

**Indonesia – Australia Comprehensive Economic Partnership Agreement (IA - CEPA):
Guiding Principles, Objectives and Organisation of Negotiations**

On 2 November 2010 in Jakarta, the Leaders of Indonesia and Australia agreed to commence negotiation of an Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). They agreed that the IA-CEPA would cover economic cooperation and trade and investment issues, with the objective of further contributing to building a higher-level and mutually beneficial partnership between the two countries. With these objectives in mind, the IA-CEPA negotiations will be guided by the following principles and objectives:

1. Negotiations will be aimed at progressing the shared objectives of accelerating sustainable economic growth and raising living standards.
2. Both countries will conduct the negotiations in a positive manner and with mutual understanding.
3. Negotiations will take into consideration the 2009 report of the Joint Feasibility Study on an Australia-Indonesia Free Trade Agreement, the 2012 Indonesia-Australia Business Partnership Group Position Paper on Considerations Towards the Indonesia-Australia Comprehensive Economic Partnership Agreement and inputs received from other stakeholders; and build on the outcomes achieved in the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA).
4. Both countries acknowledge that in order to achieve mutual benefits, the IA-CEPA will be comprehensive in scope and will not only aim to enhance their economies, but also to facilitate the flow of goods, investment and services, by reducing trade barriers (tariffs, non-tariff and other behind the border measures), addressing investment measures which have the effect of impeding or preventing larger trade and investment flows, as well as enhancing other technical cooperation in specific sectors identified as key drivers of economic growth.
5. The Scope and Coverage of the negotiations will be as follows (areas may be modified by mutual consent):
 - Economic Cooperation
 - Trade in Goods
 - Trade in Services
 - Investment
 - Movement of Natural Persons

- Other issues (Electronic Commerce; Competition Policy; Government Procurement; Intellectual Property Rights; Environment; Labour and any other issues which take into account new and emerging issues relevant to business realities)
 - Institutional and Framework Provisions (Transparency; General Provisions and Exceptions; Institutional Provisions; Dispute Settlement Procedures; Final Provisions).
6. Due consideration should be given to the different levels of development of the two countries. The IA-CEPA should therefore include provisions for flexibility that will take into account development issues so that the overall IA-CEPA is development oriented.
 7. The nature of IA-CEPA commitments, including differentiated timeframes, should be addressed at an early stage of the negotiations.
 8. The terms of the IA-CEPA will be subject to periodic review so as to facilitate revision of the terms of the agreement to take into account developments in both countries, the broader bilateral partnership and international developments.
 9. The IA-CEPA will be consistent with the WTO Agreement, including GATT Article XXIV and GATS Article V. IA-CEPA negotiations will seek to achieve a comprehensive and balanced outcome through undertaking parallel negotiations across all negotiating areas.
 10. Negotiations on Economic Cooperation will be conducted simultaneously with the negotiation of other provisions in order to incorporate or accommodate inputs which are derived from the negotiations of other areas.
 11. The IA-CEPA Pre-Agreement Facility (PAF), established to support the IA-CEPA negotiations, will be used to fund jointly agreed economic cooperation activities undertaken during the course of the negotiations.

Organisation of Negotiations

- The negotiation will be undertaken in a Trade Negotiating Committee (TNC), supported by Negotiating Groups and other groups as agreed.
- The scheduling and timing of TNC meetings will take into account the need for both Australia and Indonesia to undertake domestic consultations with their stakeholders, including the private sector. Australia and Indonesia may utilize and provide opportunities for joint outreach activities including joint meetings with private sector and other stakeholder representatives
- Negotiations will take place alternately in Australia and Indonesia, or as agreed by both countries.

Jakarta, 27 March 2013