



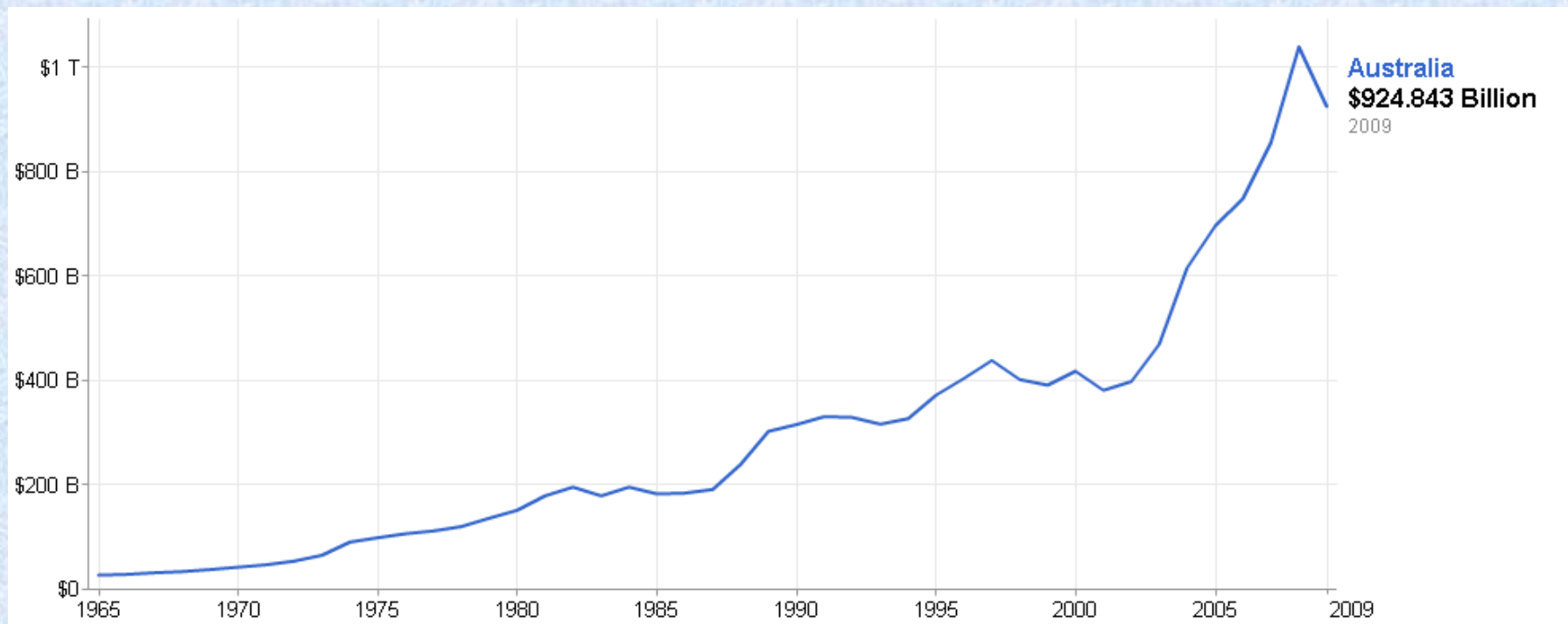
INDONESIA – AUSTRALIA ECONOMIC COOPERATION

**Indonesian Ambassador for Australia and
Vanuatu
Primo Alui Joelianto**

GENERAL VIEW

With the GDP of \$1.236 trillion (estimated for 2010), Australia is one of the biggest economies in the world.

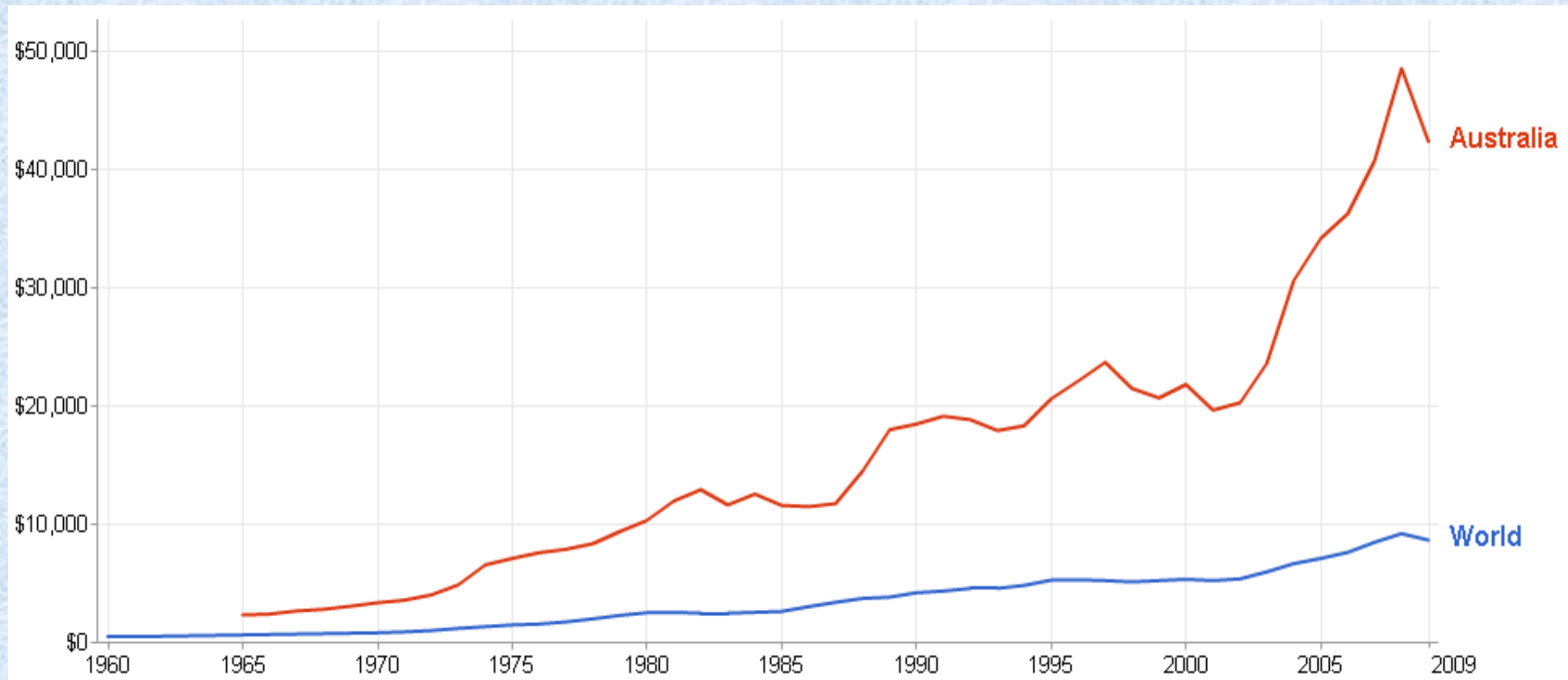
At the world level, Australian GDP is number 13. Australian GDP keeps on growing significantly every year, despite a slowdown in 2008 affected by global financial crises in 2008. 2008.



