



## **9<sup>th</sup> Indonesia-Australia Trade Ministers' Meeting:**

### *Expanding Bilateral Economic Cooperation Through IA-CEPA*

**Jakarta, 20 April 2011** – Indonesia's Minister of Trade Dr Mari Elka Pangestu met her Australian counterpart, Dr Craig Emerson, today (20/4) for the 9th Indonesia-Australia Trade Ministers' Meeting. It was Dr Emerson's first visit to Indonesia as Trade Minister.

Talks between the Ministers focused on bilateral trade and investment issues, including access to the Indonesian market for Australian beef products, and access to Australian market for Indonesian tropical fruit products

Dr Pangestu and Dr Emerson discussed the outlook for the Doha Round on trade liberalization, and the timing of entry into force for Indonesia of the agreement establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA).

The two Ministers also discussed progress of the 3rd round of Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) pre-negotiation consultations, held on 18 April 2011.

Ministers agreed that while the bilateral trade relationship was strong -- worth US\$ 8.3 billion in the 2010 -- a comprehensive agreement encompassing economic cooperation, trade and investment would broaden the range of opportunities for Australian and Indonesian exporters, importers and investors.

Australian investment in Indonesia has already reached over A\$4.7 billion, with many Australian businesses seeking to invest more. For instance: BlueScope Steel will soon complete commissioning of its second metallic coating line at its \$126 million plant in Cilegon, establishing BlueScope Steel as one of Australia's largest investors in Indonesia. Leighton Contractors Indonesia has made several strategic investments in Indonesia over the years, not least investment in a modern plant fleet with a value in excess of US \$300 million. And ANZ Bank has injected A\$1.2 billion into the economy and built up assets worth A\$2 billion to date, with Indonesia a top priority for expansion plans.

Ministers noted that IA-CEPA consultations were preparing a solid foundation for the start of formal negotiations later this year. In particular, they noted the importance of the CEPA's agenda in expanding bilateral economic cooperation, trade and

investment links.

Ministers welcomed progress on the initial IA-CEPA economic cooperation project, a joint three-year beef pilot project aimed at improving Indonesia's cattle breeding performance. The project, *Strengthening Village-based Brahman Cattle Production Systems in Indonesia*, seeks to transfer knowledge and develop skills that will lead to long-term sustainable growth in the Indonesian beef industry. It will be jointly-funded by Meat and Livestock Australia/LiveCorp and the Australian Government. Ministers look forward to the launch of the project as soon as possible.

Business confidence and support will be integral to the successful negotiation of the IA-CEPA. The two Ministers warmly welcomed today's signing in Jakarta of a Memorandum of Understanding between the Chambers of Commerce and Industry of Australia and KADIN Indonesia. The MOU aims to promote open communication and cooperation at the highest levels of industry throughout the CEPA negotiations.

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