



Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) Update

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Australia – Indonesia



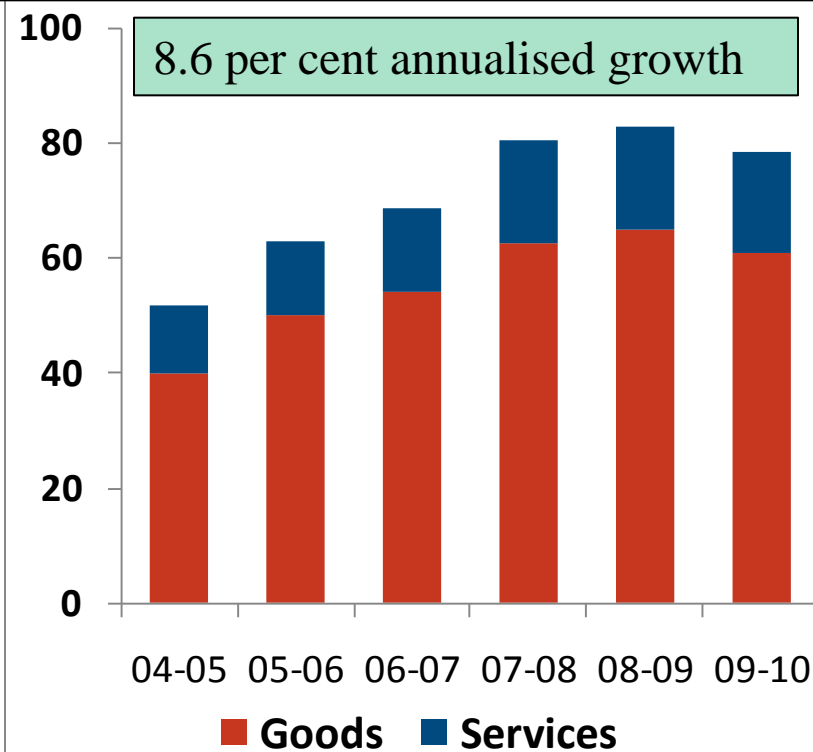
- The region's two largest economies
- One of Australia's most important bilateral relationships on almost all fronts
- Scope exists for improving trade and investment relationship



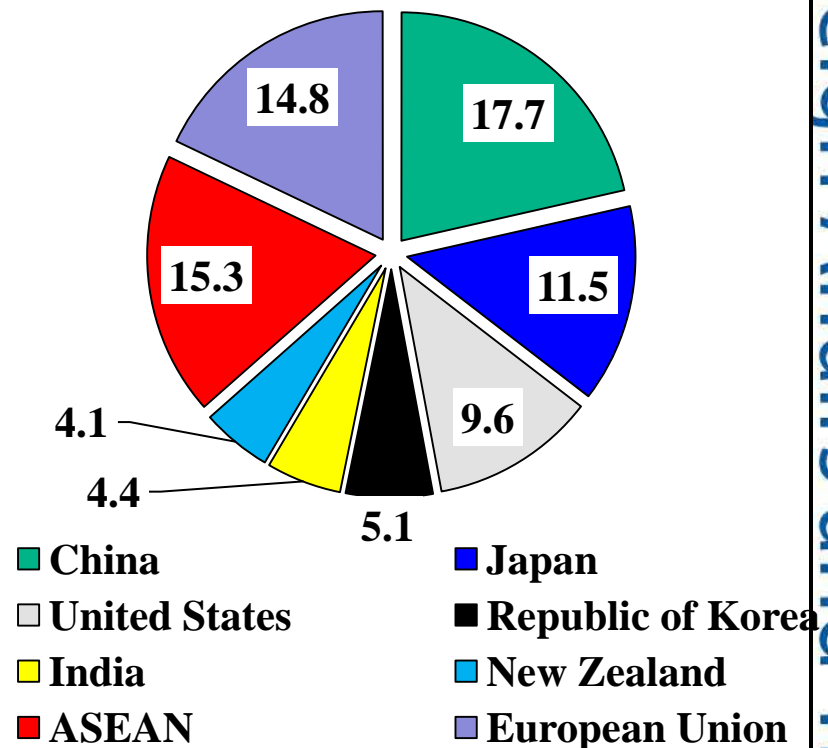
ASEAN our Second Largest Trading Partner: But what about Australia - Indonesia?



