



KADIN INDONESIA

Indonesia Opportunities For Strategic Partnership

June 2025

Indonesian Chamber of Commerce and Industry

All Indonesian-registered companies
are mandated to be KADIN members



Established under Law No. 1 of 1987, Kadin Indonesia is the highest single organization representing all sectors of business, associations, and state-owned enterprises in Indonesia. With over 50 years of experience, Kadin's extensive business network spans 35 provinces and over 500 regencies and cities across the country. This vast network makes Kadin an attractive and strategic partner for advancing business, trade, and investment for both the government and the business community.



KADIN Indonesia is the only platform for Indonesian associations, businesses, and entrepreneurs who are committed to building a highly competitive, strong, independent, and competent nation.

Why Indonesia?



Stability in politics, law, and policy



Growing Population

283.48 million (2024) with a total of 137.5 million growing income middle class



Productivity

69.5% productive age working group with 43.8% dependency ratio



Inflation Rate

1.57% (Y-on-Y) in 2024 with a Consumer Price Index (CPI) of 106.8



Economic Growth

5.03% in 2024 with Java island contributed to 57.02% of the Indonesian economy



Large Economy

8th largest economy globally in terms of purchasing power



Incredibly abundant natural resources



Large Potential Carbon Reserve

The 3rd largest potential carbon reserve in the world

Indonesia's Key Global and Regional Leadership and Activism



Group of 20 (G20)

Indonesia is a member of G20, the world's largest economic group represents 80% of global economy. In 2022, Indonesia led the G20 with the theme of "Recover Together, Recover Stronger", aim to build a stronger, more sustainable and inclusive post-pandemic growth



Association of Southeast Asian Nations (ASEAN)

As one of the founding nations of ASEAN, Indonesia continues to expand its diplomatic efforts to contribute in the regional economic integration. Chairing the ASEAN in 2023, Indonesia introduced the theme "ASEAN Matters: Epicentrum of Growth", to promote the region as the future epicenter of global growth



Asia Pacific Economic Cooperation (APEC)

As part of the regional forum built to leverage the economic interdependence in Asia Pacific, Indonesia promotes the APEC to continue work on the effectiveness of multilateral trading system, to realize the sustainable and inclusive growth by increasing knowledge on free trade agreements among Asia Pacific countries



The Organization of Islamic Cooperation (OIC)

As the collective voice of Muslim world with 57 states within, OIC advocates for peace, harmony and shared prosperity among the member states. Indonesia is actively engaged in several areas: humanitarian aid to social crises, fight against Islamophobic, global Islamic discourses, and dispute settlements

