

4 June 2020

Mr Dave Sharma MP
Chair
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Sharma,

Re: Termination of IPPA - Indonesia

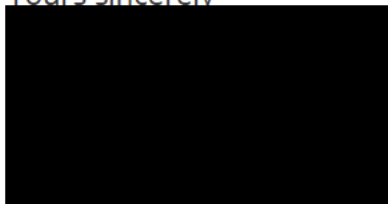
The Australia Indonesia Business Council (AIBC) is responding to the Joint Standing Committee on Treaties consideration of proposed termination of the 1992 Agreement between the Government of Australia and the Government of the Republic of Indonesia concerning the Promotion and Protection of Investments (IPPA).

Now that the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will be entering into force on 5 July 2020, AIBC agrees with the proposal to terminate the IPPA and the survival clause within it, subject to no disadvantage arising for investors in either economy.

IA-CEPA offers a modernised approach to managing investment rules compared to the IPPA. Its augmented and high quality investment protections will offer greater certainty to investors regarding standards of treatment, contributing to an improved environment for bilateral investment. There is no need for the ongoing IPPA in light of the IA-CEPA. Indeed the existence of both would add complexity and potential confusion for investors and governments alike.

AIBC notes that in proposing termination of IPPA, the Australian Government has adopted your Committee's recommendation that the Australian Government pursue the termination.

Yours sincerely



Phil Turtle
National President