

## **EUROPEAN COMMISSION**

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate B. International affairs II, in particular enlargement
B.1. Latin America; Asia other than OECD members

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Note to the attention of Mr

DG TRADE

Subject: Indonesia Vision group

By your note dated 21 September 2010 DG TRADE kindly requests the participation of DG AGRI in the EU-Indonesia "vision group". We understand that the objective of this group is to enhance EU-Indonesia trade relations in view of a possible launch of FTA negotiations.

Trade balance of agricultural products between the EU and Indonesia is largely imbalanced in favour of Indonesia (2.2 billion € against 300 mio €). Indonesia's duty structure as far as our main interests are concerned is low in all products except wines and spirits which are heavily taxed, and bear in fact the highest duty from all other ASEAN countries (150%).

The vision group could be seen as a platform to assess whether there is any chance, possibly in a FTA, to develop trade to the mutual benefit of both parties. Discussions should also clarify whether there is a possibility to enhance the level of protection for the EU GIs and develop the Indonesian market for these high quality products.

Considering that Indonesian representatives already flagged their interest for agriculture in this process and that their Ministry of Agriculture will be directly associated in the reflexion, DG AGRI considers it is also in its interest to participate to this group.

from unit AGRI B1 should the contact point and representative of DG AGRI in this vision group.

Cc.: J. Plewa,

(DG AGRI)

(DG TRADE)