

Statement

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AS DELIVERED

AN ADDRESS BY
THE HONOURABLE RAYMOND CHAN,
SECRETARY OF STATE (ASIA-PACIFIC),
TO THE MAPLE LEAF CLUB LUNCHEON

SURABAYA, Indonesia
July 27, 1995



Government
of Canada

Gouvernement
du Canada

Canada

Honoured Guests, Ambassador, ladies and gentlemen:

It gives me great pleasure to be with you here today. This is my first trip to Surabaya and East Java, and it confirms my belief that we have made an excellent decision to appoint our first Honorary Consul in Indonesia, Mr. Alim Markus, in this dynamic city of 4 million inhabitants.

As the second-largest city of Indonesia in the province of East Java, one of Indonesia's most important manufacturing centres, Surabaya is the Gateway to Eastern Indonesia. I too come from a gateway city - Vancouver, in the province of British Columbia. Like Surabaya, Vancouver is a port city far from the centre of the country and the capital. However, both Surabaya, East Java and Vancouver, B.C., are central to the economic well-being of each of our countries.

I am most impressed that East Java boasts half a million industrial facilities producing an annual GDP of US\$22 billion, and that the province has averaged annual economic growth of over 8.5 per cent in the last three to five years, making it Indonesia's fastest growing economic region. According to the local Chamber of Commerce, East Java exports to Canada are valued at \$29 million. I think it is quite fitting that Canada is now represented in this important city and province.

And I am delighted that Ambassador Dickenson recommended that Canada appoint Mr. Alim Markus as our Honorary Consul. Mr. Markus assumed his new position on July 1st, Canada's national day, in a ceremony presided over by the Ambassador and the Governor, His Excellency Basofi Sudirman.

As President Director of PT Maspion Group, Mr. Markus is a highly respected member of the Surabaya business community and has strong Canadian credentials. His firm's North American sales office is located in Toronto - a city similar in size to Surabaya, which has annual exports to Canada approaching \$5 million per year. I want to take this opportunity to thank Mr. Markus for taking on the job of Canada's Honorary Consul in East Java and wish him the best of luck in this new position. As Canada's pillar in East Java, I am sure he will be even busier than he already is, but I hope he will still have time to enjoy a game of golf every so often.

While this is my first trip to East Java, it is not my first trip to Indonesia. I was here with Canada's Prime Minister, Jean Chrétien, last year when your country very successfully hosted the APEC [Asia-Pacific Economic Co-operation forum] leaders' and ministerial meetings. The Bogor Declaration, which emerged from the APEC leaders' meeting, is a testimony to the leadership and vision of the Government of Indonesia, and especially President Soeharto. There are indeed few developing countries who would have the courage and foresight to propose free trade. There are even fewer countries who would show the commitment thereafter to take steps to begin the implementation of this lengthy and difficult process.

Canada knows about this because we had a Free Trade Agreement with the United States. Soon thereafter, we became part of NAFTA, the North American Free Trade Agreement, with both the United States and Mexico. Soon we will be adding a fourth partner to this equation by bringing in Chile.

Free trade is the way of the future, and we commend your government for the bold steps already taken in bringing down the new deregulation and market liberalization package announced in May. We know how difficult it is, but we also know the benefits that can result.

Last November, before the official program of APEC began, Prime Minister Chrétien and I had breakfast with six of your government's cabinet ministers – Ministers Habibie, Sudjana, Taher, Ariwibowo, Sanyoto and Wardiman – and about 200 Indonesian and Canadian business people.

After breakfast, we witnessed the signing of almost \$1 billion worth of trade and investment deals between Canada and Indonesia. It was at that time that both the Prime Minister and I decided we really must return to this country – and soon. As you can see, I have returned only eight months later.

Indonesia has been an almost regular feature of my agenda:

Last December, I met with the Research and Technology Minister, Dr. Habibie, and the Communications Minister, Dr. Haryanto, when they were visiting Canada.

In May, I met your Foreign Affairs Minister, Mr. Alatas, at a conference in Vancouver hosted by Canada for consultations with all the ASEAN [Association of Southeast Asian Nations] foreign ministers in preparation for the G-7 Summit held in Halifax.

I also met your Investment Minister, Mr. Sanyoto, in Vancouver as he was leading a cross-Canada investment mission of 50 Indonesian business representatives.

And in June, I met the Religious Affairs Minister, Mr. Taher, when he paid an official visit to Canada.

