



INDONESIA–EUROPEAN UNION PARTNERSHIP: POTENTIALS AND OPPORTUNITIES FOR ENHANCED COOPERATION

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Abstract

Indonesia and the European Union reached a political agreement on the Comprehensive Economic Partnership Agreement (CEPA) on July 13, 2025. This agreement was achieved after ten years of lengthy negotiations. This paper analyzes the Indonesia–EU partnership, particularly in the fields of economy and security. The various economic potentials present in both Indonesia and the European Union provide opportunities for both parties to enhance their cooperation, especially following the implementation of the IEU-CEPA. The Indonesia–EU partnership must also be based on the shared interest of maintaining peace and stability in the region, which is equally vital for global peace and stability. Sustaining peace and stability is a prerequisite for continued economic growth and prosperity. With this significant achievement, both parties are expected to move forward together in fostering a more constructive, inclusive, and sustainable partnership. DPR RI, particularly through the oversight function of Commission I, should take part in monitoring and ensuring that the partnership between Indonesia and the European Union aligns with national interests.

Introduction

President of the Republic of Indonesia, Prabowo Subianto, during his visit to Belgium, held a meeting with President of the European Commission, Ursula von der Leyen, at the European Union Headquarters (Berlaymont Building) in Brussels on July 13, 2025. President Prabowo's visit to Belgium was aimed at strengthening the partnership between Indonesia and the European Union. The President of the European Commission stated that the partnership would focus on three main areas: economy, geopolitics and security, and people-to-people relations ("Komisi Eropa," 2025).

In the economic field—particularly trade—through the political agreement on the Comprehensive Economic Partnership Agreement (CEPA), both parties committed to enhancing cooperation in line with their respective potentials. In the areas of geopolitics and security, both sides pledged to reinforce collabora-

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tion for the sake of preserving peace and regional stability. People-to-people relations will also be strengthened, especially to support business and study visits (“Indonesia dan Uni Eropa,” 2025).

This joint achievement reflects a strong desire by both parties to deepen cooperation. Amid global uncertainty and dynamic international relations, this partnership holds strategic value for both sides. This paper briefly analyzes the strategic value of the Indonesia-EU partnership, particularly by examining the potentials and opportunities for enhanced cooperation. The discussion focuses on economic and security cooperation, and how these areas are also linked to ASEAN, which has also designated the European Union as one of its key partners.

Economic Cooperation

The political agreement on CEPA marks a historic milestone in the process of finalizing the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA), following ten years of extensive negotiations between representatives of both parties. The agreement was formalized through the signing and exchange of letters between the Government of Indonesia and the European Commission as a form of high-level political commitment to accelerate the finalization of the IEU-CEPA negotiations. The finalization is scheduled for September 2025, and if all administrative procedures proceed smoothly in European Union member states, the IEU-CEPA is expected to take effect in 2026 (“EU and Indonesia,” 2025).

It is therefore essential – particularly for Indonesia – to understand the economic potential of the European Union that can be leveraged through trade. A study conducted by the Centre for Strategic and International Studies (CSIS) noted that the EU possesses tremendous economic potential, driven by its vast single market (comprising 27 member states) and significant international trade activities. This structure facilitates free trade among member countries and drives economic growth (Damuri et al., 2015).

The large EU market presents an attractive alternative for countries like Indonesia to boost exports. According to the Coordinating Ministry for Economic Affairs, trade between Indonesia and the European Union reached USD 30.1 billion in 2024. Indonesia successfully maintained a growing trade surplus, from USD 2.5 billion in 2023 to USD 4.5 billion in 2024 (“Indonesia dan Eropa,” 2025). With the implementation of IEU-CEPA, the trade value between Indonesia and the European Union is expected to increase further, contributing to the economic advancement of both sides.

The European Union also possesses diverse natural resources, a strong agricultural and forestry sector, and an advanced industrial base. Renewable energy, green technology, and a maritime economy that harnesses marine and aquatic resources are also among the EU’s strengths. On the other hand, Indonesia’s processed natural and mineral resources – such as palm oil and its derivatives,

as well as copper ore and steel—represent attractive export potentials for the European market (“Regional Economic Outlook,” 2024).

The various potentials held by both the European Union and Indonesia represent opportunities for enhanced cooperation aligned with each party’s strengths, particularly following the implementation of IEU-CEPA. The large populations of the European Union (over 400 million) and Indonesia (over 285 million) also provide significant potential for strengthening bilateral economic cooperation. Furthermore, the EU’s position as a key partner of ASEAN—both having committed to collaborate as global economic growth centers (“45 tahun hubungan bilateral,” 2022)—further solidifies the Indonesia-EU partnership.

Security Cooperation

Indonesia and the European Union share a vested interest in maintaining regional peace and stability. This was emphasized by President Prabowo Subianto and President of the European Commission, Ursula von der Leyen. In this regard, President Prabowo stressed that major global powers must complement one another to create global balance and stability (“Presiden Prabowo,” 2025). This implies that Indonesia and the European Union—based on their respective potentials and security cooperation networks—must contribute to ensuring peace and stability in their regions.

Indonesia, through ASEAN’s security cooperation framework, can invite the European Union (which has long been one of ASEAN’s key partners) to actively participate in the implementation of the ASEAN Outlook on the Indo-Pacific (AOIP). Within this framework, ASEAN and the EU can collaborate to safeguard peace, stability, and prosperity across the Indo-Pacific region. Peace provides the foundation for stability and security, enabling countries to pursue sustainable international cooperation, including in the areas of investment and economic collaboration, without the disruption of conflict.

Given the current global landscape marked by geopolitical tensions in various regions, this situation presents both a challenge and an opportunity for Indonesia and the European Union to deepen cooperation in the pursuit of regional and global peace and stability. The European Union, which holds economic interests in Asia—including ASEAN—must be encouraged to take responsibility and contribute to preserving peace and stability in the region.

The cooperation between Indonesia and the European Union, including through the ASEAN framework, must be grounded in the shared interest of preserving regional peace and stability—an imperative that also contributes to sustaining global peace and stability. The preservation of peace and stability is a prerequisite for continued economic growth and prosperity.

Through ASEAN, Indonesia can work with the European Union to address a range of shared global security challenges. More specifically, cooperation can be focused on conflict prevention, crisis management, and post-conflict rehabilitation in affected regions. It may also include tackling transnational crimes such as terrorism, human trafficking, and cybercrime. These areas of security cooper-

ation are an integral part of developing a sustainable and constructive partnership between Indonesia and the European Union, including within the ASEAN framework.

Conclusion

The political agreement reached between Indonesia and the European Union on CEPA on July 13, 2025, serves as a foundation for both parties to enhance cooperation across various sectors – not only in economy and trade, but also in other areas including security. Both sides must be able to leverage their respective potentials and regional cooperation networks to foster mutually beneficial collaboration.

The partnership should be developed within a framework of equality, mutual respect, and shared interests. With this significant achievement, both parties are expected to move forward together in building a more constructive, inclusive, and sustainable partnership. The DPR RI, particularly through the oversight function of Commission I, should take part in monitoring and ensuring that the partnership between Indonesia and the European Union aligns with national interests.

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