

EU-Indonesia

Comprehensive Economic Partnership Agreement



On 23 September 2025, the European Union and Indonesia finalised negotiations on a bilateral 'Comprehensive Economic Partnership Agreement' (CEPA). The agreement is an important achievement under the EU's strategy to diversify its trade through new partnerships, which will:

- Strengthen economic ties with one of the largest economies in the strategic Indo-Pacific region;
- Open major export opportunities to a market of 280 million consumers, with a major opening for EU agrifood products;
- Foster sustainable growth and the green transition;
- Secure supply chains and diversify sources of energy and raw materials;
- Boost digital trade, and;
- Boost trade and investment on both sides, contributing to economic growth and job creation.

KEY FACTS ABOUT INDONESIA

- It has a population of **283 million people**.
- It represents **€9.7 billion** of EU exports with a great growth potential (2024 data).
- It represents **€25.1 billion** in EU investment stocks (2023 data).
- More than **15,000 EU SMEs** export to Indonesia.
- EU exports to Indonesia support **200,000 EU jobs**.
- Indonesia is the **12th largest economy outside the EU** with an annual GDP of **€1.3 trillion**.
- It is the EU's **5th largest trading partner in the ASEAN** region as well as ASEAN's largest economy in terms of GDP (35%).

KEY BENEFITS FOR EU COMPANIES

- 98.5% of Indonesian tariffs on EU goods will be removed. Cutting high Indonesian tariffs of 10% on average and individual tariffs of up to 150% will enable EU exporters to save over €600 million in customs duties paid on their goods entering the Indonesian market.
- The opening of the Indonesian services market in key sectors such as computer and telecommunications services.
- A more attractive regulatory environment for EU investors in priority sectors, such as electric vehicles, renewable energy and electronics.
- Easier and simpler customs procedures will make exporting cheaper and quicker.
- Integration of supply chains in the raw materials sector.
- Cut current tariffs on: cars by 50%; machinery by up to 15%; chemicals by up to 25%; pharmaceuticals by up to 15%
- Protection of EU intellectual property such as trademarks, which allows EU companies to safeguard their brand identity and reputation, ensures remedies against infringers and provides effective tools to combat counterfeit products.



NEW OPPORTUNITIES FOR EU FARMERS

- The agreement will be a net benefit for farmers and boost EU exports. Except for imports of Indonesian crops that are not grown in the EU (such as coffee), the EU already exports more agri-food products to Indonesia than it imports, with exports of €1 billion per year.
- The deal will remove tariffs for the EU's main export products, including dairy products, meats, fruit and vegetables and processed foods.
- It will prevent imitation of 221 EU traditional agri-food products, recognised as Geographical Indications. These include products such as French Roquefort cheese, Greek Kalamata olive oil, and German Lübecker Marzipan.
- Food safety procedures will become clearer, more predictable and less cumbersome for EU exporters.
- There will be no new access to the EU market for sensitive agri-food products like rice, sugar, eggs, fresh bananas, or ethanol, and limited quotas for garlic, mushrooms, sweetcorn, manioc starch and high sugar-content products.

FOSTERING SUSTAINABLE GROWTH AND DEVELOPMENT – SUPPORTING THE GREEN TRANSITION

- The EU-Indonesia CEPA has a robust sustainability pillar. It establishes a strong framework for sustainable growth and development, fully integrating the objectives of the EU Trade and Sustainable Development review on enforceable commitments on labour, environment and climate matters of relevance in a trade context. This will maximise the potential of CEPA to support sustainability efforts.
- The Paris Agreement is set as an essential element for the whole partnership, confirming the common commitment of the EU and Indonesia to fight against climate change. The deal provides a platform for cooperation, dialogue, and trade facilitation on an array of trade-related environmental and climate issues, including in the palm oil sector.
- New opportunities for EU business and investors in green sectors by eliminating tariffs on green goods and improving the regulatory environment for EU investors in areas such as renewable energy and electric vehicles.

SUPPORTING THE DIGITAL TRANSITION

- The deal includes a full digital trade facilitation package – making electronic transactions easier (e.g. electronic signatures and authentication), promoting a safe online environment for consumers, and enhancing predictability and legal certainty (e.g. protection of computer source code).
- Prohibition of customs duties on electronic transmissions (such as software, messages, digital media etc.) – a first time ever for Indonesia.
- For the first time, Indonesia will allow 100% foreign ownership in the telecommunications and computer services sectors.

DIVERSIFYING SOURCES OF ENERGY AND RAW MATERIALS

- Indonesia is a world-leading producer of critical raw materials (CRMs) such as nickel and cobalt, which are crucial for the green and digital transitions.
- The CEPA will provide EU manufacturers with stability and predictability on access to these materials.
- This will help strengthen the EU's strategic supply chains and protect them against disruption by sudden economic or geopolitical shocks, such as pandemics or sudden changes in foreign trade policies.
- The deal includes an export duty-free quota for crude palm and palm kernel oil, a strategic input good for EU industries.
- A commitment to conduct environmental impact assessments will ensure that mining operations do not have adverse effects on the environment.

