

**The Second Meeting Of The Joint Committee On Economic Cooperation (JCEC-2)
Republik Indonesia-Republik Korea**



COORDINATING MINISTRY FOR ECONOMIC AFFAIRS REPUBLIC OF INDONESIA

PRESS RELEASE

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**The Second Meeting Of The Joint Committee On Economic Cooperation (JCEC-2) Republik
Indonesia-Republik Korea**

Seoul, 24th July 2023

The Government of the Republic of Indonesia and the Government of the Republic of Korea held the 2nd Joint Committee on Economic Cooperation (JCEC-2) meeting in Seoul, Republic of Korea (24/7). The main agenda of the meeting was to follow up on the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA), which has been effective since January of this year.

In the Republic of Indonesia – Republic of Korea JCEC-2, deeper cooperation was discussed in three working groups, namely: Trade and Investment, Industrial Cooperation, and Digital Economy. In addition to these three areas of cooperation, JCEC has a working group on Energy and Mineral Resources, which met in November 2022. These four areas have been agreed upon as potential advantages for the economies of both countries, where more open and mutually beneficial collaboration are aimed.

Various opportunities for policy and business cooperation at different levels between the two countries were discussed closely among representatives of the Indonesian and Korean government institutions. The Trade and Investment working group agreed to delve into the development of investments in nickel derivatives for electric vehicle (EV) batteries, recycling electric vehicle batteries, electric motors, solar panels, facilitation of import permits, market access for Indonesian fruit products in Korea, and Official Development Assistance for the EV infrastructure sector, pollution and hazardous substance detection technology, and capacity enhancement in metrology.

Meanwhile, the Industrial Cooperation working group provided opportunities for collaboration in the

industrial sector, including the electric mobility (e-mobility) industry, which is a Korean stronghold, expertise transfer in industry 4.0 resources, and various industrial scopes such as plate glass, environmental-friendly, white biotechnology. This working group also agreed to develop production through the expansion of Lotte's petrochemical plant and the development of the PT. Krakatau Steel-POSCO steel cluster. The Indonesian Ministry of Industry also offered cooperation in wellness production with the bio prospecting industry. Korea possesses advantages in the technology and branding of wellness products, including cosmetics, while Indonesia has the raw materials.

The Digital Economy working group is a new group previously known as WG e-Commerce, formed during a bilateral meeting amid the G20 Bali Summit in November 2022. The agreements reached in this working group are on the creation of a center of excellence for digital start-ups, the development of the Indonesia-Korea CEPA digital origin information exchange system, cooperation in protecting intellectual property rights in e-commerce, the development and expansion of market access of Indonesian micro, small, and medium enterprises through e-Platform, and policies on the importation of goods through e-commerce. As both societies become increasingly familiar with each other, the development of digitalization is expected to open up business relations until the level of small and medium enterprises.

The Energy and Mineral Resources working group discussed important cooperation opportunities related to environmentally friendly energy transitions, the processing of critical minerals and rare earth metals, and global climate change mitigation. Korea has long mastered steel and chemical technologies, which have supported the advancement of high-tech industries such as automotive and semiconductors. Cooperation in the energy sector includes Carbon Capture and Storage (CCS) technology, hydrogen/ammonia energy production, hydropower plants, the participation of Korean enterprises in Indonesia's natural gas field exploration, Smart Grid Policy development, and manpower capacity-building programs in the energy sector, including exploring modern nuclear technology for power generation (smart reactor).

The meeting results of the four working groups will be reported at the ministerial and heads of state levels of both countries. This JCEC-2 meeting also marks the 50th year of Indonesia-Korea diplomatic relations.

The Head of the Indonesian government delegation, the Deputy for the Coordination of International Economic Cooperation of the Coordinating Ministry for Economic Affairs, Edi Prio Pambudi, stated, "The bilateral relations between the two countries have entered their 50th year in 2023, which is commonly referred to as the Golden Age, and it is only fitting to strengthen cooperation with various technological breakthroughs that benefit the societies of both countries."

In line with the desires of the Indonesian government, the Head of the Republic of Korea delegation, the Deputy Trade Minister of the Trade, Industry, and Energy Ministry, Jeong Dae-jin, agreed to further enhance the level and sectors of cooperation within JCEC in celebration of the 50th year of bilateral relations between the two countries. Jeong Dae-jin also proposed that the focus on strengthening new cooperation could be done in three sectors: the development of regional and global supply chains, green industry cooperation and climate change mitigation, as well as the maximization of the implementation of the two countries' trade agreements that have been effective since the beginning of this year, namely the Indonesia-Korea Comprehensive Economic Partnership Agreement (IKCEPA) and the Regional Comprehensive Economic Partnership (RCEP).

This warm meeting also agreed on follow-up actions to enhance and innovate Indonesia-Korea cooperation. Both Deputy Ministers agreed to promptly follow up on priority sectors within JCEC. These sectors include increasing transparency, the ease and certainty of doing business and investment, developing the electric vehicle ecosystem from upstream to downstream (nickel processing, battery industry, and electric vehicles), collaboration in international negotiations including related to critical minerals as well as energy transition cooperation. JCEC-2 was followed by a business meeting as part of the celebration of the 50-year Indonesia-Korea relationship involving more than 200 companies. (dep7/ltg)

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