

Indonesia – Australia Comprehensive Partnership Agreement (IA-CEPA): Outcome for Vegetable Industry

VegExportNotes are designed by AUSVEG specifically for levy-paying vegetable growers to enhance industry trade knowledge. The content provided in VegExportNotes is based on the best available information at the time of publishing.



The Indonesia Australia – Comprehensive Economic Partnership Agreement (IA-CEPA) creates the framework for a new era of closer economic engagement between Australia and Indonesia, which should improve two-way trade between the two countries and provides opportunities for Australia's fresh vegetable exporters. The IA-CEPA entered into force on 5 July 2020. For detailed information and the text of the Agreement, visit the Department of Foreign Affairs and Trade [FTA Portal](#).

Key Outcomes for The Vegetable Industry



Carrots – Tariff-rate quota of 5,000 tonnes per year at an in-quota tariff rate of 10%, growing to 10,000t per year after 10 years; with a decreasing tariff schedule during this time to 5% at Year 6 (2025) of the Agreement. Carrots will be tariff free from Year 11 (2030) of the Agreement. Starting in Year 16 (2035) of the Agreement, no TRQ or tariff shall be imposed.



Potatoes – Tariff-rate quota of 10,000 tonnes per year at an in-quota tariff rate of 10%, growing to 12,500t per year after five years; with a decreasing tariff schedule during this time to 5% at Year 6 (2025) of the Agreement. At Year 11 (2030) of the Agreement, the quantity shall increase at a compounded annual growth rate of 2.5 per cent.

How to access quota

To export carrots or potatoes to Indonesia, growers must apply for quota to the Department of Agriculture, Water and the Environment Quota Administration Unit before 18 November each year. Further information and application form is available on the department's website – www.agriculture.gov.au/export/from-australia/quota/vegetables.

Australia's Fresh Vegetable Exports to Indonesia

Overview

Australia is an important supplier of fresh vegetables to Indonesia. In 2019, Australia exported an approximately \$5.1 million worth of fresh vegetables to Indonesia at 3,700 tonnes. Indonesia has been in the top ten export destinations for Australian vegetable industry in recent years.

Implementation of IA-CEPA should lead to an anticipate increase in trade of over AUD\$15 million in annual exports. This represents an increase of over 300 per cent on 2019 trade values of fresh vegetables to Indonesia from the first year of the Agreement.

Market Channels

Indonesia is the largest island nation in the world, with a population of 268 million spread across 17,508 islands. Indonesia's food service sector ranges from high end fine dining in resorts and hotels to street stalls. The key players in Indonesia's retail sector include:



Growers with questions regarding how to access IA-CEPA are encouraged to contact the AUSVEG Export Team via 03 9882 0277 or export@ausveg.com.au.

