



FACT SHEET

November 19, 2011

**U.S. DEPARTMENT OF STATE
Office of the Spokesperson**

U.S.-Indonesia Trade and Investment Relationship

The United States is committed to expanding trade and investment ties with Indonesia through the U.S.-Indonesia Comprehensive Partnership and has witnessed measurable progress in the past year. Two-way goods trade grew to \$23.4 billion in 2010, and in the first half of 2011 U.S. goods exports to Indonesia expanded by 17 percent year-on-year while imports from Indonesia grew by 22 percent. Indonesia continues to be a top beneficiary of U.S. trade preferences extended under the Generalized System of Preferences, with \$1.9 billion worth of goods entering the U.S. market duty free under the program in 2010. The investment relationship is also gaining strength: in 2009, U.S. foreign direct investment (FDI) stock in Indonesia reached \$16 billion and Indonesian FDI in the United States was up 175 percent from 2008, totaling \$256 million.

INITIATIVES:

- **U.S. Exports and Investments in Indonesia:** The United States is a major supplier of aircraft and rail transport equipment as well as a wide range of equipment to develop Indonesia's energy sector. U.S. agricultural exports to Indonesia are on track to exceed \$3 billion in 2011, running 53 percent ahead of last year's pace. U.S. firms have stated their intention to open or reopen plants in Indonesia with a combined investment of over \$450 million.
- **U.S.-Indonesia Trade and Investment Dialogue:** Indonesia and the United States regularly engage on trade and investment issues through the U.S.-Indonesia Trade and Investment Framework Agreement (TIFA) to address market access restrictions in key sectors such as pharmaceuticals, agricultural products, and energy.
- **Commercial Dialogue:** On November 11, the United States and Indonesia launched the U.S.-Indonesia Commercial Dialogue which will focus on market development and trade facilitation to enhance the commercial relationship through private sector collaboration.

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Comprehensive Partnership

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- **U.S. Trade Missions and Reverse Trade Missions:** In April 2011, the U.S. Department of Commerce organized its largest ever education mission with participation from 56 U.S. universities and the U.S. Department of Agriculture led a trade mission during which 18 U.S. agribusinesses met over 100 Indonesian businesses. Indonesians also travelled to the United States on several Reverse Trade Missions, sponsored by the U.S. Trade and Development Agency (USTDA), including one that brought senior government officials to the United States to learn best practices to further develop Indonesia's geothermal sector and a reverse trade mission focused on aviation safety and air traffic management in Indonesia.
- **Entrepreneurship Support:** The United States affirmed its commitment to promoting entrepreneurship in Indonesia through a Global Entrepreneurship Program business plan competition involving 32 Indonesian start-ups and 11 leading U.S. entrepreneurs and investors, as well as support for the first-ever ASEAN Regional Entrepreneurship Summit, in July 2011, at which Secretary Clinton delivered remarks.
- **U.S. Support for Energy Investment in Indonesia:** The U.S.-Indonesia Energy Dialogue supported several events in 2011 to promote growth and investment in Indonesia's energy sector, including the USTDA geothermal power development training in six locations in Indonesia with a focus on clear and transparent tender processes. In May 2011, the U.S. Department of Energy hosted the U.S.-Indonesia Energy Investment Roundtable which provided a venue for senior officials from the two countries and the private sector to address areas of opportunity and improvement in energy investment.
- **OPIC Trade and Investment Conference:** Over 300 participants representing 22 countries and more than 100 U.S. companies attended the Overseas Private Investment Corporation (OPIC) international investment conference in Jakarta in May 2011. OPIC agreed to provide long-term financing for a \$21 million project to construct and operate a state-of-the-art rice milling facility in East Java province that will support more than 50,000 farming families in East Java.
- **U.S. Grant to PT Kereta Api Indonesia:** The U.S. Trade and Development Agency provided a technical assistance grant worth \$593,000 to PT Kereta Api Indonesia (PT KAI), the state owned railway operator, to develop a strategic plan to upgrade the PT KAI signaling and telecommunications network in September 2011.

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