

The Indonesia-EU CEPA

What the Comprehensive Economic Partnership Agreement means for Swedish industry in Indonesia

Executive summary

What is CEPA?

The Indonesia–European Union Comprehensive Economic Partnership Agreement is a free trade agreement covering goods, services, investment, digital trade, public procurement, intellectual property, and sustainability. Negotiations began in July 2016 and were substantially concluded in Nusa Dua, Bali, on 23 September 2025. It is the most extensive trade agreement the European Union has concluded with a Southeast Asian economy. Because Sweden is an EU member state, Swedish exporters and Swedish-owned companies established in the Union are covered by it in full.

Where does it stand?

The agreement is not yet in force and confers no rights today. The European Commission submitted the CEPA and the accompanying Investment Protection Agreement to the Council for signature and conclusion on 29 June 2026. Indonesia's Minister of Trade has since put signature at late October 2026, to be followed by the consent of the European Parliament and ratification in Indonesia. On the European side both instruments are proposed for adoption by qualified majority in the Council with the consent of the Parliament, without ratification by national parliaments. The Indonesian government has indicated it will use a Presidential Regulation rather than a law, after consultation with the DPR, to shorten the domestic process. Entry into force is targeted for early 2027.

What should Swedish companies do now?

Three things, none of which require the agreement to be in force. First, identify the HS codes under which the company's goods enter Indonesia and establish the duty currently paid, which sets the size of the prize. Second, assess whether those goods will meet the agreement's rules of origin, since preference is claimed by the exporter and denied where origin cannot be substantiated. Third, review existing certification and type-approval costs against the agreement's provisions on accepting EU test reports, which for machinery, electronics, and vehicles may prove more valuable than the tariff savings themselves.

Fast facts

The figures below summarize the agreement's headline parameters and the current state of the bilateral relationship. Trade values are European Commission figures as presented by the National Board of Trade Sweden (Kommerskollegium) in October 2026.

Full name	Indonesia–European Union Comprehensive Economic Partnership Agreement (IEU-CEPA)
Negotiations	Launched July 2016; substantially concluded 23 September 2025, Nusa Dua, Bali
Current stage	Submitted by the European Commission to the Council on 29 June 2026 for signature and conclusion
Signature target	Late October 2026 (target)
Entry into force target	Early 2027
Tariff coverage	Over 98 percent of tariff lines eliminated; close to 100 percent of trade by value
Front-loading	80 percent of tariff lines liberalized at entry into force; 96 percent of trade after five years; remaining tariffs phased out over up to 15 years
Estimated duty saving	EUR 630–700 million a year for EU exporters, on the European Commission's estimate
Modeled effect	EU exports to Indonesia +EUR 6 billion; Indonesian exports to the EU +EUR 2,6 billion (European Commission)
EU–Indonesia goods trade	EUR 28,9 billion in 2025 (EU imports EUR 18,7 billion; EU exports EUR 10,2 billion)
Swedish exports to Indonesia	About SEK 5,1 billion in 2025, led by motor vehicles, pulp, chemicals, and paper (Kommerskollegium, preliminary analysis)

Companion agreement	Investment Protection Agreement (IPA), negotiated in parallel and proposed for signature and conclusion alongside the CEPA
EU tariff offer to Indonesia	90,4 percent of Indonesian tariff lines to zero at entry into force; a further 8,37 percent phased down or handled through tariff rate quotas
EU ratification route	Council decision by qualified majority and consent of the European Parliament; no member state ratification required
Last reviewed	19 October 2026

1. Where the agreement stands

CEPA has been described in the press at various points as agreed, concluded, and signed. The distinctions matter, because none of the agreement's provisions can be invoked until it enters into force. The table below sets out the sequence and marks the position at the date on the cover. It is the part of this fact sheet most likely to change between editions.

Step	Status	Date or target
Political agreement between the two presidents	Complete	13 July 2025
Substantial conclusion of negotiations	Complete	23 September 2025
Legal scrubbing and translation of texts	Complete	First half of 2026
Commission proposal to the Council for signature	Complete	29 June 2026
Council decision authorizing signature	Pending	Under the Irish Presidency, to 31 December 2026
Signature by both parties	Pending	Late October 2026 (target)

Step	Status	Date or target
European Parliament consent	Pending	After signature; Indonesian officials estimate about 90 days
Indonesian ratification (Presidential Regulation expected)	Pending	Second half of 2026 (target)
Indonesian implementing regulations (PP)	Pending	Before entry into force
Entry into force	Pending	Early 2027 (target)

1.1 The two ratification tracks

On the European side, the CEPA falls within exclusive Union competence. It requires a Council decision by qualified majority and the consent of the European Parliament; ratification by individual member state parliaments is not required. The Investment Protection Agreement has been handled differently from its predecessors. Comparable agreements with Singapore and Vietnam were concluded as mixed agreements requiring ratification by every member state, which took years. The Commission proposed the CEPA and the IPA together on 29 June 2026 for signature and conclusion, in both cases by qualified majority in the Council followed by the consent of the European Parliament, and reporting from Brussels indicates that ratification by national parliaments is not required for either instrument. If that holds, the IPA will be the first EU investment protection agreement concluded on that basis, and the two agreements will move on broadly the same timetable rather than years apart. Companies with investment protection exposure should nonetheless verify the position when the Council decisions are adopted rather than plan on it now.

The classification of both instruments is settled only when the Council adopts its decisions on signature and conclusion. This edition will be revised if the position changes.

