured through public tender. Bids in response to tenders are evaluated on the basis of price, quality, experience and level of technology, as well as on considerations such as after-sales service, Indonesian representation and local content. Experienced Canadian firms must team up with Indonesian partners for engineering/consulting projects that are sponsored by the government.

Loans from international financial institutions have been supportive of the Indonesian government's development priorities covering almost all major sectors in the economy. The United Nations publishes a newspaper entitled *Development Business* in which multilaterally funded projects in various countries are listed. In Indonesia, tender announcements are published in leading news media. The Canadian embassy in Jakarta will also be able to provide Canadian firms with further information.

Successful project bidding requires close continuous contact with those Indonesian government departments and international agencies responsible for project planning and implementation. Canadian firms should choose an Indonesian representative or associate well in advance of a tender call, during the initial stages of the project, to allow involvement at the earliest possible stage. Experienced Canadian firms have suggested that consultants complete other project(s) abroad before bidding in Indonesia. Finally, it is recommended that only those firms that are willing to invest a significant amount of time and effort in Indonesia should seek project work.

Labour

There is little union activity in Indonesia and wage rates are (relatively) low. A minimum wage has, however, been recommended by the government. In addition, there are laws governing overtime, holidays and termination of employment, and a new socio-insurance pension plan has been implemented. Expatriate personnel require a yearly renewable working permit and are employed only in positions that cannot be filled by Indonesian nationals.

Advertising and Research

Much of Indonesia's purchasing power is concentrated in the Jakarta and West Java markets. Consequently, exporters of consumer goods should direct their advertising towards these areas. Advertisements may be placed in any of Jakarta's seven newspapers, three of which (*The Jakarta Post*, *The Indonesia Times* and *The Observer*) are published in English. Television and radio advertising is available in Bahasa Indonesia only. A number of magazines and specialized publications provide exposure to a varied readership; however, additional media such as direct mail advertising, cinema slides and posters should be arranged through a local advertising agent. Finally, personalized sales cards reinforced by concerted technical support have been identified as an effective business practice.

Government regulations dictate that all material to be distributed in the Indonesian language must be prepared in Indonesia. The addresses 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.

Business Dispute Procedures

Canadian firms are advised to investigate thoroughly 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.

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. The Bank of Nova Scotia is the sole Canadian bank with a representative office in Jakarta:

Bank of Nova Scotia
4th Floor, Wisma Metropolitan I
Jalan Jenderal Sudirman
Jakarta
Tel: 514390/514169
Telex: 45839 BNSJKT IA
Contact: Jamieson Bryan
Senior Representative

All five major Canadian banks have offices in Singapore.

Property Protection

Indonesia is a party to the International Convention for the Protection of Industrial Property. Manufacturers and exporters are advised to consult a patent or trade mark agent in Indonesia. It is possible for the first user of a trade mark to register it for a period of 10 years on the condition that the trade mark is used within a six-month period from the date of registration. This existing system gives weak protection. In anticipation of a new patent law, currently in preparation, provisional patent applications are accepted at the following address:

Director of Patents
Department of Justice
Jalan Veteran III No. 8A
Jakarta

Investment

Indonesian Legislation for Foreign Investment

The Indonesian government welcomes foreign investment in those sectors of the economy requiring inputs of capital and technology that are not locally available. Foreign investment legislation provides various assurances to Canadian businesses considering investment in Indonesia. These assurances include the right to transfer loan obligations, profits, depreciation and capital as well as assurances against nationalization. The tax reforms of 1984 eliminated many of the grants and incentives available to foreign investors. Although the new tax laws were designed to benefit new investments over the long run, uncertainties about the interpretation and application of these laws as well as other factors may have led to the decrease in the level of new foreign investment since then.

Four degrees of priority have been assigned to investment fields ranging from sectors of highest priority, in which tax incentives are granted, to sectors that are closed to foreign investment. In the latter case, it is still possible to negotiate technical co-operation agreements with domestic investment companies.

The Indonesian government, in an attempt to increase the level of indigenous Indonesian (pribumi) ownership and participation in the country's businesses, requires foreign investment to be in the form of a joint venture. Except in special circumstances, the initial equity participation of the Indonesian partner is expected to be at least 20 per cent, eventually leading to majority ownership by the pribumi partner within 15 years.

In May 1986, the Indonesian government introduced several measures to broaden the number of areas open to foreign investment and to make such investment more attractive.

The Capital Investment Co-ordinating Board (BKPM) is the government agency responsible for foreign investment applications with the exception of those concerned with the mining, forestry, banking, insurance and petroleum sectors which are handled by the appropriate government departments. Application procedures tend to be complex and lengthy, although BKPM has recently introduced many reforms designed to eliminate many of the bureaucratic barriers. It is suggested that potential investors seek professional advice before any formal action is undertaken.

The Indonesian government has recently designated 12 Indonesian embassies and consulates as focal points for the intensification of investment promotion activity abroad. These include the Indonesian offices in Ottawa and Toronto.

Forms of Business Organization

The Foreign Investment Law provides that all foreign businesses operating in Indonesia must be incorporated and domiciled there. There are six legal forms of business organization in Indonesia. Of particular interest to the Canadian investor is the limited liability company or Perseroan Terbatas (PT). As outlined above, the amount of Indonesian participation in joint venture business organization is controlled by the government. In order to organize a PT, the services of an Indonesian Notary Public will be required.