INDONESIA TRADE NEGOTIATIONS AGENDA AS OF SEPTEMBER 2024

CONCLUDED/IMPLEMENTED

1. Indonesia-Japan EPA
Signed: 20 August 2007, Implemented: 1 July 2008
[General Review IJEPA]
Concluded: 21 June 2019
Protocol to Amend IJEPA
Signed: 8 August 2024
2. Indonesia-Pakistan PTA
Signed: 3 February 2012, Implemented: 1 September 2013
[Protocol to Amend IPPTA]
Signed: 27 January 2018, Implemented: 1 March 2019
3. Indonesia-Palestine MoU on Trade Facilitation for Certain Products
MoU Signed: 12 December 2017, Implemented: 21 February 2019
4. Indonesia-Chile CEPA (Trade in Goods)
Signed: 14 December 2017, Implemented: 10 August 2019
5. Indonesia-Australia CEPA
Signed: 4 March 2019, Implemented: 5 July 2020
6. Indonesia-EFTA CEPA
Signed: 16 December 2018, Implemented: 1 November 2021
7. Indonesia-Mozambique PTA
Signed: 27 August 2019, Implemented: 6 June 2022
8. ASEAN-Australia-New Zealand FTA (AANZFTA)
Signed: 27 February 2009, Implemented: 10 January 2012
1st Protocol to Amend AANZFTA
Signed: 26 August 2014, Implemented: 1 March 2019
9. ASEAN-India Free Trade Area (AIFTA)
Signed: October 2003, Implemented: 1 January 2010
10. ASEAN Agreement on Medical Device Directive
Signed: 21 November 2014, Implemented: 12 November 2018
11. ASEAN-Korea FTA (AKFTA)
Signed: 22 November 2015, Implemented: 12 November 2018 (3rd Protocol to Amend TIG)
12. ASEAN-China FTA (ACFTA)
Signed: 12 November 2017, Implemented: 1 August 2019 (Upgrading Protocol ACFTA)
13. ASEAN-Hong Kong, China FTA & Investment Agreement
Signed: 12 November 2017, Implemented: 4 July 2020
14. ASEAN Framework Agreement on Services (AFAS)
Signed: 11 November 2018, Implemented: 13 Mei 2022 (10th Packages of Commitments)
15. ASEAN Agreement on E-Commerce
Signed: 22 January 2019, Implemented: 2 December 2021
16. ASEAN Trade in Goods Agreement (ATIGA)
Signed: 26 February 2009, Implemented: 17 Mei 2010
First Protocol to Amend ATIGA to allow ASEAN Wide Self Certification (AWSC) Scheme
Signed: 22 January 2019, Implemented: 20 September 2020
17. ASEAN-Japan Comprehensive Economic Partnership (AJCEP)
Signed: 1 December 2008, Implemented: 1 March 2018
First Protocol to Amend AJCEP
Signed: 2 March 2019, Implemented: 1 February 2022
18. ASEAN Comprehensive Investment Agreement (ACIA)
Signed: 23 April 2019, Ratified: 8 Feb 2022, (4th Protocol to Amend)
19. ASEAN Trade in Services Agreement (ATISA)
Signed: 7 Oktober 2020, Ratified: 16 January 2023
20. ASEAN Protocol on Enhanced Dispute Settlement Mechanism (EDSM)
Signed: 20 December 2019, Implemented: 01 July 2022
21. Trade Facilitation Agreement (TFA)
[concluded 7 December 2013, Implemented: 22 November 2017]
22. Regional Comprehensive Economic Partnership (RCEP)
Signed: 15 November 2020, Implemented: 1 January 2023
23. Indonesia-Korea CEPA
Signed: 18 December 2020, Implemented: 1 January 2023
24. Preferential Trade Arrangement D8 (PTA-D8)
Signed: 13 May 2006, Ratified: 9 September 2011, Target of implementation: 2023
25. Trade Preferential System OIC (TPS-OIC)
Signed: 1 January 2014, ratification process
26. Indonesia-United Arab Emirates CEPA
Signed: 1 July 2022, Implemented: 1 September 2023
27. Agreement on Fisheries Subsidies-Ministerial Decision
Signed: 17 June 2022
28. Work Programme on Electronic Commerce – Ministerial Decision
29. Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics dan Ministerial Decision on the TRIPS Agreement
30. Ministerial Decision on World Food Programme Food Purchases Exemption from Export Prohibitions or Restrictions
31. Ministerial Declaration on the Emergency Response to Food Insecurity
32. WTO Outcome Document
32. ASEAN Agreement on MNP
Signed: 19 November 2012, EIF: 14 June 2016
Protocol to Amend ASEAN MNP Agreement
Signed: 2 November 2022
34. Indonesia-Chile CEPA (Trade in Services)
Signed: 21 November 2022, Current Status: ratification process
35. International Coffee Agreement (ICA) 2022
Signed: 8 Maret 2023, Current Status: ratification process
36. Indonesia-Iran PTA
Signed: 23 May 2023, Current Status: ratification process
37. Indonesia-Malaysia Border Trade Agreement
Signed: 8 Juni 2023, Current Status: ratification process
38. 2nd Protocol to Amend AANZFTA
Signed: 21 August 2023