On the Indonesian side, the Ministry of Trade has consulted the DPR and the government has signaled it will ratify by Presidential Regulation rather than by law, which is the faster of the two constitutionally available routes. Implementing Government Regulations will then be needed to give the tariff schedule and customs procedures domestic legal effect. In practice, the operative

date for a Swedish exporter is not the signature date but the date on which Indonesian customs begins accepting preferential claims.

1.2 Why the timetable is being pushed

Indonesia's access to the European Union's Generalised Scheme of Preferences is scheduled to lapse at the end of 2026. Indonesian officials have cited the resulting gap in market access as a reason to accelerate ratification. The point is relevant to Swedish companies principally as importers: firms sourcing furniture, textiles, footwear, or processed agricultural goods from Indonesia may face a period in which neither GSP nor CEPA preferences apply. Sourcing teams should confirm the duty position for the first quarter of 2027 rather than assume continuity. The Commission's modeling puts the largest gains in Indonesian exports to the EU in wearing apparel (EUR 780 million), leather (EUR 652 million), vegetable oils (EUR 512 million), and food products (EUR 198 million).

Three things to remember about the timetable

The agreement confers no rights before entry into force. Contracts and pricing that assume duty-free treatment in 2026 are premature.

Signature is not ratification. A late October 2026 signature, if it happens, is followed by European Parliament consent and Indonesian implementing regulations.

The CEPA and the Investment Protection Agreement are separate instruments. They are proposed for signature together, but each is concluded by its own decision, and neither confers rights until it is in force.

2. Tariffs: what changes for Swedish exporters

The agreement eliminates duties on over 98 percent of tariff lines and close to 100 percent of trade by value. Liberalization is front-loaded: 80 percent of tariff lines go to zero on the first day of application, and 96 percent of trade is covered once a five-year phase-out is complete; the remaining tariffs are phased out over up to 15 years. Indonesia will remove 98,5 percent of its tariffs on EU goods, cutting duties that average 10,2 percent (simple average) and reach 150 percent on individual lines, and the European Commission estimates that EU exporters will save EUR 630–700 million a year as a result. On the European side, most Indonesian goods will enter duty-free or at substantially reduced rates, with calibrated quotas retained for sensitive agricultural products and existing tariffs maintained on rice, sugar, and fresh bananas. The Coordinating Ministry for Economic Affairs puts the European offer at 90,4 percent of tariff lines going to zero at entry into force, with a further 8,37 percent phased down or handled through tariff rate quotas.

One figure is persistently misreported. The 98,5 percent headline is Indonesia's commitment on European goods, not the European Union's commitment on Indonesian goods, and it is regularly presented the other way round in trade press on both sides. The distinction matters to any company reading coverage to size its own duty position.

Indonesia's staging for the industrial categories that matter to Swedish exporters is set out below.

Category	Current Indonesian duty	Treatment under CEPA
Machinery and electrical equipment	About 15 percent (machinery); about 6 percent (electrical)	Mostly duty-free at entry into force; remainder after five years
Motor vehicles	Up to 50 percent	Mostly removed over five years
Pharmaceuticals	Up to 15 percent	Mostly duty-free at entry into force; remainder after three years
Chemicals	Up to 25 percent	Mostly duty-free at entry into force; remainder after five years
Processed foods	Up to 30 percent	Many eliminated at entry into force; others after short staging
Dairy products	Up to 10 percent	Mostly eliminated at entry into force
Meat products	5 to 20 percent	Mostly eliminated at entry into force

Three cautions apply to the table. First, the categories are descriptive. The binding obligations sit in Indonesia's tariff schedule (Appendix 2-A-2), which runs to about 500 pages of 8-digit HS codes and sets base rates at Indonesia's MFN duties in force on 1 January 2023. The staging category for a given product can differ from the category average, so line-level treatment should be read from the schedule itself or through the European Commission's Access2Markets tool. Second, the rates for pharmaceuticals and chemicals are the maximum rates given in the European Commission's factsheet; the Commission's modeled averages for the corresponding Swedish export categories are much lower, at 3,4 and 6,3 percent. Third, for the food categories

the duty is rarely the binding constraint. The Sanitary and Phytosanitary chapter reaffirms the principles of the WTO SPS Agreement and improves transparency, certification cooperation, and the handling of border checks, but establishment approval, import health certification, and halal obligations continue to determine whether processed food, dairy, and meat products may be placed on the Indonesian market at all.

Preferences are also not unconditional. The agreement preserves both parties' trade defense instruments — anti-dumping, anti-subsidy, and global safeguards — and adds a bilateral safeguard allowing temporary measures where a significant increase in preferential imports causes or threatens serious injury to domestic industry. A company building a supply position on CEPA rates should treat those instruments as live, particularly in sectors where producers on either side are already sensitive to import competition.

2.1 How the agreement maps onto Swedish exports

The European Commission's modeling puts the increase in EU exports to Indonesia at about EUR 6 billion and in EU GDP at EUR 16 billion; for Indonesia, exports to the EU rise by EUR 2,6 billion and GDP by EUR 27 billion. The largest gains in EU exports are in machinery (EUR 3,0 billion), motor vehicles (EUR 728 million), metals (EUR 498 million), chemicals (EUR 376 million), iron and steel (EUR 271 million), and electrical equipment (EUR 248 million), which are the categories in which Swedish exports to Indonesia are concentrated.

The National Board of Trade Sweden's preliminary analysis of 2025 trade shows Swedish goods exports to Indonesia concentrated in motor vehicles. Goods and special-purpose vehicles alone account for 32 percent, and together with road motor vehicles and parts the vehicle categories reach about 39 percent; the shares imply total goods exports of about SEK 5,1 billion. These are also the lines facing the highest Indonesian duties, at an average of 21,8 percent, and they are covered by the Automotive Annex. The composition is well aligned with the categories CEPA liberalizes, which suggests that the proportionate benefit to Swedish exporters may be higher than the EU average.