Australia's Trade with ASEAN (\$billion)



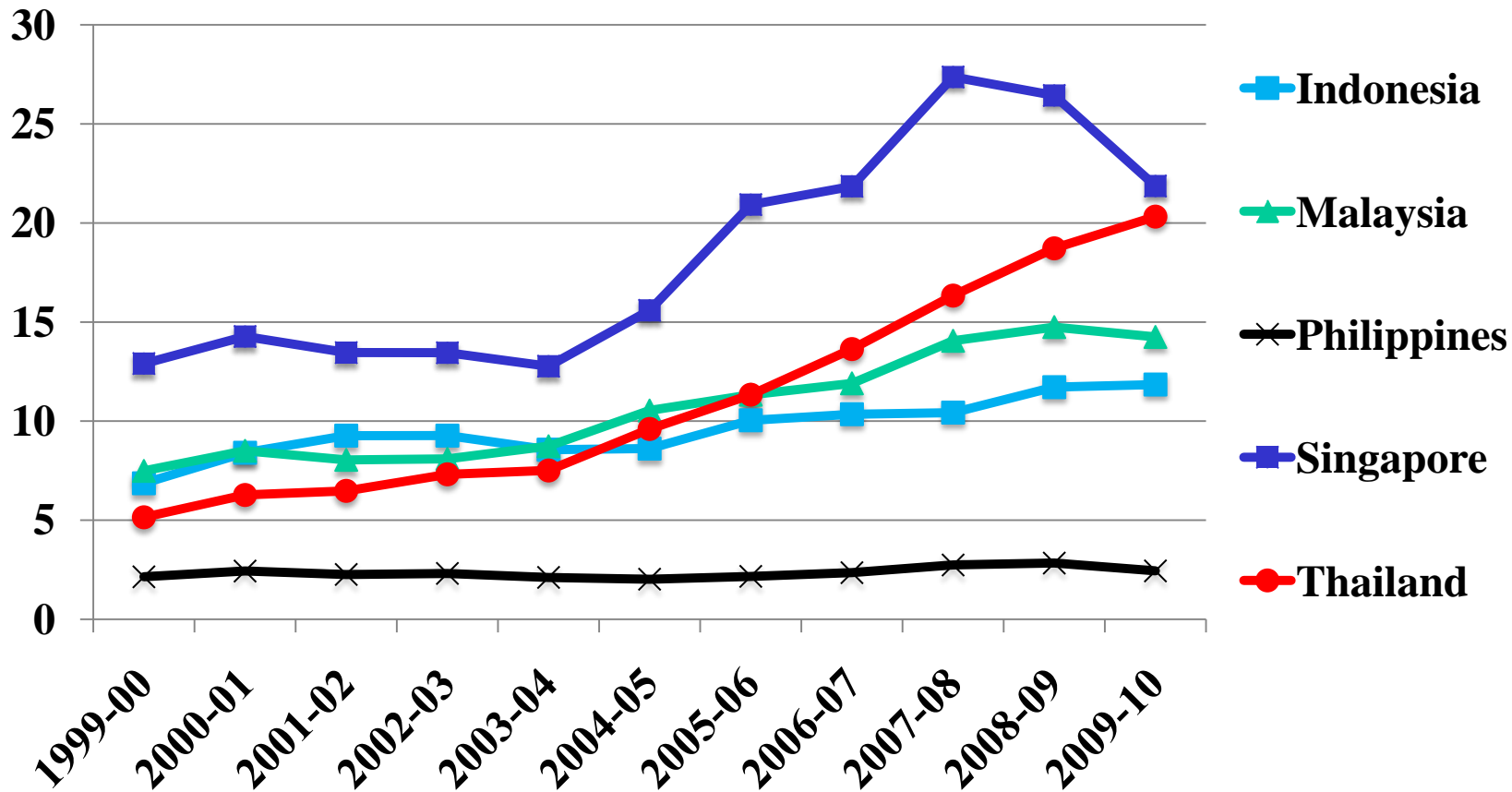
Australia's Major Trading Partners (% 2009-10)



