

Joint Announcement on the Commencement of Negotiations on the Japan-Indonesia Economic Partnership Agreement

June 2, 2005 in Tokyo

1. On June 2, 2005, H.E. Junichiro Koizumi, Prime Minister of Japan, and H.E. Susilo Bambang Yudhoyono, President of the Republic of Indonesia, discussed the vital importance of strengthening the economic partnership through developing a Japan-Indonesia Economic Partnership Agreement (JIEPA). The two leaders expressed satisfaction with the existing close economic and strategic relations between the two countries that have been forged through fruitful cooperation over the years, and recognized with great appreciation that such close ties have fostered mutual economic and strategic benefits and opportunities for the two countries and their peoples.
2. The two leaders expressed their satisfaction with the report of the Joint Study Group and shared the view that trade and investment liberalization and facilitation as well as bilateral cooperation in various areas would help create a larger market for Japanese and Indonesian businesses and consumers. The two leaders expressed their hope that the JIEPA would help enhance the comprehensive economic partnership between Japan and ASEAN.
3. Recognizing the above factors, the two leaders hereby decided that the governments of the two countries should enter into negotiations on the JIEPA as soon as possible at the latest by July 2005 taking into account the discussions and achievements gained in the process of the Joint Study Group and should work expeditiously to conclude the negotiations on the JIEPA within a reasonable period of time. The two Leaders confirmed that it is necessary to discuss a broad range of areas and to promote liberalization, improvement of rules and cooperation in accordance with the specific features of economic relations between the two countries. Both countries will conduct the negotiations constructively, positively and with flexibility, recognizing the existence of sensitive sectors in both countries. The JIEPA would cover areas such as (a) trade in goods (tariffs and non-tariff measures, rules of origin, trade remedies); (b) customs procedures; (c) trade in services; (d) investment; (e) movement of natural persons; (f) government

procurement; (g) intellectual property rights; (h) competition policy; (i) standard and conformance; (j) improvement of business environment; (k) cooperation; and (l) dispute avoidance and settlement.

4. The two leaders were also firmly convinced of the importance of the joint work by the government and private sector of both countries for sector-specific industrial strategies for Indonesia, with a view to establishing a win-win industrial relationship through the JIEPA.
5. In addition, the two leaders shared the view that the two countries need to take into account the progress of negotiations on the ASEAN-Japan Comprehensive Economic Partnership Agreement.