



## JOINT PRESS RELEASE



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### **EU and Indonesia meet to further discuss challenges and opportunities in industry and environment**

The 3rd Indonesia-European Union (EU) Sectoral Dialogue on Industry and Environment takes place today (15/5) in Bali. The event focuses discussions to set up more conducive regulatory environments and to enhance bilateral cooperation between the EU and Indonesia in order to boost bilateral trade and investment relations in the industrial sectors.

The event – a follow-up to the 2nd Sectoral Dialogue in December 2011 in Yogyakarta – will review cooperation activities and will address some regulatory issues. Participants from various Ministries (Industry, Trade, Transportation, Foreign Affairs, Forestry), the EU Delegation to Indonesia as well as business representatives will discuss issues such as the regulatory environment for industrial products in Indonesia (SNI), accession of Indonesia to the 1958 UN/ECE Agreement on automotive regulations, the impact of EU environmental regulations on Indonesian exports (REACH) and cooperation in the Timber sector (EU-Indonesia Voluntary Partnership Agreement), etc.

"This sectoral dialogue brings benefits for the EU-Indonesia commercial ties and alliance as it serves as a forum to discuss way and means to reduce technical barriers to trade and investment between our countries and to prioritise our cooperation with Indonesia" said **Mr Olivier Merle**, Head of Trade of the EU Delegation to Indonesia. "It will also tackle the policy recommendations that were raised by the European Indonesia Business Dialogue (EIBD) on automotives that gathered yesterday," said Mr Merle.

"The expected outputs of this third SWGIE are: i) to overcome the Non-Tariff Measures (NTMs). for the cooperation between Indonesia and EU; ii) encouraging the recommendations that have been yielded in the first and second SWGIE; iii) achieving industrial and investment; iv) creating action plan for TSP 2; and, v) the existency of action through the assistance/grant of TSP 2. Another cooperation that might be constructed is the possibility to accept test results performed by Indonesian and EU laboratories with international accreditation without any additional requirements", said **Mr Harjanto**, Director for International Industrial Cooperation for Region I and Multilateral, Ministry of Industry of the Republic of Indonesia.

The EU-Indonesia Sectoral Dialogue on Industry and Environment is conducted twice a year. The 1st Sectoral Dialogue was held on 13-14 June 2011 in Bandung, followed by a second on 1-2 December 2011 in Yogyakarta.

In spite of the economic and financial challenges confronting Europe and other parts of the world, EU-Indonesia trade is growing apace, with an increase of 20% exports from the Indonesia to the EU in 2011. Foreign Direct Investment by EU companies in Indonesia achieved approximately € 3 billion and, with Indonesia's attractiveness as a commercial destination rapidly increasing, that figure is set to rise significantly. Over 700 EU companies have set up business in Indonesia, generating around 500,000 jobs in key industries such as automotives, pharmaceuticals, machineries and equipment, consumer goods, financial services, etc.