



EUROPEAN UNION

TRADE AND INVESTMENT WITH

INDONESIA

2020

THE EUROPEAN UNION



445 MILLION
CITIZENS



1 SINGLE
MARKET



4 THE FREE MOVEMENT
OF PEOPLE, GOODS,
SERVICES AND CAPITAL



27 MEMBER
STATES



TABLE OF CONTENTS /

MESSAGE FROM THE EU AMBASSADOR	2
THE EU AS A GLOBAL ECONOMIC PLAYER	3
— THE EUROPEAN SINGLE MARKET	10
— EU TRADE POLICY	12
INDONESIA AS AN EMERGING POWER	14
EU-INDONESIA PARTNERSHIP	19
— TRADE IN GOODS	21
— TRADE IN SERVICES	24
— FOREIGN DIRECT INVESTMENT	26
EU BUSINESS PRESENCE IN INDONESIA	30
EU-INDONESIA COOPERATION IN THE PROTECTION OF GEOGRAPHICAL INDICATIONS	35
EU – INDONESIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT	38
— KEY BENEFITS OF THE AGREEMENT	40
— AWARENESS RAISING / ROADSHOW	41
EU – INDONESIA COOPERATION	42
— EU-INDONESIA ECONOMIC DEVELOPMENT PARTNERSHIP	43
— BUSINESS COOPERATION	44



MESSAGE FROM THE EU AMBASSADOR H.E. VINCENT PIKET

The main engine of the global economy in recent years has been the dynamic performance of the emerging economies and their fast-rising trade with the world. Indonesia is one of them. It is a country with an extraordinary potential. With the world's fourth largest population, it will become one of the largest economies in the world within a decade. On top of that, it is also one of the world's youngest and largest democracies, with a stable political situation fuelled by energetic, vibrant communities.

Following its installation in October 2019, the new government of President Joko Widodo has given top priority to human capital development, continuing the infrastructure push, and to reforming and modernising the regulatory framework for the economy.

Doing so will enable Indonesia to reap greater benefits from the global economy and make it an upper middle-income country in the near future.

These major policy priorities bode well for Indonesia's future. They also bode well for economic cooperation, trade and investment between Indonesia and the EU. The EU is a close, stable and reliable partner of Indonesia. Our 1,100 companies in Indonesia employ 1.1 million people and are here for the long run, our large domestic market is among the most open in the world.

Our flagship activity this year will be the negotiations for the Comprehensive Economic Partnership Agreement (CEPA) between the EU and Indonesia. The CEPA will be a modern and forward-looking trade agreement; it will create new opportunities for trade and investment and promote a sustainable economic relationship in economic, social and environmental terms. What's more, the CEPA will deliver growth and jobs: for the EU, but especially for Indonesia.

The CEPA will also contribute to Indonesia's and the EU's economic and social recovery following the COVID-19 pandemic, the most abrupt and biggest economic shock of our generation. For the EU, its open, Single Market will be a source of new growth and economic resilience. Open markets, investment and trade with global partners are key tools for recovery.

Hence our desire, as part of the EU's and Indonesia's recovery drive, to step up cooperation, trade and investment with Indonesia. An open trade policy will be an important driver for recovery and must be part of our economic revival strategy. For that Indonesia can count on the EU's partnership.



THE EU AS A GLOBAL ECONOMIC PLAYER

The EU is in a leading position when it comes to global trade. The openness of its trade regime means that the EU is one of the biggest players on the global trading scene and remains an attractive region to do business with.

It is the only grouping of sovereign states that has managed to create an extensive customs union with common commercial policies. In addition, thanks to the ease of modern transport and communication, it is now easier to produce, buy and sell goods around the world, which gives European companies of every size the potential to trade outside Europe.

The EU, while representing only 6.7% of the world's population, has been among the three largest global players for international trade in goods since 2004, together with the United States and China. In 2019, the EU's trade in goods with the rest of the world (the sum of extra-EU exports and imports) amounted to €4,093 billion, which was the largest share of global trade in goods (15.4%).

Services are an increasingly important part of international trade and account for more than half of the EU's GDP. Technology has enabled companies to deliver their services globally, and manufacturing companies more and more buy, produce and trade services that allow them to sell their products. This intensifies the ways in which trade boosts the exchange of ideas, skills and innovation. The EU's trade policy facilitates this exchange and has contributed to a doubling of EU services exports over the last 10 years.

The EU remains the world's largest trader of commercial services, with a 23% share, significantly larger than the United States (16%), China (9%) and Japan (5%).

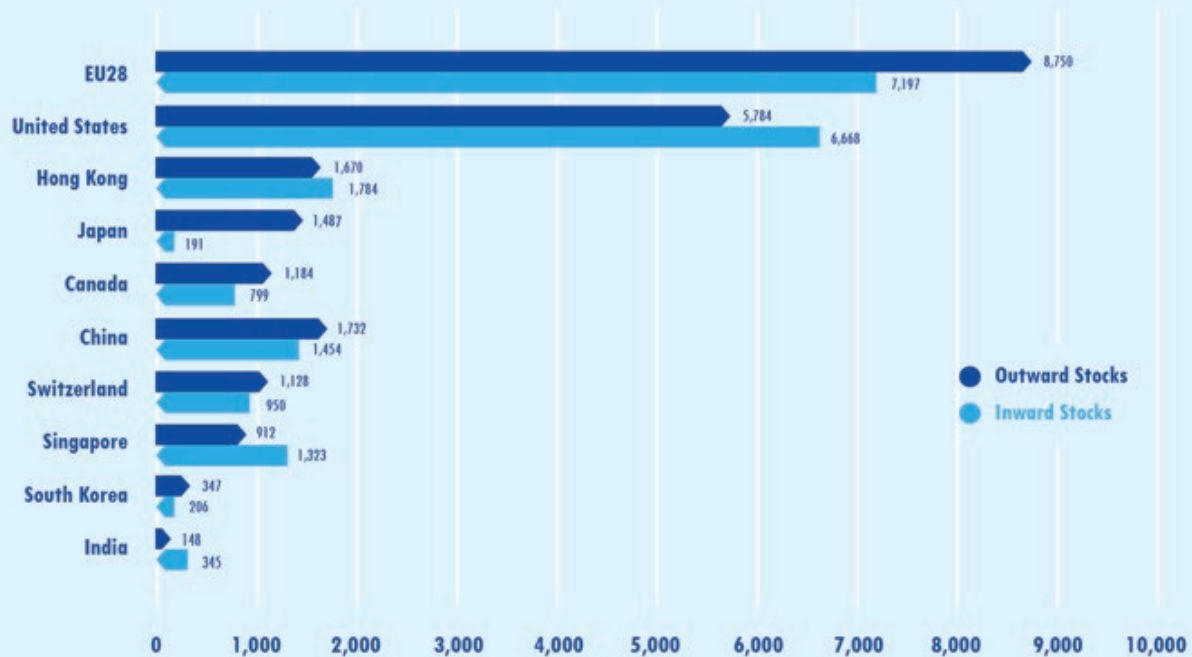
Overall, in 2019 the EU economy registered a trade surplus of €132.7 billion; a trade deficit of €14.5 billion in trade in goods and a trade surplus of €147.2 billion in trade in services. The main trading partners of the EU are the United States, China, Switzerland, the ASEAN (Association of Southeast Asian Nations) countries and Russia.

Furthermore, the EU is the world's main provider and the top global destination of Foreign Direct Investment (FDI). According to the latest available international statistics, FDI stocks held in the rest of the world by EU investors amounted to €8,750 billion at the end of 2018. Meanwhile, FDI stocks held by third country investors in the EU amounted to €7,197 billion at the end of 2018, outpacing the United States.

The COVID crisis has shaken the global economy and rocked global trade. It has also hit the EU, with total EU exports and imports declining by 9% in the first three months of 2020. The EU continues to see trade as an essential tool for its rebound; and our markets will remain open for investment.

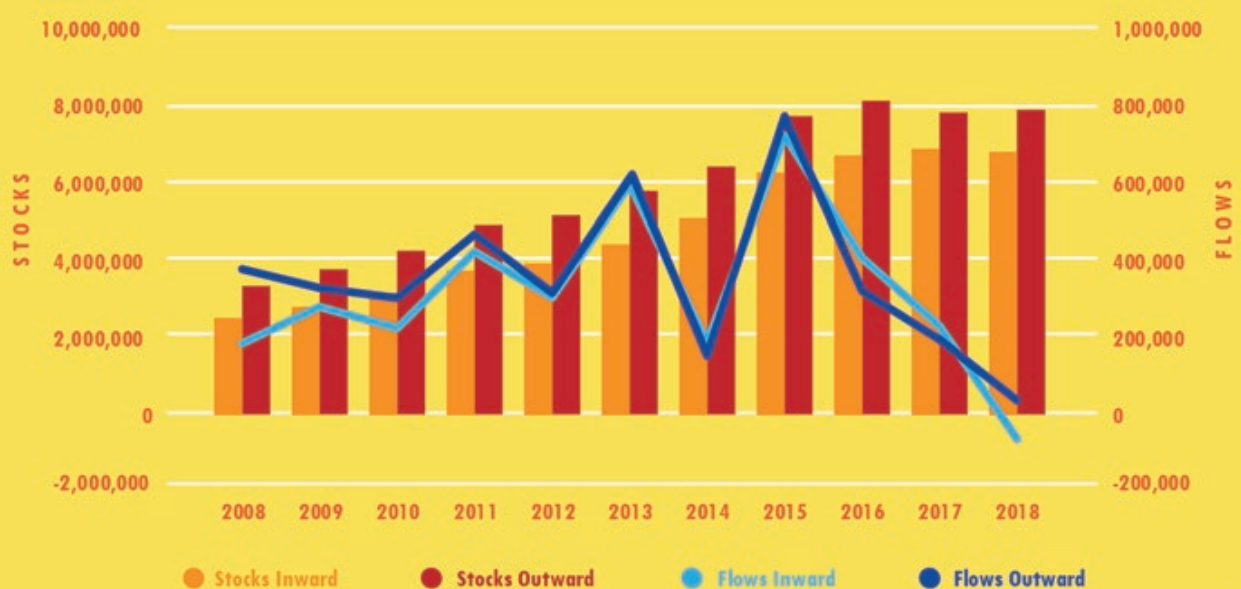


GLOBAL FDI OUTWARD/INWARD STOCKS IN 2018 (€ BILLION)



Source: UNCTAD

EU FDI FLOWS AND STOCKS WITH THE REST OF THE WORLD (€ MILLION)



Source: Eurostat

A world map in a dark blue color scheme. A large, semi-transparent red circle is centered over North America, specifically highlighting the United States. Inside this circle, the text 'UNITED STATES' is written in bold yellow capital letters. Below it, in white capital letters, are the statistics: 'GDP: 24.6%', 'Goods: 13.9%', and 'Services: 16%'. The background of the map features a network of thin, light blue lines representing global trade routes or connections.