Swedish export category (SITC Rev. 4)	SEK million, 2025 (share, percent)	Average Indonesian tariff, percent, 2024 → 2042
Goods and special-purpose motor vehicles (782)	1 632 (32)	21,8 → 0
Pulp and waste paper (251)	611 (12)	—
Chemical materials and products, n.e.s. (59)	358 (7,0)	6,3 → 0,1

Swedish export category (SITC Rev. 4)	SEK million, 2025 (share, percent)	Average Indonesian tariff, percent, 2024 → 2042
Road motor vehicles, n.e.s. (783)	298 (5,8)	21,8 → 0
Paper and paperboard (641)	217 (4,2)	1,7 → 0
Medicinal and pharmaceutical products (54)	173 (3,4)	3,4 → 0,3
Professional, scientific, and controlling instruments (87)	130 (2,5)	–
Electrical apparatus for switching or protecting circuits (772)	101 (2,0)	6,4 → 0
Iron and steel (67)	97 (1,9)	11,3 → 0,2
Mechanical handling equipment and parts (744)	88 (1,7)	15,1 → 0,2
Engines and motors, non-electric (714)	c. 85 (1,7)	15,1 → 0,2
Electrical machinery and apparatus, n.e.s. (778)	78 (1,5)	6,4 → 0
Automatic data-processing machines (752)	73 (1,4)	3,0 → 0
Pumps, compressors, fans, and centrifuges (742, 743)	54 (1,1)	15,1 → 0,2
Machinery specialized for particular industries (728)	49 (1,0)	15,1 → 0,2
Parts and accessories of motor vehicles (784)	47 (0,9)	21,8 → 0

Swedish export category (SITC Rev. 4)	SEK million, 2025 (share, percent)	Average Indonesian tariff, percent, 2024 → 2042
Telecommunications equipment and parts (764)	31 (0,6)	6,4 → 0

The figures are from a preliminary analysis by the National Board of Trade Sweden, presented in October 2026, using SITC Rev. 4 categories. Tariffs are the European Commission's modeled average Indonesian rates for each category in 2024 and after full phase-out in 2042; a dash means the source gives no modeled rate. For engines and motors the source gives SEK 30 million, which matches neither its share of 1,7 percent nor its place in a table ranked by value; the value shown is derived from the share. SITC categories do not correspond line by line to the HS codes in the tariff schedule. The figures describe direct bilateral flows only. They understate Swedish commercial presence in Indonesia, since much of it operates through regional manufacturing, third-country entities, and local production, none of which appears in Sweden–Indonesia trade statistics.

3. Rules of origin and claiming preference

A tariff concession is worth nothing to a company that cannot demonstrate that its goods originate in the European Union. Rules of origin are the administrative core of any trade agreement, and for many exporters they are the point at which the theoretical saving is either captured or lost.

CEPA requires that products be either wholly obtained in one of the parties or have undergone sufficient processing there. Origin is documented by self-certification: the exporter makes an origin declaration rather than applying to an authority for a certificate. This is the modern EU standard and is designed to lower the administrative burden, particularly for smaller exporters. Verification works by the importing customs authority approaching the importer, with administrative cooperation between EU and Indonesian customs available where the matter is not resolved.

Self-certification transfers responsibility rather than removing it. The exporter must be able to substantiate the declaration on request, which means holding supplier declarations, bills of materials, and production records for at least four years (Article 3.21); importers must keep their own records for three years. Companies assembling in the European Union from significant volumes of third-country input should not assume qualification. This is the single most common source of retrospective duty assessment under EU trade agreements, and it typically surfaces years after the shipment.

Two mechanics of self-certification are easily missed. The first is registration. The statement on origin set out in Annex 3-C carries an exporter reference number assigned under Union law, the same model as in the EU–Japan agreement. For EU exporters that number is the Registered Exporter (REX) number, and under EU customs rules (Article 68 of Implementing Regulation (EU) 2015/2447) it is required for consignments above EUR 6 000; below that value any exporter may make out a statement on origin. Swedish exporters register through Tullverket. An unregistered Swedish company therefore cannot claim preference on a commercial-scale shipment from the first day of application, and registration is not instant.

The second is cumulation. Materials originating in any member state count as originating for the purposes of the agreement. A Swedish manufacturer assembling from German, Danish, or Polish inputs is not disadvantaged against one sourcing domestically, and should not count intra-EU content as third-country content when assessing qualification. Article 3.3 adds a wider form of cumulation on the Indonesian side only: once conditions on agreements and notifications are met, materials from Japan and the ASEAN member states count as Indonesian for the products listed in the product-specific rules. This bears on Swedish companies importing from Indonesia, not on EU exports.

The practical origin question

For each product line: what proportion of input value originates outside the European Union, and does the product still meet the applicable rule after processing in the Union?

Where the answer is uncertain, the assessment should be done before the agreement enters into force, not after the first claim is challenged.

SwedCham can connect members with customs and trade compliance specialists working in this area. It does not itself provide origin determinations.

4. Technical barriers: the chapter that may matter most

For Swedish industry, the Technical Barriers to Trade chapter is arguably more consequential than the tariff schedule. Certification and testing costs in Indonesia have been a persistent complaint of European manufacturers, who commonly hold EU or international certification and are then required to test again locally. The chapter addresses this directly.

4.1 Acceptance of EU certificates and test reports

For electronics, machinery, and energy-efficient products, Indonesia has agreed to accept certificates and test reports issued by accredited bodies established in the European Union. Where this operates as drafted, it removes the duplicate testing and re-certification that currently adds cost and lead time to Indonesian market entry. The commitment does not abolish



Indonesian certification requirements; it changes who may perform the underlying conformity assessment.

