

UAE President, Indonesian President witness signing of Comprehensive Economic Partnership Agreement

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President His Highness Sheikh Mohamed bin Zayed Al Nahyan witnessed the signing of the UAE-Indonesia Comprehensive Economic Partnership Agreement, alongside Indonesian President Joko Widodo in Abu Dhabi today.

This is the third such deal signed by the UAE this year, following the CEPAs with India and Israel, and is designed to increase annual bilateral trade to US\$10 billion within five years by removing trade barriers on a wide range of goods and services, creating new opportunities for UAE exporters.

The agreement was signed in Al Shati Palace in Abu Dhabi by Abdullah bin Touq Al Marri, Minister of Economy; and Zulkifli Hasan, Minister of Trade of Indonesia.

President His Highness Sheikh Mohamed bin Zayed Al Nahyan said, "The United Arab Emirates has continued to chart a new era of prosperity built around our position as a global gateway for trade and investment. Indonesia is one of our closest strategic allies and our nations have worked together in the spirit of cooperation and unity for decades to promote social and economic development and unlock opportunities for our people. It is worth noting that Indonesia was the first nation with whom we began CEPA negotiations, and we very much welcome the new, more prosperous chapter in our partnership that promises to deliver."

"Not only is it my hope that this agreement creates a new platform for cooperation, investment and knowledge transfer, but also offers us new tools to navigate future challenges and opportunities together. Like all our new trade deals, this is part of a dynamic plan to build a network of trade alliances with some of the world's fastest growing economies. This will set us on the path to prosperity outlined in our Projects of the 50 initiative that aims to make the UAE a truly global business hub," His Highness Sheikh Mohamed bin Zayed added.

For his part, President Joko Widodo welcomed the signing of the Comprehensive Economic Partnership Agreement between his country and the UAE. This milestone comes as a culmination of the distinguished historical relations between both countries and their continuous effort to advance these relations to a broader and more comprehensive level, he said, pointing to the keenness of both countries' leadership and their determination that have made this agreement a reality.

The Indonesian President stressed that the agreement reflects an ambitious leap in cooperation between the two countries and a solid base that will push the bilateral relations to a new, more prosperous stage of faster development that will meet the aspirations of the two friendly peoples.

He also expressed his happiness with this important economic agreement, which is expected to help double the value of bilateral trade in the coming years.

Under the far-reaching trade deal, over 80 percent of UAE exports will gain immediate duty-free access to Indonesia. The deal also has the potential to increase the total value of trade in services between the UAE and Indonesia to US\$630 billion by 2030. Streamlined customs procedures and an emphasis on digital trade will make it easier than ever for UAE companies to do business with Southeast Asia's biggest economy, which is set to grow 5.4 percent in 2022.

As two of the Islamic world's most forward-looking and dynamic economies, the CEPA will lead to increased development and new opportunities for the growing Islamic economy, estimated to be worth US\$3.2 trillion by 2024. It will also accelerate more than US\$10 billion of investment projects in priority sectors such as agriculture, energy and infrastructure, particularly logistics, while also encouraging future cooperation in tourism, entrepreneurship and healthcare.

Rapid technological progress in emerging sectors such as clean and renewable technology, cloud computing and automation will also be pursued, leading to greater social and economic progress in both countries. The landmark deal will also unlock the potential of the south-south corridor and accelerate the shift towards a new global economic centre – the new Asian future.

The UAE and Indonesia launched CEPA negotiations in September 2021 under a shared vision to expand economic opportunities, drive the post-COVID recovery and mark a new phase of strategic cooperation. Deep business, cultural and diplomatic ties have anchored the mutually beneficial UAE-Indonesia partnership, with non-oil bilateral trade standing at US\$3 billion in 2021, up 62 percent from 2020 and 17 percent from 2019.

Both countries have continued to explore closer collaboration by working together on a wide range of strategic projects, including the world's biggest floating solar power plant. The UAE also pledged US\$10 billion to the new Indonesia Investment Authority, while the Indonesian government became the largest Sukuk issuer on Nasdaq Dubai in May 2019.

A diverse archipelago, Indonesia is Southeast Asia's largest economy with a population of more than 270 million people, making it the world's fourth-most-populous nation. Like the UAE, it enjoys an advantageous geographic position at the intersection of major trade routes that provide greater connectivity for the flow of people, goods and services.

The event included the signing of the following Memorandums of Understanding (MoU) and protocols:

- An MoU between the Ministry of Health and Prevention (MOHAP) and Indonesia's National Agency of Drug and Food Control to enhance their cooperation in drug and vaccine monitoring. The MoU was signed by Abdul Rahman bin Mohammad Al Owais, Minister of Health and Prevention; and Retno Marsudi, Minister of Foreign Affairs.

- The implementation of a joint project aimed at growing mangroves between the Ministry of Climate Change and Environment and the Coordinating Ministry for Maritime and Investment Affairs of Indonesia, which was signed by Mariam bint Mohammed Saeed Hareb Almheiri, Minister of Climate Change and the Environment; and Retno Marsudi, Minister of Foreign Affairs.

- A cooperation protocol between the Ministry of Defence and its Indonesian counterpart, signed by Mohammed bin Ahmed Al Bowardi, Minister of State for

Defence Affairs; and Prabowo Subianto, Minister of Defence of Indonesia.

- An MoU between the Mohamed bin Zayed University for Humanities and Nahdlatul Ulama University of Yogyakarta signed by Dr. Hamdan Musallam Al Mazrouei, Advisor at the Abu Dhabi Crown Prince's Court; and Yahya Cholil Staquf, Chairman of the Nahdlatul Ulama Association.

- A contract for the purchase of a landing platform between the Tawazun Economic Council and Indonesian company "SOE," which was signed by Tareq Abdul Raheem Al Hosani, CEO of Tawazun; and Kaharuddin Djeno, CEO of PT PAL.

The signing ceremony was attended by H.H. Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs; H.H. Sheikh Hamed bin Zayed Al Nahyan, Member of the Abu Dhabi Executive Council; H.H. Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation; Sheikh Mohammed bin Hamad bin Tahnoun Al Nahyan, Special Affairs Advisor at the Ministry of Presidential Affairs; Suhail Al Mazrouei, Minister of Energy and Infrastructure; Dr. Sultan bin Ahmed Al Jaber, Minister of Industry and Advanced Technology; Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade; Dr. Anwar bin Mohammed Gargash, Diplomatic Advisor to the UAE President, and several other officials.

The ceremony was also attended by the Indonesian delegation accompanying Widodo, including Erick Thohir, Indonesia's Minister of State Owned Enterprises; Pramono Anung, Cabinet Secretary; Bambang Susanto, Head of the Capital Authority of Nusantara; Ridha Wirakusumah, Indonesia Investment Authority's CEO; Husin Bagis, Indonesian Ambassador to the UAE, and several senior officials.

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