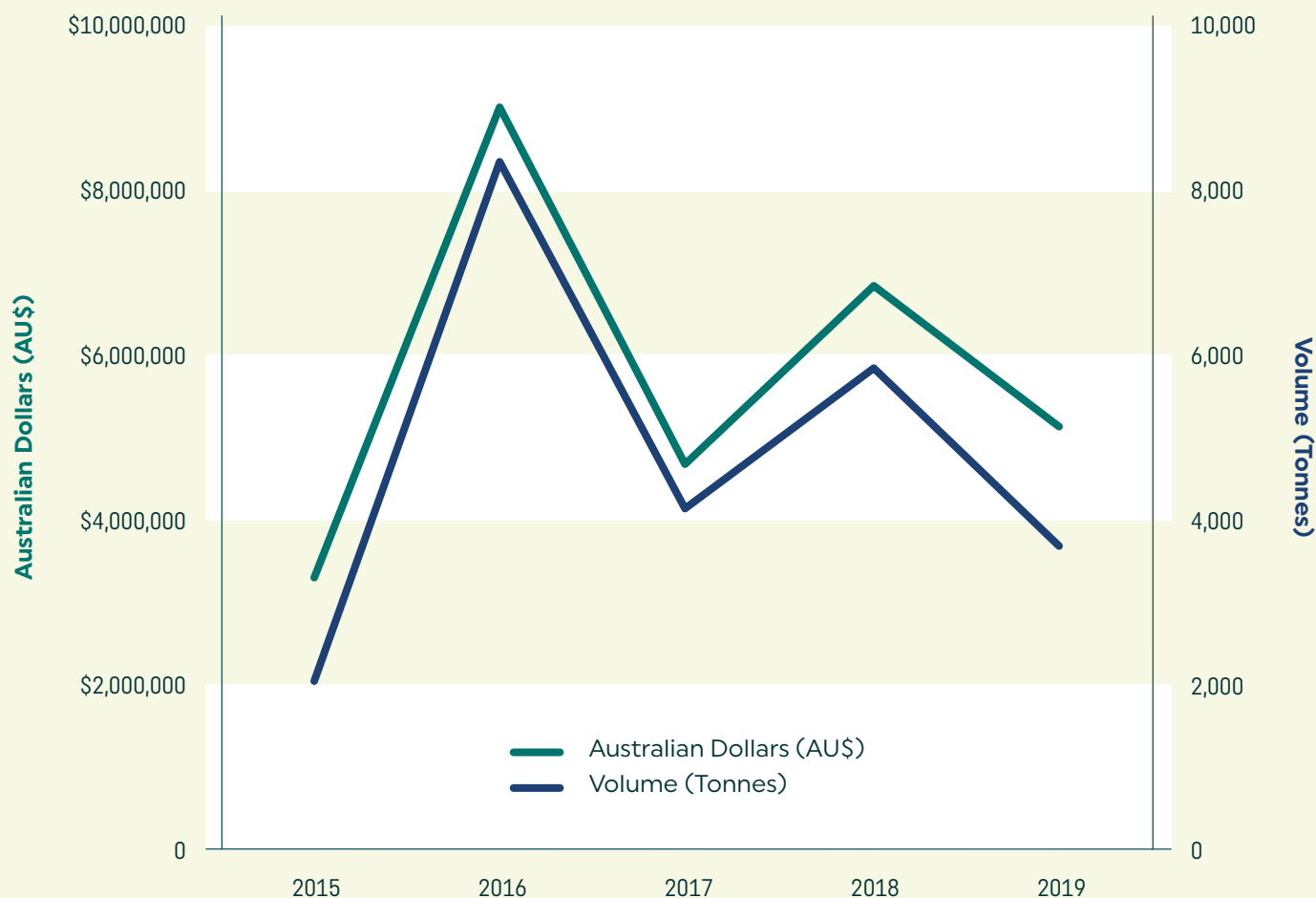
Australian Fresh Vegetable Exports Indonesia by Value (AUD\$)

	2015	2016	2017	2018	2019
Potatoes	\$970,538	\$3,846,691	\$2,742,517	\$4,596,823	\$1,800,505
Onions	\$39,138	\$185,849	\$267,845	\$670,077	\$1,300,882
Celery	\$69,114	\$171,876	\$94,959	\$99,737	\$572,577
Cabbages, Cauliflower & Broccoli	\$374,995	\$731,455	\$467,226	\$482,398	\$458,631
Lettuce	\$549,944	\$593,197	\$525,183	\$474,171	\$444,888
Pumpkins	\$151,533	\$213,277	\$103,970	\$69,556	\$159,099
Spinach	\$82,986	\$80,250	\$93,231	\$91,206	\$130,923
Tomatoes	\$200,077	\$259,466	\$184,092	\$209,316	\$118,557
Vegetables (Other)	\$218,171	\$202,607	\$130,412	\$101,056	\$111,886
Carrots	\$705,530	\$2,679,760	\$65,395	\$22,426	\$16,346
Asparagus	\$4,431	\$5,903	\$11,228	\$14,015	\$7,624
Globe Artichokes	\$3,127	\$1,125	\$4,986	\$4,022	\$4,457
Total	\$3,369,914	\$8,971,502	\$4,691,044	\$6,834,803	\$5,126,375

Australian Fresh Vegetable Exports Indonesia by Volume (Tonnes)

	2015	2016	2017	2018	2019
Potatoes	1,387	5,136	3,429	4,517	1,893
Onions	11	244	346	920	1,351
Celery	31	89	55	58	223
Cabbages, Cauliflower & Broccoli	93	203	122	125	104
Lettuce	192	168	102	89	78
Pumpkins	67	119	53	32	14
Spinach	14	13	15	14	19
Tomatoes	29	39	25	30	16
Vegetables (Other)	45	25	15	13	16
Carrots	232	2,266	5	4	3
Asparagus	0	1	1	2	1
Globe Artichokes	0	0	1	1	1
Total	2,102	8,303	4,167	5,803	3,719

Australian Fresh Vegetable Exports Indonesia by Value and Volume



Source: Global Trade Atlas 2020