



Joint Standing Committee on Trade and Investment Growth

Inquiry into the growth potential in Australia's trade and investment relationship with Indonesia

February 14, 2017

The Australian Chamber views Indonesia as a nation with whom Australian needs to broaden and deepen ties and strengthen our bilateral trade and investment relationship. Indonesia has strong growth rates, is a G20 member and has a population of almost 260 million people who are increasingly rising into the middle class. This is a relationship we cannot afford to be complacent about.

The Australian Chamber, together with Kamar Dagang dan Industri (KADIN, the Indonesian Chamber of Commerce and Industry), the Australia-Indonesia Business Council (AIBC) and the Indonesia-Australia Business Council (IABC), was engaged by the Department of Foreign Affairs in 2012 to form a group called the Indonesia –Australia Business Partnership Group (BPG). This BPG was asked to formulate a report to negotiators on the mutual aspirations of the commercial sector on a Comprehensive Economic Partnership between our two nations.

The report of this group, *Position Paper on Consideration Towards the Indonesia-Australia Comprehensive Economic Partnership Agreement* (31 October 2012), can be found at:

<http://dfat.gov.au/trade/agreements/iacepa/Documents/ia-bpg-position-paper.pdf>

Following a hiatus in the negotiations, in 2016 DFAT again called upon the BPG to undertake a “refresh” of the positions in order to support the reinvigorated negotiations which are currently underway. This second report expanded the BPG group to now include Asosiasi Pengusaha Indonesia (APINDO, the Indonesian Association of Employers) and the Australian Industry Group (AiG).

The resultant report, *Two Neighbours Partners in Prosperity*, was presented to the relevant Ministers and negotiators in August 2016 and can be located at:

<https://www.acci.asn.au/resources/two-neighbours-partners-prosperity-indonesia-australia-business-partnership-group-submissi>

Both reports contain important economic analysis and detailed discussions of the opportunities and constraints as seen by the commercial sector. Our ambition is for the negotiated Comprehensive Economic Partnership to make it easier for Australian and Indonesian business to realise these opportunities, and overcome these constraints. For the information of the inquiry, we reinforce that such a partnership is not a “free trade agreement” but an economic partnership which builds upon our relative comparative advantages to link our two economies in a way that enables businesses in both countries to meet the demands of the global marketplace.



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About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country,

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