1 Canadian Embassy and Bank of Nova Scotia

2 Bank Indonesia

3 Kota Railway Station

4 Department of Justice

5 President's Palace

6 Department of the Interior

7 Istiglal Mosque

8 Department of Finance

9 Department of Foreign Affairs

10 Monas National Monument

11 Central Museum

12 Department of Defence and Security

13 States' Secretary

14 Department of Commerce and Trade

15 Hotel Borobudur Inter-Continental

16 Art/Cultural Centre and Planetarium

17 Governments' Central Hospital

18 Hotel Hyatt Aryaduta Jakarta

19 Hotel Kartika Plaza

20 Sari Pacific Hotel

21 Sahid Jaya Hotel

22 President Hotel

23 Kartika Chandra Hotel

24 Mandarin Hotel

25 Hotel Indonesia Sheraton

26 Central Police Station

27 Parliament

28 Sports Stadium

29 Hotel Jakarta Hilton International

Taxation

Canadian investors are advised to seek professional guidance on Indonesian taxation practices. Corporate taxation is based upon the size of a company's profits upon which tax may be charged at rates of 35 and 45 per cent. In addition, a withholding tax of 20 per cent is levied on payments of interest, dividends or royalties.

Companies involved in World Bank or foreign aid projects are granted tax-free status. With respect to corporate and individual income tax, a double taxation agreement has been in force between Canada and Indonesia since 1979.

Under new tax laws, maximum corporate tax is now 45 per cent. Consultants/experts working in Indonesia for more than 183 days on projects financed by the multilateral and bilateral agencies are currently subject to regulations that provide for increased income tax. Companies wishing to obtain more detailed information on taxation in Indonesia should contact the Commercial Division of the Canadian embassy in Jakarta who can refer interested parties to taxation specialists.

Indonesian Export Regulations

All commodities must be exported by registered Indonesian private firms or by state trading firms. Generally, only Indonesian nationals may obtain export licences, but foreign firms engaged in export-oriented production may apply for special licences from the Department of Trade.

At present, the export of gold, silver, copper and bronze, scrap iron and antiques is prohibited. By international agreement the export of certain domestically produced commodities is controlled by means of quotas or the requirement of prior authorization. All exports to Angola, Israel and South Africa are prohibited.

Exporters are required to deposit their export proceeds, to the full amount of the f.o.b. value of the goods, to Bank Indonesia. Excepted from this regulation are petroleum companies, certain mining companies and state trading companies. Any applicable taxes, such as export tax, are deducted from the reimbursement that the exporter receives from the bank once the goods have been shipped. Indonesian individuals and organiza-

tions are allowed, however, to hold foreign exchange both in and outside Indonesia.

The recent simplification of customs procedures affects export as well as import regulations. Exports are no longer subject to customs examinations in Indonesia, unless the goods are subject to export restrictions or banned from export. All export shipments valued at more than US\$5 000 are subject to examination at their destination by agents of SGS. It is suggested that Canadian importers of Indonesian products contact the SGS co-ordinator in Canada for further information on procedures (see Indonesian Import Regulations under Marketing Information in this section of the brochure).

Transportation and Communication

Shipping Services from Canada to Indonesia

From western Canadian ports. American President Lines schedules one or two sailings per month from Vancouver to Jakarta. Space accommodation for general cargo, refrigerated cargo, ventilated cargo, bulk liquids and container cargo is available. The line is represented by American President Lines Canada Ltd. in Vancouver, Toronto and Montreal.

East Asiatic Company also schedules two sailings a month from Vancouver to Jakarta. Space accommodation for general cargo, refrigerated cargo, ventilated cargo and container cargo is available. The line is represented by Johnson, Walton Steamships Limited in Vancouver and Robert Reford Inc. in Toronto and Montreal.

From eastern Canadian ports. Barber Blue Sea Line schedules three sailings a month from Saint John to Jakarta, Belawan and Surabaya. Space accommodation for general cargo, refrigerated cargo, bulk liquids and container cargo is available. The line is represented by Barber Steamship Lines (Canada) Inc. in Montreal and Toronto and R.C. Elkin Limited in Saint John.

P.T. Djakarta Lloyd schedules monthly sailings from Toronto and Montreal in the summer and from Saint John in the winter to Belawan, Jakarta, Semarang and Surabaya. Space accommodation for general cargo and container cargo is available. The line is represented by R.B. Redburn Eastern Ltd. in Montreal and Toronto.

Federal Commerce and Navigation Ltd. schedules monthly sailings from Sault Ste. Marie and Quebec during the summer and Montreal during the winter to Jakarta. Space accommodation for general cargo and container cargo is available. Federal Commerce and Navigation Ltd. has offices in Montreal and is represented in Toronto by R.G. Redburn Ltd.

It should be noted that Kepres 18 (decree) stipulates that all government procurement entering Indonesia must be carried on Indonesian-owned vessels or on ships chartered by Indonesian companies.