Source: ABS, Treasury analysis



Two-way Goods and Services Trade (\$billion)



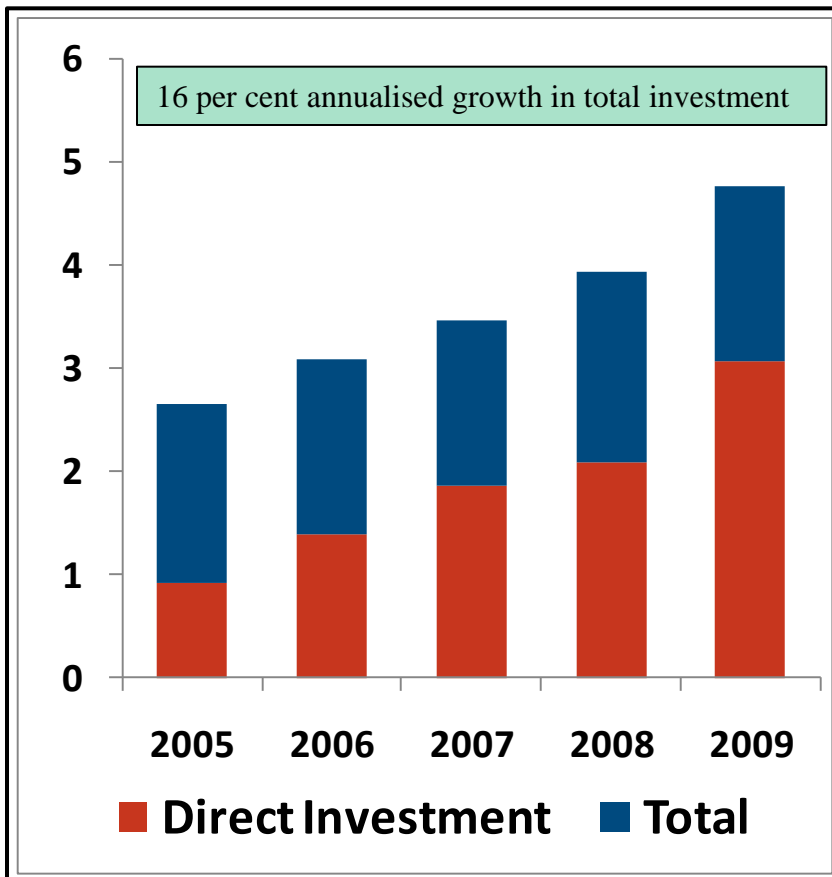
Source: ABS



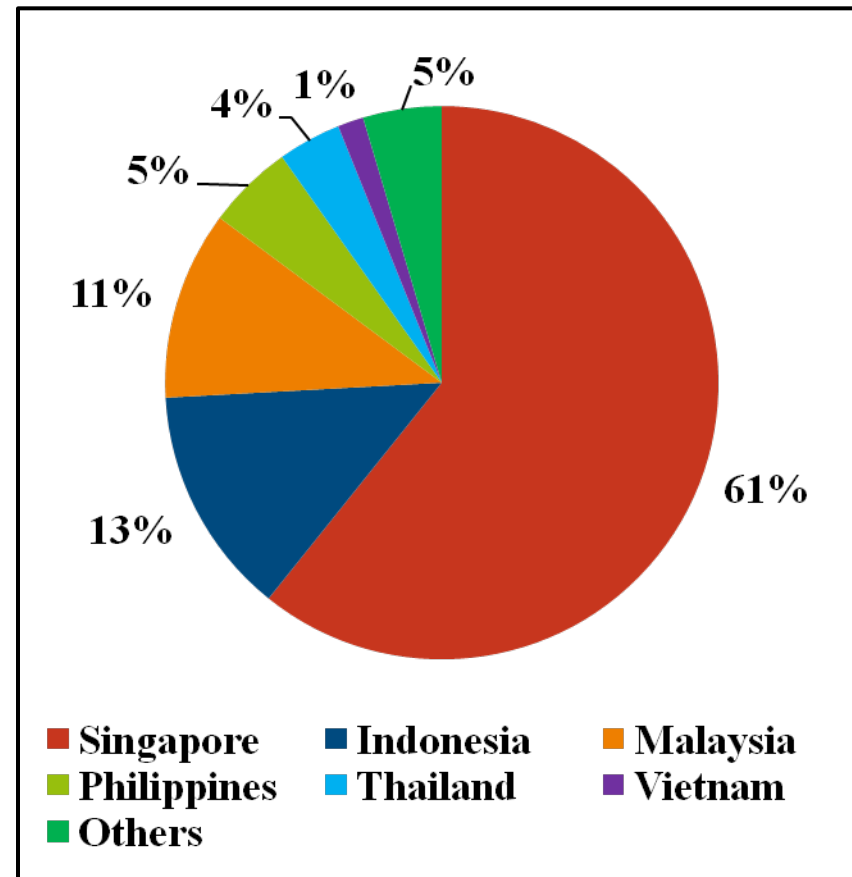