Australia's GDP. Source : World Bank

GENERAL VIEW

With its per-capita GDP of \$41,000 (est. 2010), Australia places at number 18 in the world, after Singapore (\$62,100) and Brunei (\$51,600), but higher than Saudi Arabia, Germany, Japan, England, and France. This means that Australian has strong purchasing power.



Australian per-capita GDP growth. Source : World Bank

AUSTRALIA'S FREE TRADE AGREEMENT

Australia has established free-trade agreements with many countries, both bilaterally and regionally.

The existing FTA (Free Trade Agreement)

FTA with New Zealand (since January 1983)

FTA with Singapore (since July 2003)

FTA with the US (since January 2005)

FTA with Thailand (since January 2005)

FTA with Chile (since March 2009)

FTA with ASEAN and New Zealand (AANZFTA) (since January 2010)

FTA in the process of negotiation

With China (negotiation since 2005)

With Malaysia (negotiation since 2005)

With the Gulf Cooperation Council (GCC) (negotiation since 2007)

With Japan (negotiation since 2007)

With South Korea (negotiation since 2009)

Within PACER Plus (Pacific Agreement on Closer Economic Relations) (negotiation since 2009)

With Indonesia (negotiation since 2010)

Within TPP (Trans-Pacific Strategic Economic Partnership) (negotiation since 2010)

With India (negotiation since 2011)

AUSTRALIA 'S BALANCE OF TRADE

Australia's balance of trade for the period of 2001-2009 shows that Australia is one of the net importer countries (more importing than exporting)

Australia suffered deficit in its international balance of trade at A\$ 4 billion, but in 2010, Australia set a surplus of A\$ 16.8 billion.

Up to August 2011, Australia made trade surplus of A\$ 3.1 billion.

TABLE 1: SUMMARY OF AUSTRALIA'S TRADE (a)
(A\$ million)

	Year			Month			
	2009-10	2010-11	% change 2009-10 to 2010-11	Jun-11	Jul-11	Aug-11	% change Jul-11 to Aug-11
Exports	253,762	297,507	17.2	26,445	26,265	28,366	8.0
Imports	258,383	276,631	7.1	24,423	24,448	25,266	3.3
Balance on Trade	-4,621	20,876	..	2,022	1,817	3,100	..

AUSTRALIA 'S BALANCE OF TRADE

After having deficit in 2001-2009, in 2010 Australia made a surplus in its trade with the world

