

MEDIA RELEASE

Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) – Entry into Force

Perth, Western Australia – 7 May 2020

The Australia Indonesia Business Council (AIBC), the peak Member-based body in Australia for the promotion and facilitation of bilateral trade and investment, is delighted by today's announcement by Trade Minister Birmingham, that the long-awaited Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) has cleared its last hurdle, with Australia receiving formal notification that Indonesia has completed its domestic ratification processes.

AIBC's National President Phil Turtle said "This is an exciting day for us, when we can all use an exciting day. This Agreement has been more than a decade in the making, and comes amidst such challenging times for us all.

The Agreement opens up a host of new possibilities for bilateral Trade and Investment across numerous industry sectors, including Education, Agribusiness, e-commerce, Manufacturing, Health and Aged Care, Energy, ICT, Transportation and so on, at a time when many will be seeking to more proactively diversify their markets and operations.

For the success of this Agreement, it is important that Australian Business does not just see Indonesia as a large 'new' market on our doorstep, but rather as a trusted-partner that together with they can play an increasing role in regional and global supply chains. An example of this may be in the area of Electric Vehicles and Battery Minerals and Manufacture. Indonesia is South-East Asia's second largest automotive exporter, and there is a great opportunity for Australian expertise and materials to play a part in developing a new generation of Indonesian electric vehicles, which may then find themselves on the road in Australia and many other countries.

Whilst the Agreement covers most industry sectors, this current global situation has substantially increased reliance on digital technologies and on-line delivery of goods and services. Australian expertise and reputation in these fields will serve us well, as we look for new ways to engage and do business.

The Agreement will now enter into force in just 60 days' time, on Sunday 5 July, so businesses are strongly encouraged to familiarise themselves with the Agreement and prepare.

Trade and Investment with our neighbours has been a crucial part of our economies for many generations, and this will not change in a post-COVID-19 world, even as we are all becoming increasingly accustomed to new ways of working.

Australia and Indonesia have never needed each other more, and working together we can help each other create a new and mutually rewarding future."

AIBC extends its congratulations to the great many in both countries who have contributed to this Agreement, over more than a decade, and is proud of the contribution that AIBC itself has made over this time, including two detailed submissions to both Governments, and ongoing support to the work of our negotiating teams.

We thank our Indonesia-Australia Business Partnership Group (IA-BPG) colleagues at [IABC](#), [ACCI](#), [KADIN](#), [Ai Group](#) and [APINDO](#) for their support and friendship during the evolution of IA-CEPA, and the relationships forged here will play an important and ongoing role in the successful implementation of the Agreement.

We look forward to working alongside Austrade, and other organisations, to ensure that knowledge of this Agreement is spread widely, and business is equipped to take advantage of the many opportunities created.

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For more information on the AIBC, please visit: www.aibc.com.au

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