UNITED STATES

GDP: 24.6%

Goods: 13.9%

Services: 16%

EU'S SHARE IN THE WORLD: GDP, TRADE IN GOODS, TRADE IN SERVICES* 2019

Source: IMF, WTO

*Trade in services refer to 2018 data

An infographic showing a world map with five regions highlighted in orange circles, each containing economic data. The regions are the European Union, China, Japan, India, and ASEAN. The background is a dark blue map with white outlines of continents and countries. The circles are semi-transparent orange, allowing the map to be seen through them. The text is in a bold, sans-serif font, with the region names in yellow and the data in white.

EUROPEAN UNION

GDP: 21.4%
Goods: 15.4%
Services: 23%

CHINA

GDP: 16.2%
Goods: 15.2%
Services: 9%

JAPAN

GDP: 5.9%
Goods: 5%
Services: 5%

INDIA

GDP: 3.4%
Goods: 2.7%
Services: 4%

ASEAN

GDP: 3.6%
Goods: 9%
Services: 9%

THE NEW POLITICAL LEADERSHIP OF THE EUROPEAN COMMISSION

The new European Commission, composed of the College of Commissioners from 27 EU countries and led by the President Ursula Von der Leyen, started its 5-year mandate on 1 December 2019. The new Commission has eight Vice-Presidents responsible for the top priorities in the Political Guidelines. The President has assigned to each Commissioner specific policy areas. The new Trade Commissioner is Phil Hogan, the former EU Commissioner for Agriculture.



THE EUROPEAN GREEN DEAL

The European Green Deal is a set of policy initiatives brought forward by the European Commission with the overarching objective of making Europe a climate neutral continent in 2050. The goal will be enshrined in a European Climate Law turning the political commitment into a legal obligation and a trigger for investment. Other EU laws and regulations will be aligned with the new climate goals.

The Green Deal is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.

The European Green Deal provides a roadmap with actions to boost the efficient use of resources by moving to a clean, circular economy and restore biodiversity and cut pollution. It outlines investments needed and financing tools available, and explains how to ensure a just and inclusive transition.

The EU will also provide financial support and technical assistance to help citizens, businesses and regions that are most affected by the move towards the green economy. The Just Transition Mechanism will help mobilise at least €100 billion over the period 2021-2027 in the most affected regions.

The Green Deal is an integral part of the Commission's strategy to implement the United Nation's 2030 Agenda and the sustainable development goals, and the other priorities announced in President von der Leyen's political guidelines. As part of the Green Deal, the Commission will refocus the process of macroeconomic coordination to integrate the United Nations' sustainable development goals, to put sustainability and the well-being of citizens at the centre of economic policy, and the sustainable development goals at the heart of the EU's policymaking and action.

The figure below illustrates the various elements of the Green Deal.





THE EUROPEAN SINGLE MARKET

The European Single Market lies at the heart of the European integration project and it is one of the EU's greatest achievements. Starting with the basic idea for the creation of a free trade area, the EU as of today has managed to develop an environment where people, goods, services and capital move freely. EU Member States jointly decided to remove a significant number of technical, legal and bureaucratic barriers in order to enable companies to expand their businesses across the EU market.

The single market has made Europe one of the most attractive places in the world to live and do business. Thanks to the harmonisation of national rules, common standards across Member States and the mutual recognition principle, the Single Market offers access to one of the biggest markets in the world. It facilitates integration of companies in European value chains that reduces costs and improves security of supply. The European Battery Alliance and manufacturing of European wind turbines are good examples of a strategic value chain in Europe that the Single Market makes possible.

A functioning single market also stimulates competition and trade, improves efficiency and raises product quality. The Commission estimates that the economic benefits of the Single Market amount to about 8.5% of the Union's Gross Domestic Product. Moreover, a foreign company exporting to the EU needs only one entry point. With the same import procedures everywhere and efficient one-stop access to the largest trading bloc in the world, this means reduced costs for the exporter.

On the other side, European consumers benefit from a wider choice of high quality products and services at lower prices. Good examples of these direct benefits are the 35% decrease in telecoms prices over the past decade, the abolition of roaming charges and the reduction in costs of air transports. The Single Market also provides for common standards of protection in many areas, such as product and food safety, environment, passenger rights, privacy and data protection, and animal welfare.

The membership of the European Single Market extends beyond the EU, as Iceland, Liechtenstein, Norway and Switzerland also participate in under negotiated frameworks.

GENERAL DATA PROTECTION

Strong data protection rules are essential to guaranteeing the fundamental right to the protection of personal data. They are central to a democratic society and an important component of an increasingly data-driven economy. Identity theft, leaks of sensitive data, discrimination of individuals, in-built bias, sharing illegal content and the development of intrusive surveillance tools are just a few examples of issues that increasingly feature in the public debate, where it is clear that people expect their data to be protected.

The EU General Data Protection Regulation (GDPR) has been applied since May 25, 2018. While it is an EU law, it imposes obligations onto organisations anywhere if they target or collect data related to EU citizens. The GDPR is a comprehensive tool, comprising a core set of enforceable rights and providing for enforcement by an independent supervisory authority.

With years in the implementation, the GDPR is delivering, with positive trends visible in innovation, data security and citizens making use of their new rights. Companies are reaping benefits from their data protection investments, such as greater innovation, competitive advantages, reducing costs related to breaches as well as a strategic driver for business, as more and more users value the privacy and security of their data.

Data protection has become a truly global phenomenon as people around the world increasingly cherish and demand the protection and security of their data. Many countries have adopted or are in the process of adopting comprehensive data protection rules based on principles similar to those of the EU Regulation, resulting in a global convergence of data

protection rules. This offers new opportunities to facilitate data flows, between commercial operators or public authorities while improving the level of protection for the personal data in the EU and across the globe.

Indonesia is also part of this global trend. The EU is very supportive of the draft data protection bill that the Indonesian government has prepared, it is a big step towards regional as well as global convergence. Once the bill passes the parliament, it will lay a solid foundation for data exchanges between the EU and Indonesia, be it for commercial purposes or cooperation between public authorities. The EU stands ready to start discussions on how to facilitate data flows, creating an area of free and safe data flows, which would complement the Comprehensive Economic Partnership Agreement (CEPA) now under negotiation between Indonesia and the EU.



Minister of Communication and Informatics of the Republic of Indonesia, H.E. Mr. Johnny G. Plate, delivered a keynote speech in a seminar on Data Protection and the Digital Economy, hosted by the EU Delegation in Jakarta on 5 November 2019

Thanks to its extensive global economic clout, the EU holds important roles within international multilateral organizations such as the World Trade Organization (WTO), where it represents and speaks on behalf of the entire bloc. Furthermore, the need for retaining a principal role within the global trade environment drives the EU to improve existing bilateral trade agreements as well as to conclude new ones.

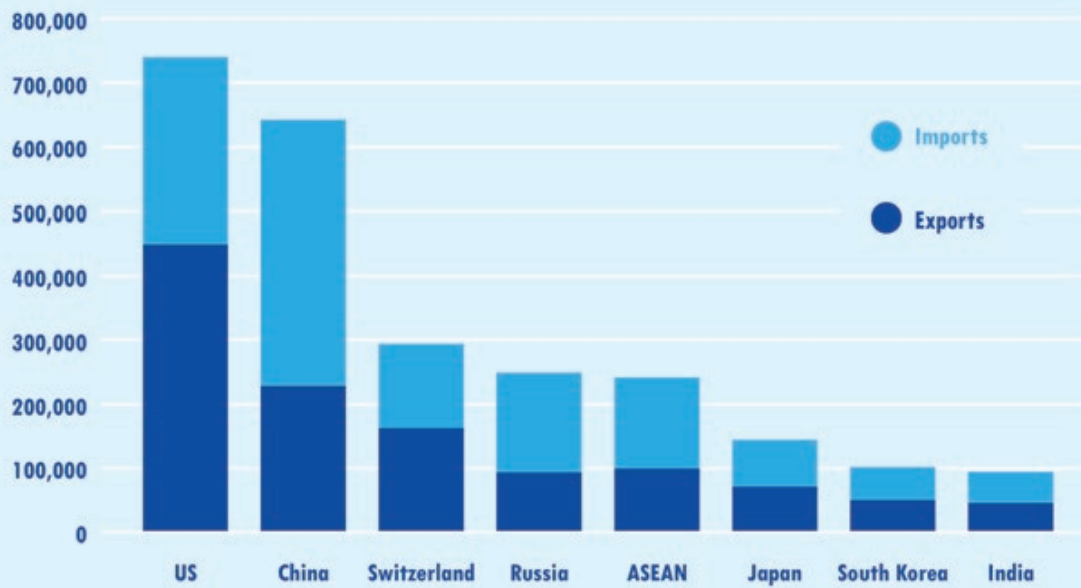
At present, the EU has in place the largest trade network in the world, with 41 trade agreements covering 72 countries. Most recently, the EU has concluded and started applying new trade agreements with Singapore, Canada, Japan and Vietnam.

‘New generation agreements’, such as those with South Korea, Japan and Canada, include both commitments on liberalisation of trade in goods, services and investment, as well as new areas in public procurement, competition and subsidies and regulatory issues. These agreements aim to develop stronger rules-based and values-based trade regimes with the trading partner countries concerned. They include dedicated provisions on trade and sustainable development as well as provisions to address challenges faced by small and medium-sized enterprises, information and telecommunication services and e-commerce.

These agreements create mutually beneficial outcomes. For example, bilateral trade in goods between the EU and Canada grew by 10.3% during the first year of implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA), with balanced growth on both sides. In the first ten months following the implementation of the EU-Japan Economic Partnership Agreement (EPA), Japanese exports to Europe grew by 6.3% whilst EU exports to Japan went up by 6.6%, outperforming the growth in the past three years.