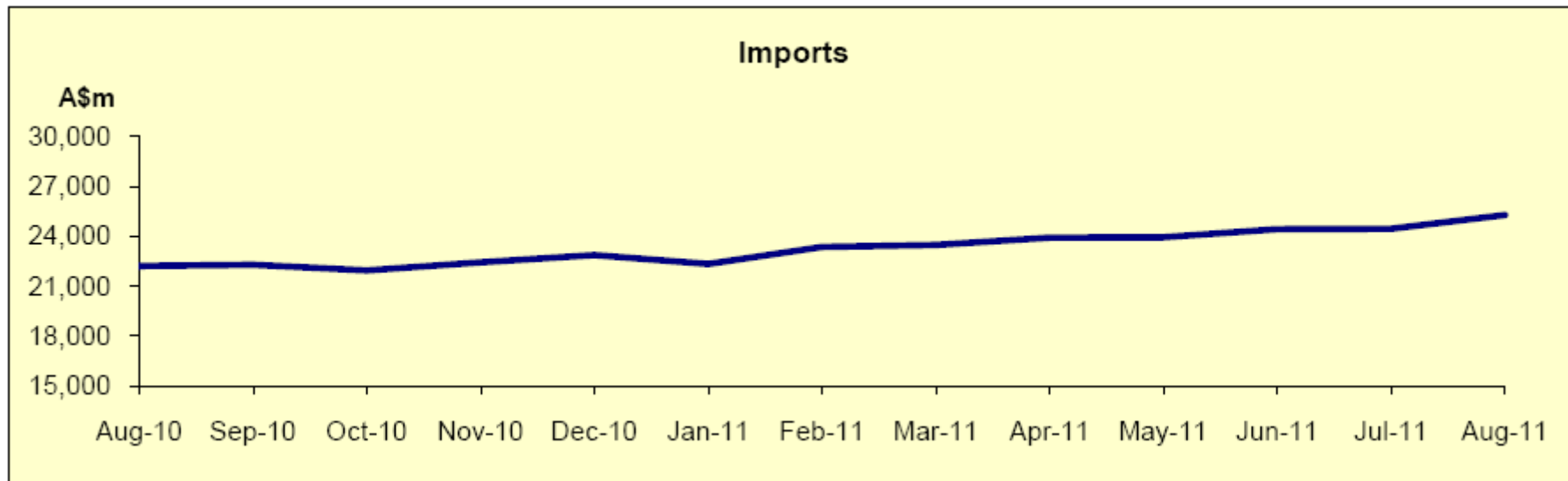
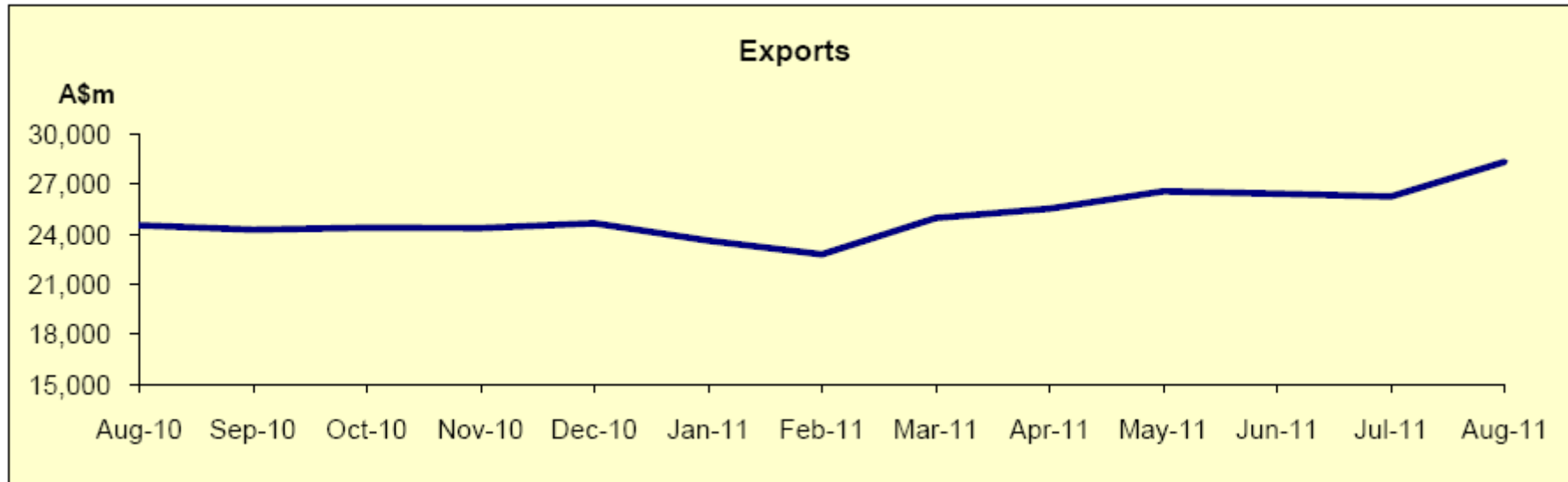
Australia's balance of trade with the world



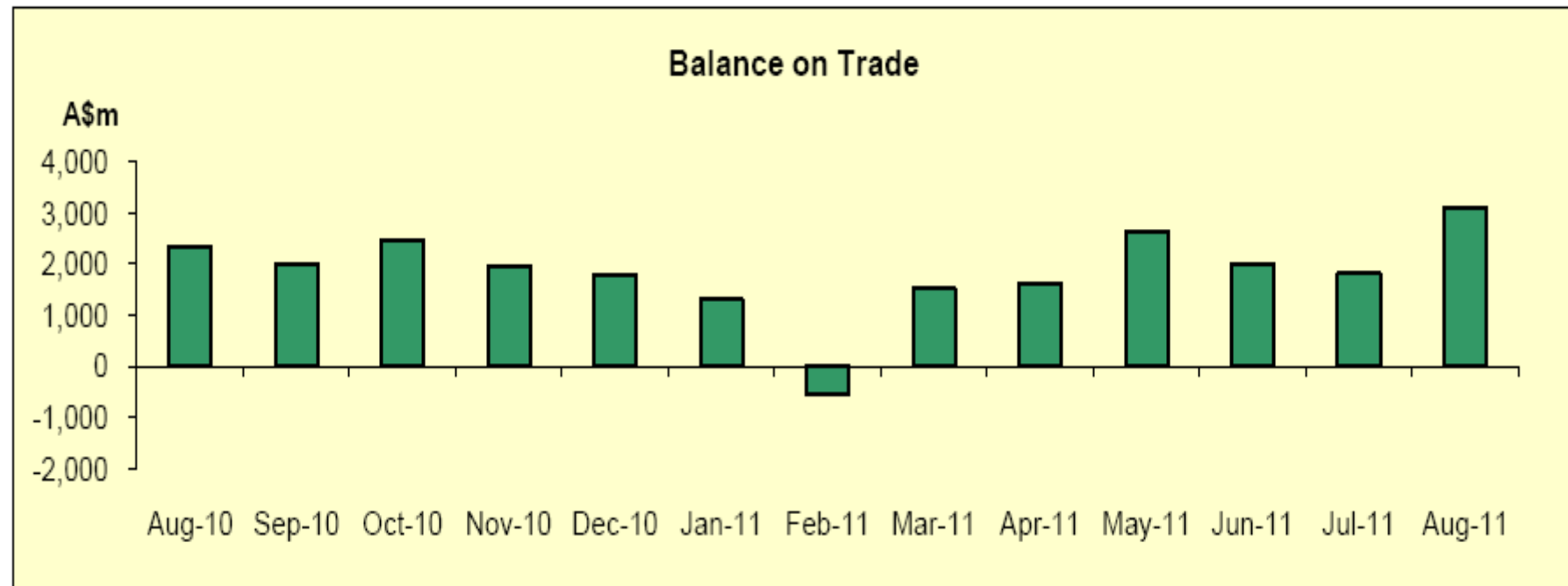
Based on ABS catalogues 5368.0 & 5302.0.