4.2 Labeling and regulatory predictability

The chapter prohibits fees or prior approval for labels, permits internationally accepted symbols and additional languages, and allows re-labeling inside Indonesian customs warehouses. Separately, both parties commit to a minimum sixty-day public comment period on new technical regulations and a minimum six-month interval between publication and entry into force. Both sides also commit to using international standards as the basis for technical regulations, which is intended to reduce the incidence of country-specific requirements that force product redesign.

4.3 The Automotive Annex

Vehicles are dealt with separately. Under the annex, Indonesia will accept EU vehicles certified under the UNECE 1958 framework, covering 86 UNECE regulations identified in the agreement, without additional testing or marking. Indonesia is to accede to the UNECE 1958 Agreement, and by 2033 at the latest will base its technical regulations, markings, and conformity assessment procedures on UNECE regulations. Compliance checking is limited to random sampling rather than systematic retesting. A dedicated Automotive Working Group will oversee implementation. For Swedish commercial vehicle and component manufacturers, this addresses a long-standing source of duplicated approval cost.

How this connects to SNI

The CEPA provisions on accepting EU test reports operate alongside Indonesia's SNI regime rather than replacing it. Mandatory SNI designation, the role of BSN and KAN, and the requirement for a local certificate holder are matters of Indonesian law and are unaffected.

What changes is the conformity assessment step: for the covered product groups, testing performed by an accredited EU body should no longer need to be repeated in Indonesia.

5. Services, investment, and digital trade

EU–Indonesia services trade was worth EUR 9,3 billion in 2024, of which EU exports accounted for EUR 5,8 billion and Indonesian exports for EUR 3,5 billion. EU foreign direct investment stock in Indonesia stood at EUR 24,7 billion in 2024, against Indonesian investment stock in the EU of EUR 1,3 billion. The agreement's services and investment provisions are structured around non-discrimination, licensing transparency, and the removal of specific restrictions rather than a general opening.



EU service suppliers and investors are guaranteed treatment no less favorable than their Indonesian counterparts in the sectors listed in the agreement. Licensing and qualification procedures are to be clear, fair, and timely. In certain sectors, EU suppliers will not be required to maintain a local presence in order to supply services. Both parties commit to refraining from restrictions on the number of operators and on transaction values in several sectors. Full foreign ownership is permitted in identified sectors including computer services and telecommunications. The investment chapter also limits performance requirements (Article 8.11). In the sectors Indonesia has scheduled, it may not require an EU-invested enterprise to reach a given level of domestic content or to buy locally, and may not make an advantage conditional on either. Indonesia has, however, reserved the right to keep existing measures that do not conform, with one carve-out. In the sectors marked LCR in its schedule (Annex 8-F), it may not require EU investors to achieve a given level of domestic content. They are pharmaceuticals; computer, electronic, and optical products; batteries and accumulators; motor vehicles, trailers, and semi-trailers; and power generation from renewable sources. EU investors in those sectors must meet applicable environmental and social governance requirements, and the commitment is open to review if EU investors do not use it. The article does not apply to government procurement. The sectors opened include financial services, postal services, telecommunications, maritime transport, and services related to manufacturing, mining, and renewable energy. The agreement also facilitates the temporary entry of specified categories of business visitors and service suppliers. That facilitation operates inside Indonesian immigration law rather than around it: it eases entry for defined categories and durations and does not replace the work permit and sponsorship requirements applying to anyone posted to Indonesia to work. Companies sending commissioning engineers, installers, and service technicians should plan on the existing regime.

The digital trade chapter sets rules allowing cross-border data flows, prohibits unjustified data localization requirements, bars customs duties on electronic transmissions, and prohibits forced transfer or disclosure of source code, subject to justified regulatory and enforcement access. Electronic contracts, authentication, and trust services are confirmed as legally valid. For Swedish software, engineering, and industrial technology firms, these provisions bear directly on how services can be delivered into Indonesia without establishing local infrastructure.

Investment protection proper sits in the separate Investment Protection Agreement, which covers expropriation, fair and equitable treatment, and denial of justice. At entry into force it provides for state-to-state dispute settlement only; the parties have committed to negotiate an investor-state mechanism within three years thereafter. Protection extends only to investments made in accordance with Indonesian domestic law.

6. Procurement, state enterprises, and raw materials

6.1 Government procurement

The agreement establishes procedural obligations rather than market access at entry into force. Tender procedures must be transparent, fair, and non-discriminatory; all calls for tender must be published in a single electronic portal; and EU businesses established in Indonesia must receive national treatment regardless of foreign ownership. EU companies also receive national treatment, irrespective of where they are established, for tenders funded by EU grants, loans, and other assistance instruments. Negotiations on procurement market access proper are to begin within five years of entry into force. Companies expecting CEPA to open Indonesian public tendering to European bidders should read this section carefully; that is a later negotiation, not a present entitlement.

6.2 State-owned enterprises

State-owned and state-controlled enterprises occupy a substantial part of the Indonesian economy, and the agreement addresses them explicitly. Covered enterprises must conduct commercial activities according to normal commercial considerations and must not discriminate against EU goods, services, or EU-invested companies. The definition captures state control exercised other than through direct ownership. The most significant central Indonesian state enterprises are covered at entry into force, with periodic reviews allowing the coverage to expand. Concerns can ultimately be raised under the agreement's dispute settlement mechanism.

