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## TRADE AND INVESTMENT



### ***Canada–Indonesia***

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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with selected countries. Particular attention is paid to bilateral merchandise trade, trade in services, and foreign investment. These publications are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

\* Simon Lapointe, formerly of the Library of Parliament, contributed to the preparation of this document.

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## Merchandise Trade

In 2010, Canada's bilateral merchandise trade with Indonesia totalled \$2.4 billion, comprised of \$1.1 billion in exports to, and \$1.3 billion in imports from, Indonesia.

Indonesia was Canada's 21<sup>st</sup> largest destination for exports worldwide and its 35<sup>th</sup> largest source of imports globally in 2010.

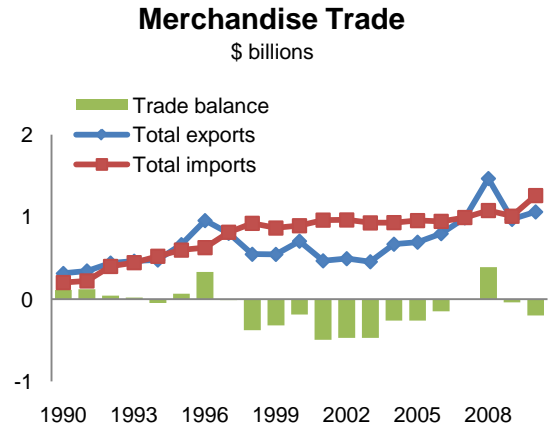
The value of Canada-Indonesia trade as a share of the value of Canada's total trade has remained relatively constant in recent years. In 2010, the value of Canada's exports to, and imports from, the country each accounted for 0.3% of the value of Canada's total exports and imports, the same levels as in 1995.

Over the 2005 to 2010 period, the value of Canada's exports to Indonesia grew at an average annual rate of 8.9%, compared to a decrease of 1.8% globally. The value of Canada's imports from Indonesia grew at an average annual rate of 5.7% over the period, compared to 1.2% worldwide.

Saskatchewan was the largest provincial exporter to Indonesia in 2010, with exports valued at \$486.7 million, followed by Alberta, Quebec and British Columbia, at \$149.8 million, \$105.4 million and \$99.7 million respectively.

Saskatchewan was also one of the fastest-growing provincial exporters to Indonesia over the 2005 to 2010 period, with an average annual growth rate of 25% in the value of the province's exports to the country. Prince Edward Island, New Brunswick and Quebec also experienced relatively fast growth in the value of their exports to Indonesia over that period, with average annual growth rates of 61%, 26% and 13% respectively.

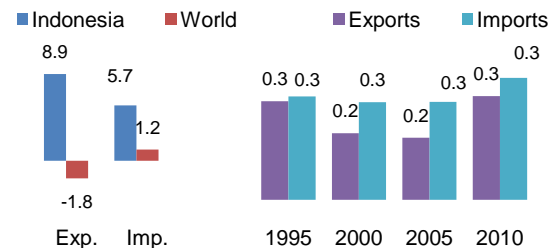
### Figure 1



### Figure 2

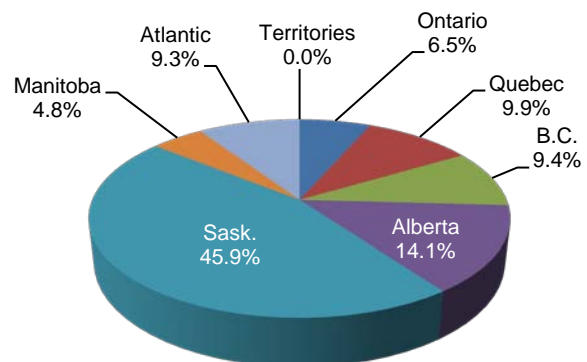
#### Importance to Canada

Average yearly growth (%): 2005–2010      Share of total trade (%):



### Figure 3

#### Exports by Province/Territory – 2010



All figures were prepared by the authors using Statistics Canada annual figures as of spring 2011.  
The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

## Products

In 2010, resource-based goods and manufactured goods accounted for 55% and 45% respectively of the value of Canada's exports to Indonesia. This composition had changed somewhat since 2005, when resource-based goods and manufactured goods accounted for 44% and 56% respectively of the value of Canada's exports to the country.

