

Jakarta, 12 October 2010

Subject: **Minutes EU-Indonesia Vision Group Video Conference, 4 October 2010**

## **Attendance**

### *Indonesia:*

4.1(b)

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### *EU:*

4.1(b)

[Redacted text block]

## **Summary and agreed action points**

This kickoff meeting of the Vision Group (VG) mainly focused on the modalities of how the Vision Group would work over the coming nine months. Participants agreed on the objectives outlined in the Terms of Reference of the Group and approved the agenda of the first substantive meeting that will take place in Jakarta on 2 December 2010. A discussion on its objectives highlighted a joint spirit to make this group – as initiated by President Yudhoyono and President Barroso – a mutual success by having an open dialogue including on a potential comprehensive economic partnership agreement. As well as comprising goods and services, agreement on investment, the Indonesian side indicated such an agreement should include a "new approach on cooperation". Participants stressed that sufficient preparation of meetings is crucial for the success of the VG, so that meetings can be conducive for policy discussions.

Below follow the agreed points:

1. First meeting of the VG to be held on 2 December 2010, hosted by the Ministry of Trade in Jakarta.  
(*Ministry of Trade will send invitation and organise logistics*)

2. The draft agenda for the first meeting was in principle agreed (see Annex 1), including amendments as proposed, to be finalised by **20 October 2010** at the latest. *(DG Trade/Delegation will send a revised draft to Ministry of Trade).*
3. Deadline for the preparation of analytical document was set to **19 November 2010**, these will include the following:
  - Summary of a study "Trade and investment between EU and Indonesia: Opportunities and Obstacles" *(EU Delegation will provide summary/presentation)*
  - Study "Indonesia market access to the European Union: Opportunities and challenges" *(Consultant will provide summary and presentation)*
  - Macro-economic assessment of a potential Comprehensive Partnership Agreement. *(DG Trade Chief Economist to compile)*
  - Information and preliminary analysis on the GSP reform and impact on Indonesia (related to FTA). *(DG Trade Chief Economist will present results at the December meeting)*
  - Overview of EU economic cooperation programmes with Indonesia and ASEAN *(EU Delegation will produce and present summary paper)*
4. Analytical documents to be prepared by **February 2011**:
  - Other relevant material data to be collected and distributed by the consultants from end of October onwards.
  - Comparative assessment of existing FTAs *(EU and Indonesia will provide summary papers)*
  - Impact assessments on sectors of strategic interest for Indonesia – e.g. textiles/garments and footwear *(DG Trade Chief Economist to provide analysis, Indonesia to provide proposal on sectors of interest).*
5. **4.1(b)** will host a cocktail on 29 November 2010 (in conjunction with EIBD and WGTI in Jakarta) *(EU Delegation will send out invitations)*
6. E-mail addresses and mobile phone numbers of the Vision and Project Group members will be shared *(see attached table in Annex 2)*

### **Summary of the discussions**

**(1) Introduction and presentation:** Parties informed each other of group members of the Vision Group and of the Project Group, which are included in the attached list. A consultancy company has been selected to support the Vision Group and the two consultants are expected to be available (tentatively) by the end of October.

**(2) Main objective:** to examine ways on how to **increase trade and investment between Indonesia and the EU**, and the specific objectives as identified in the Terms of Reference:

- To provide a strategic view of EU-Indonesia trade and investment relations and identify on what basis EU-Indonesia trade and investment relationship can best be enhanced in an innovative way;
- To identify opportunities for fostering trade and investment between EU and Indonesia, bearing in mind the market characteristics and potential, evolution of bilateral flows and the challenges for realisation of this potential;

- To provide recommendations to relevant parties (Government of Indonesia, EU, business community, academia) for the full realisation of this trade and investment potential;
- In this context, to explore the feasibility of a Free Trade/Comprehensive Economic Partnership Agreement between EU and Indonesia.

