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MEDIA RELEASE

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Free trade deal with Indonesia set to kick-off on 5 July

Australian exporters will soon start reaping the benefits of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), with Australia receiving formal notification that Indonesia has completed its domestic ratification processes.

Federal Trade Minister Simon Birmingham said the landmark trade deal with Indonesia would enhance export opportunities and deliver significant benefits for Australian farmers, businesses and investors.

“After discussions earlier this week with my Indonesian counterpart, Minister of Trade Agus Suparmanto, we welcome this step that will see the benefits of this trade agreement flow from 5 July this year,” Minister Birmingham said.

“Securing a trade agreement with Indonesia has been a longstanding objective of our government, to further strengthen the strategic partnership between our nations and further expand the choices available for Australian exporters.

“This is the most comprehensive bilateral trade agreement Indonesia has ever signed, and will give a competitive edge to Australian exporters, particularly at a time when many are doing it tough as a result of the COVID-19 crisis.

“The economic stresses being caused by COVID-19 in both Australia and Indonesia make this agreement even more important, as it will provide an opportunity to better stimulate growth and investment across both nations during the recovery phase.

“With a population of over 260 million and one of the fastest growing economies in the world, Indonesia presents significant trade and investment opportunities for Australian farmers and businesses.

“For example, under the deal, producers of grains, live cattle and meat, dairy and horticulture, and many other products will benefit from lower tariffs and improved access to Indonesian markets.

“It will also provide a major boost across a range of services sectors including education and training, tourism, financial, mining and energy, as well as providing new mechanisms to address non-tariff barriers.

“With one in five jobs trade related, enhancing export opportunities for our farmers and businesses will be crucial to reducing job losses arising from the COVID-19 crisis and a critical part of our ultimate economic recovery.

“I thank Minister Suparmanto for his enthusiastic assistance, together with our predecessors, our trade negotiators and many stakeholders who have helped to secure this comprehensive agreement.”

IA-CEPA will officially enter into force on Sunday 5 July 2020. It will mean that 99 per cent of Australian goods (by value) will enter Indonesia duty-free or under significantly improved preferential arrangements.

Further information on the benefits for Australian exporters, visit: <https://dfat.gov.au/fta/iacepa>.

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