

## Executive Summary on Food and Beverages Sector

Indonesia, as the fourth most populous country in the world with a population of 235 million people, is a very large market for food and beverage products. The food and beverages industry is one of the industrial development priorities set by the Indonesian government and it is still promising for both domestic manufacturers and importers or suppliers of processing equipment and (semi-)finished products. The sector has proven to be very resilient during economic downturns, and for many multinational food companies, Indonesia is among their most important markets.

There are several opportunities among EU and Indonesia to work together, especially in semi processed and processed food production as mentioned at the Food and Beverages sector meeting in Bali on November 8<sup>th</sup>.

1. Capacity development and technology transfer
  - Capacity Building and Technical Assistance for Indonesia Food and Beverage Industry, especially SMEs, to comply EU Food Regulation, Hygienic and Market Access Procedure
  - In fisheries, further EU support to increase capacity to cope with IUU.
  - Indonesia has engaged in a positive dialogue with the EU in strengthening cooperation in fisheries especially in tracking issues on IUU fishing and seafood safety.
2. Opportunities for growth in two-ways trade and European investment
  - Optimizing business and sources potential for mutual benefit
  - Encourage the EU countries to increase investment in Indonesia, to explore Huge Natural Resources, combining with Advanced Technology owned by EU Countries to produce more VALUE ADDED PRODUCT, that is safe and fulfill the consumer's preferences
  - Enhance trade cooperation between countries due to the Food and Beverages trade is too small compare to its potential : Promotion & Open Market Access, especially for SMEs
  - Undertake pilot project in exporting fruits, veggies, and fisheries products (for example) to demonstrate the entire production chain.

There are also several constraint in cooperation between EU and Indonesia, therefore, it should be some actions to be taken.

1. Negotiation in tariffs to be more equally and fair
2. Harmonizing NTMs, without ignoring Food Safety Standard. Need more understanding and tolerance about standard and procedures, so that Indonesia able to comply to the EU regulation
3. Need to build MRA to reduce Trade Barriers, especially in Certification and Analytical Procedures
4. Exchange information more clear , frequently on the regulation of each country. Intensify the consultation between government and private sectors
5. Economic partnership to minimize constraint of social status differences/gap, especially for SMEs in the country.

