

'Trade agreement between India, Indonesia to boost economic ties'

NEW DELHI: India and Indonesia should negotiate a comprehensive free trade agreement as it would help in boosting economic ties between the two countries, Shinta Widjaja Kamdani, Chair B20 Indonesia, said on Monday.

Indonesia has the Presidency of the Group of Twenty (G20) for 2022. It also chairs the Business 20 or B20 forum. It is the primary engagement group comprising business sectors from the G20 member countries. She is here to participate in the 'B20 Indonesia Global Dialogue', organised by industry chamber CII.

Kamdani said Indonesia is not talking about a free trade agreement only for trade, but also investments, trade facilitation and capacity building.

It would include trade in goods as well as services, she told PTI, adding Indonesia calls the trade pact as compre-

hensive economic partnership agreement (CEPA).

Kamdani is also the chief executive officer of the Sintesa Group. It is an Indonesian group with 16 subsidiaries which operate in sectors like property, energy, industrial and consumer products.

At present, India and Indonesia do not have any trade agreement. Indonesia is part of ASEAN (Association of Southeast Asian Nations) bloc, with which India had implemented a trade pact in 2010.

In such a pact, two sides significantly reduce or eliminate customs duties for maximum number of goods traded between them. Besides, they relax norms to promote trade in services and boost investments.

India and Indonesia have set an ambitious \$50 billion target for bilateral trade by 2025.

M Arsjad Rasjid PM,

Chairman, Indonesian Chamber of Commerce and Industry (KADIN), said the two countries should "move forward" on a trade agreement.

He added that businesses of both the sides can increase collaboration in areas like green transition, healthcare, technology, and SMEs.

He expressed confidence that the \$50 billion trade target is achievable if both the governments and businesses work together.

Asked whether Indonesia has taken up the proposal for a trade pact with the Indian authorities, he said, "Yes."

Bilateral trade between the countries increased to \$26.2 billion in 2021-22 from \$17.5 billion in 2020-21. Trade balance is in favour of Indonesia.

India is a key buyer of coal and crude palm oil from Indonesia, besides minerals, rubber, pulp and paper and hydrocarbon reserves.