When Indonesia simplified its customs procedures on 7 May 1985, the government also removed many of the barriers that had restricted access to the majority of Indonesian ports by foreign vessels. This will facilitate the entry of exports into Indonesia, as foreign ships can now dock at 52 designated ports throughout the archipelago. However, Kepres 18 still remains in effect as it is related to government procurement.

Indonesian Transportation, Communication and Infrastructure

Inadequate infrastructure poses very serious problems for Indonesia, making transportation of raw materials and consumer goods erratic and expensive. Coastal shipping services linking the islands are the primary transportation system. Roads and railroads provide a secondary system linking the interiors of islands to their ports. The recent expansion of economic activities in outlying areas has resulted in priorities being placed on the development of the transportation sector — in particular the inter-island fleet, port improvement and improvement of the road and rail system.

Railroad facilities exist only on the islands of Java and Sumatra. Their potential is limited by the short-haul, low-volume nature of available traffic, and they are vulnerable to competition from recently improved road transportation. While air freight transport represents approximately 1 per cent of total passenger traffic, it is becoming an efficient means of linking the islands and opening up inaccessible interiors of some large islands. Garuda Indonesian Airways (GIA), the national air carrier, serves the domestic trunk lines as well as international routes; smaller airlines (Bouraq, Merpati) operate on the feeder lines. Many private air charter services are also available. Great progress has been, and is

being, made in upgrading runways, telecommunications systems, navigational aids, landing equipment, meteorological services and the training of pilots.

Indonesia's communication services are operated and directed by the government. Telephone and telegraph networks are operated by the state-owned enterprises PERUMTEL and INDOSAT; postal and mail clearance are controlled by P.M. POS and GIRO; and T.V.R.I. operates the television network. Indonesia operates a domestic communications satellite system as part of its telecommunications system. Although much improvement has been evident in the range of telecommunications services over the past few years, communications between population centres can still be difficult.

An estimated 17 per cent of the Indonesian population has access to continuous electricity. The degree of electrification varies by regions, with Java having the highest rate where about 10 per cent of the households are connected. In 1978, 55 per cent of total power sales were to industrial and commercial users with the remainder directed towards residential users.

V. BUSINESS VISITS TO INDONESIA

Services of the Canadian Embassy

The Commercial Division of the Canadian embassy in Jakarta functions as a liaison office between Canadian firms and local businesses and industry. While offering a comprehensive scope of services, Canada's trade representatives also seek business opportunities for interested and capable Canadian firms. Market surveys of limited complexity are conducted on behalf of Canadian exporters. Canadian embassy trade officers may also provide recommendations and advice on matters relating to the selection of agents, advertising modes and preferences, as well as translation facilities. With sufficient advance notice, appointments with appropriate contacts and the receipt of mail may be arranged through the Commercial Division. Finally, these officers may also be able to assist those Canadians established in the market with advice on matters such as trade disputes, legal problems and provide reference to other local expertise.

The Commercial Division should be advised of one's intention to visit Indonesia well in advance of arrival. The extent to which the firm can be assisted by the trade office will depend upon the company information provided, the purpose of the visit, and contacts previously established in the Indonesian business community. If the product or service is specialized or highly technical, information on its use, the type of presentation it would require and its competition in the market helps to avoid unnecessary research as well as unsuitable appointments and, consequently, a waste of the Canadian business person's time.

Finally, Canadian firms should maintain an ongoing contact with the trade office to advise of subsequent activities and future plans. Such information is held in complete confidence and allows the trade officers to keep a company's interests in mind as additional opportunities develop.

Business Calls

The best introduction to Indonesia and its business opportunities is by personal visit. Local business persons strongly prefer to meet and deal with their prospective clients personally. Upon arrival, Canadian business persons face a double challenge — convincing local contacts of their firm's competitiveness in the market and overcoming any misconceptions that may exist regarding Canadian capabilities on the whole. The establishment of legitimacy and a long-term commitment is of primary importance to a successful business strategy.

Business methods and customs in Indonesia differ from those in Canada. Communication problems, heavy vehicle traffic during office hours, difficulties associated with arranging appointments (in part brought on by an overburdened telephone system), and a generally slower-paced approach to commerce make doing business in Indonesia a time-consuming process requiring a commitment to long-term efforts. Considerable flexibility should be allowed in meeting deadlines and often one may have to extend the visit.

The pursuit of personal contacts within the Indonesian business community plays an important role in business strategy. Often customs may require that no business be discussed at the first meeting. Rather, the Canadian business person should be prepared to meet each contact over a period of a few days with the initial meetings serving as get-acquainted sessions. As entertainment is often central to this process of business development, it is customary for the Canadian business person to be entertained by local contacts, and it should be noted that reciprocal invitations are much appreciated.

In Indonesia, appointments should be kept punctually (bear in mind that traffic in Jakarta, and other major cities, is often congested).

What to Bring

Seasoned business travellers bring a number of useful commercial supplies. Among those recommended are the following:

- sales literature, and where applicable, samples;
- company stationery (for correspondence and thank-you notes);

- a large supply of business cards;
- extra passport photos (for visas, etc.);
- small give-aways with the company's name printed on them. (Once personal contact has been established through an initial visit to Indonesia, the presentation of a gift is customarily welcomed upon one's subsequent visits.)