AUSTRALIA 'S TRADE WITH THE WORLD

Australia's exports and imports in the last 12 months



AUSTRALIA 'S TRADE WITH THE WORLD



In the last 12 months, Australia's trade set surpluses except in February 2011

AUSTRALIA 'S TRADE WITH THE WORLD

Australia's exports in 2010 : Indonesia is number 10 as export destination of Australia

Ranking	Negara	Ekspor Australia		
		US\$ Juta	Share (%)	5 year trend growth
1.	Japan	39,955.43	21.68	18.18
2.	China	26,349.25	14.30	24.16
3.	Korea Republic of	18,743.52	10.17	22.15
4.	India	14,731.76	7.99	24.09
5.	Thailand	5,367.27	2.91	12.54
6.	United States of America	8,481.63	4.60	8.75
7.	Taiwan	7,620.63	4.13	13.89
8.	New Zealand	7,381.44	4.00	3.27
9.	Singapore	4,449.04	2.41	9.03
10.	Indonesia	4,116.52	2.23	14.91
	Others	47,127.74	25.57	
	Total to the world	184,324.23	100,00	

AUSTRALIA 'S TRADE WITH THE WORLD

Indonesia's exports share in Australia's market ranks 11th

Rank	Country	Australia's import		
		US\$ Juta	Share (%)	5 year trend growth
1.	China	36,187.28	18.71	15.47
2.	United States of America	20,896.60	10.80	0.86
3.	Japan	16,703.98	8.64	4.19
4.	Singapore	9,903.61	5.12	5.17
5.	Germany	9,651.40	4.99	7.83
6.	Thailand	10,099.21	5.22	21.41
7.	Malaysia	8,305.30	4.29	11.18
8.	New Zealand	6,627.38	3.43	10.54
9.	Korea Republic of	6,563.47	3.39	6.97
10.	United Kingdom	5,348.44	2.77	-0.82
11.	Indonesia	4,946.96	2.56	8.05
	Others	58,217.45	30.10	
	Total to the world	193,426.33	100.00	

Indonesia – Australia Economic Cooperation

- Australia is one of Indonesia's strategic trade partners
- Total bilateral trade of Indonesia-Australia in the period of Jan-Jun 2011 reached US\$ 4.62 billion, consists of oil and gas US\$ 1.09 billion, while non-oil and gas US\$ 3.53 billion
- Indonesia's exports to Australia in Jan-Jun 2011 was US\$ 2.25 billion consisting of oil and gas US\$ 1.09 billion and non-oil and gas US\$ 1.16 milyar
- Indonesia's imports from Australia in Jan-Jun 2011 US\$ 2.37 billion consisting of oil and gas US\$ 2.2 million and non-oil and gas US\$ 2.37 billion
- In the period of Jan-Jun 2011, Indonesia had deficit of US\$ 116.362.8 million

Indonesia – Australia Economic Cooperation

in thousand usd

URAIAN	2006	2007	2008	2009	2010	Trend%	Jan-Jun		Perubahan%
						2006-2010	2010	2011	2011/2010
Total Trade	5,757,541.9	6,398,569.2	8,108,503.6	6,700,239.8	8,343,435.5	8.20	3,647,145.4	4,622,590.2	26.75
Oil and Gas	1,473,673.5	1,713,593.9	2,020,496.2	1,614,470.8	1,887,158.9	4.45	795,049.7	1,090,062.6	37.11
Non Oil and Gas	4,283,868.4	4,684,975.3	6,088,007.4	5,085,769.0	6,456,276.6	9.44	2,852,095.7	3,532,527.6	23.86
Export	2,771,277.0	3,394,557.3	4,110,969.6	3,264,224.7	4,244,396.9	8.47	1,795,620.5	2,253,113.7	25.48
Oil and Gas	1,167,700.9	1,526,683.0	2,003,504.3	1,552,577.4	1,881,028.9	10.19	792,108.4	1,087,862.1	37.34
Non Oil and Gas	1,603,576.1	1,867,874.3	2,107,465.3	1,711,647.3	2,363,368.0	7.13	1,003,512.1	1,165,251.6	16.12
Import	2,986,264.9	3,004,012.0	3,997,534.0	3,436,015.1	4,099,038.5	7.98	1,851,524.9	2,369,476.5	27.97
Oil and Gas	305,972.6	186,910.9	16,991.9	61,893.5	6,130.0	-59.04	2,941.4	2,200.5	-25.19
Non Oil and Gas	2,680,292.3	2,817,101.1	3,980,542.1	3,374,121.6	4,092,908.5	10.82	1,848,583.5	2,367,276.0	28.06
Neraca Perdagangan	-214,987.9	390,545.3	113,435.6	-171,790.4	145,358.4	0.00	-55,904.4	-116,362.8	108.15
Oil and Gas	861,728.4	1,339,772.1	1,986,512.4	1,490,683.9	1,874,898.8	18.07	789,167.0	1,085,661.7	37.57
Non Oil and Gas	-1,076,716.3	-949,226.8	-1,873,076.8	-1,662,474.3	-1,729,540.4	0.00	-845,071.4	-1,202,024.5	42.24

Two way trade between Indonesia – Australia 2006 – Jun 2011

Source: Ministry of Trade of the Republic of Indonesia

Export of Indonesian Non-Oil and Gas Commodities to Australia

- ▶ Position of Indonesian products in the Australian Market compared to other ASEAN countries :
 - ✓ Indonesian Pulp and paper Indonesia commodity has 39.21% market share, below Malaysia with 39.21% market share.
 - ✓ Indonesian Furniture products rank 1st position in the Australian market with 36.19% market share, higher than Malaysia with 34.50% market share and Thailand with 14.75% market share.
 - ✓ Indonesian coffee commodity ranks 2nd position with 29.52% market share, below Vietnam with 29.52% market share.