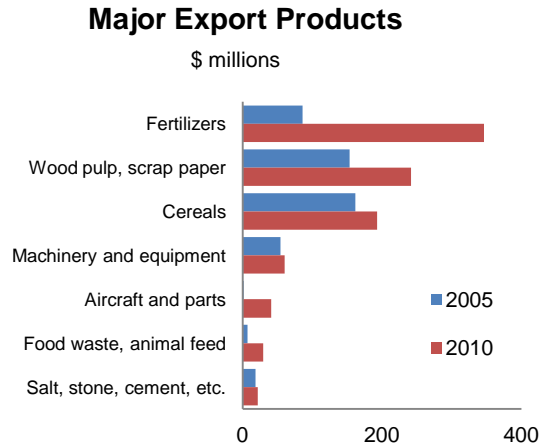
Canada's highest-valued exports to Indonesia in 2010 were chemical fertilizers, wheat and certain types of wood pulp. In particular, the values of Canadian exports of chemical fertilizers and wood pulp to the country have experienced growth in recent years, increasing from \$85.8 million and \$89.2 million respectively in 2005 to \$343.4 million and \$175.3 million in 2010. Wheat exports to the country were valued at \$192.1 million in 2010.

In 2010, manufactured goods and resource-based goods represented 92% and 8% respectively of the value of Canada's imports from Indonesia. This composition was similar to that of 2005, when manufactured goods and resource-based goods accounted for 90% and 10% respectively of the value of Canada's imports from the country.

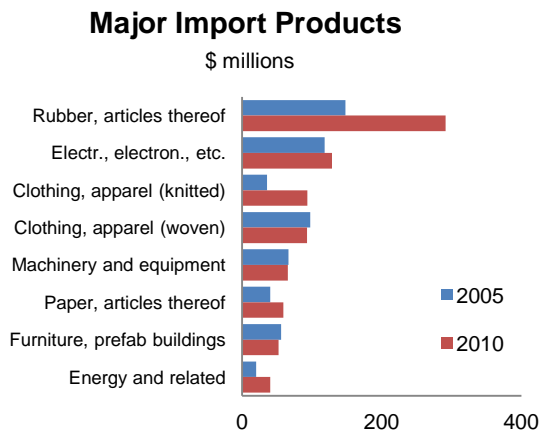
Canada's highest-valued imports from Indonesia in 2010 were rubber, non-crude petroleum oils and nickel mattes (a form of processed nickel). Over the 2005 to 2010 period, the value of Canadian rubber imports from the country grew at an average annual rate of 14%. The values of Canadian imports of non-crude petroleum oil and nickel mattes increased from negligible amounts in 2005 to \$43.7 million and \$38.5 million respectively in 2010. Rubber imports from Indonesia were valued at \$263.2 million in 2010.

In 2010, Canada had trade surpluses with Indonesia in agriculture and food as well as in transportation equipment and in the category of "other" goods. It had trade deficits with the country in metals, mines and energy, clothing and textiles, machinery and equipment, and other manufactured goods in that year. Canada's trade deficit with Indonesia in metals, mines and energy in 2010 was a change from 2005, when Canada had a trade surplus in that category.