Canadian business persons who do not want to carry business cards and promotional material with them in their luggage can arrange to have them forwarded to the Canadian embassy in Jakarta by air freight. Delivery should be scheduled approximately three weeks prior to planned arrival in Indonesia. Costs for customs clearance of samples and literature may be charged back to the company. (Companies frequently use such firms as DHL International Express Ltd. to ensure prompt delivery.)

Follow-up

Appropriate follow-up can be crucial to the success of a business visit. Thank-you notes as well as samples, brochures and requested information should be quickly dispatched after return to Canada. Regular correspondence with contacts and representatives established while in Indonesia, as well as with the Commercial Division of the Canadian embassy, will serve to promote legitimacy and business development. It is particularly important to advise the embassy of established business relationships so that the embassy can judge the usefulness of appointments which staff may have made on a business person's behalf.

Travelling to Indonesia

Business persons no longer require a visa for travel to Indonesia if they plan to stay less than two months. Further details can be obtained from the Embassy of the Republic of Indonesia, 287 MacLaren Street, Ottawa, Ontario K2P 0L9 or the Indonesian consulates in Vancouver (1455 West Georgia Street) and Toronto (900-425 University Avenue).

Vaccinations against cholera are recommended and yellow fever inoculations are required for those arriving from an infected area. Inoculations against tetanus, polio, typhoid and paratyphoid are also strongly recommended as are malaria pills and a gamma globulin vaccination. Medication for stomach and intestinal ail-

ments should be included in a travelling kit. Visitors are advised to contact the Department of Health and Welfare in Ottawa or a regional public health office for up-to-date information on required vaccinations.

The rupiah (Rp.) is the unit of currency and the current exchange rate is approximately Rp.1 600 to the US dollar. Canadian business persons should take US dollars with them as it is generally difficult to exchange Canadian dollars in Jakarta. There are no restrictions on the import or export of foreign currency and traveller's cheques. The import of local currency, however, is prohibited and no more than Rp. 2 500 can be exported.

Visitors' personal effects are exempt from duty and customs allows per adult a maximum of two litres of alcoholic beverages, 200 cigarettes or 50 cigars or 100 g of tobacco, and a reasonable amount of perfume. Photographic equipment and typewriters are admitted upon declaration, provided that they are taken out on departure. Arms and ammunition, pornography and advertising material printed in Bahasa Indonesia are prohibited. Films for public viewing (including trade promotion films) are subject to censorship, and this process can take several weeks. Business persons may wish to consult the Canadian embassy in Jakarta about this procedure.

There are a number of air-conditioned hotels in Jakarta; however, it is advisable to reserve accommodation in advance. All hotel rates are subject to a 15.5-per-cent tax and service charge. Room tariffs are quoted in US dollars. Hotel prices are subject to change and confirmation should be sought at the time of booking. The Canadian embassy has special rates at most of the hotels for Canadian business persons, provided that reservations are made by the embassy prior to their arrival. Rates range from \$60 for a "3 Star" hotel to over \$100 for luxury accommodation. As a general guideline, western meals and excellent quality accommodation can be budgeted at US\$135 per day.

Following is a list of hotels in Jakarta under four classifications:

I. Deluxe

Hotel Borobudur Inter-Continental
Jalan Lapangan Banteng Selatan
Singles \$110, doubles \$120, suites from \$180 (plus tax and service 15.5 per cent)
Tel: 370108; Telex: 44156 BDO JKT

Jakarta Hilton International
Jalan Jenderal Gatot Subroto
Singles \$110, doubles \$125, suites \$200
(plus tax and service 15.5 per cent)
Tel: 583051/587981; Telex: 46673, 46698 HILTON IA

Mandarin Hotel
Jalan M.H. Thamrin
Singles \$130, doubles \$140, suites \$220
(plus tax and service 15.5 per cent)
Tel: 321307; Telex: 61755 MANDA JKT

II. First Class

Hyatt Aryaduta Jakarta
Jalan Prapatan 44-46
P.O. Box 3287
Singles from \$75, doubles from \$90
(plus tax and service 15.5 per cent)
Tel: 376008; Telex: 46620 HYATT JKT

Hotel Sari Pacific
Jalan M.H. Thamrin
P.O. Box 3138
Singles from \$105, doubles from \$115
(plus tax and service 15.5 per cent)
Tel: 323707; Telex: 44514 HTLSAR IA

III. Good International

Hotel Indonesia
Jalan M.H. Thamrin
P.O. Box 54
Singles from \$70, doubles from \$85, suites from \$100
(plus tax and service 15.5 per cent)
Tel: 322008; Telex: 46437 HI JKT

Kartika Chandra
Jalan Jenderal Gatot Subroto
P.O. Box 85 KBY
Singles \$70, doubles \$77, suites \$145
(plus tax and service 15.5 per cent)
Tel: 511008

Kartika Plaza
10 Jalan M.H. Thamrin
Singles \$43, doubles \$50, suites \$100
(plus tax and service 15.5 per cent)
Tel: 321008; Telex: 45692 BOLKAR

President Hotel

Jalan M.H. Thamrin 59

Singles \$67, doubles \$81, suites \$100

(plus tax and service 15.5 per cent)