Australia's Investment in Indonesia



Australia's total investment in Indonesia (\$ billion)

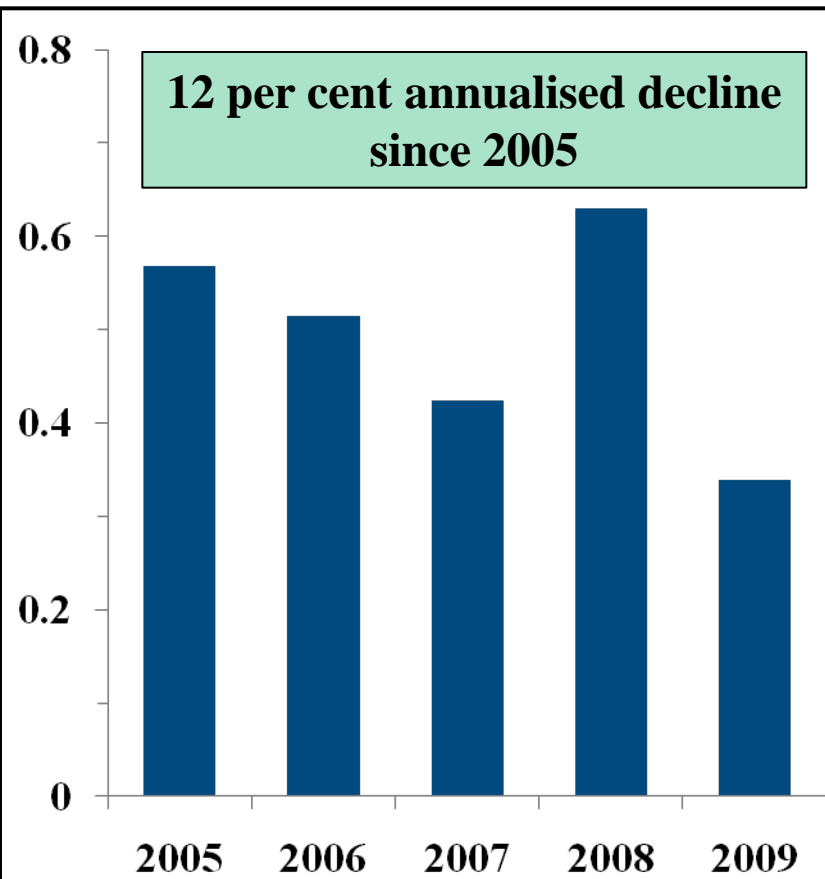


Australian investment in ASEAN by Country (2009)