It is estimated that the upcoming decade will see up to 90% of global economic growth generated outside Europe. Therefore, it is of key importance that the EU taps into this growth potential by opening up new market opportunities for European businesses abroad. Protectionist barriers hurt not just the EU economy, but also the EU’s partners, including the world’s poorest countries. Removing trade barriers is thus essential if the EU is to continue to generate growth for the benefit all European and international citizens – as importers, exporters, workers, consumers and more. Undoubtedly, rapidly growing Southeast Asia has great potential. A gradual liberalisation of markets with ASEAN could improve the region and simultaneously propel economic growth in individual countries within the ASEAN, including Indonesia.

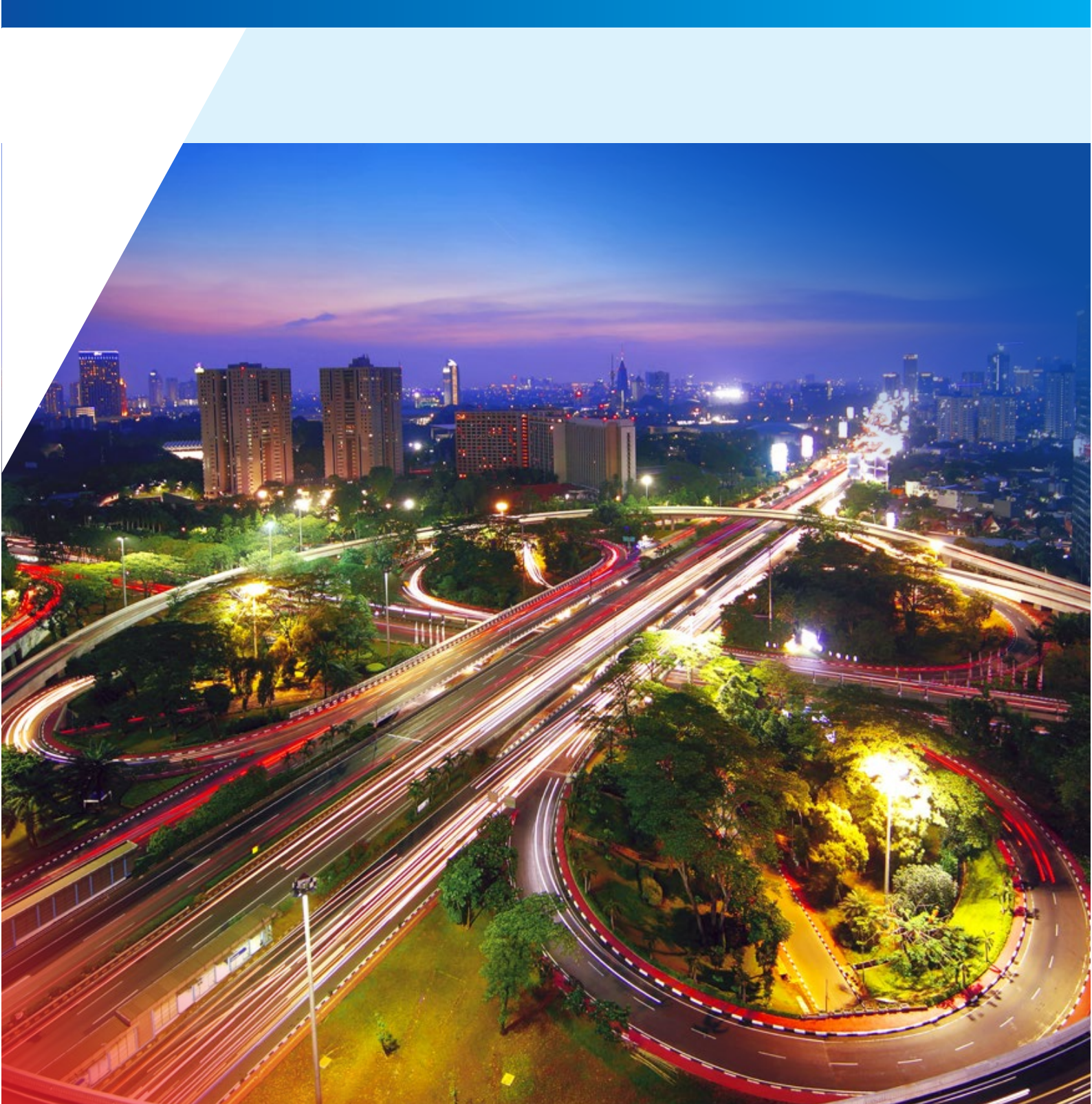
EU TRADE IN GOODS BY MAIN TRADING PARTNERS IN 2019 (€ MILLION)



Source: Eurostat



Launch of World Cotton Day, courtesy of WTO/Ave Kuluki



INDONESIA AS AN EMERGING POWER



G20 Osaka Summit 2019, courtesy of Consulate General of the Republic of Indonesia - Osaka Japan

As the largest economy of the ASEAN, Indonesia has charted impressive economic growth since overcoming the Asian financial crisis in the late 1990s. It grew 5.6% on average in the period of 2004 until 2018. It is also noteworthy that Indonesia is a founding member of the APEC (Asia-Pacific Economic Cooperation), a high-level multilateral bloc that promotes free trade throughout the Asia-Pacific region.

Today, Indonesia is the world's fourth most populous nation (264 million citizens), overtook Brazil as the world's 7th largest economy in terms of purchasing power parity, and is a member of the G-20. The country's GDP per capita has steadily risen, from USD 870 in the year 2000 to USD 4,175 in 2019. An emerging lower middle-income country, Indonesia has made enormous gains in poverty reduction, cutting the poverty rate

by more than half since 1999, to 9.3% in 2019. Indonesia is entering the initial stage of the demographic dividend, which is expected to peak in 2030 when its working age group will reach 70% of the population. This asset creates a potential for continuous long term growth.

Despite the COVID crisis and other global uncertainties, Indonesia's economic outlook continues to be positive, with domestic demand being the main driver of growth. Supported by robust investment, stable inflation, and a strong job market, Indonesia's economic growth reached 5% in 2019.

Indonesia's achievement in maintaining macroeconomic and financial system stability has been acknowledged by the international community. Since 2017, Indonesia has received investment grade status from all three major rating agencies. In May 2019, the rating agency

S&P raised Indonesia's sovereign credit rating to 'BBB', citing the country's strong economic growth prospects and supportive policy dynamics. The upgrade put S&P on par with the ratings awarded by two other major credit rating agencies, Fitch and Moody's, with stable

outlook. The sovereign rating status has been supported by the government's low debt and its good fiscal performance. The status also shows that the country's economy remains stable amid the weakening global economy.

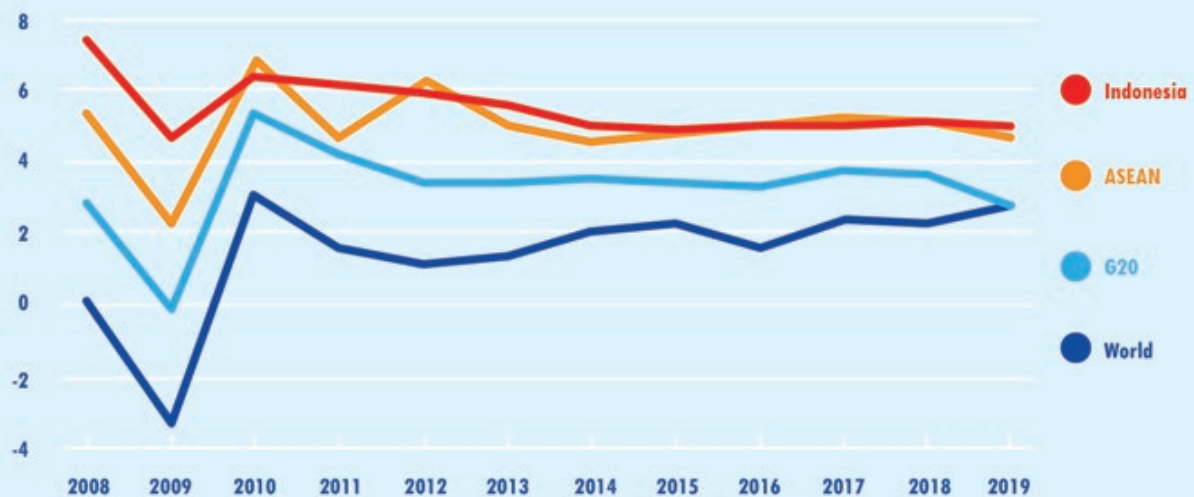
KEY INDONESIA'S PRIORITIES FROM 2020 - 2024



President Joko Widodo was inaugurated for a second five-year term in office in October 2019. Taking the lead from his first term in office, President Jokowi will continue to prioritise Infrastructure development and regulatory reform in 2019-2024. Indonesia's economic planning follows a 20-year development plan, spanning from 2005 to 2025. It is segmented into 5-year medium-term plans, each with different development priorities. The current

medium-term development plan, the fourth phase of the long-term plan, runs from 2020 to 2024. It focuses on human capital development, continued infrastructure push, regulatory reform (deregulation/improving business climate), bureaucratic simplification and transforming the economy from natural-resources dependency to a competitive and modern manufacturing and service powerhouse.

INDONESIA'S GDP GROWTH, 2008–2019 (%)



Source: IMF

In addition, Indonesia is rapidly becoming a digital nation where social media use is amongst the highest in the world (Jakarta is the most active city on Earth in terms of posted Tweets). In the country, there are 171 million unique internet users, representing a huge market for innovative digital products. The size of Indonesia's e-commerce market (USD 12.2 billion in 2018) has been growing by 50-70% annually over the past five years. Estimates suggest that the market will expand to USD 53 billion by 2025.

In 2019, Indonesia was the 20th largest exporter in the world. It is the world's number one producer of palm oil, the world's largest exporter of thermal coal, and home to many other sought-after minerals, such as nickel, gold, copper and bauxite, as well as agricultural commodities like cocoa, coffee, timber, rubber and tea. Indonesia is also a prominent producer and exporter of manufacturing goods such as textile and garments, footwear, rubber, electronics, motorcycles, wooden products, paper, and light machinery.