Tel: 320508; Telex: 46724 PREMOT IA

Sahid Jaya Hotel

86 Jalan Jenderal Sudirman

Singles \$81, doubles \$92, suites from \$104

(plus tax and service 15.5 per cent)

Tel: 587031; Telex: 46331 SAHID JKT

IV. Satisfactory Local

Horizon Hotel

Jalan T.I. Ancol

Singles \$69.30/net, doubles \$83.17/net, suites

\$190.57/net

Tel: 680008; Telex: 42824 HORIZ IA

Jayakarta Tower

Jalan Hayam Wuruk

Singles \$41, doubles \$60, suite \$80

(plus tax and service 15.5 per cent)

Tel: 6294408; Telex: 41113 JA HOTEL IA

Orchid Palace Hotel

Jalan S. Parman

Single \$40/net, double \$45/net

Tel: 593115/596918; Telex: 46631 OPH IA

Sabang Metropolitan Hotel

Jalan K.H. Agus Salim

Single \$34, double \$46, suite \$60

(plus tax and service 15.5 per cent)

Tel: 354031/357621; Telex: 44555 SABANG IG

In addition to the restaurants in the international standard hotels, there are good restaurants serving European, Chinese and Indonesian food. Major Canadian credit cards such as Visa and MasterCard are generally accepted in tourist areas.

Most restaurants add a combined service charge and tax of 15.5 per cent. Elsewhere a 10-per-cent tip is advised. For porters, Rp. 100 per bag is adequate.

In Jakarta, taxis can be obtained at hotels, airports and railway stations. It is advisable to use a taxi fitted with a meter or to agree in advance on the charge. One may find it very useful to engage the assistance of the hotel

door person in order to communicate the address and price to the taxi driver. If a vehicle is required for longer journeys, taxis may be hired by the hour. As it is often difficult to hail a taxi in Jakarta during certain hours of the day, it is recommended that taxis be engaged at the hotel and retained until one's return to the hotel.

Travel within Java can be by air, rail or road, but visits outside Java must be made by air. Garuda Airlines operates the most comprehensive service locally. Experienced Canadian business persons have found that local flights are often over-booked. For international flights, one is required to report to the airport at least two hours before flight time, while it is advisable to report to the airport an hour before departure for domestic flights.

Flights from Jakarta to Bandung, Surabaya and Tanjung Karang (bandar Lampung) operate on a shuttle basis. It is not possible to reserve tickets in advance for these flights.

The following airlines serve Jakarta or have representative offices:

- Bouraq Indonesia Airlines — 625150/655179
- British Airways — 5782447
- Cathay Pacific — 327807/326807
- China Airlines — 354448/9/353195
- Garuda — 417808
- Japan Airlines — 322207
- KLM — 320708/322008, ext. 740-742
- Lufthansa — 710247/8/9
- Malaysian Airline System — 320909
- Merpati — 413608/417404
- Northwest Orient — 320558/326439
- Pan American Airlines — 361707/370108
- Pelita Air Service — 357230
- Qantas — 326707/327707
- Royal Brunei Airlines — 376237/377409/373998
- Sabena — 370108/371915/372039
- SAS — 584110
- Singapore Airlines — 584021/584041
- Swissair — 373608/378006
- Thai International Airways — 320607/325176
- TWA — 354030
- UTA — 323609/323507

Air Canada —
P.T. Travair Buana
Hotel Sabana Metropolitan
Jalan H.A. Salim II
Jakarta, Tel: 371479/377409

Canadian Pacific Airlines (CP Air) —
P.T: Iwata Nusantara
Jalan M.H. Thamrin 57
PP Building
Jakarta, Tel: 324702/325214/325086

An airport tax of Rp.6 000 is levied on passengers embarking for international destinations. A tax of Rp. 1 000 is levied for domestic travel.

Official Indonesian Holidays

Following is a list of official holidays in Indonesia for the year 1987. This list constitutes a general guideline and Canadian visitors are advised to verify the dates of these holidays prior to their coming to Indonesia either by contacting the Indonesian embassy in Ottawa or the Canadian embassy in Jakarta. It is generally not recommended to visit Indonesia during the month of Ramadan (usually May or June). It should also be noted that the Canadian embassy is not open on Canada Day or Easter Monday.

Tahun Baru (New Year's Day)	— 1 January 1987
Isra' Mi'raj Nabi Muhammad SAW (Muhammed's flight from Mecca)	— 27 March 1987
Hari Raya Nyepi (Hindu New Year)	— 31 March 1987
Wafat Isa Al Masih (Good Friday)	— 17 April 1987
Hari Raya Waisak (Buddhist holiday)	— 13 May 1987
Kenaikan Isa Al Masih (Ascension Day)	— 28 May 1987
Idul Fithri	— 29-30 May 1987
Idul Adha	— 5 August 1987
Proklamasi Kemerdekaan RI (Independence Day)	— 17 August 1987
Tahun Baru Hijriyah (Moslem New Year)	— 26 August 1987
Maulid Nabi Muhammad SAW (Muhammed's birthday)	— 4 November 1987
Natal Hari Pertama (Christmas Day)	— 25 December 1987

