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INFORMATION

Summary of the European Union (EU) Cooperation with Indonesia

We would like to share the summary of the report European Union Trade and Investment with Indonesia 2022/2023 released by the EU Delegation to Indonesia and Brunei Darussalam.

EU is one of the largest markets in the world with transparent rules, regulations, and a secure legal investment framework. EU was Indonesia's fifth largest trading partner in 2021, with a total trade goods value to €24.7 billion. In 2021, Indonesia's export to the EU accounted for 8.5% of the global goods value to €16.8 billion. It mainly consisted of machinery and transport equipment by 36.8%, chemicals by 27.3%, and food and live animals by 9.1%. Meanwhile the import from the EU accounted for 5.1% of its global import of goods, amounting to €7.9 billion. The main products are various finished goods by 23.5%, vegetable oils by 17.7%, and manufactured goods material by 13.7%. According to the Indonesian Investment Coordinating Board (BKPM), EU Foreign Direct Investment (FDI) projects in Indonesia rose by 32.3% to €2.1 billion in 2021.

In July 2016, the EU and Indonesia launched negotiation for the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA) to increase substantially the flows of goods, services and investments. According to the Sustainability Impact Assessment (SIA) by the European Commission, CEPA will increase welfare and GDP for Indonesia by €3.2 billion and €5.2 billion respectively, year by year after effective implementation of the agreement. On the other hand, it will increase EU welfare to €2.4 billion and GDP to €3.1 billion.

Reference:

- Report European Union Trade and Investment with Indonesia 2022/2023

If you require the copy of these regulations, please do not hesitate to contact research@ibai.or.id

Italian Business Association in Indonesia (IBAI)

c/o Istituto Italiano di Cultura Jakarta

Jl. HOS Cokroaminoto No. 117 Menteng Jakarta 10310 INDONESIA

P: +6281 1979 4262 E: ibai@ibai.or.id