6.3 Energy and raw materials

The Energy and Raw Materials chapter prohibits export monopolies for energy and raw materials, bans dual pricing whereby export prices are set above domestic prices, and limits unjustified government intervention in raw material price regulation. It requires transparency in licensing and authorization for hydrocarbons, electricity, and raw materials, and guarantees non-discriminatory access to the Indonesian grid for EU renewable energy suppliers. It also enables the waiver of local content restrictions for renewable energy investments — a provision of direct interest to Swedish companies in power systems, grid technology, and energy efficiency. With the performance requirements article in the investment chapter (section 5), it is one of the few places where the agreement touches local content.

7. What CEPA does not change

Expectations of the agreement are running ahead of its content in several areas. The following obligations are unaffected, and companies planning market entry on the assumption that CEPA removes them will be disappointed.

- Local content requirements. TKDN obligations under Indonesian law, and the BMP mechanism operating alongside them, are not removed by CEPA. TKDN continues to apply to sales to government and state-owned enterprises, and government procurement is outside the performance requirements article; sales to private buyers carry no TKDN requirement. The agreement's reach is narrower: in five sector groups marked LCR, Indonesia may no longer require EU investors to achieve a given level of domestic content (section 5), and the Energy and Raw Materials chapter enables waivers for renewable energy investments.
- Halal certification. Mandatory halal certification under Law No. 33 of 2014 and the BPJPH regime is untouched. Product scope, certification obligations, and staged deadlines continue to apply to imported goods on the same terms.
- Mandatory SNI scope. Which products require SNI certification remains a matter for the Ministry of Industry and BSN. CEPA addresses who may perform conformity assessment, not which products are in scope.
- Import licensing and the commodity balance. Import approval requirements, commodity balance allocation, and the associated INSW procedures are outside the agreement's tariff provisions.
- Product registration. BPOM registration for food, pharmaceuticals, cosmetics, and supplements, and SDPPI type approval for telecommunications equipment, continue to operate independently of tariff treatment.
- Work permits and expatriate employment. The RPTKA plan, the associated notification and levy, and the sponsorship requirement continue to apply. CEPA facilitates temporary entry for specified categories of business visitors and service suppliers; it does not create a right to work in Indonesia.
- Legal entity requirements. A company must still establish an appropriate Indonesian presence to import, distribute, or hold certification, subject to the Positive Investment List. CEPA improves treatment once established; it does not remove the requirement.

The practical consequence is that CEPA reduces the cost of getting goods across the border but does not simplify the regulatory work required to place them on the market. For most Swedish companies, the certification and registration burden will remain the larger part of the entry cost. The European Commission's own modeling points the same way: for the Swedish export categories where it gives an estimate, it puts the reduction in non-tariff trade costs at between 0,05 and 0,42 percent, against tariff cuts of up to 21,8 percentage points.

8. Sustainability, palm oil, and the EUDR interface

CEPA contains a Trade and Sustainable Growth and Development chapter with binding commitments enforceable through the agreement's dispute settlement mechanism, and trade measures available as a last resort. The Paris Agreement is an essential element of the agreement. Commitments cover multilateral environmental agreements, forest conservation,

biodiversity, illegal logging and associated trade, illegal and unregulated fishing, and core International Labour Organization principles. Civil society bodies on both sides are given a formal monitoring role through domestic advisory groups and a Civil Society Forum.

A separate Protocol on Supporting Sustainable Palm Oil establishes a dialogue platform on regulatory developments affecting the sector and a framework for cooperation on sustainability and trade facilitation in palm products. The protocol does not displace the EU Deforestation Regulation, which operates as autonomous EU law and applies to operators placing covered commodities on the EU market irrespective of any trade agreement. Swedish companies sourcing palm oil, timber, rubber, or other covered commodities from Indonesia should treat EUDR compliance as a separate obligation running on its own timetable.

The EUDR is not the only measure of this kind. The Carbon Border Adjustment Mechanism and the European Union's trade defense measures also operate as autonomous Union law on their own timetables and are untouched by CEPA. For a company importing Indonesian metals or fertilizers, the obligations arising under CBAM, and any anti-dumping or countervailing duty in force on the product, can exceed the tariff the agreement saves. The landed cost of an Indonesian input should be assessed across all three — the preferential tariff, trade defense measures, and CBAM — rather than from the tariff schedule alone.

Zero tariffs apply from the first day of application to environmental goods, and services and investment sectors relevant to the green transition, including renewable energy and energy-efficient products, are liberalized at that point.

9. What to do before entry into force

The preparation that determines whether a company captures the benefit of the agreement is largely administrative and can be completed before the agreement applies. The steps below apply to companies exporting to Indonesia from the European Union, to companies already established in Indonesia, and to companies sourcing Indonesian inputs.

Checklist

1. Establish the HS codes under which your products enter Indonesia, and the duty currently paid on each. This quantifies the benefit and identifies which lines justify further work. The European Commission's Access2Markets tool shows tariffs and rules of origin by product.
2. Assess origin qualification for each product line, including the share of non-EU input value and whether processing in the Union is sufficient under the applicable rule.
3. Put origin record-keeping in place: supplier declarations, bills of materials, and production records retained for at least four years.

4. Establish how your company will make out statements on origin, including whether registration in the Registered Exporter database is required at the consignment values you ship, and begin that registration if it is.
5. Review current Indonesian certification and testing costs against the provisions on accepting EU accredited body test reports, and identify where duplicate testing can be dropped.
6. For vehicles and components, map current Indonesian approval requirements against the 86 UNECE regulations listed in the Automotive Annex.
7. Confirm which of your obligations are unaffected — TKDN, halal, mandatory SNI, import licensing, BPOM or SDPPI registration — so that entry planning is not built on the assumption that CEPA removes them.
8. If you post staff to Indonesia, separate what the mobility provisions cover from what the work permit regime requires, and resource against the latter.
9. If sourcing from Indonesia, confirm the duty position for the first half of 2027, given that GSP access lapses at the end of 2026 and CEPA preferences may not yet apply.
10. Brief commercial teams that pricing and contracts should not assume preferential treatment until entry into force is confirmed.