VI. LIST OF KEY INDONESIAN GOVERNMENT AGENCIES AND DEPARTMENTS

Name	Responsibilities
Secretariat Negara— Secretary of State Secretariat Jalan Veteran 17 Jakarta Pusat Tel: 348819/352685	Supervision of five secretariats: <ul style="list-style-type: none">- Cabinet Secretariat (responsible for the co-ordination of foreign technical assistance)- Military Secretariat- Presidential Palace Household- Secretariat for Guidance of Development Activities- Inspectorate General of Development; also responsible for governmental committee for administrative reform and of Kepres 10 Committee.
Departemen Luar Negeri— Department of Foreign Affairs Jalan Taman Pejambon 6 Jakarta Pusat Tel: 371508	Foreign, economic and socio-cultural affairs, security of foreign relations, politics, protocol, and consular and National ASEAN Secretariat.
Departemen Dalam Negeri— Department of Home Affairs Jalan Merdeka Utara 7 Jakarta Pusat Tel: 342222/373408	Development of local governments, social politics, rural development, agrarian affairs and internal security.

**Departemen Pertahanan
and Keamanan—
Department of Defence
and Security**

Jalan Merdeka Barat 13
Jakarta
Tel: 366184/360290

**Departemen Kehakiman—
Department of Justice**

Jalan Hayam Wuruk 7
Jakarta
Tel: 371608

**Departemen Penerangan—
Department of Information**

Jalan Merdeka Barat 9
Jakarta
Tel: 377408

**Departemen Keuangan—
Department of Finance**

Jalan Lapangan Banteng
Timur 4
Jakarta
Tel: 373309

**Departemen
Perdagangan—
Department of Trade**

Jalan Moh. Ikhan Ridwan
Rais 5
Jakarta Pusat
Tel: 366318

**Departemen Pertanian—
Department of Agriculture**

Jalan Imam Bonjol 29
Jakarta
Tel: 331403

**Departemen
Perindustrian—
Department of Industry**

Jalan Kebon Sirih 36
Jakarta
Tel: 515509

Army, air force, navy,
police and security.

Correctional institutions
(rehabilitation), general
justice, law enforcement,
prison development and
immigration.

Public radio, TV, film, and
development of press and
printing industry.

Budgeting, foreign and
domestic monetary affairs,
customs and excise, taxes
and state financing.

Domestic and foreign
trade, export development
of national exports, centre
for research and develop-
ment of trade to the
Middle East.

Food production, estates
development, fisheries,
cattle breeding, animal
husbandry, and agency for
training, education and
extension of edible plant
agriculture.

Basic chemical industry,
basic metal industry, mis-
cellaneous industry, small
industry, agency for indus-
trial research and
development.

- Departemen Pertambangan
Dan Energi—
Department of Mines and
Energy**
Jalan Merdeka Selatan 18
Jakarta
Tel: 360232
- General mining, power, oil
and natural gas.
- Departemen Pekerjaan
Umum—
Department of Public
Works**
Jalan Pattimura 20,
Kebayoran Baru
Jakarta
Tel: 735588
- Water resources, road con-
struction, and construction
of buildings.
- Departemen Koperasi—
Department of
Co-operatives**
Jalan M.T. Haryono
Cikoko
Jakarta Selatan
Tel: 791925/791822
- Co-operatives develop-
ment, education and train-
ing centre for
co-operatives.
- Departemen Kehutanan—
Department of Forestry**
Forestry Building
Jalan Jend. Gatot Subroto
Jakarta Pusat
Tel: 581820/581840
- Forestry development,
protection, and natural
preservation.
- Departemen
Perhubungan—
Department of
Communications**
Jalan Merdeka Barat 8
Jakarta
Tel: 361308
- Land, sea and air commu-
nications, meteorological
and geophysical centre,
and national search and
rescue centre.
- Departemen Kesehatan—
Department of Health**
Jalan Prapatan 10
Jakarta
Tel: 349801
- Health resources, commu-
nity health program, con-
trol of food and drugs,
advancement of research
and development for
health, and infectious
diseases.

**Departemen Tenaga Kerja
Dan Transmigrasi—
Department of Manpower
and Transmigration**

Jalan Gatot Subroto Kav 51
Jakarta
Tel: 515733

Guidance and use of
manpower, protection and
care of manpower, and
transmigration.

**Departemen Parawisata,
Pos Dan Telekom—
Department of Tourism,
Post and Tele-
communication**

Jalan Kebon Sirih 36
Jakarta Pusat
Tel: 366705

Tourism, postal services
and telecommunication.