Also earlier this year, Canada's Finance Minister, Paul Martin, and our Secretary of State for Multiculturalism and the Status of Women, Sheila Finestone, visited your country.

These high-level government-to-government visits demonstrate the growing and deepening links between our countries and the increasing interest our respective governments are according this relationship.

And there are other ways we are building links.

Less than a month ago, the Canadian Patrol Frigate, HMCS *Regina*, paid a three-day visit to Jakarta. Members of the Indonesian Navy were among the honoured guests aboard the frigate. While enhancing bilateral relations, this visit also served to promote security in the southeast Asia region, which is in the interest of every Canadian and Indonesian.

Our respective business communities are also doing their part to build links between our countries. In fact, they have long realized the great potential that lies in commercial co-operation. In 1994, our two-way trade exceeded \$1 billion, and total and planned Canadian direct investment in Indonesia exceeds \$5 billion - Canada's largest overseas investment in an Asian country.

Here in Surabaya there are some very good examples of Canadian and Indonesian business links. In a few moments, I will witness the signature of documents that will establish the Surabaya Chapter of the Indonesia-Canada Business Council. Last November, witnessed by the Prime Minister, the Indonesia-Canada Business Council and the Canada-Indonesia Business Council signed a co-operation Memorandum of Understanding [MOU].

This morning, just after I arrived in Surabaya, the Regional division of Canadian Airlines International, one of Canada's two national airlines, signed an MOU with Merpati, Indonesia's regional airline. The MOU provides for co-operation in airline maintenance, administration and training. Funding to support this project has been provided through the Canadian International Development Agency's Industrial Co-operation Program.

Canadian business is also active in the environment, financial services, architectural design, manufacturing, and consulting engineering sectors.

Development co-operation also helps to build links. Indonesia represents one of the largest development co-operation programs in the world for the Canadian International Development Agency [CIDA], disbursing more than \$28 million annually. Funds are targeted at projects in areas such the environment, private sector development and infrastructure services, women in development and human resources development.

East Java benefits through many CIDA-supported development projects, such as the Islamic Higher Education Development Project, supporting Institutes of Islamic Studies throughout Indonesia; the Environmental Management Development in Indonesia [EMDI] project, strengthening the environment at the government policy level; the Indonesia Co-operative Development Assistance Program, which supports dairy co-operatives in East Java; and the Women's Support project, which assists the Ministry for the Role of Women in carrying out its mandate.

Earlier this week, I signed two MOUs for very interesting development co-operation projects. The first, co-signed by your Minister of Finance, Mr. Mar'ie Muhammad, dealt with reform of the financial services sector, specifically in the areas of pensions, insurance and non-tax revenue. The second project MOU, co-signed by your State Minister for the Environment, Mr. Sarwono, represents a further initiative to build on years of Canadian-Indonesian co-operation in the area of the environment.

I hope that what I have been a part of this past week, and what has occurred these past few months, in terms of high-level political interest and business success, is just the beginning of a flourishing and mutually beneficial partnership.

I believe that the Maple Leaf Club will be an essential pillar upon which we can further build an enduring partnership. They are leaders in your community. The members of the Maple Leaf Club are alumni of Canadian universities and colleges. Even Industry Minister Ariwibowo is a graduate of a Canadian university. My government believes that education linkages is one of the best ways to foster people-to-people ties, which are critical to enhanced mutual awareness and understanding. And my government is doing something to foster these linkages.

As announced by our Prime Minister last year, Canada will soon establish a Canadian Education Centre in Jakarta. The objective of the Centre will be to promote Canada as a top-quality and affordable post-secondary education destination, where students can learn in a safe, clean and stimulating environment. The Centre will be able to provide information and counselling for Indonesian students.

It is our belief that through increased commercial and educational links, and continuing development co-operation, the people of our two countries will come to know each other better. It is imperative that we do so. And my visit here is a step in that direction.

I hope that in the next several months, we can continue to build pillars so that our relationship will expand and strengthen. Let's continue to work together on issues of peace and security. Let's work together on breaking down the barriers to trade and investment within the region and between us. Let's expand opportunities to get to know each other better, through cultural exchange and especially education links. Now that we have an Honorary Consul established in Surabaya and Canada's interests are better represented here, I am confident the future is promising. We are putting in place the pillars that will support an enduring and mutually beneficial partnership for the years to come.

Thank you.