Common pitfalls

The errors below have recurred in European companies' handling of comparable EU trade agreements and are already visible in commentary on CEPA.

- Treating signature as entry into force, which leads to pricing and tender commitments made on duty rates that do not yet apply.
- Assuming category-level tariff descriptions apply to a specific product, when staging is set line by line in the schedules and can differ materially from the category average.
- Self-certifying origin without the underlying documentation, which exposes the company to retrospective duty assessment and penalties years after the shipment.
- Reading the agreement as removing TKDN, halal, or SNI obligations, which results in market entry plans that understate the regulatory work required.
- Reading the mobility provisions as removing the need for work permits, which leaves projects short of authorized staff at the point of commissioning.
- Expecting the government procurement chapter to open Indonesian public tendering, when market access negotiations only begin five years after entry into force.
- Conflating the CEPA and the Investment Protection Agreement, which are separate instruments concluded by separate decisions even though they were proposed together.

Sources and further reading

This edition draws on official European Commission and Indonesian government material, the published text of the origin and investment chapters, and an October 2026 presentation by the National Board of Trade Sweden, supplemented by Indonesian trade press reporting on the domestic ratification process. Trade statistics are as reported by the sources named.

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- European Commission — Commission presents Council with ambitious Indonesia agreements, 29 June 2026
- European External Action Service, Delegation to Indonesia and Brunei Darussalam — EU and Indonesia conclude negotiations on IEU-CEPA, 23 September 2025
- Coordinating Ministry for Economic Affairs, Republic of Indonesia — statements on the ratification timetable and mechanism, and briefing to EU ambassadors on implementation, August 2026
- National Board of Trade Sweden (Kommerskollegium) — Making sure CEPA delivers for Sweden–Indonesia trade and investment, presentation by Hannes Berggren, 16 October 2026
- European Commission — Access2Markets, including the Indonesian tariff schedule (Appendix 2-A-2)
- Council of the European Union — Proposal for a Council Decision on the signing of the EU–Indonesia CEPA: agreement text (document 11304/26 ADD 1) and Annex 8-F, Schedule of Specific Commitments on Liberalisation of Investment – Indonesia (document 11304/26 ADD 8)
- European Commission — Proposal for a Council Decision on the signing of the CEPA, rules of origin annexes 3-A to 3-C (Council document 11304/26 ADD 7)
- European Commission, DG TAXUD — Guidance on statements on origin under the EU–Japan Economic Partnership Agreement
- EuroCham Indonesia — Position Paper 2025, Market Access
- European Commission, Directorate-General for Trade and Economic Security — Factsheet: EU-Indonesia Comprehensive Economic Partnership Agreement, main benefits
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- ANTARA — statements by the Coordinating Ministry and the Minister of Trade on tariff staging and signature timing, 4 September 2026



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Fact Sheets

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The information in this fact sheet is general in nature and reflects the position at the date shown on the cover, at which point the agreement described was not in force.

Companies should seek professional advice before acting on it. All are welcome to share information from SwedCham publications; a reference to SwedCham Indonesia is appreciated.

Appendix A — Non-tariff barriers and what CEPA does about them

Tariffs are the visible cost of trading with Indonesia and rarely the largest one. The barriers that European companies most often cite are administrative: certification, licensing, quota allocation, and the pace at which regulations change. The table below lists the measures documented in EuroCham Indonesia's Market Access position papers for 2024 and 2025, together with an assessment of whether CEPA affects each of them. Assessments are based on the chapter summaries published by the European Commission and should be reviewed against the consolidated legal text when it is available.

Three verdicts are used. Addressed means the agreement contains a commitment that operates directly on the barrier. Partly addressed means it changes one element while leaving the underlying requirement in place. Not addressed means the agreement is silent.

A.1 Standards and conformity assessment

Barrier	Governing instrument	Effect of CEPA
Mandatory SNI certification	Mol Reg. No. 45 of 2022; GR No. 28 of 2021 as amended by No. 46 of 2023	Partly addressed — the scope of mandatory SNI is unchanged, but for electronics, machinery, and energy-efficient products, certificates and test reports from EU-accredited bodies are to be accepted
Duplicate testing of products already certified in the EU	Practice under Mol Reg. No. 45 of 2022	Addressed for the covered product groups; removed where EU accredited body reports are accepted
Limited number of designated certification bodies for imported goods	Ministerial decrees designating Balai Besar Standardisasi	Partly addressed — acceptance of EU bodies reduces dependence on Indonesian certification capacity; the designation regime itself is unchanged
Local certificate holder and representative office requirement for overseas manufacturers	Article 34, Mol Reg. No. 45 of 2022	Not addressed

Barrier	Governing instrument	Effect of CEPA
Mandatory trademark registration for OEM and maklon arrangements	MoI Reg. No. 45 of 2022	Not addressed — the intellectual property chapter strengthens trademark protection but does not remove the registration requirement
Document legalization requirement conflicting with the Apostille Convention	Presidential Regulation No. 2 of 2021 against MoI technical regulations	Not addressed directly — the transparency and good regulatory practice chapters provide a channel to raise it
Vehicle type approval, testing, and marking	Indonesian automotive technical regulations	Addressed — 86 UNECE regulations recognized, Indonesian accession to UNECE 1958, and compliance checking limited to random sampling
Label approval requirements and language restrictions	Sectoral labeling regulations	Addressed — fees and prior approval for labels prohibited; international symbols and additional languages permitted; re-labeling allowed in customs warehouses