+ STRENGTHS



Diverse natural resources:
Agriculture, energy, mining



Huge internal market:
World's 7th largest economy
by purchasing power parity,
264 million people



Stable economic growth:
+/- 5% per year over the last 2 decades

► OPPORTUNITIES



Its digital market is booming:
Growing by + 50-70% annually over
the past three years



Measures to attract more FDI:
Deregulation and policy solutions



Intention of further trade openness:
Increasing regulatory transparency



LOW CARBON DEVELOPMENT INDONESIA

In March 2019, the Indonesian Ministry of National Development Planning (BAPPENAS) launched the ground-breaking report “Low Carbon Development: A Paradigm Shift Towards a Green Economy in Indonesia” demonstrating how the country could gain tremendous economic benefits by transitioning to a low-carbon economy. According to the report, a low-carbon development path could deliver an average of 6% GDP growth per year until 2045, with continued gains in employment, income growth and poverty reduction.

Low carbon development policies will be incorporated into the upcoming National Medium-term Development Plan (RPJMN1) 2020–2024, which is part of the implementation of the National Long-term Development Plan (RPJPN2) 2005–2025.

The benefits of Indonesia’s low carbon pathway are not only national but global. Through the

sustainable utilization of its natural resources, and by reducing its carbon and energy intensity, Indonesia’s total GHG emissions can fall by nearly 43% by 2030. This surpasses Indonesia’s conditional target in its national climate action plan, presently set at 41% below baseline. With more ambitious policy measures between 2020 and 2045, Indonesia would obtain a sustained decline in GHG emissions, which by 2045 would fall nearly 75% relative to the Base Case.

The ambitious development policies in the LCDI include: (1) the introduction of mechanisms to put a price on carbon that is representative of its social cost and of externalities associated with carbon emissions; (2) no-deforestation, total conservation and massive reforestation; (3) energy transition to renewables, retirement of coal-based power generation and higher improvement in energy efficiency; (4) zero-carbon transportation systems; and (5) full-scale revamping of food and waste systems



EU-INDONESIA PARTNERSHIP



EU-ASEAN Business Council (EU-ABC)'s meeting with President Joko Widodo at the State Palace on 28 November 2019 during a Mission Trip to Indonesia

The EU and Indonesia share a long history of economic cooperation. It continues to be a priority area for both sides, with the joint objectives of increasing bilateral trade, investment and business opportunities, and pursuing poverty alleviation through sustainable economic development.

Initially, from 1980 economic and political cooperation was based on an EU Cooperation Agreement with ASEAN.

A major leap forward was made with the bilateral Framework Agreement on Comprehensive Partnership and Cooperation (PCA). Signed in November 2009, it entered

into force in May 2014. This was the first such agreement of the EU with a country in Asia. The Agreement is the basis for regular political dialogue and sectoral cooperation. The Agreement provides dialogue and cooperation across a wide spectrum of policy fields, including trade, environment, energy, science and technology, good governance, as well as tourism and culture, education, counterterrorism, and the fight against corruption and organised crime.

Based on the PCA, in July 2016 negotiations were launched for the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA). The negotiations have

been progressing steadily: so far there have been 9 rounds, the last one held in December 2019. During the COVID-crisis in 2020 negotiations continued through teleconferencing; plenary rounds will take place in the second half of 2020. The agreement will produce the free flow of goods, services and investments in a combined total market of over 710 million people, while incorporating sustainable development, intellectual property rights, fair competition, as well as economic cooperation between both sides.

Indonesia has been a member of the WTO since 1995 and benefits from trade preferences granted by the EU's Generalised Scheme of Preferences (GSP). Under the EU's GSP 40% of Indonesia's exports to the EU enjoy lower duties, with half of these goods receiving the preferential rate of zero duties.



The new EU Ambassador to Indonesia and Brunei Darussalam, H.E. Vincent Pilet, presented his Letter of Credence to the President of the Republic of Indonesia on 20 November 2019

TRADE IN GOODS

Bilateral trade in goods between the EU and Indonesia amounted to €26.2 billion in 2019, with EU exports worth €10.2 billion and Indonesia's exports worth €16 billion. This makes the EU the third largest trading partner for Indonesia, just behind the United States and China, while Indonesia was the 31st global trading partner for the EU and fifth EU partner in ASEAN. For the EU, Indonesia was the 29th largest import source and the 33rd largest export destination in 2019.

Trade flows between Indonesia and the EU complement each other. The most important Indonesian exports to the EU are vegetable oils and miscellaneous manufactured articles, while EU's exports to Indonesia mainly consist of machinery and transport equipment, chemicals and manufactured products. Over half of EU-Indonesia trade consists of intermediate goods. Around 40% of Indonesia's exports to the EU consumer goods.

EU TRADE IN GOODS WITH INDONESIA (€ BILLION)

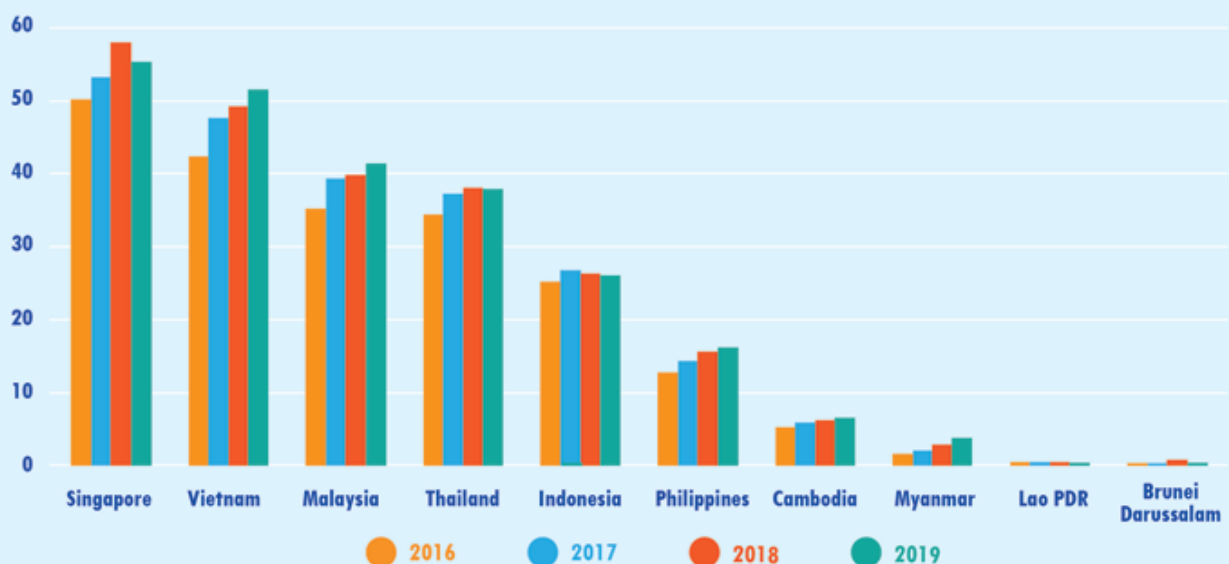


Source: Eurostat

In the regional context, Indonesia is EU's fifth largest trading partner within ASEAN, after Singapore, Vietnam, Malaysia and Thailand. In the last ten years, merchandise trade between ASEAN countries and the EU has almost doubled, exceeding €240 billion in

2019. Considering that Indonesia is by far the largest economy in the region (accounting for over a third of the region's GDP), trade levels between the EU and Indonesia are well below the volume that could be expected, leaving much room for growth.

EU TRADE WITH ASEAN MEMBER STATES (€ BILLION)



Source: Eurostat

EU'S EXPORT BASKET TO INDONESIA 2019



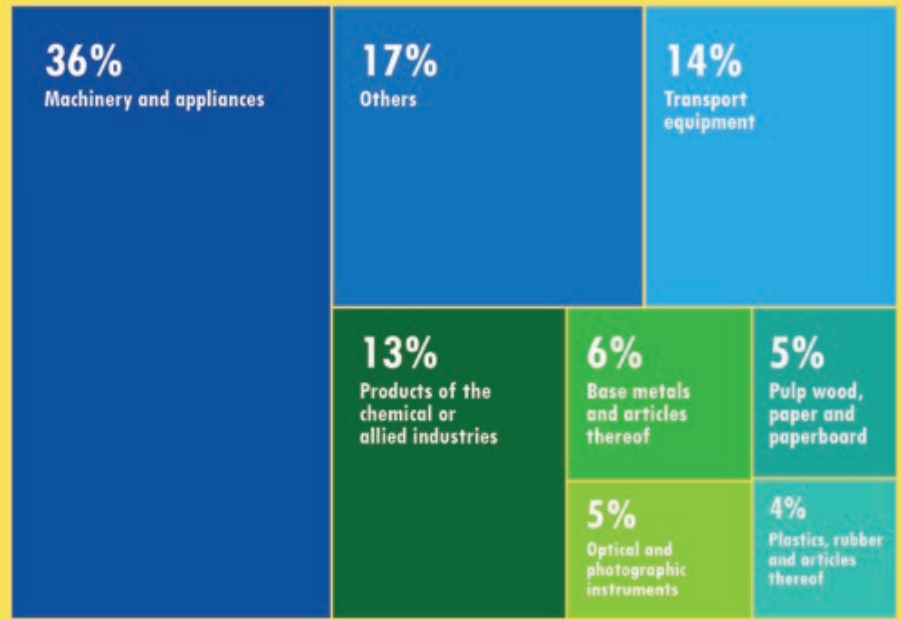
Industrial Products
91%



Agricultural Products
9%



Fishery Products
0%



Source: Eurostat

EU'S IMPORT BASKET FROM INDONESIA 2019



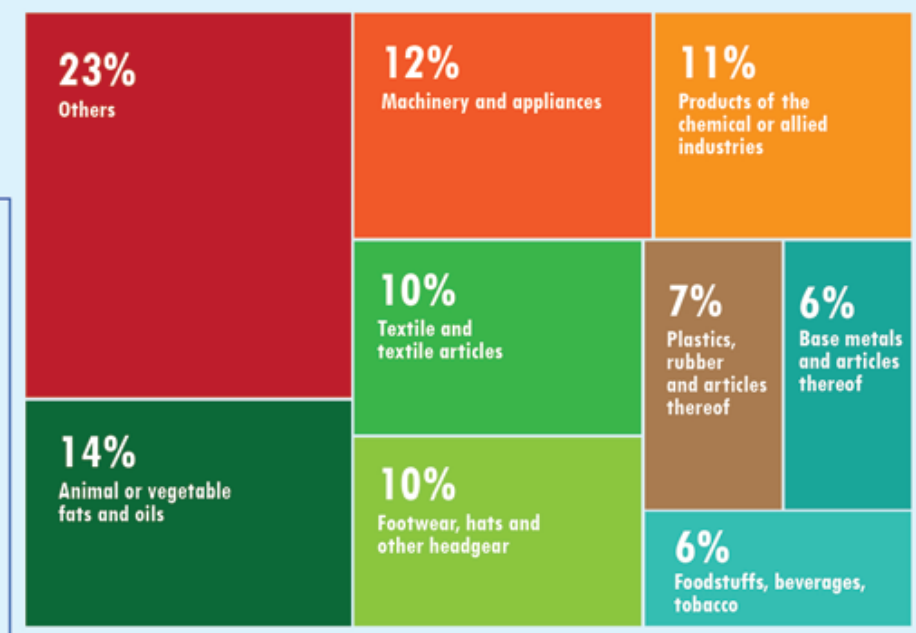
Industrial Products
72%



Agricultural Products
26%



Fishery Products
2%



Source: Eurostat

In 2019, the EU's export basket to Indonesia totalled €10.2 billion, up by 5% compared to 2018. It was composed of 91% industrial products and 9% agricultural products. Machinery and appliances are the main EU export products accounting for 36% of the total (€3.7 billion), followed by transport equipment (mainly aircraft and spare parts, €1.4 billion) and chemical products (€1.4 billion).