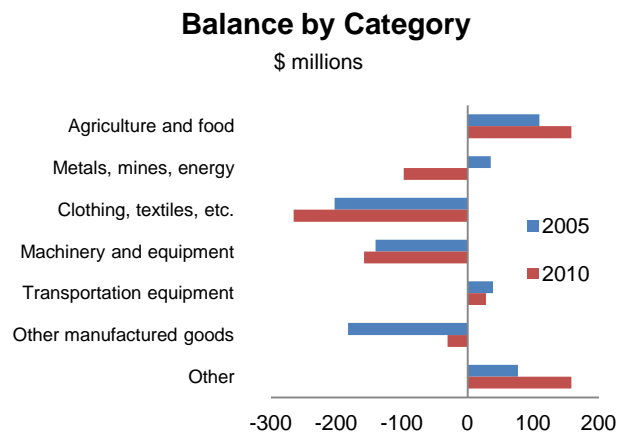
### Figure 4



### Figure 5



### Figure 6



All figures were prepared by the authors using Statistics Canada annual figures as of spring 2011.  
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## Services and Investment

Canada was a net exporter of services to Indonesia in 2009, the most recent year for which data are available. The value of bilateral services trade totalled \$216.0 million in that year, comprised of \$134.0 million in Canadian exports to, and \$82.0 million in imports from, Indonesia.

The value of Canada's services exports to Indonesia has been somewhat volatile in recent years; it peaked in 1998 at \$256.0 million. From 2008 to 2009, the value of Canada's services exports to the country decreased by \$13.0 million, \$11.0 million of which was in transportation and government services. In 2009, exports of travel services, commercial services and transportation and government services to the country were valued at \$64.0 million, \$40.0 million and \$29.0 million respectively.

While the value of Canada's services imports from Indonesia has been relatively steady in recent years, it decreased by \$4.0 million from 2008 to 2009, due to a \$4.0-million decline in imports of transportation and government services. In 2009, imports of travel services, transportation and government services and commercial services from the country were valued at \$39.0 million, \$38.0 million and \$5.0 million respectively.

In 2009, Canada had trade surpluses with Indonesia in travel services and commercial services, and a trade deficit in transportation and government services. Canada's trade surplus with the country in travel services increased by \$2.0 million from 2008 to 2009, while the commercial services surplus declined by \$6.0 million. Canada's trade deficit with Indonesia in transportation and government services grew by \$7.0 million from 2008 to 2009.

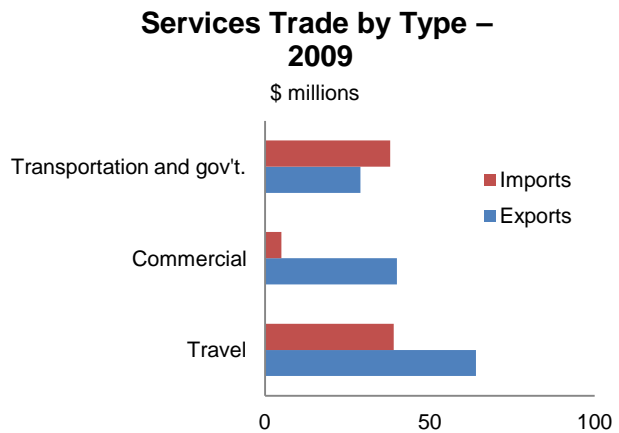
The stock of Canadian direct investment in Indonesia totalled \$2.8 billion in 2010, making it Canada's 25<sup>th</sup> largest destination for direct investment abroad.

*Data on Indonesian direct investment in Canada are not available.*

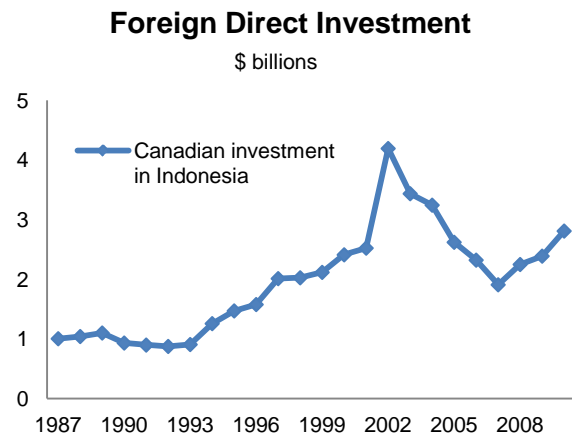
### Figure 7



### Figure 8



### Figure 9



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