



Department of  
**Jobs, Tourism, Science  
and Innovation**

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Commissioner  
Government of Western Australia  
Indonesia



# Western Australia & Indonesia

Western Australia and Indonesia are neighbours and natural partners in the Asia Pacific Market



The Government of Western Australia (GoWA) office was established in 1992 in Surabaya and relocated to Jakarta in 2004

GoWA aims to connect Western Australian businesses to opportunities in Indonesia with a focus on Education/Training, Tourism, Resources and Energy, Agribusiness and Food.



# Relationship

## **Asian Engagement Strategy:**

- Indonesia is a priority market for WA

## **Trade:**

- in 2019 Indonesia was WA's 12th largest trading partner, with total bilateral trade valued at \$2.9 billion

## **Sister State Relationship with East Java:**

- established in August 1990 to develop links culturally and in education and vocational training, food and agriculture, resources and energy and sport



# IACEPA

## **What:**

- Indonesia-Australia Comprehensive Economic Partnership Agreement

## **Purpose:**

- To provide a framework for stronger economic collaboration between Australia and Indonesia
- To provide improved and more certain access to the Indonesian market for Australian exporters

## **How:**

- Reduces tariff and non-tariff barriers to trade and investment
- Over 99% of Australia's goods exports to enter Indonesia duty free
- All Indonesia's goods exports will enter Australia duty free



# Indonesia Overview

- 4th most populous country - 273 million
- 16th largest economy, largest in the ASEAN region - \$130 billion
- Half population under age of 30
- Middle class of 52 million and growing at 10% per annum

## National Priorities





# Government of Western Australia Office

## Priority Sectors

Education &  
Vocational Training  
Tourism, Creative  
Industries  
Resources & Energy  
Mining & Mets  
Agribusiness & Food

## Emerging Sectors

Smart Cities  
Digital Economy  
Health and Aged  
Care

## Sister State Relationship

Western Australia  
&  
East Java



## Emerging Sectors

# Education & Vocational Training

14th largest market for international students, with 1,198 student enrolments.

### Strategies

- Identify Indonesian priorities and opportunities, including through IA-CEPA
- Promote opportunities in vocational training.
- Promotion of WA as a premier student destination
- Provide in-market support to WA universities and VET providers
- Online opportunities
- VET opportunities in East Java

President Joko Widodo has made upskilling the workforce and vocational education reform a priority in order to improve the quality and competitiveness of Indonesia's human resources



Since COVID 19 rapid uptake of online learning  
Strong focus on vocational training  
IACEPA allows up to 67% Australian ownership of vocational entities in Indonesia



4,555 higher education institutions,  
3,200 of which are private serving 5.4 million students.  
2,620 polytechnics hosting about 746,000 students



By 2040 Indonesia's working age population is expected to reach 195 million people. President Jokowi's agenda has a clear focus on human capital development to add 58 million skilled workers to the workforce and to ensure that the workforce has industry relevant skills.





## Emerging Sectors

# Tourism

8th largest market for international visitors, with 38,800 visitors.

### Strategies

- Through virtual promotional activities.
- Position Western Australia as Western Gateway with focus on close proximity – weekend/short getaway
- Support Tourism WA in promotion of the State as a premier tourism destination, including in market campaign activities

Growth of middle class has positioned travelling as part of their lifestyle



Indonesia was the State's 8<sup>th</sup> largest market in terms of visitor numbers and ninth in terms of visitor expenditure in 2019



Indonesia has committed to building 10 new Bali's



Perth's Proximity

Western Gateway

Direct flights





## Emerging Sectors

# Resources & Energy Mining/METS

Opportunities exist for providers of mining technology who can clearly demonstrate productivity gains to Indonesian miners.

### Strategies

- Develop joint strategy with Austrade to identify and promote WA capability
- Provide in market support to WA companies
- Launch Guide to Indonesia for WA Mets companies

Complex regulatory environment but recent reforms welcomed  
Divestment and processing requirements  
Record low exploration



Demand remains strong for mining software, specialised and innovative equipment, education and training services and specialised mining consulting.