Meanwhile, Indonesia's exports to the EU in 2019 reached €16 billion. The value, decreased by -3.5% compared to 2018, mainly due to

low commodity prices. They were composed of 72% industrial products, 26% agricultural products and 2% fishery products. Main Indonesian exports to the EU are animal or vegetable fats and oils, which accounted for 14% (€2.2 billion), followed by machinery and appliances (12.5%, €2 billion) and products of the chemical or allied industries (11%, €1.7 billion). The quantity of Indonesia's top export product, palm oil, increased by 2% in 2019. Together with palm kernel and biodiesel, the whole palm oil chain made up 16% of Indonesia's exports to the EU in 2019.



TRADE IN SERVICES

Bilateral trade in services between the EU and Indonesia continued to increase every year. In 2018, it amounted to €7.8 billion (growth of 45% compared to 5 years ago), with the EU exporting €5 billion and importing €2.7 billion. The EU provided important supporting services to Indonesian economy, such as in business services (€2.4 billion), transport services – mainly shipping (€0.9 billion), ICT services (€0.5 billion) and intellectual property rights (€0.3 billion). Meanwhile, Indonesia services export to the EU mostly related to travel (€1.6 billion) and transport (€0.5 billion).

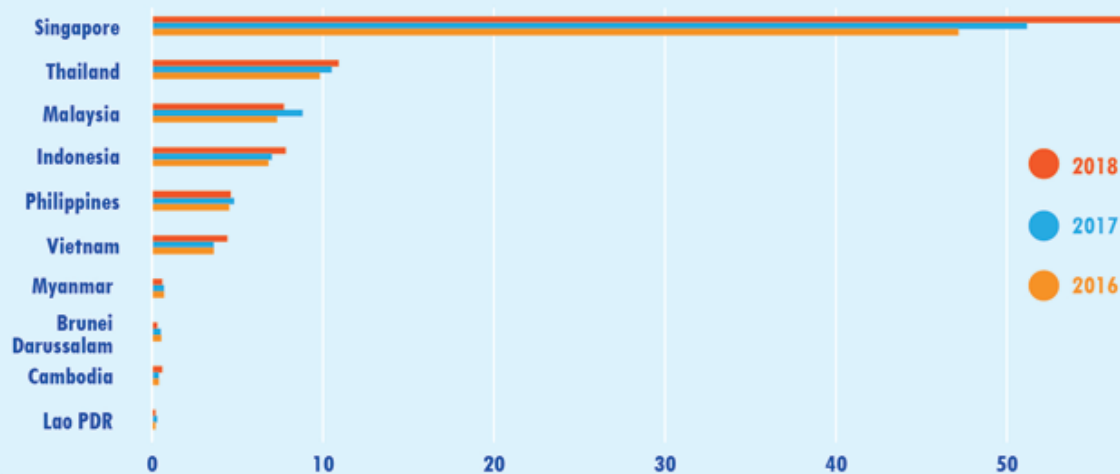
Despite the solid growth and strong relationship with the EU, Indonesia's service sector experiences a shortage of supply in ten out of twelve services sectors, most notably in the manufacturing and transport services. According to the World Bank, this shortage is mainly due to the number of trade restrictions in the sector. Similarly, this shortage is associated with relatively low level of productivity in the service sector and the overall economy since services are increasingly important as inputs to production. Increased openness to services would thus benefit not only the service sector but also the Indonesian economy as a whole.

EU-INDONESIA TRADE IN SERVICES (€ MILLION)



Source: Eurostat

EU TRADE IN SERVICES WITH ASEAN MEMBER STATES (€ BILLION)



Source: Eurostat

FOREIGN DIRECT INVESTMENT

EU investments continued to grow steadily and the EU remains the top non-Asian investor in Indonesia. According to Eurostat, FDI stocks more than doubled since 2008, reaching €33 billion in 2018 compared to €14.5 billion in 2008. EU companies particularly invest in sectors with high value-added products or activities as in manufacturing (especially chemicals and pharmaceuticals), transport, storage and communication, utilities infrastructure, and mining services.

Despite yearly fluctuations, the flow of realised European investments in Indonesia remained generally stable in recent years. As reported by the Indonesian Investment Coordinating Board (BKPM), despite the decrease in overall

incoming FDI to Indonesia in 2019, FDI from the EU increased significantly by 83% to USD 3.4 billion in that year, the highest since 2015. Companies based in the Netherlands (USD 2.6 billion), Germany (USD 190 million), France (USD 167 million), Luxembourg (USD 126 million) and Belgium (USD 87 million) were the biggest investors from the EU in 2019.

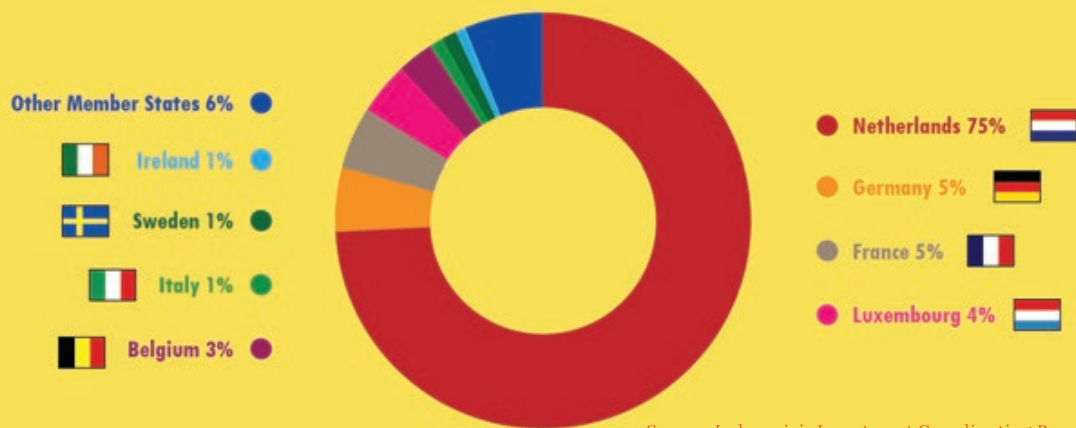
Another feature, the 380% increase in the number of projects in the last 5 years, seen against the 49% decline in the value of projects during the same period, seems to suggest EU companies' investments in Indonesia shift from large, long-term to smaller, short-term investment projects.

EU FDI STOCKS IN INDONESIA (€ BILLION)



Source: Eurostat

REALISED EU FDI IN INDONESIA IN 2019 BASED ON COUNTRY OF ORIGIN

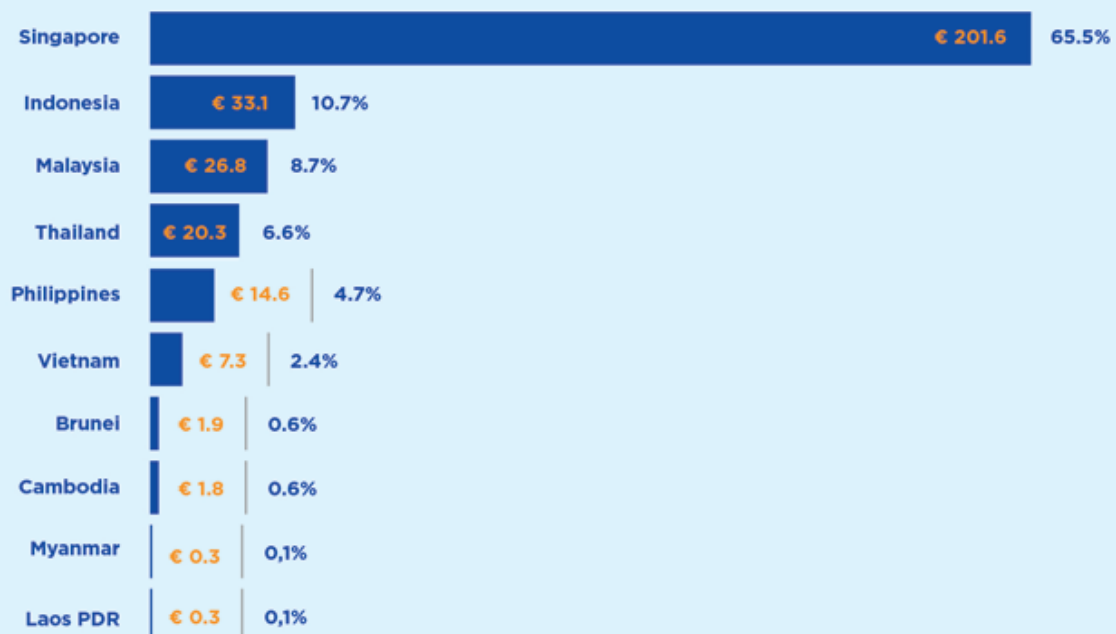


Source: Indonesia's Investment Coordinating Board (BKPM)

In ASEAN, Indonesia is the second destination, after Singapore, for EU investments in the region, accounting for only 11% of the total EU FDI stock in the ASEAN. As is the case of trade,

clearly the investment levels between the EU and Indonesia are below potentials and create opportunities for a strong growth in a pro-investment regulatory framework.

