

Strengthening Bilateral Cooperation, Indonesia-Germany Accelerate Completion of IEU-CEPA Agreement Negotiations



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

PRESS RELEASE

HM.4.6/133/SET.M.EKON.3/04/2023

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Hannover, April 17th, 2023

Indonesia continues to strengthen bilateral cooperation to boost the national economy. On the sidelines of the 2023 Hannover Messe event, Indonesia held a bilateral meeting with Germany, which was received by Chancellor Olaf Scholz. The meeting discussed joint investment and economic cooperation signed by the Federal Ministry for Economic Affairs and Climate Action of Germany with the Coordinating Ministry for Economic Affairs of the Republic of Indonesia.

Following President Joko Widodo's directives regarding the importance of realizing equal economic relations between Indonesia - Germany and Indonesia - the European Union, it is necessary to reform European Union regulations that impede equality. Regarding these improvements, Coordinating Minister for Economic Affairs Airlangga Hartarto expressed the importance of accelerating the completion of the Indonesia - European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) negotiations.

"Earlier, Chancellor Scholz's commitment also encouraged Germany to facilitate the IEU-CEPA discussion so that it could be accelerated. There are indeed some issues between Indonesia and the EU, but Germany sees that the approach we have to take is also pragmatic. So that way we hope that the IEU-CEPA agreement can be accelerated," said Coordinating Minister Airlangga when giving a press statement in Hannover, Germany, Monday (17/04).

In the press statement, Coordinating Minister Airlangga conveyed President Joko Widodo's directives that Germany could become a platform for economic cooperation in Europe. "The Chancellor also said that with

Indonesia being a partner country of the Hannover Messe, in terms of technology and cooperation, they already have some similarities and also long-term plans in the future," continued Coordinating Minister Airlangga.

Regarding investment, Indonesia welcomes the establishment of the Indonesia-Germany joint economic and investment committee. German investment in Indonesia needs to be focused on priority sectors such as export-oriented industries, renewable energy, and downstream industries. On this occasion, Coordinating Minister Airlangga mentioned that there was a new collaboration worth US\$1.98 billion that had been signed.

Several other things were also conveyed at the meeting, including those related to Indonesia's focus on the EV industry ecosystem, especially several strategic mineral commodities that have investment potential, consisting of 21 commodities that can reach a value of US\$545.3 billion. In addition, it was also stated that Indonesia's deforestation had been the lowest in the last 20 years, in which 23 thousand hectares of Green Industrial Zones had been built, and encouraged the cessation of the coal-based power plants used so that this could be realized faster.

Regarding its role in the energy transition in Indonesia, Germany is committed to promoting the Just Energy Transition Partnership (JETPI), considering that JETPI was initiated by the G7 with a commitment of US\$20 billion from the G7 countries. "Well, of course, Germany is also a part of that, which has committed to invest more than US\$1 billion. And of course, we hope that this can be implemented soon," said the Coordinating Minister Airlangga.

Concluding his press statement, Coordinating Minister Airlangga said that Indonesia would show several domestic industrial potentials that were present at the 2023 Hannover Messe event.

"What Chancellor Scholz appointed earlier was related to fertilizer factories, because Germany does not have fertilizer factories. So, it might be interesting if they see Indonesia's progress in the fertilizer industry. Meanwhile, they will show several technologies related to Industry 4.0, robotics, then also renewable energy," concluded Coordinating Minister Airlangga. (map/dft/fsr)

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