

Indonesia-Chile Signed a Comprehensive Trade Agreement

15 December 2017



Indonesian Trade Minister, Enggartiasto Lukita and Chilean Foreign Minister Heraldo Muñoz signed IC-CEPA in Santiago, Chile (14/12). (Photo: Ministry of Trade of the Republic of Indonesia).

Santiago, Chile: Indonesian Trade Minister, Enggartiasto Lukita and Chilean Foreign Minister, Heraldo Muñoz have agreed and signed the Comprehensive Economic Partnership Agreement between the Government of Indonesia and the Government of Chile (IC-CEPA) in Santiago, Chile (14/12). IC-CEPA became the first bilateral free trade agreement between Indonesia and a Latin America country.

The Directorate General of HPI (Indonesian Entrepreneurs Association) and Directorate General for American and European Affairs played an active role in accompanying the IC-CEPA negotiations that have lasted for 6 rounds since 2014. In particular, the Directorate General of HPI served as the lead negotiator on the Working Group on Legal and Institutional Issues.

The signing of the IC-CEPA was a manifestation of the bilateral agreement between the President of the Republic of Indonesia and the President of Chile at the State Visit of the President of Chile, Michele Bachelet to Indonesia on 12 May 2017 to complete the IC-CEPA negotiations in 2017.

The signing of the IC-CEPA, which agreed to abolish import tariffs on some of Indonesia's high-ranking products, was expected to increase direct trade with non-traditional trading partners in Latin America territory, especially Chile, which was potential to become a trade hub for Indonesian products.

IC-CEPA was the second bilateral free trade agreement after the Indonesia-Japan Economic Partnership Agreement signed in 2007. Currently, Indonesia is also negotiating several other bilateral free trade agreements, among others with Australia and the European Union, which is also the priority of the

Government of Indonesia. Another free trade agreement in which Indonesia had become a party existed within the framework of ASEAN.

The implementation of IC-CEPA would commence soon after the exchange of ratification instruments is carried out by Indonesia and Chile. In the future, the two countries agreed to expand the IC-CEPA coverage, which currently only regulated trade in goods, to include trade in services and investment protection cooperation. For the Government of Indonesia, IC-CEPA is expected to further strengthen the implementation of Indonesian economic diplomacy in Latin America territory. (Source: Directorate for Law and Economic Agreement, Directorate General of HPI/Ministry of Foreign Affairs).