Export of Indonesian Non-Oil and Gas Commodities to Australia

- ▶ Position of Indonesian products in the Australian market compared to other ASEAN Countries :
 - ✓ Indonesian Shoes and Footware commodities rank 2nd position after Vietnam with market share of 53.93% and 31.54%. Meanwhile Indonesian Textile and Apparel commodities rank 2nd position after Thailand with market share of 33.82% and 31.45%.
 - ✓ Indonesian palm oil product is commodity that needs special attention since its share market is only 0.34%, far below Malaysia with 98.48% market share and Singapore with 1.18% market share.

Export of Indonesian Non-Oil and Gas Commodities to Australia

- ▶ Position of Indonesian products in Australian market compared to other ASEAN Countries :
 - ✓ Medical Herbs commodity ranks 2nd in the Australian market with import market share of 39.10%. It is still below Vietnam with 42.47% market share.
 - ✓ Indonesian Essential Oils commodity ranks 3rd position in the Australian market with 26.53 market share, below Singapore and Malaysia with market share of 42.86% and 29.59%.

Export of Indonesian Non-Oil and Gas Commodities to Australia

- ▶ Position of potential products of Indonesia in Australian market compared to other ASEAN Countries :
 - ✓ Indonesian Handicrafts rank 2nd position with market share about 24.09%, below Vietnam with market share about 32.52%, but higher than Thailand with 20.26% market share.
 - ✓ Fish and Fish products rank 3rd position with market share about 14.50%, after Vietnam with 53.56% of market share and Thailand with 17.31% of market share.

Trade Barriers

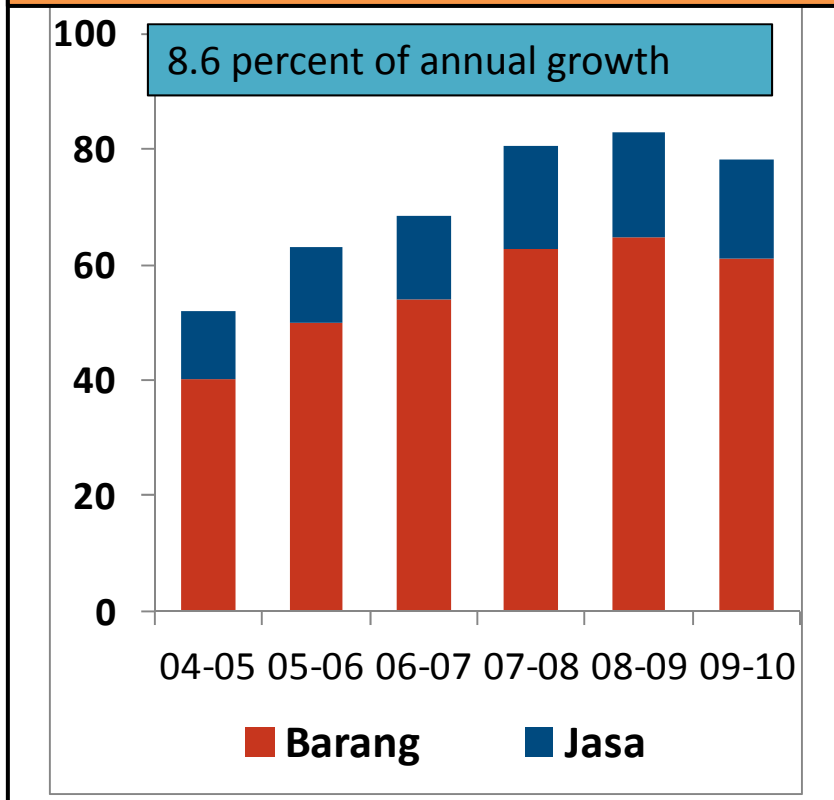
With population approximately 22 million dominated by high income population, Australia is potential market. However, there are barriers in trade relations between the two countries, i.e. :

- ✓ Tariff
 - ❖ Tariff barriers begin to diminish along with trade cooperation between the two countries, especially through Free Trade Area.
 - ❖ Non Tariff
 - ❖ Dumping allegation
 - ❖ Holding Order
 - ❖ Quarantine Requirement for products coming to Australia
 - ❖ Ingredients of products (sanitary and phitosanitary regulations)