The Indonesian mining industry has suffered from considerable skills shortages, creating opportunities for training providers. Mine safety, an area of Western Australian capability, also looms large as a growth opportunity for Western Australian service providers.



## Emerging Sectors

# Resources & Energy Oil & Gas

Indonesian energy demand is predicted to grow strongly over the medium term. This will put extreme pressure on Indonesia's creaking energy infrastructure and make identifying new energy sources increasingly important for sustaining growth.

### Strategies

- Promote WA capability
- Provide in market support to WA industry in meeting Indonesia's remote power needs
- Ongoing liaison with Indonesian Government for its current review of investment opportunities in LNG

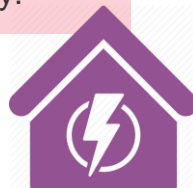
The Indonesian Government has a target of adding 35GW to its existing energy capacity. This includes a commitment to include 23% renewable energy as part of this target.



Over the next five years Indonesia will move from being an exporter to an importer of LNG. This represents a significant shift for its economy and will require a significant investment in pipeline and other infrastructure to service the archipelago.

Many isolated communities in Indonesia live without a reliable power source. This offers opportunities for Western Australian companies to partner with the Indonesian government in providing innovative solutions, including the use of advanced micro grid technology.

With the new renewable energy target, there is an opportunity for Western Australian renewable energy-related companies to enter the market





## Emerging Sectors

# Agriculture & Food

In 2019, fourth largest market for wheat and largest for live cattle.

### Strategies

- Promote opportunities from IACEPA
- Virtual showcasing of products
- Maintain and develop key relationships in commodity exports (wheat, meat, live cattle)
- Provide in-country market support and market insights regarding priority commodities/products
- Two-way investment attraction identification, development and support

The consumer class has been growing by over 10% per annum since 2002 and is currently estimated at 45-60 million. Half of Indonesia's population is under 40.

Since Covid 19 - seen a dramatic increase in online shopping; Healthy food, food merchants and catering services are among the top 10 search terms

Health and Lifestyle foods are predicted to drive growth.

Indonesian beef consumption increasing.



IACEPA offers improved market access for WA exporters of grain; beef, horticultural products; plus automatic import licences but requirement for Halal Certification remains



## Emerging Sectors

# Smart Cities

### Strategies

- Identify opportunities at provincial and municipal level
- Strengthen linkages at local government level – including Sister City arrangements
- MOU between City of Perth and City of Denpasar – creative economy
- Promote IACEPA



The rising middle class demands better access to clean water and waste water management systems.

Rapid urban growth and a decrease in land availability puts pressure on urban services and municipal utilities to deliver waste management solutions.

Over 30 million Indonesians do not have access to a centralised electricity grid. Opportunity exists in technology that can convert waste into energy.

255 million Indonesians live in cities, with 68% of all Indonesians moving into cities by 2025, according to the World Bank. Opportunities in public transportation solutions.



## Emerging Sectors

# Innovation & Technology

### Strategies

- Foster partnerships in innovation
- Promote WA capability in digital health and education services and cyber security
- Take part in rapid digital transformation of population



### The Digital Economy

Indonesia has the fastest growing online retail sector in South East Asia. E-commerce is expected to grow by US\$130 billion in 2020.

#### Opportunities

Digital Health  
Big Data  
Smart Government  
Creative Industries  
Cyber Security  
Gaming  
Social Innovation

#### Smart Government

Smart City Jakarta  
Online Services  
Planning  
Community Engagement  
Transparency

#### Indonesian Start-ups

GoJek • Grab • Fintech





# Sister State Relationship

A Sister State Relationship was established between Western Australia and East Java in 1990.

Since then, the MOU has provided the umbrella for cooperation in trade and investment, mining and energy, human resource development, agriculture, tourism, youth affairs and social welfare



## Strategic Projects

Mining and Energy  
Education and Vocational Training  
Cultural/Sport Exchanges

## Proposed Collaboration

Trade & Investment  
Mining & Energy  
Human Resources Development  
Education & Vocational Training





Government of Western Australia  
Department of Jobs, Tourism, Science and Innovation



Thank You