

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **U.S. Trade Representative and Indonesia Trade Minister Meet to Discuss Trade and Investment Issues**

Bali, Indonesia - U.S. Trade Representative Susan C. Schwab met today with Indonesia's Minister of Trade Mari Pangestu to discuss the United States-Indonesia Trade and Investment Framework Agreement (TIFA). They also discussed ways to further build the U.S.-Indonesia economic relations and cooperation on regional issues and the WTO Doha Round negotiations.

“I am pleased with our plan to intensify our engagement on the most pressing issues in the bilateral relationship,” Ambassador Schwab said. “Indonesia is a key trading partner in a commercially and strategically significant region. I look forward to advancing our initiatives on investment, intellectual property, and goods and services which will benefit both economies.”

The two top trade officials also discussed the importance of the two nations' joint efforts to make progress in the World Trade Organization's Doha Development Agenda negotiations (Doha Round).

“Indonesia has the largest economy in Southeast Asia and it plays an important role in the Doha Round,” Schwab said. “We anticipate that Indonesia will make a significant contribution to a successful market-opening agreement.”

Ambassador Schwab and Minister Pangestu welcomed the progress being made in implementing the bilateral Memorandum of Understanding (MOU) on Combating Illegal Logging and Associated Trade.

They expressed satisfaction with the outcome of the fourth meeting of the working group on March 24-25 and reflected that the MOU is producing tangible results. These joint efforts are continuing, with additional meetings of the Working Group planned for later this year.

The meeting between Ambassador Schwab and Minister Pangestu capped two days of TIFA meetings between delegations from both countries. The meetings covered a wide range of issues, including investment, intellectual property rights, agriculture, industrial products, and the

transshipment of textiles and apparel. Investment was a major theme of the discussions with Indonesia reporting on recent changes to its investment regime and the United States seeking additional clarity on rules and conditions in key sectors.

Business representatives from the United States and Indonesia also met with the two trade leaders to exchange views on ways to expand and improve trade and investment links between the two countries.

## **Background**

Indonesia is currently the 29th largest trading partner of the United States. Trade between the two countries totaled \$18.5 billion last year. Two-way trade in services amounted to \$1.6 billion in 2006, the latest year where statistics were available. The stock of U.S. foreign direct investment in Indonesia was \$10.6 billion in 2006, an 11.6 percent increase from 2005.

The United States also meets regularly with the Association of Southeast Asian Nations (ASEAN) countries, of which Indonesia is a member, under the auspices of a Trade and Investment Framework Arrangement signed in August 2006. The Arrangement explores new ways to further enhance trade and investment relations in Southeast Asia, a commercially and strategically significant region for the United States. Other ASEAN members include Brunei Darussalam, Burma, Cambodia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam.

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