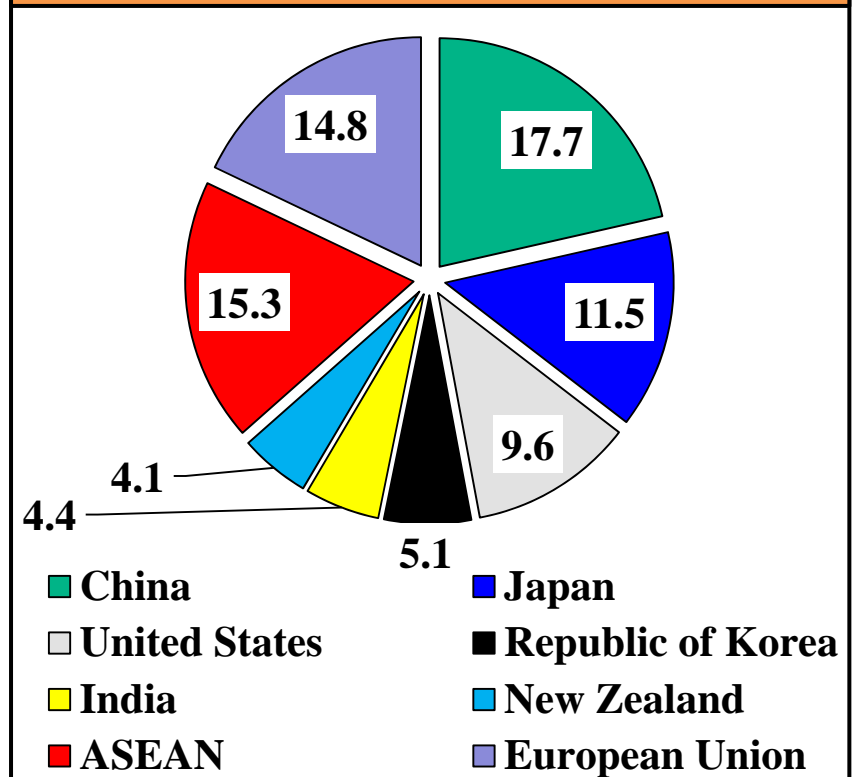
- ✓ Other countries as competitors :
 - ❖ China
 - ❖ Thailand
 - ❖ Malaysia
 - ❖ Vietnam
 - ❖ etc

AUSTRALIAN TRADE WITH ASEAN

**Australian Trade with ASEAN
(in billion dollar)**



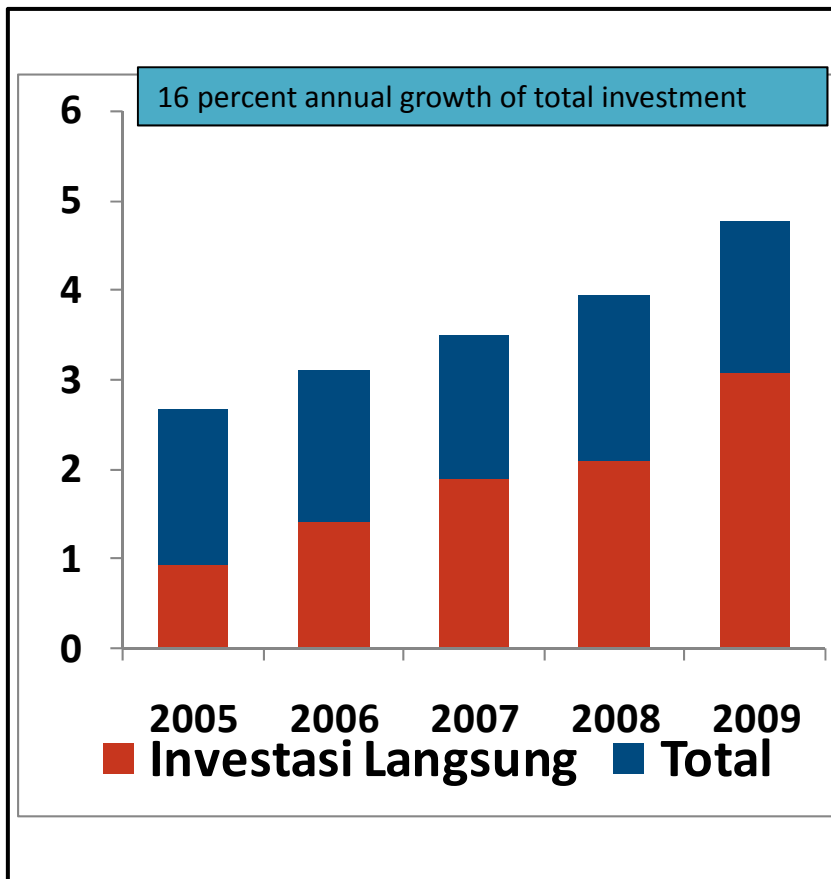
Australian International Trade (% 2009-2010)



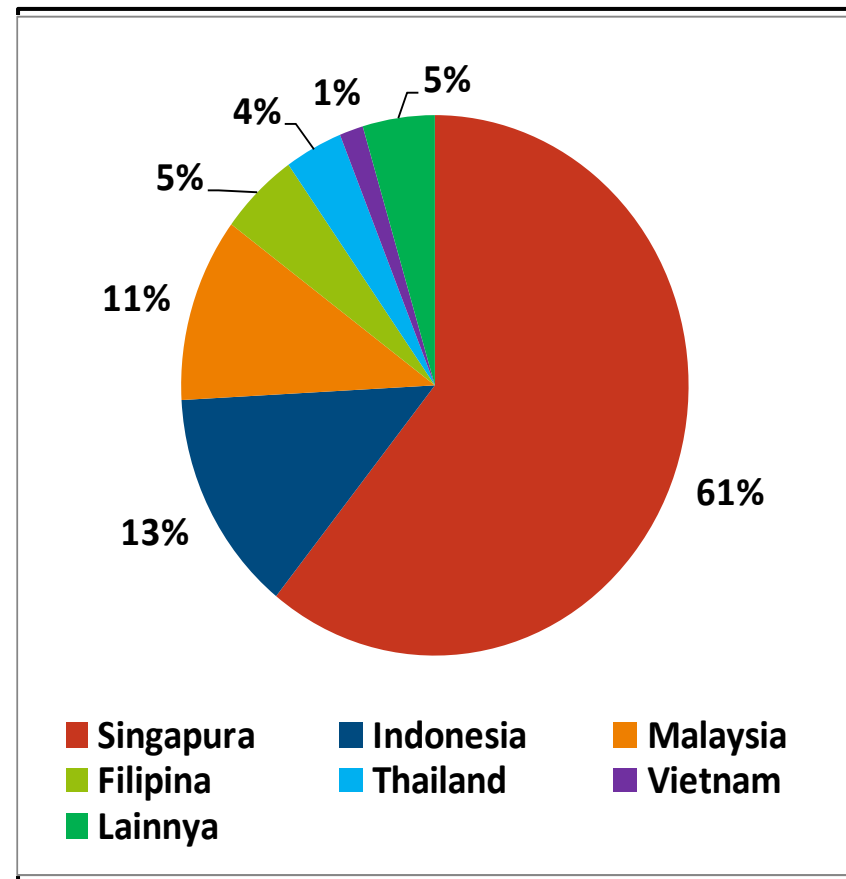
Source Australian Bureau of Statistics (ABS) dan The Treasury Australia