INDONESIA TRADE NEGOTIATIONS AGENDA AS OF SEPTEMBER 2024

ON-GOING

1. **Indonesia-European Union CEPA**
Started: 2017; **Current Status:** 19th Round (July 2024)
Target of Conclusion: 2024, **Target for Signing:** 2025
2. **Indonesia-Turkiye CEPA**
Started: 2018; **Current Status:** : CN Meeting (August 2023)
Target of Conclusion: 2024
3. **Indonesia-Pakistan TIGA**
Started: 2019; **Current Status:** 2nd Round (April 2021)
Target of Conclusion: 2024
4. **Indonesia-Bangladesh PTA**
Started: 2019; **Current Status:** 4th TNC (May 2023)
Target of Conclusion: 2024
5. **Indonesia-Tunisia PTA**
Started: 2019; **Current Status:** 6th Intersessional Meeting (April 2024)
Target of Conclusion: 2025
6. **Indonesia-Mauritius PTA**
Started: 2019; **Current Status:** 4th Round (December 2023)
7. **Indonesia-Morocco PTA**
Current Status: Launch of Negotiations (June 2018)
8. **Indonesia-Canada CEPA**
Started: 2022, **Current Status:** 8th Round (June 2024)
9. **Indonesia-MERCOSUR CEPA**
Current Status: Preliminary Meeting (June 2022)
10. **Review ASEAN-India FTA (AIFTA)**
Signed: 2009, **Current Status:** on-going review
11. **Upgrading ASEAN Trade in Goods Agreement (ATIGA)**
Started: 2020, **Current status:** 11th TNC Meeting (Sept 2024), **Target of Conclusion:** 2025
12. **ASEAN-Canada FTA**
Current Status: 9th TNC Meeting (August 2024)
13. **Upgrading ASEAN-China FTA**
Current Status: 9th Round (Sept 2024)
14. **Indonesia-Eurasian Economic Union (EAEU) FTA**
Started: 2023, **Current Status:** 5th Round (March 2024)
15. **Indonesia-Peru CEPA**
Started: 2023, **Current Status:** 2nd Round (Sept 2024)
16. **Indonesia – Sri Lanka PTA**
Started: 2024 **Current Status:** 1st round (April 2024)
17. **Indonesia-Gulf Cooperation Council (GCC) FTA**
Started: 2024 **Current Status:** Launch of Negotiation (July 2024)

TRADE NEGOTIATIONS BEING PROPOSED/EXPLORED

1. Indonesia-South African Customs Union (SACU)
Current Status: Being proposed (2017), waiting for SACU's response
2. Indonesia-Economic Community of West African States (ECOWAS) PTA
Current Status: Being proposed (2017), waiting for ECOWAS's response
3. Indonesia-East African Community (EAC) PTA
Current Status: Being proposed (2017), waiting for EAC's response
4. Indonesia-Djibouti PTA
Current Status: Launch of JFS (Aug 2019), on progress for the establishment of JFS
5. Indonesia-Algeria PTA
Current Status: Being proposed (2020), waiting for Algeria's response
6. Indonesia-Colombia PTA
Current Status: Being proposed (2019), pending JFS discussion (Colombia on moratorium for all trade negotiations)
7. Indonesia-Ecuador
Current Status: Being proposed (2019)
8. Indonesia-US Limited Trade Deal (LTD)
Current Status: Being proposed (2020), Indonesia is conducting internal study
9. Indonesia-Fiji PTA
Current Status: Indonesia has concluded internal study (2019), waiting for Fiji's response
10. Indonesia-Papua New Guinea PTA
Current Status: Initiated by MoFA Indonesia (2019)
11. Indonesia-Ukraine PTA
Status: Initiated by MoFA RI (2018). Agreed to establish joint study (Dec 2020)
12. Indonesia-India PTA
Status: Preliminary discussion (2021)
13. ASEAN-European Union FTA
Current Status: Finished ASEAN's discussion on Setting up Framework Parameters for Negotiation (2021), waiting for EU's response.

Catatan: prakarsa perundingan dapat merupakan kesepakatan Kepala Negera, hasil kajian Kemendag, usulan KADIN, atau atas pertimbangan politik Kemlu



Advantages of Establishing Business in Indonesia



Increasing Amount of Partnerships and Trade Agreements



Represents 3.51% of the world population with rapid growth in the young cohorts and strong purchasing power



Improved Legislation and Corruption Mitigation



Smaller rate for corporate taxes and the chance for tax reductions and fiscal/ non-fiscal incentives in the special economic zones.



Foreign-owned company can receive a Right to Build Land Certificate as a legally protected ownership which allows to generate income through sale or rent of the property.



With 40% of the Growing Population is the Working Age, the High Supply of Labor is compensated by the relatively Low Labor Cost.

Tips on Entering the Market and Finding Reliable Partner in Indonesia



Market Research

Learn about market trends, use primary and secondary market research.

Make contact with the market research firm



Trade Exhibitions and Events

Develop and expand your business by going to trade shows.

Meet business people, form connections, and give chance to interact directly.



Approach Indonesian Embassies/Trade Promotion Center

The Indonesian embassy has representatives who can help corporations, importers, and exporters with a variety of business-related needs and may be able to offer important details for business purposes,



Subscribe Indonesian Portal News

Participate in online forums and start building connections

Subscribe to industry newsletters and build your professional network.



Contacting the Right Institutions and Organizations

Using a trusted local third party Institutions and Organizations, for instance, the chamber of commerce that covers majority of associations and private businesses can direct to potential partners.

Thank you



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