VII. OTHER USEFUL ADDRESSES

BAPPENAS (National Planning Board)

Jalan Taman Suropati 2

Jakarta

Tel: 336207

BATAN (National Atomic/Nuclear Energy Agency)

Jalan K.H. Abdul Rokhim

Mampang Prapatan

Jakarta

Tel: 511109

BKPM (Investment Co-ordination Board)

Jalan Gatot Subroto Kav 6

Jakarta

Tel: 512008

BPPT (Agency for the Assessment and Application of Technology)

BPPT Building

Jalan M.H. Thamrin 8

Jakarta

Tel: 3041 (Operator)

BULOG (National Logistics Agency—especially with regard to rice, soybeans and flour)

Jalan Gatot Subroto Kav 49

Jakarta

Tel: 512209

Embassy of Canada

Wisma Metropolitan I, 5th Floor

Jalan Jenderal Sudirman 29

Jakarta

Tel: 510709

Telex: 62131 DOMCAN JKT

Bank Indonesia

Jalan M.H. Thamrin 2

Jakarta

Tel: 372408

Garuda Indonesian Airways

Jalan Ir. H. Juanda 15

Jakarta

Tel: 370709

**The Indonesian Chamber of Commerce and Industry
(KADIN)**

Jalan Merdeka Timur 11
Jakarta Pusat
Tel: 367096

**LAPAN (Indonesian National Institute of Aeronautics
and Space)**

Jalan Pemuda Persil 1
Jakarta
Tel: 482802

LIPI (Indonesian Science Institute)

Jalan Gatot Subroto 10
Widya Graham Building
Jakarta
Tel: 511542

PERTAMINA (State-owned oil company)

Jalan Merdeka Timur 1
Jakarta
Tel: 3032714

Embassy of Indonesia

287 MacLaren Street
Ottawa, Ontario
K2P 0L9
Tel: (613) 236-7403

Indonesian Consulate General

425 University Avenue, 9th Floor
Toronto, Ontario
M5G 1T6
Tel: (416) 591-6613

Indonesian Consulate General

1455 West Georgia Street
Vancouver, British Columbia
V6G 2T3
Tel: (604) 682-8855

Asia Pacific South Trade Development Division

Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Tel: (613) 995-7659
Telex: 053-3745

Canadian-Indonesian Business Council

P.O. Box 15
World Trade Centre
60 Harbour Street
Toronto, Ontario
M5J 1B7
Tel: (416) 863-2006
Telex: 06-219666

Tel: 3322

LPI (Indonesian Business Institute)
Jalan Gajah Mada No. 10
Widyia Garam Building
Jakarta
Tel: 51542

IKPM (Indonesian Chamber of Commerce and Industry)
Jalan Gajah Mada No. 6
Jakarta
Tel: 51208

Agency for the Assessment and Application of Technology
Building
Jalan M.H. Thamrin
Jakarta
Tel: 1404

Ministry of Law and Legal Affairs
Jalan Subur No. 49
Jakarta
Tel: 591-6813

Embassy of Canada
Widyia Garam Building
Jalan M.H. Thamrin
Jakarta
Tel: 682-8858

Asia Pacific South Trade Development Division
Department of External Affairs
135 Sussex Drive
Ottawa, Ontario
K1A 0G2
Tel: (613) 992-7559
Telex: 062-3745

Garuda Indonesia
51 Sudirman St.
Jakarta
Tel: 378789

VIII. REGIONAL CONTACTS

If you have not previously marketed abroad, contact any regional officer of the Department of Regional Industrial Expansion at the addresses listed below:

Newfoundland-Labrador

Parsons Building
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Telex: 016-4749

Nova Scotia

P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-6125
Telex: 019-22525

New Brunswick

Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel: (506) 857-6440
Telex: 014-2200

Prince Edward Island

Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel: (902) 566-7442
Telex: 014-44129

Québec

Tour de la Bourse
800, Place Victoria,
38^e étage
C.P. 247
Montréal, Québec
H4Z 1E8
Tel: (514) 283-6796
Telex: 055-60768

Ontario

1 First Canadian Place,
Suite 4840
P.O. Box 98
Toronto, Ontario
M5X 1B1
Tel: (416) 365-3737
Telex: 065-24378

Manitoba

3 Lakeview Square,
4th Floor
185 Carlton Street
P.O. Box 981
Winnipeg, Manitoba
Tel: (204) 949-4099
Telex: 07-5767724

Saskatchewan

105-21st Street, 6th Floor
Saskatoon, Saskatchewan
S7K 0B3
Tel: (306) 975-4343
Telex: 074-2742

Alberta

Cornerpoint Building
 10179-105th Street,
 Suite 505
 Edmonton, Alberta
 T5J 3S3
 Tel: (403) 420-2944
 Telex: 037-2762

British Columbia

Bentall Centre, Tower IV
 1055 Dunsmuir Street,
 Suite 1101
 Vancouver, British
 Columbia
 V7X 1K8
 Tel: (604) 666-0434
 Telex: 04-51191

Northwest Territories

P.O. Box 6100
 Yellowknife,
 Northwest Territories
 X1A 1C0
 Tel: (403) 920-8575

Yukon

108 Lambert Street,
 Suite 301
 Whitehorse, Yukon
 Y1A 1Z2
 Tel: (403) 668-4655

APPENDIX — SOURCES OF ADDITIONAL INFORMATION

General

Business Opportunities Under Projects Financed by the Asian Development Bank. Published by the Asian Development Bank, April 1985.

Business Directory of Canadian Trade Representation Abroad. Published by the Department of External Affairs, Ottawa.

Developing Export Markets — the IFI Approach
(2 volumes)

— *Consulting Services*

— *Equipment and Civil Works*

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Ottawa.

Far Eastern Economic Review. Published by the Far Eastern Economic Review Limited, Hong Kong.

Indonesia

Indonesia. Country Report. London, the Economist Intelligence Unit Ltd. (Quarterly) (Subscription includes annual country profile).