EU FDI OUTWARD STOCK IN ASEAN BY COUNTRY, 2018 (€ BILLION)



Source: Eurostat

EU INVESTMENTS HAVE BROUGHT SIGNIFICANT BENEFITS TO INDONESIA



TRANSFER OF TECHNOLOGY AND HUMAN CAPITAL DEVELOPMENT

Indonesian businesses get access to the latest financing tools, technologies and operational practices from across the EU, resulting in enhanced competitiveness of the industry. A company like Schneider Electric Indonesia, for instance, is pioneering the application of Industry 4.0 technologies and is fully committed to support Indonesia in its transition towards higher efficiency and sustainability. It opened a brand-new Centre of Excellence in Bandung offering local vocational school teachers a full training on electrical energy management, renewables and industrial automation. The company is also running a program to upgrade the laboratory facilities in 184 vocational schools before 2022 to ultimately train more than 10,000 students. As another good example, IDEMIA, the global leader in Augmented Identity, has been establishing a R&D centre in Jakarta since 2007. The centre now counts around 250 local engineers, including 40% female engineers, and develops software and solutions for Indonesian and worldwide clients alike.



DEVELOPMENT OF LESS DEVELOPED AREAS

EU's FDIs support the transformation of less developed areas in Indonesia. In July 2019, for example, Thales Alenia Space was selected by the satellite operator PSN to supply Indonesia's first governmental telecommunication satellite. This very high throughput satellite will connect schools, hospitals and public buildings by carrying more than 150 gigabits per second over the entire country, narrowing the digital divide between regions.



INDONESIA'S MANUFACTURING AND THE TRANSITION TO INDUSTRY 4.0

A study titled “Transforming Indonesia’s Economy” conducted by EuroCham Indonesia and commissioned by the EU Delegation in 2019 revealed that EU companies are ready to be involved in greater collaboration with Indonesia to foster innovation and help moving Indonesian industries up the value chain. The EU has already developed a strong manufacturing sector and could support Indonesia in creating an evidence-based and effective Industry 4.0 policy framework.

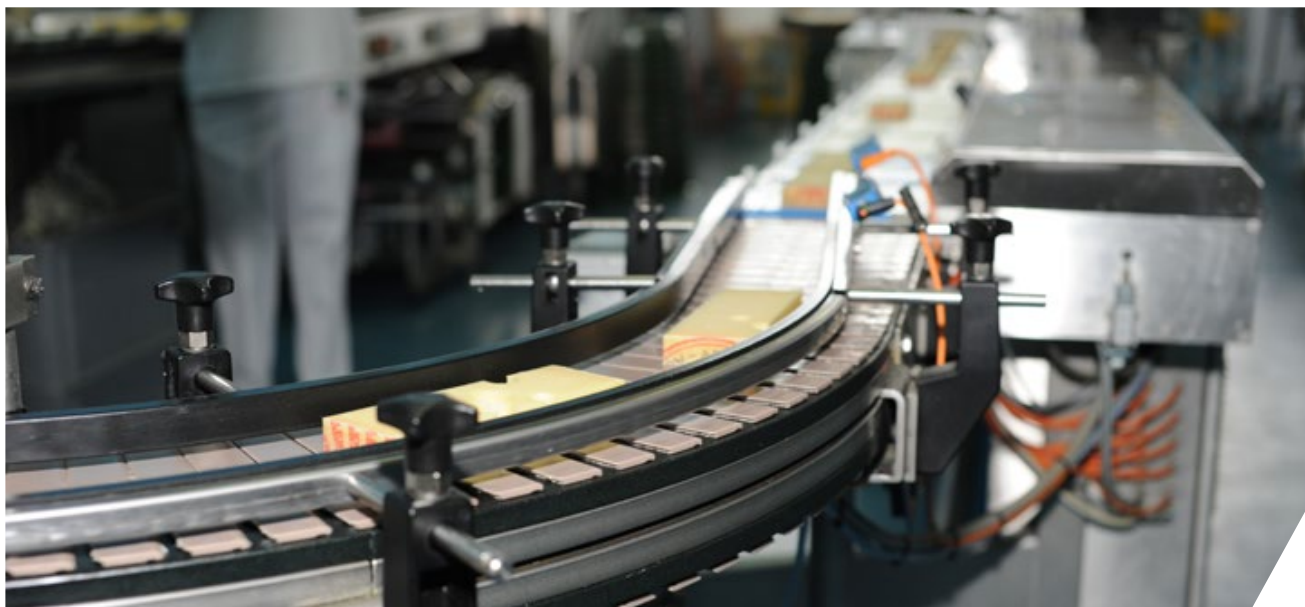
This could help Indonesia to achieve its ambition as a regional leader in advanced manufacturing. The study identified policy tools and opportunities for collaboration between the EU and Indonesia to strengthen Indonesia’s position in general manufacturing and in three other priority sectors, namely automotive, pharmaceutical and renewable energy. The study also shares best practices and policy lessons from various EU member states in developing their industries.



On 6 August 2019, the then Minister of Industry (now Coordinating Minister for Economic Affairs) Airlangga Hartarto delivered a keynote remark during the launch of the study “Transforming Indonesia’s Economy” hosted by Eurocham Indonesia.



EU BUSINESS PRESENCE IN INDONESIA



EU investments have brought significant benefits to Indonesia, by boosting its economic growth, enhancing efficiency and effectiveness in the industry, as well as increasing employment rates.

An estimated 1,100 European companies directly employ approximately 1.1 million Indonesians. These companies bring cutting

edge technologies, helping Indonesia to climb the value-added chain. They also attach high importance to Corporate Social Responsibility (CSR) and encourage sustainable business practices supporting inclusive growth.

Below are some examples of the presence and recent activities of EU companies in Indonesia:

CARGOLUX

Cargolux Airlines, based in Luxembourg, is Europe's leading all-cargo airline. Since the 1970s Cargolux has been an important partner of industrial exporters and importers in the ASEAN region as it specialises in the transport of high-value consumer and part-finished goods, machinery, temperature-sensitive goods, pharmaceuticals and live animals. Its flights to Singapore, Malaysia, Thailand and Vietnam have thereby made a meaningful contribution to the region's export capabilities, developing trade relations between the ASEAN region and Europe, and connecting ASEAN's industry to worldwide markets through its hub in Luxembourg. With

the inauguration of its weekly flights through Jakarta on 24 June 2019, Cargolux is looking forward to supporting Indonesia's exporters and importers and to further strengthen commercial ties between Indonesia and the European Union in the future.

FRISIAN FLAG

PT Frisian Flag Indonesia (FFI) is a leading-dairy based company providing nutritional products for children and families under the brand names FRISIAN FLAG®, FRISO®, SUSU BENDERA®, dan OMELA®. FRISIAN FLAG® has been part of Indonesian households since 1922. As part of Friesland Campina, the world's largest dairy cooperative headquartered

in the Netherlands, FFI draws on its global experience as well as long-term partnership with local dairy farmers to continue to bring the goodness of milk for its consumers. FFI employs around 2,000 employees in eight Business Areas around Indonesia and operates two production facilities in Pasar Rebo and Ciracas in East Jakarta with a product portfolio range of liquid and powdered milk, as well as sweetened condensed milk.



ELECTRICITÉ DE FRANCE

Electricité de France (EDF) is the world's leading electricity company and global leader for low-carbon generation. Known as the world's #1 for nuclear power and Europe's #1 for renewable energy (35 GW of a total 135 GW) it covers all electricity-related activities from generation, transmission, distribution, trading, supply, and energy services. The company recently renewed its partnership with Indonesia's state owned electricity company PLN and with Indonesia Power to develop renewable energy and rural electrification. EDF is active in micro grids and keen to implement its first of a kind solution for Indonesia.



H&M GROUP

H&M Group is one of the world's largest fashion retailers, established in Sweden in 1947. The company operates more than 4,900 stores in 72 countries. The company's business concept is "Fashion and Quality at the Best Price in a Sustainable Way". H&M Group offers a broad and varied range of fashion for women, men, teenagers & children under eight different brands. H&M does not own any factories but works with independent suppliers. Around 80% of the production takes place in Asia and the rest in Europe. In most countries, the shops are operated directly by H&M, but retail in Indonesia is operated as a franchise with

currently 40 stores and also H&M Online. The H&M representative office in Jakarta handles sourcing in Indonesia for export to all stores around the world.



ORIFLAME

Oriflame globally supports and empowers more than 3 million independent sales consultants in over 60 countries. In Indonesia, Oriflame has started changing people's lives since 1986, and to date Oriflame Indonesia have 13 Experience Centres, empowering the life of more than 350,000 registered members across the country through Oriflame Changes Lives program. Oriflame is a long-time supporter of the Honey Bee Farmers of Tesso Nilo and Ujong Kulon – providing the communities with a sustainable source of livelihood, planting mangroves and trees in the community where they live in, as well as working with Indonesia Heritage Foundation for the Early Childhood Education Teacher Training program for more than 350 schools.



BAYER

Bayer is a global life science company with over 150 years of experience in healthcare and agriculture. Bayer products have been widely available in Indonesia since 1920, and PT Bayer Indonesia is officially established in 1957. In the past few years, Bayer has invested more than EUR 100 million to develop its Cimanggis (Bogor) plant as a state of the art plant, able to export 80% of its products to 33 countries around the globe, where some of which have the most stringent pharmaceutical regulations.

Bayer Indonesia has won several Sustainability Awards for its initiatives to support the Government of Indonesia in achieving Sustainable Development Goals. The initiatives include an agriculture vocational training in Merauke - Papua and

anti-stunting program in Cimanggis. Recently, Bayer launched new initiative, which facilitates the knowledge transfer to Indonesia and supporting the quality education in the country. In 2018, Bayer cooperated with EKONID (The German-Indonesian Chamber of Industry and Commerce) to develop “Mechatronic Vocational Training” in its Cimanggis Plant which implements the German dual education system.

Bayer’s Indonesia factory in Depok, West Java, serves as its product manufacturing centre in Asia; 80% of products manufactured are sent to 32 countries. Bayer also conducts a training program with a vocational school in North Jakarta, focusing on mechatronic production.



Eni has been present in Indonesia since 2001, holding participating interests in 13 blocks. Most of the activity is concentrated in the East Kalimantan offshore and onshore region although exploration activities are ongoing in West Timor and West Papua.

