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NEWS | GLOBAL TRADE

EU and Indonesia sign trade pact ending tariffs on 98% of EU exports

After a decade of talks, CEPA and an investment pact are signed in Brussels. They could take effect in early 2027

By **Manasee Kurlekar** | November 22, 2026



Ten years of talks, signed in one afternoon. The EU and Indonesia, Southeast Asia's biggest economy, have signed a trade pact that removes duties on more than 98% of European exports and lets about 90% of Indonesian goods into the EU tariff-free.

Palm oil, textiles and footwear go to zero straight away. Brussels puts the duty savings at €600M a year and expects its exports to grow almost 40% within 15 years. Palm oil and deforestation stalled the talks for years, and they're now handled in a protocol of their own.

The EU projects its exports to Indonesia will rise by almost 40% within 15 years, the pact removes tariffs on more than 98% of European exports, around 90% of Indonesian exports will be tariff-free, and the EU expects savings of over €600 million a year.

Tariffs on Indonesian exports to the EU will drop to 0 percent immediately for key commodities, including palm oil and its derivatives, textiles and textile products, leather footwear, and athletic shoes. The European Parliament has to greenlight the pact and Indonesian authorities complete the ratification process before it can provisionally come into effect.

Next come a vote in the European Parliament and ratification in Jakarta, with an early-2027 start in sight. Together the two sides make up a market of 730 million people.

Read online: https://worldbusinesswatch.com/news/36/459/eu-and-indonesia-sign-trade-pact-ending-tariffs-on-98-of-eu-exports.html

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