



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

Indonesia-Australia free trade agreement brings benefits for both resource sectors

Statement from Tania Constable, Chief Executive Officer

The Australian and Indonesian resources sectors will both benefit from the Indonesia-Australia Comprehensive Economic Partnership Agreement finalised today.

The agreement includes a number of important provisions to encourage bilateral trade and investment partnerships in mining and mining services.

These measures will create more scope for Australia's world-leading mining services firms to partner with Indonesian businesses in developing that country's extensive minerals and energy resources.

This will not only provide new export opportunities for Australia, it will also support economic growth and development in one of Australia's nearest and most important neighbours.

The Minerals Council of Australia welcomes the agreement's provisions allowing Australian firms to own up to 67 per cent of contract mining and mine site preparation services in Indonesia.

Other provisions which will benefit mining and mining-related services include commitments by Indonesia to improve market access for construction services, including mine site construction, technical testing and analysis services and engineering services.

The agreement's tariff reductions on goods also eliminate Indonesia's five per cent tariff on copper cathodes and will eliminate or significantly reduce tariffs on a range of steel products, improving market access for these resources-based commodities.

Cheaper input costs will also boost the competitiveness of Indonesia's manufacturing industries, highlighting the mutually-beneficial nature of the agreement.

Given the strategic importance of the relationship between Australia and Indonesia, finalisation of this agreement is a milestone for Australian trade policy.

Indonesia is one of the fastest-growing economies in Southeast Asia with a population of more than 260 million.

This agreement will add to the enormous potential growth in the bilateral trade and investment relationship between Australia and Indonesia in coming years.

The MCA acknowledges the role of Australia's former Minister for Trade and Investment, the Hon Steven Ciobo, and the work of Australian government officials and their Indonesian counterparts in securing this important agreement.

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