Gross hydrocarbon production carried out by Eni in 2018 in Indonesia was 54 MMBOE. Most of the production is achieved from the Jangkrik field which represents the first deep water development project ever executed in Indonesia. The output is linked to the East Kalimantan transport system to feed both the domestic market and the Bontang liquefaction plant for LNG export.

Eni is currently engaged in the development of the offshore ultra-deep water Merakes project in the operated East Sepinggan block. In December 2018, the development plan was sanctioned by the relevant authorities. The project provides for the drilling of subsea wells, which will be linked to the Floating Production Unit (FPU) of the Jangkrik producing field. In August 2019 Eni was awarded by the Ministry of Energy and Mineral

Resources with the operatorship in the West Ganai exploration block in the Kutei Basin. Eni and Pertamina signed in January 2019 a Memorandum of Understanding to cooperate in the areas of circular economy, low carbon products and renewable energies. Eni has successfully carried out and is constantly implementing initiatives and projects in the field of environmental protection, health care and educational system to support local communities.



ROCA

Roca Indonesia is a global brand of reference for sanitary from Spain that focuses on providing bathroom solutions and sanitary products. Roca has been existed in the global sanitary industry for more than 100 years, and in more than 170 markets worldwide. Serving the high demands of the market, Roca begun to extend its reach to Asia, and started operating in Indonesia since 2017 in collaboration local distributors. Roca has inaugurated the first factory in Indonesia at Griya Idola Industrial Park and has opened Roca Experience Centre which located at Senopati, Jakarta Selatan both in 2019. The implementation program in Indonesia includes an investment of over 60 million euros that comprises an ambitious development plan for the Roca brand in the country



LAVA TEXTILES

Lava Textiles is a Belgian family-owned knitting company founded in 1925, making knitted textiles for mattresses, toppers and pillows combining dozens of years of technical experience with state-of-the-art machinery. The company has developed several unique knitting machines with market leading machine builders, holding several patents registered in Europe and the United States. They are driven towards innovation,

designs, quality and service at competitive prices thanks to their production facilities in Belgium, Romania, United States and, most recently, Indonesia. LAVA founded its first start up in Indonesia in 2017, and expanded its production plant in 2018, endowed with a budget of €6 million.



ANDRITZ Hydro is one of the leading global suppliers of electromechanical equipment for hydropower plants. With over 175 years of accumulated experience and more than 31,000 turbines installed, totalling approximately 430,000 megawatts output, the business area provides the complete range of products, including turbines, generators, and additional equipment of all types and sizes – “from water to wire” for small hydro applications to large hydropower plants with outputs of more than 800 megawatts per turbine unit. ANDRITZ Hydro has a leading position in the growing modernisation, refurbishment, and upgrade market for existing hydropower plants. Pumps (for water transport, irrigation of agricultural land, and applications in various industries) and turbo generators for thermal power plants

are also assigned to this business area. In 1996, ANDRITZ Hydro established a subsidiary in Jakarta as a continuation of the activities in Indonesia of more than 100 years, with its first delivery in 1910 (Bangoen Poerbo). ANDRITZ Hydro has installed or modernised about 180 units with 3,000 MW in Indonesia. This means, more than half of the installed capacity comes from ANDRITZ Hydro.



Kerry Group has grown to become the world's leading Taste and Nutrition Company, serving the food, beverage and pharmaceutical industries. With customers in over 140 countries worldwide, Kerry has grown to become a highly successful public company, employing over 25,000 people worldwide. Kerry set foot in Indonesia in 2008 and started off with 60 employees. A decade on, the company now employs over 200 talented individuals, spread across the offices in Jakarta and Cikarang with its state-of-the-art manufacturing facility. The company's team includes expert food scientists, chefs, baristas, brewers, mixologists, bakers and nutritionists.



EU-INDONESIA COOPERATION IN THE PROTECTION OF GEOGRAPHICAL INDICATIONS

Geographical Indication (GI) is a distinctive sign used to identify a product whose quality, reputation or other characteristic is linked to its geographical origin. The EU supports better protection of GIs internationally, including Indonesia. Protection of Geographical Indication (GI) matters economically and culturally, as it helps to create value for local communities through products that are deeply rooted in tradition, culture and geography. In addition, GI supports rural development, contributes to job creation, encourages biodiversity preservation, sustains rural areas and contributes to the socio-economic development of any country.

EU is active in multilateral and bilateral negotiations protecting EU geographical indications. Bilaterally, EU negotiates GI protection under two different agreements: specific standalone agreements on GIs and broader trade agreements. With Indonesia, protection of GI has been discussed also in the context of the EU-Indonesia CEPA negotiations.

In Southeast Asia, the EU carries out two projects to assist the region in addressing present and emerging challenges related to intellectual property. While ARISE+ IPR is regional, the IP Key project has a bilateral focus and the project collaborates with countries in SEA that have signed free trade agreements (FTAs) with the EU, with those countries currently negotiating FTAs with the EU, and those where IP Dialogues exist between the EU and the SEA country.

IP Key has been working mainly with Indonesia, Malaysia, Philippines, Singapore, and Viet Nam. The EU has concluded free trade agreements with Singapore and Viet Nam, providing adequate framework for further promoting exports of GI quality products from these countries to the EU market. Once finalised, the EU-Indonesia CEPA will pave the way for more GI products from Indonesia to be recognised, protected and promoted in the European Union.

In Indonesia, GI protection has evidently continued gaining awareness and recognition



Head of Trade at the EU Delegation for Indonesia, Raffaele Quarto, delivered a remark on Seminar on the Protection of Geographical Indication in Bali on 23 September 2019



Capacity Building Workshop on GIs in Bali, September 2019

among government and business community. Well-known Indonesian GI products include the Kintamani Arabica Coffee, Gayo Arabica Coffee, Muntok White Pepper, Sumbawa Honey, and Sikka Woven.

Nevertheless, implementation challenges remain, namely related to incapacity of the local producers especially in the remote provinces. Although the Indonesian GI registration fee is relatively low, many local producers and associations have to pay significantly higher costs to the brokers or “consultants”. Registration of GI alone is not

sufficient to guarantee price improvement and economic growth of communities.

A successful GI is attributed to many other factors, including an efficient collective GI management organisation, good branding and marketing strategies, as well as strong controlling and maintaining mechanism, among others. EU continues providing support in the form of capacity building to Indonesian authorities, businesses and farmers, also on technical matters such as product branding and marketing.



Participants of ARISE+ GIs Workshop in Bali, September 2019



EU-INDONESIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT



The 8th Round of Indonesia-EU CEPA negotiations in Jakarta, June 2019

Since the EU-Indonesia Partnership and Cooperation Agreement (PCA) entered into force in May 2014, the EU and Indonesia have significantly strengthened and expanded their relationship. This is best illustrated by the start of negotiations of a Comprehensive Economic Partnership Agreement (CEPA) in July 2016. Once concluded, the agreement will enable increased trade in goods and services and more investment opportunities in a combined market of 750 million people.

Indonesia is the sixth country within ASEAN to start negotiations for a bilateral Free Trade Agreement (FTA) with the EU, after Singapore (2010), Malaysia (2010), Vietnam (2012), Thailand (2013) and the Philippines (2015). So far, the EU has concluded negotiations with Singapore in 2014 and with Vietnam in 2015. The negotiations with Thailand are expected to resume shortly, while the negotiations with Malaysia and the Philippines are currently on hold. Negotiations of an investment



The 8th Round of Indonesia-EU CEPA negotiations in Jakarta, June 2019

protection agreement are also under way with Myanmar. Bilateral FTAs between the EU and ASEAN countries will serve as building blocks towards a future EU-ASEAN agreement, which remains the EU's ultimate objective.

Several important milestones were achieved during the negotiations in 2019, including

exchanges of market access offers. Detailed discussion on the offers continued to take place. Negotiators made notable progress and good engagement on most of the other chapters while several technical chapters are close to completion. A number of conceptual differences and sensitive issues remain under discussion.

KEY BENEFITS OF THE AGREEMENT

The EU and the Indonesian economies are highly complementary, and so are their trade profiles. A CEPA between the EU and Indonesia will therefore be highly beneficial for both.

Presently Indonesia benefits from the EU's General Scheme of Preference (GSP) programme which grants lower tariffs to developing countries in order to support their economic development. Around 70% of Indonesian exports to the EU benefit from lower than 5% tariffs. This preference will be phased out, however, as Indonesia has seen significant economic growth and is expected to soon become an upper-middle income country. The CEPA agreement would help Indonesia to face this change, through the elimination or reduction of agreed tariffs under the best conditions.

In its Sustainability Impact Assessment (SIA), the European Commission has calculated the benefits the agreement, in comparison to a situation without a free trade agreement. The conclusion was that by 2032 the CEPA will bring a direct increase in welfare and GDP for the EU between €2 billion to €2.4 billion and €2.5 billion to €3.1 billion, respectively.

For Indonesia, the expected direct gains are even more pronounced, with the modelling forecasting welfare to increase by €3.2 billion and GDP by €5.2 billion. The estimates also suggest that the reduction in tariff and non-tariff barriers under the FTA will lead EU bilateral exports to Indonesia to increase by €7.8 billion, and Indonesian exports to the EU to grow by €6.9 billion.

COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT

Increase Indonesian exports by

17.3%

(EUR 6.8 billion)



Lower prices for Indonesian consumers



Increase EU FDI, the world biggest investor



Increase productivity and transparency

An enhanced agreement on services would also benefit both economies. While the EU is expected to benefit from surpluses in trade of services, Indonesia would take advantage of the high quality of the European service industry. The availability of a wide variety of services would help Indonesian companies and consumers access them at lower prices, favour a transfer of knowledge and increase productivity of Indonesian services and manufacturing firms.

Finally, an agreement on investment would be beneficial to the two partners. There is a positive correlation between Foreign Direct Investments and the level of Indonesian exports. These investments could help Indonesia develop a production base that would plug the country into the Global Value Chain, and particularly attract labour-intensive manufacturing jobs. To secure such investments, the agreement needs to include provisions that help increasing the predictability and transparency of the investment regime.

