

**First Session of the Committee on Trade, Investment, Enterprise and Business
Innovation (CTIEBI-1)
Bangkok and online, 22 – 24 February 2023**

**Indonesia – Statement on Agenda Item 2: Making trade in Asia and the Pacific
more competitive, sustainable and inclusive**

Thank you, Mr. Chairman

Distinguished ESCAP Member Delegates,

Good afternoon

- 1. It is a great honor for me to be here today to attend the First Session of the Committee on Trade, Investment, Enterprise and Business Innovation. Let me start by wishing that all ESCAP members and their families are healthy and coping well in this time of post pandemic era.*
- 2. The Indonesian Delegation also would like to convey our gratitude to the ESCAP Secretariat to arrange this important meeting with the present document and provide guidance on the future direction of the work of this Committee. Hopefully we can get many insights from all members to boost trade and investment in the Asia Pacific.*

Mr. Chairman and Distinguished Delegates,

- 3. I believe we share the same understanding that trade digitalization plays an important role in mitigating economic losses from the COVID-19 and encourages post-pandemic economic recovery.*
- 4. Like many other countries, micro small and medium-sized enterprises (MSMEs) play an important role in Indonesia economic development. It contributes to 60.5% Indonesia's economic structure and absorb 96.9% of the total domestic employment. So, it is only natural that digital transformation of Indonesia is centered on empowering MSMEs to onboard into digital ecosystem.*
- 5. The trade digitalization program aims as many as 1 million MSMEs that consists of 250 thousand merchants in traditional market and 750 thousand merchants in non-traditional market. The digitalization program promotes utilization of digital platforms for transactions and payments. In this regard, the Government have been working hand-in-hand with academics, private sectors, and other related stakeholders, to accelerate digital transformation in an inclusive and sustainable manner.*
- 6. The digitalization program covers a number of initiatives, among of them are: non-cash transaction programs with Bank Indonesia, namely S.I.A.P (Healthy, Innovative, and Secure) and QRIS (Quick Response Code Indonesian Standard);*

marketplace and ride hailing utilization through Tokopedia and Grab; the development of Trade Facility Information System (SISP) to monitor the information on price and market turnover; Staple Needs Market Monitoring System (SP2KP) to monitor the price movement of staple goods; and many others.

7. The Government also provide an online platform for MSMEs to showcase their products, namely: www.portal-indonesia.id. The MSMEs can also utilize 46 Trade Representative Offices of the Ministry of Trade that available abroad, to facilitate marketing and export promotion activities. Indonesia has signed and implemented a number of free trade agreements with countries or regions around the world and therefore, encourage the MSMEs to maximize the opportunity of preferential access to overseas markets.

Mr. Chairman and Distinguished Delegates,

8. Indonesia is of the view that policy coherence between trade, investment, and industrial areas will be the key to sustainable and inclusive global economic recovery. Seamless flow of FDI to developing countries and LDCs will play an important role in bringing in technology, jobs, and finance.
9. In order to increase investment, the Indonesian government has taken several actions to strengthen international investment flows by increasing the transparency and predictability of investment policies, namely through simplifying and accelerating investment requirements procedures, as well as increasing international cooperation in the investment sector.

Mr. Chairman and Distinguished Delegates,

10. What we sometimes still talk about as the “new” or “future” economy is actually the economy we have now. It is an increasingly digital and digitalized economy, which continues to grow and evolve.
11. Digitalization also supports the global supply and value chains through convergent progress on digital trade facilitation which contributes to wider market access, reducing trade costs, ensuring the continuity of trade flows and eventually increasing opportunities for companies, especially MSMEs, to integrate to global markets.
12. That is why we must approach digital trade policy with thoughtfulness, so we must pursue an inclusive, sustainable policy that advances the quality of life of human beings. The policies we develop must be calibrated with our broader agenda. In addition, we have to maintain the adaptability in our digital trade policies so that they remain resilient and long-lasting.
13. I also believe that our approach to digital trade policy must be grounded in how it affects our people and our society. We must remember that people are more than just page views, clicks, and subjects of surveillance. They are content

creators, workers, inventors, and entrepreneurs that must be protected – both by government policy and through arrangements with other governments.

14. *In this regard, we encourage the Secretariat to move forward to respond to the shifting priorities of member States in the area of trade and investment, which include unlocking digital trade and MSME potential, sustainable intraregional trade and value chain, as well as principles for investment policymaking.*

Mr. Chairman and Distinguished Delegates,

15. *Indonesia will continue to enhance cooperation with ESCAP and Members to be able to take advantage of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (FA-PT). We believe that this framework agreement can increase paperless trade among member countries. Indonesia plans to participate in the FA-PT, and currently under the national consultation stage to discuss possible access to the FA-PT.*
16. *With regard to the application of paperless trade in Indonesia, currently there is the Indonesia National Single Window (INSW), where as much as 98% of Indonesia's export-import activities have been carried out through the INSW. The implementation of the INSW is in line with Indonesia's commitment to the WTO Trade Facilitation Agreement and also the FA-PT.*
17. *We believe that to increasing trade in Asia Pacific that is stronger, more sustainable and inclusive can be achieved by ensuring that everyone get the benefits from trade and investment, of course not limited to industry, agriculture, services and other sectors. In this case, we support ESCAP to take advantage of regional connectivity by continuing to improve infrastructure to support sustainable economic development.*
18. *Indonesia welcomes the work "Towards a model chapter on trade in crisis situations in regional trade agreements". This is an increasingly important subject to minimize the impacts of trade disruption and promote coordination in times of crisis. It is timely for us to recall that member countries are at varying degrees of development with differing systems and settings. Thus, the Model Chapter being developed should be treated as a reference, not an obligation, for Member countries to consider in trade negotiation.*
19. *This is not to say that we have objection to the issues of trade in crisis situations in regional trade agreements. In fact, we all work together to oversee coordination and cooperation efforts to minimize the impacts of trade disruption in crisis situations. We only need to be mindful that we live on different systems of legislation, of consulting public, as such that we could only take the Model Chapter as a reference of best practices.*

I thank you, Mr. Chairman.