The VG members agreed that this should be a forum for open and fresh discussions on benefits of a bilateral agreement. It will also serve to get a broad support for such potential agreement. Prof. Djisman argued that the objective should not be just an agreement in goods, services and investments but be broader and include cooperation aspects. The consequences of an FTA on the GSP status of Indonesia should also be assessed. EU suggested that the recently signed Partnership and Cooperation Agreement, although not yet in force, should support a consistent and coherent policy towards Indonesia, including cooperation aspects. Open discussion on this issue is welcomed though members discussed the importance of being able to show the benefits of trade and liberalisation. Regarding the content of a potential Agreement, it was suggested to provide a comparative assessment of existing FTAs signed or negotiated by the respective partners. It was also agreed that a summary of existing bilateral and regional (ASEAN) economic cooperation programmes should be produced by the Project Group. Participants agreed, and also stressed, to make as much use of existing studies as possible which the consultants will compile.

4.1(b) also highlighted the importance of an impact assessment on sectors of strategic interest for Indonesia e.g. in textiles/garments and footwear. 4.1(a) and 4.3

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### **(3) Schedule of the first Vision Group meeting and possible side events:**

- 2 December 2010, first Vision Group meeting, full day hosted by Ministry of Trade. It was argued there should be some interaction between the EU-Indonesia Business Dialogue and the Vision Group. Therefore, VG members are welcome to join the EIBD as observers. EIBD will take place on 29-30 November, followed by the Working Group on Trade and Investment (1 December). On 28 November, Mr. Julian Wilson will host a cocktail to allow networking.
- February 2011: Brussels, end of the month
- April 2011: Jakarta, end of the month
- June 2011: dissemination events in Jakarta and Brussels.

**(4) Tentative agenda for the first meeting.** Parties agreed, in principle, to the attached agenda for the first Vision Group meeting on 2 December 2010. The agenda should be finalised by 20 October 2010.

**(5) Sharing of the preparatory work** (background reports, analyses, etc). Indonesia requests EU to share some modelling regarding FTAs which could apply to Indonesia. DG Trade Chief Economist will provide a macro-economic modelling for the December Vision Group meeting. A more detailed sectoral assessment could be done for the next meeting after identification of sectors of specific interest (such as textiles / footwear).

(6) Regarding the **support project**, the selection of the offers has been concluded with the participation of evaluators from the Ministry of Trade and the best offer was unanimously selected. The EU Delegation will do its best to have the consultants' inception report by the end of the month. The EU-Indonesia Business Dialogue (EIBD) and the Working Group on Trade and Investment (WGTI) will provide further inputs to the work of the Vision Group.

(7) **Other organisational matters:** The Project group serving as support to the Vision Group has been established (see annex 2).

## **ANNEX 1**

<p><b>EU-Indonesia Vision Group</b> <b>First Meeting – Jakarta 2<sup>nd</sup> December 2010</b></p>
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### **DRAFT AGENDA**

#### **Morning session**

- 1) Opening and introduction of the participants.
- 2) Presentation of the objectives of the group, expected timeframe and working method.
- 3) Presentation of the main issues on EU-Indonesia trade and investment relations  
(*Indonesia: Ministry of Trade and EU: DG Trade*)
- 4) Presentation of the studies: EU investment opportunities in Indonesia and Indonesian market access to EU (*EU Delegation + consultant*)
- 5) Tour de table/brainstorming

#### **Lunch**

#### **Afternoon session**

- 6) Presentation on different models of FTA agreements and possible impact for Indonesia.  
(*DG Trade Chief Economist*)
- 7) General overview by EU on bilateral and regional economic cooperation activities and by Indonesia on currently foreseen needs. (*EU Delegation*)
- 8) Discussion on further analytical work to be completed
- 9) Views from the business sector  
(*KADIN and EuroCham*)
- 10) Second tour de table/brainstorming
- 11) Conclusions
- 12) Agreement on date and agenda of the next meeting

#### **Dinner**

## **ANNEX 2 - Contact List of Vision Group & Project Group**

Pages 7 to 8 are entirely covered by art. 4.1(b) and were thus removed from the document.