AWARENESS RAISING/ROADSHOW



The EU Roadshow to Makassar, July 2019

Stakeholders outreach and awareness raising are seen as important elements to support the negotiations, not only in the capital, but also throughout the regions. With this background, the EU Delegation, together with the Indonesian Ministry of Trade, EuroCham, and Indonesian Business Chambers (KADIN and APINDO), jointly organized a roadshow in several regions in Indonesia. The roadshow aimed to build trust and understanding on the importance of the swift and ambitious

conclusion of the agreement among local business, regional government, academia, and other local stakeholders. It was also aimed to create and nurture a favourable environment for the future implementation of the agreement. The roadshow took place from September to December 2018 in four cities in Indonesia: Makassar, Medan, Manado and Surabaya. The EU Delegation will organise more visits and virtual events in 2020 across the country.



EU-INDONESIA COOPERATION

EU-INDONESIA ECONOMIC DEVELOPMENT PARTNERSHIP

The newly-launched ASEAN Regional Integration Support from the EU – Indonesia Trade Support Facility (ARISE+ Indonesia) aims to contribute to Indonesia's preparedness and enhanced competitiveness in global value chains through projects at national and sub-national levels. With a budget of €15 million, ARISE+ Indonesia will cover the priority

areas of trade and investment policy, trade facilitation, export quality infrastructure and Geographical Indications. Finally, as an important cross-cutting area, ARISE+ Indonesia aims to improve awareness and knowledge of the domestic industry including SMEs in participating in Global Value Chains.



The Opening of ARISE+ Indonesia National Dissemination Seminar by the EU Ambassador to Indonesia, Deputy Minister of the National Development Planning, and Director General of National Export Development of the Ministry of Trade of Indonesia

BUSINESS COOPERATION



Meeting between EU Ambassador to Indonesia and the Chair and Vice Chairs of the Indonesian Chamber of Commerce & Industry (KADIN)

► EUROPEAN BUSINESS CHAMBER OF COMMERCE (EUROCHAM)

European Business Chamber Of Commerce (EuroCham) established in May 2004, has become the principal European business organisation in Indonesia focusing very successfully on advocacy for now more than 15 years. Representing more than 232 member companies and approximately thousand indirect members through currently 9 bilateral Chambers of Commerce, EuroCham actively promotes European business interests in Indonesia. Through its diverse network of companies and the bilateral chambers, EuroCham is a policy advocacy platform that benefits members and stakeholders for a mutually conducive and sustainable business climate in Indonesia.

EuroCham aims to be the voice of European business in Indonesia by improving market access and partnering with the Government of Indonesia and the European Union, by being at the forefront to address crucial and important business issues, including trade and investment concerns. Continuous information sharing and a pro-active advocacy dialogue are the contributing factors for EuroCham to be acknowledged as the Government of Indonesia's partner and by other stakeholders as well.

In 2019, EuroCham held 91 working group meetings and coordinated 45 policy meetings with government officials, including policy

dialogue with Vice President, Chairman of BKPM, Ministry of Trade, Ministry of Industry, Minister of BAPPENAS, Vice Minister of Finance, and President Staff's Office. EuroCham also conducts several annual flagship events such as the Indonesia Economic and Investment Outlook co-organised with BKPM, European-Indonesia Business Dialogue co-organized with EIBN and Bilateral Chambers, and the EuroCham Energy Dinner that has become an avenue to gather all relevant stakeholders in energy industry in Indonesia.

EuroCham also brings out several publications: the EuroCham Annual Position Papers, Study on the Transforming Indonesian Economy, Business Confidence Index, and Sustainable Development Report, and others. Furthermore, EuroCham organises seminars on topical subjects for businesses in Indonesia. For example in 2019, the Chamber organised events about Vocational Education, Foreign Workers, Tax Holiday & Tax Allowances, Sustainable Development, the Use of Online Single Submission System for Business Licensing, and Government Procurement for Healthcare.



Launch of EuroCham's Position Paper in Jakarta, 29 April 2019

► THE EU-INDONESIA BUSINESS NETWORK (EIBN)



The EU - Indonesia Business Network (EIBN) was initiated in August 2013 co-funded by the European Commission, and is the product of a partnership between the six largest European bilateral Chambers of Commerce in Indonesia (EKONID, EuroCham Indonesia, IFCCI, IBAI, DANCHAM, BritCham) and two counterparts in Europe (EUROCHAMBRES and CCI Barcelona). The aim of EIBN is to enhance and diversify European business trade and investment in Indonesia, while promoting the country as a gateway to ASEAN. EIBN seeks to contribute to a more coherent and effective

EU strategy for supporting and attracting European businesses, specifically SME's, both those already in Indonesia and those expanding their activities. EIBN establishes a platform for exchange of best practices, information and knowledge. Its activities include awareness raising, organising workshops, info sessions and dialogues to enhance trade and linkages between the EU and Indonesia plus other ASEAN member states, and providing expertise in business advisory services to support EU companies' market entry.

EIBN'S ACHIEVEMENTS SINCE ITS ESTABLISHMENT:

+2,000 Business enquiries received

329 SMEs serviced

12 Missions organised to Indonesia

7 EU Pavilions organised in Indonesia

141 Market-access events organised in Europe

21 Market-access events organised in Indonesia

25 Market-access reports published



EU PAVILION AT THE FOOD AND HOTEL TRADE FAIR INDONESIA 2019

For the seventh time, EIBN successfully organized a European Food Pavilion, this time at the Food & Hotel Indonesia 2019 trade fair. Eighteen EU companies and organizations were represented in the Pavilion giving them the opportunity to present their products to Indonesian end-consumers and multipliers. The pavilion featured diverse European food and beverages products including olive

oil, wine, pasta, sauce, dairy products, fruits, biscuits, cookies, sweets, as well as coffee and Halal-certified lifestyle sparkling beverages, juice, and alcoholic beverages. Beyond the Pavilion, EIBN organized successful B2B meetings that gave the European companies the opportunity to meet potential local importers, distributors and retail companies.



eurocham

**European Chamber of Commerce in Indonesia
– EuroCham**

World Trade Centre 5, 13th Floor
Jl. Jenderal Sudirman Kav. 29 – 31
Jakarta, 12920
T: +62 21 571 0085
F: +62 21 571 2508
Email: info@eurocham.id
www.eurocham.id



**EU-Indonesia Business Network – EIBN
c/o EKONID**

Jl. H. Agus Salim No. 115
Jakarta 10310
T: +62 21 315 4685
E: info@eibn.org
www.eibn.org



**German-Indonesian Chamber of Industry and
Commerce EKONID**

Jl. H. Agus Salim No. 115
Jakarta 10310
T: +62 21 315 4685
F: +62 21 315 7088, 315 5276
E: info@ekonid.or.id
www.ekonid.com



**Indonesian French Chamber of Commerce &
Industry – IFCCI**

Jl. Wijaya II No. 36, Kebayoran Baru
Jakarta 12160
T: +62 21 739 7161
F: +62 21 739 7168
E: contacts@ifcci.com
www.ifcci.com



BritCham Indonesia

World Trade Centre 5, 15th Floor
Jl. Jenderal Sudirman, Kav. 29-31
Jakarta 12920
T : +62 21 522 9453
F : +62 21 527 9135
E: communications@britcham.or.id
www.britcham.or.id



ITALIAN BUSINESS ASSOCIATION
IN INDONESIA

Italian Business Association in Indonesia

Menara Mandiri II, 12th Floor.
Jl. Jenderal Sudirman Kav. 54-55
Jakarta 12190 Indonesia
T: +6221 5084 7168, +6281 1979 4262
F: +6221 5084 7168
E: info@ibai.or.id
www.ibai.or.id



Danish-Indonesian
Business Chamber

Danish-Indonesian Business Chamber

Alamanda Tower 23rd Floor Unit B
Jl. TB Simatupang Kav 23-24
12430 Jakarta, Indonesia
E: admin@dancham.id
www.dancham.id



Swedish Business Association in Indonesia

Menara Rajawali 9th Floor
Jalan DR Ide Anak Agung Gde Agung Lot 5.1
Jakarta
www.sbaindo.org



TRADE HELPDESK

<https://trade.ec.europa.eu/tradehelp/>

The Trade Helpdesk is an online service provided by the European Commission to facilitate market access for developing countries towards the European Union. With 500 million consumers, the EU is an attractive market for any exporter. With the new version, the Trade Helpdesk is now easier to use.

It is specially designed for businesses based outside the EU or importing into the EU.

You will find all you need to know about exporting to the EU, including:

- ▶ Health, safety and technical standards you will need to meet
- ▶ Customs duties you will need to pay at the border
- ▶ Internal taxes in each of the 28 countries
- ▶ The rules of origin that define where a product is from and whether it profits from preferential duty rates
- ▶ Forms to send with your shipments

WHAT CAN YOU FIND IN THE EXPORT HELPDESK?

REQUIREMENTS AND TAXES

- ✓ requirements you must meet to export to and market goods in the EU
- ✓ internal taxes applicable in every EU countries
- ✓ product-specific legal or market requirements

IMPORT TARIFFS

- ✓ import duties
 - preferential regime which applies to your
- ✓ country
 - preferential and non-preferential tariff quotas
- ✓ import licenses
- ✓ anti-dumping measures

PREFERENTIAL ARRANGEMENTS

- ✓ EU's main trade agreements with developing countries
- ✓ documents that must accompany your exports
- ✓ rules of origin exporters must meet

TRADE STATISTICS

- ✓ trade flows between the EU and third countries by year and for any product (group) with a 2- to 8-digit code
- ✓ imports and exports - expressed in value and/or quantity or supplementary quantity (liters, pieces, etc.)

BUSINESS CONTACTS

- ✓ EU Institution, Customs and Taxation Organisation
- ✓ chambers of commerce and industry (EU, Member States and International)
- ✓ professional associations (EU and International)
- ✓ voluntary and private standards



“..the transition to climate neutrality would bring significant opportunities, such as potential for economic growth, business and technological development.”

**Ursula von der Leyen, President of the European Commission,
on the European Green Deal**

Delegation of the European Union to Indonesia and Brunei Darussalam

Menara Astra, 38th Floor, Jl. Jend. Sudirman 5-6

Jakarta, Indonesia

Phone : +62 21 2554 6200

Fax : +62 21 2554 6201

E-mail : delegation-indonesia@eeas.europa.eu

Website : <http://eeas.europa.eu/indonesia>

You can follow us on:



www.twitter.com/uni_eropa



www.facebook.com/uni.eropa



www.youtube.com/unieropatube

© EU Delegation to Indonesia and Brunei Darussalam