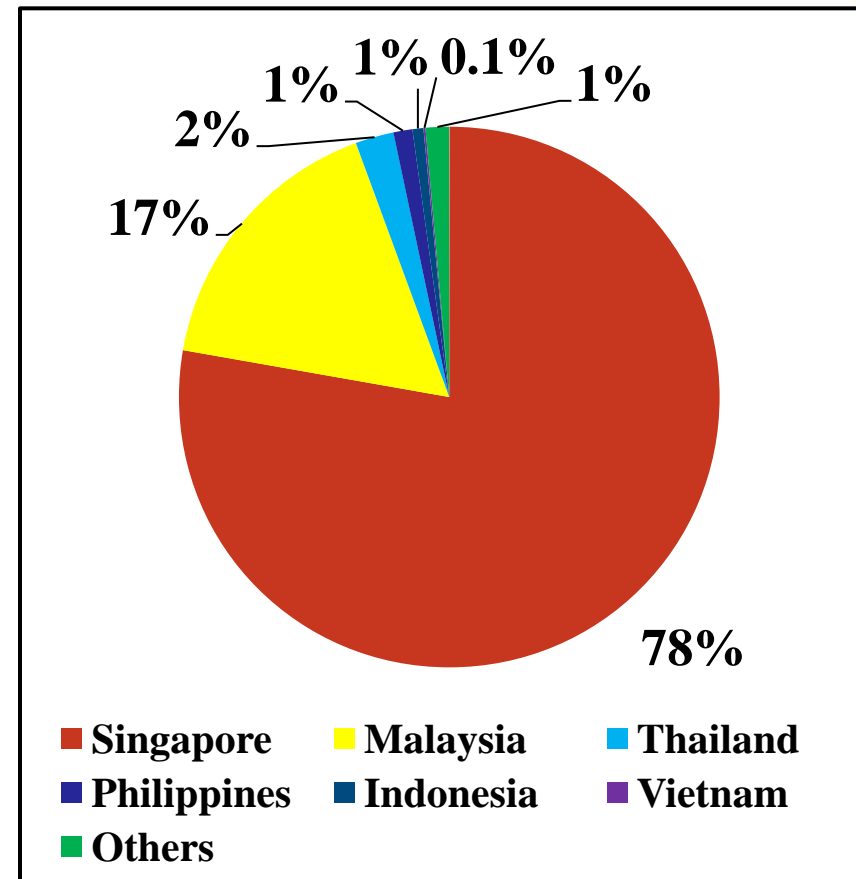


Indonesia's Investment in Australia

Indonesia's total investment in Australia (\$ billion)



Investment in Australia by ASEAN Countries (2009)



Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) Negotiations

- Launched by Leaders, Nov 2010
 - covering trade, investment and economic cooperation issues
- Negotiations will take into account:
 - the ASEAN-Australia-New Zealand FTA (AANZFTA); and
 - Australia-Indonesia FTA Joint Feasibility study, April 2009.



Key AANZFTA Outcomes



- AANZFTA expected to enter into force for Indonesia in the near future
- Extensive tariff reduction and elimination commitments
 - Indonesia to eliminate duties on 93.2 per cent of tariff lines by 2025
 - covering 93.4 per cent of Australia's exports
 - Australia to eliminate duties on 100 per cent of tariff lines by 2020





Key AANZFTA Outcomes (cont'd)

- Enhanced certainty through “WTO-plus” services commitments
- Legal protections for investment
- Commitments in intellectual property and competition policy
- Regionally focussed economic cooperation to assist ASEAN countries implement the Agreement



Next Steps: IA-CEPA



- DFAT call for industry submissions
 - Welcome inputs on trade, investment and economic cooperation interests
- Joint Feasibility study highlights some key “AANZFTA-plus” interests for both sides.
- Pre-negotiation consultations
- Further Engagement: G2G, G2B, B2B.





Conclusion

- AANZFTA paves the way for deeper economic integration with ASEAN
- IA-CEPA represents a further step towards realising a higher-level and mutually beneficial economic partnership between Australia and Indonesia
- Follow progress at <http://www.dfat.gov.au/fta/iacepa/index.html>