Australian Investment in Indonesia

Australian Investment in Indonesia
(in billion dollar)



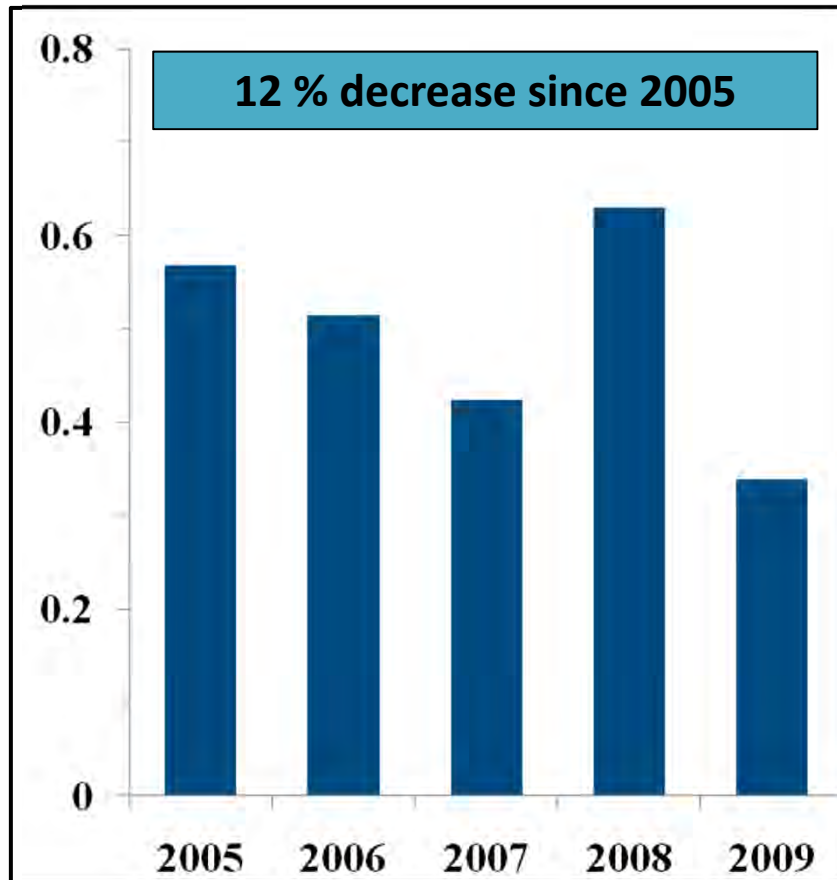
Australian Investment in ASEAN Countries (2009)



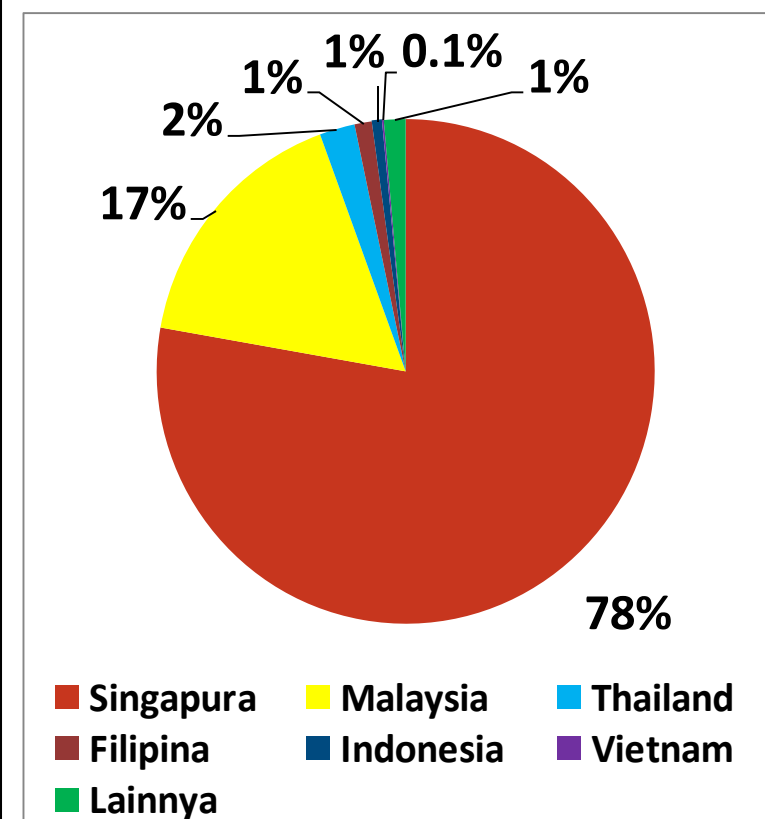
Source: Australian Bureau of
Statistics (ABS)