A.2 Import administration

Barrier	Governing instrument	Effect of CEPA
Import licensing and Import Approval (PI)	MoT Reg. No. 16 of 2025	Not addressed — customs provisions improve transparency and prior consultation, but the licensing regime remains
Technical considerations from the Ministry of Industry and Surveyor Reports	Sectoral import regulations	Not addressed

Barrier	Governing instrument	Effect of CEPA
Commodity balance quota allocation and its opacity	Presidential Regulation No. 7 of 2025	Not addressed
HS code classification ambiguity for goods with multiple uses	Annexes to MoT Reg. No. 16 of 2025	Partly addressed — the customs chapter commits both parties to rules on classification and valuation and to consulting business before adopting new customs legislation
Customs delays and detention of goods pending licenses	Administrative practice	Partly addressed — the customs and trade facilitation chapter consolidates and in places extends the WTO Trade Facilitation Agreement
Duplicated data submission across INSW and SIINas	Platform design	Not addressed

A.3 Local content and public procurement

Barrier	Governing instrument	Effect of CEPA
TKDN and BMP local content thresholds	Presidential Regulation No. 46 of 2025; MoI Reg. No. 35 of 2025	Partly addressed — the performance requirements article excludes government procurement, where TKDN mainly operates; in sectors marked LCR in Indonesia's schedule (pharmaceuticals, electronics, batteries, motor vehicles, renewable power generation), Indonesia may not require EU investors to achieve a given level of domestic content; local content restrictions may also be waived for renewable energy investments

Barrier	Governing instrument	Effect of CEPA
Access to Indonesian public tenders	Indonesian procurement law	Partly addressed — procedural guarantees, a single electronic tender portal, and national treatment for EU businesses established in Indonesia at entry into force; market access negotiations begin within five years
Preferential treatment of state-owned enterprises	Various	Partly addressed — covered enterprises must act on normal commercial considerations and must not discriminate; coverage expands through periodic review

A.4 Product registration

Barrier	Governing instrument	Effect of CEPA
Mandatory halal certification	Law No. 33 of 2014; BPJPH regime	Not addressed
BPOM registration for food, pharmaceuticals, cosmetics, and supplements	BPOM regulations	Not addressed
SDPPI type approval for telecommunications equipment	SDPPI regulations	Not addressed

Barrier	Governing instrument	Effect of CEPA
Establishment approval and import health certification for animal and plant products	Sectoral SPS regulations	Partly addressed — the SPS chapter reaffirms WTO principles and improves transparency, certification cooperation, and the handling of border checks; the approval and certification requirements themselves remain

A.5 Regulatory process, services, and raw materials

Barrier	Governing instrument	Effect of CEPA
Short or absent notice before new technical regulations take effect	Administrative practice	Addressed — minimum sixty-day comment period and minimum six-month interval between publication and entry into force
Country-specific standards diverging from international ones	Administrative practice	Partly addressed — both parties commit to using international standards as the basis for technical regulations
Data localization requirements	Sectoral regulations	Addressed — unjustified localization requirements prohibited
Local presence requirements for service suppliers	Sectoral licensing rules	Partly addressed — removed in certain sectors identified in the agreement
Foreign ownership caps in services	Positive Investment List	Partly addressed — full foreign ownership permitted in identified sectors including computer services and telecommunications

Barrier	Governing instrument	Effect of CEPA
Export restrictions and dual pricing on raw materials	Various	Addressed — export monopolies for energy and raw materials prohibited, and dual pricing banned
Grid access for foreign renewable energy suppliers	Electricity sector regulations	Addressed — non-discriminatory access to the Indonesian grid guaranteed
Work permit and expatriate employment requirements	RPTKA and sponsorship rules	Partly addressed — temporary entry is facilitated for specified categories of business visitors and service suppliers; the work permit regime itself is unchanged

Reading the appendix

The pattern is consistent. CEPA is strongest on conformity assessment, regulatory transparency, and raw materials, and weakest on import licensing, quota allocation, local content, and product registration.

That is where the remaining advocacy work sits. Barriers marked not addressed are the agenda for the EuroCham working groups and for the mechanisms set out in Appendix B, rather than problems the agreement solves.

Appendix B — Mechanisms companies and the chamber can use

Trade agreements are usually read as schedules of concessions. They also create standing procedures — comment periods, contact points, working groups, and consultative bodies — that give companies and business organizations a formal channel into the other party's regulatory process. These are among the least used provisions of EU trade agreements, largely because their existence is not widely known. The table below sets out the mechanisms CEPA establishes and what each one is good for.

Two qualifications apply throughout. Apart from the EU's Single Entry Point, none of these mechanisms operates before entry into force. And companies are not parties to the agreement: with the exception of comment periods and enquiry points, access is generally indirect, through the European Commission, the EU Delegation in Jakarta, a business organization, or a domestic advisory group.