Doing Business in Indonesia. New York, Price Waterhouse.

Indonesia Five-Year Business Forecast. New York, Business International.

Marketing in Indonesia. Washington, D.C., US Department of Commerce (Overseas Business Reports).

Indonesia, Tax and Investment Profile. New York, Touche Ross International.

Area Handbook for Indonesia. Washington, D.C., US Foreign Affairs Studies of the American University.

Directory of Indonesian Importers and Exporters. Singapore, Worldwide Import-Export Promotion Centre.

Directory of Indonesian Importers. Jakarta, Ginsi (Importers Association of Indonesia).

Kompas Indonesia. Jakarta. (General Directory listing companies, products, and services).

Standard Trade and Industry Directory of Indonesia. Jakarta.

The Indonesia Letter. Hong Kong, The Asia Letter Ltd. (Monthly).

Economic Review of Indonesia. Jakarta, Ministry of Foreign Affairs (Quarterly).

Indonesia Development News. Jakarta, National Development Information Office (10 times a year).

Nusantara. A monthly review of Indonesian and South-east Asian Affairs. Southend-on-Sea, Essex, New Asia Publications Ltd.

Indonesia Today. Jakarta, Department of Information (Bi-monthly).

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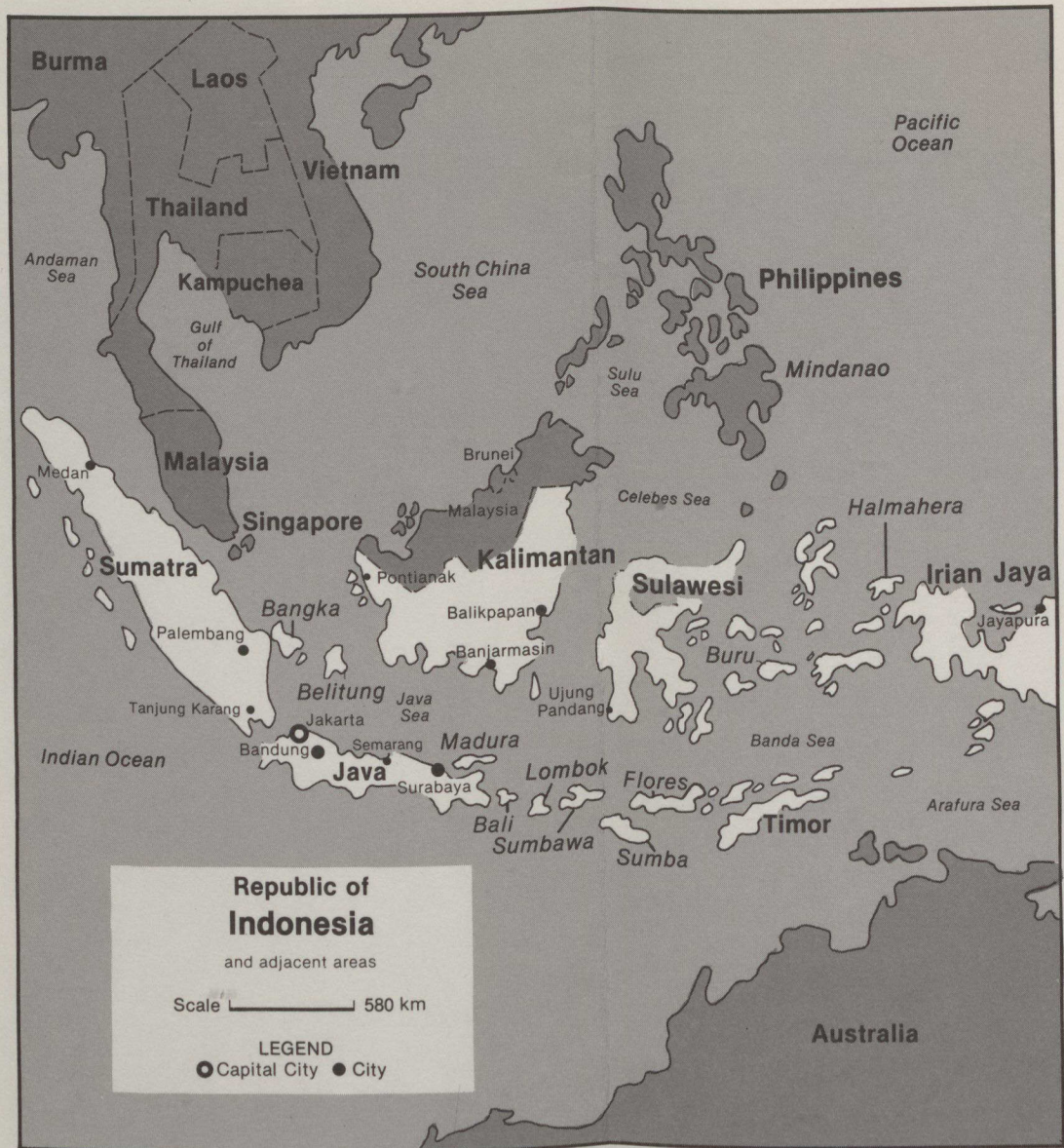
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