Indonesian Investment in Australia

Indonesian Investment in Australia
(in Billion Dollar Dolar)

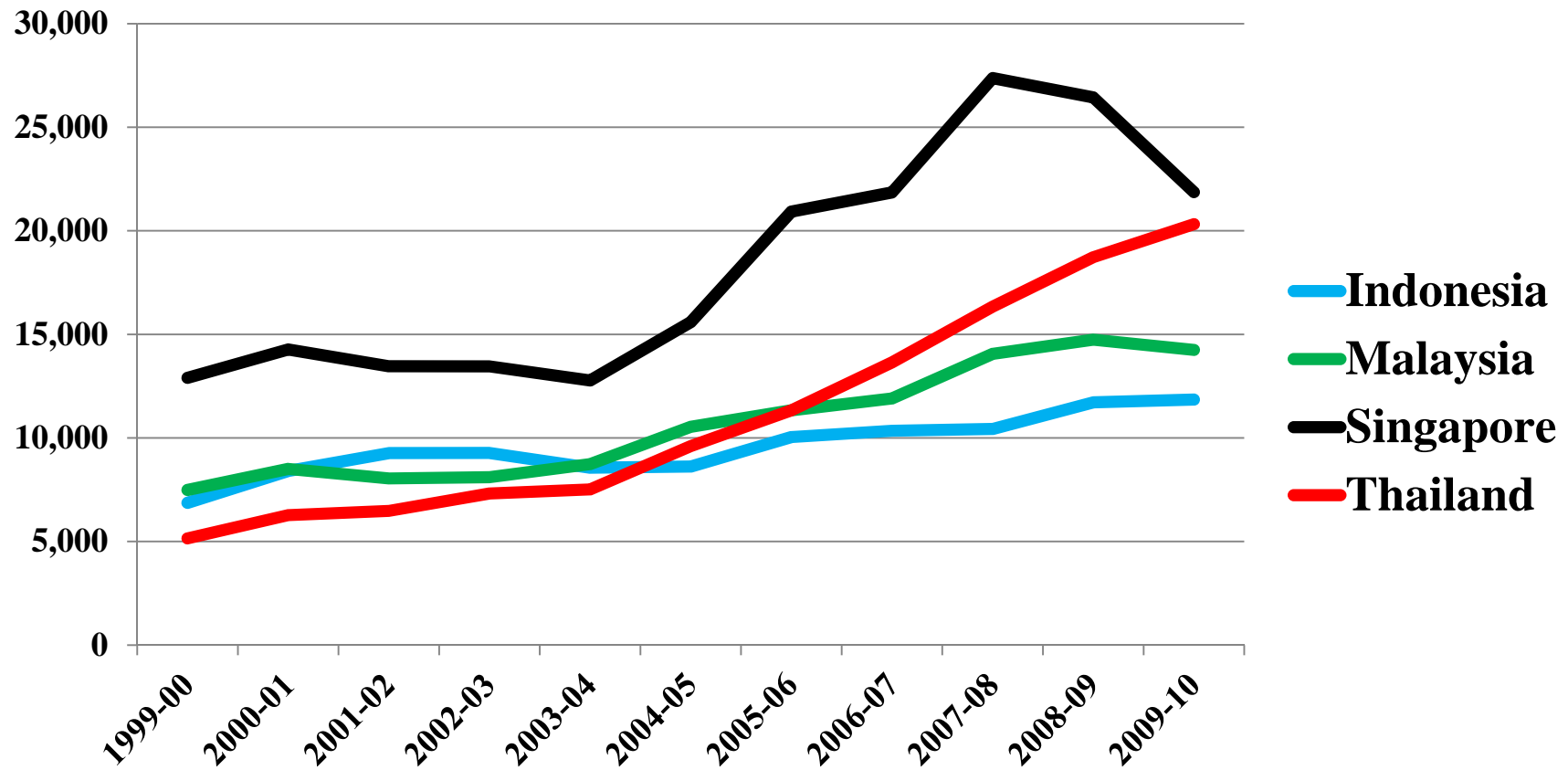


Investment of ASEAN
Countries in Australia (2009)



Source: Australian Bureau of
Statistics (ABS)

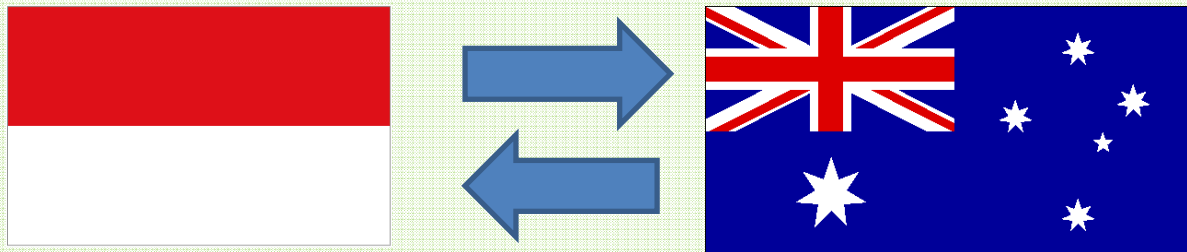
Two way trade and service between Australia and ASEAN Countries (in A\$ Million)



Indonesia – Australia Economic Cooperation

Indonesia and Australia have some bilateral mechanisms:

1. Indonesia-Australia Ministerial Forum
2. Trade and Investment Framework
3. Trade Ministers' Meeting
4. Working Group on Trade and Investment
5. Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)
6. ASEAN, Australia, New Zealand Free Trade Agreement (AANZFTA)
7. IABC and AIBC





**INDONESIAN EMBASSY IN CANBERRA
IS ALWAYS READY TO HELP YOU**

THANK YOU