B.1 Transparency and the regulatory process

Mechanism	What it provides	How it can be used
Public comment period on technical regulations	A minimum of sixty days to comment on any new technical regulation	Submit written comment on draft Indonesian technical regulations affecting your products, directly or through a business organization
Minimum implementation interval	At least six months between publication of a regulation and its entry into force	Basis for objecting where a shorter window is imposed, and for planning production and certification changes
Annual list of planned regulations	Both parties publish a forward list of major planned regulations with purpose and timelines	Early sight of regulatory change, allowing advocacy before a draft is fixed rather than after
Online regulatory register	A searchable public register of all regulations in force	Verification of the instruments applying to a product without relying on secondary sources

Mechanism	What it provides	How it can be used
Enquiry points	An obligation to respond to enquiries from the public on existing and planned regulations	Written questions on interpretation, with a documented answer
Administrative review rights	Timely notice of proceedings, the right to present facts before a decision, and an impartial appeal route	Contesting an adverse customs, licensing, or certification decision
Regulatory impact assessment	Assessments of social, economic, environmental, trade, and investment impacts, published	Evidence base for arguing that a measure imposes disproportionate cost on importers

B.2 Sector and technical channels

Mechanism	What it provides	How it can be used
TBT chapter coordinators	Named contacts on each side for technical and administrative issues, with fast-tracked resolution	Escalating a certification or conformity assessment problem that is not moving through normal channels
Automotive Working Group	A standing forum overseeing implementation of the Automotive Annex	Raising type approval, marking, and UNECE recognition issues in the vehicle sector
Consultation before new customs legislation	A commitment to consult the business community before adopting customs measures	Input on classification, valuation, and procedural changes before they take effect

Mechanism	What it provides	How it can be used
SME contact points and information platform	Contact points on both sides and a single digital platform on doing business in the other market	A first reference for smaller members without in-house trade compliance capacity
Single electronic tender portal	Publication of all Indonesian calls for tender in one place	Systematic identification of public procurement opportunities
Subsidies consultation mechanism	Transparency on subsidies and a route to raise concerns where one is likely to affect trade	Where a subsidy to a domestic competitor distorts a market a member serves
State-owned enterprise consultation	Information exchange and technical consultation on the commercial conduct of covered enterprises	Raising discrimination by a state enterprise before it becomes a formal dispute
Raw materials transparency mechanism	Bilateral exchange where government intervention affects raw material pricing	Relevant to companies exposed to Indonesian mineral and energy input costs
Palm oil dialogue platform	A standing forum on regulatory developments affecting the palm oil sector	Relevant to members sourcing palm products, alongside separate EUDR obligations
Single Entry Point (EU)	A European Commission channel, reached through Access2Markets, for reporting trade barriers and problems with the implementation of EU trade agreements	Reporting a barrier directly to the Commission; open now, before entry into force

B.3 Structural bodies

Mechanism	What it provides	How it can be used
Bilateral dialogue mechanism	A dedicated channel for improving mutual understanding of each side's regulatory framework	Structural issues that cut across chapters rather than a single product problem
Domestic advisory groups	Independent civil society bodies, explicitly including business and employers' organizations, advising each party on implementation	The most direct standing route for a chamber to feed member experience into implementation
Civil Society Forum	A joint forum bringing both sides' civil society together with government representatives	Public airing of implementation concerns, including sustainability and labor questions
Dispute settlement	A state-to-state mechanism with independent panels, short deadlines, and published decisions	Available only between the parties; companies raise matters through the European Commission

What this means for SwedCham

The domestic advisory groups are the mechanism of most institutional relevance. They are constituted from independent civil society organizations including business and employers' organizations, which puts documented member experience directly into the implementation process.

The comment periods and forward regulatory lists change the timing of advocacy: sixty days on a draft, and an annual list of planned measures, allow positions to be prepared before a regulation is settled rather than contested afterwards. SwedCham's role is to gather and channel member experience, and to connect members to the specialists and institutions equipped to act on it. On the Swedish side, the National Board of Trade Sweden (Kommerskollegium) follows implementation and supports Indonesian authorities on technical regulation, regulatory impact assessment, and trade agreement implementation, which makes it a counterpart for implementation issues members raise.



Appendix C — Glossary

The terms below recur in CEPA commentary and in the related Indonesian regulatory regimes.

BPJPH	Badan Penyelenggara Jaminan Produk Halal — Indonesia's halal product assurance agency
BPOM	Badan Pengawas Obat dan Makanan — Indonesia's food and drug authority
BSN	Badan Standardisasi Nasional — Indonesia's national standardization agency
CBAM	Carbon Border Adjustment Mechanism — autonomous EU law on the carbon content of certain imports
CEPA	Comprehensive Economic Partnership Agreement
DPR	Dewan Perwakilan Rakyat — Indonesia's House of Representatives
EUDR	EU Deforestation Regulation — autonomous EU law on deforestation-free supply chains
GSP	Generalised Scheme of Preferences — EU unilateral tariff preferences for developing economies
HS code	Harmonized System code — the international product classification on which tariffs are set
IPA	Investment Protection Agreement — negotiated in parallel with CEPA and concluded by a separate decision
MFN	Most-favored-nation — the duty a country applies to imports from all WTO members without a preferential agreement
Perpres	Peraturan Presiden — Presidential Regulation
PP	Peraturan Pemerintah — Government Regulation, used for implementing measures

REX	Registered Exporter — the EU database in which exporters register to make out statements on origin
RPTKA	Rencana Penggunaan Tenaga Kerja Asing — the Indonesian foreign worker utilization plan
Rules of origin	The criteria determining whether a product qualifies as originating and may claim preference
SDPPI	Directorate General of Resources and Equipment for Post and Information Technology — telecommunications type approval
SITC	Standard International Trade Classification — the United Nations product classification used in the National Board of Trade Sweden analysis
SNI	Standar Nasional Indonesia — Indonesian national standard
SPS	Sanitary and phytosanitary — measures covering food safety and animal and plant health
TBT	Technical Barriers to Trade
TKDN	Tingkat Komponen Dalam Negeri — Indonesian local content level
UNECE 1958	The United Nations agreement on harmonized vehicle technical regulations and mutual recognition of approvals