

Indonesia Australia-Comprehensive Economic Partnership Agreement (IA-CEPA) Cooperation in Increasing Economic Growth after the Covid-19 Pandemic

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Abstract. This article aims to analyze the implementation of the Indonesia-Australia-Comprehensive Economic Partnership Agreement (IA-CEPA) cooperation in increasing the two countries' economic growth after the COVID-19 pandemic. To this end, researchers outline the history of Indonesia-Australia foreign relations, explore the potential of the two countries, and explore the prospects for economic cooperation between the two countries. Researchers use qualitative methods with the collection of literature studies, documentation studies, and searches on the internet. The results of this study found that Indonesia and Australia benefited from the collaboration. This shows that both countries can contribute with their respective advantages, both geographically and demographically. This article is expected to be one of the academic references on the issue of bilateral cooperation and for stakeholders in formulating policies on the economic aspects of the two countries.

1. Introduction

Coronavirus Disease 2019 or better known as Covid-19 has caused economies in all countries to contract negative. With this, all components of the world economy are also affected, causing stagnant and negative conditions. Handling actions are needed to minimize these impacts which can be done through a stimulus in the form of policy or cooperation [1]. The confirmation of the first case of Covid-19 that has been diagnosed and reported through an official statement by the Chinese government to the World Health Organization on December 8, 2019, began the decline of the world economy [2]. There is an increasing number of people exposed to COVID-19 and the spread continues to spread. The World Health Organization then declared COVID-19 a pandemic on March 11, 2020, referring to more than 118,000 cases of coronavirus disease in more than 110 countries and regions around the world as well as the continued risk of further global spread. Dr. Tedros Adhanom Ghebreyesus who is the Director General of the World Health Organization in a *pIndonesia-Australia Comprehensive Economic Partnership Agreement*). It is undeniable that cooperation involving Indonesia and Australia is one way to recover from the Covid-19 pandemic. Because as we know many sectors end up being affected by the pandemic. For example, in the education sector where a large number of students are required to study at home, to reduce the risk of exposure to COVID-19. This opens up opportunities for the risk of *learning loss*. According to Latasha Safira, a researcher from the Center for Indonesian Policy Studies (CIPS) research and advocacy institute, various organizations have reported learning loss, where

students 'lose' academic knowledge and skills due to distance learning. The World Bank estimates that students in Indonesia lose about 0.9 years of learning [4].

On the other hand, the pandemic has exposed workers to layoffs. In 2021, the Ministry of Manpower (Kemnaker) noted that as many as 72,983 employees had become victims of layoffs due to the Covid-19 pandemic [5]. In addition, with the linkage of the IA-CEPA relationship and the impact of Covid-19, where the pandemic managed to devastate other sectors that have significantly decreased in the economic sector. It is evident from the decline in the growth rate of the World Gross Domestic Product that occurred in 2020, even to the point of touching the negative line threshold. However, both countries managed to overcome this with the contribution of IA-CEPA cooperation related to recovery and improvement after the Covid-19 pandemic. The relationship between the two countries must indeed be established properly so that it can present comprehensive cooperation. In a study conducted by Montessori in 2016 regarding “Diplomasi Pemerintah Australia Dalam Upaya Pemulihan Hubungan Bilateral Dengan Indonesia Pasca Kasus Penyadapan 2009-2013” explained that the two countries have cooperative relations in various fields. This will greatly help Indonesia to develop its cooperation comprehensively [6]. In the study entitled “Memperkokoh Hubungan Indonesia-Australia” published in 2017, Dugis explained that although the relationship between the two countries is like a *roller-coaster*, the crisis situation is soon followed by efforts to improve it to achieve stability, one of which is carried out through the economic field [7]. Andriani and Andre in 2017 in their research entitled “Implikasi Perjanjian Kemitraan Ekonomi Komprehensif Indonesia-Australia (IA-CEPA) terhadap Perdagangan Luar Negeri Indonesia” explained in the trade balance of the two countries, where Indonesia tends to still be an importer, except in manufacturing [8]. In addition, the advantages of Indonesia are still dominated by oil and gas exports as described in the title “Isu Standar Pada Perdagangan Indonesia-Australia Dalam Kerja Sama IACEPA” by Susanto which created in 2019 [9]. In the title of the study “Implementasi Kerjasama Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)” by Sandi that published in 2023 explains that the cooperation between the two countries through IA-CEPA also includes building hospitals in the West Java area. This shows that this development can create jobs for the people of Indonesia [10]. Several studies that have been carried out show that good relations between the two countries, especially through the economic field, can provide benefits for each country. In this case, researchers see that several related studies have not shown how the implementation affects the national economy, especially after the pandemic takes place. Therefore, in this study, researchers complemented it by discussing how this IA-CEPA work can help increase the growth of economy after pandemic of Covid-19. .

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national economy, especially after the pandemic takes place. Therefore, in this study, researchers complemented it by discussing how this IA-CEPA work can help increase the growth of economy after pandemic of Covid-19.

Seeing the success of the economic recovery of the two countries can be seen from the growth rate of their Gross Domestic Product which increased after the pandemic. The researcher chose the two countries in their cooperation, namely IA-CEPA (Indonesia-Australia *Comprehensive Economic Partnership Agreement*) to explain that through a stimulus in the form of policies and cooperation, a country can restore its economy, even to the point of increasing it in the future. That is why the IA-CEPA implemented by the two countries is here to answer how the implementation of the cooperation can help improve the economies of the two countries after Covid-19. Because international cooperation that is jointly established between the two parties by contributing to each other based on the advantages of each country can help improve their economy, especially the decline that occurs can be overcome by this cooperation. The purpose of this study is to analyze the implementation of IA-CEPA cooperation in increasing the economic growth of the two countries after the Covid-19 pandemic.

2. Literature Review

2.1. International Cooperation

International Cooperation is a form of foreign relations carried out by a country with other countries that aims to meet the needs of the people and also the fulfillment of the national interests of a country in the world. This international cooperation includes cooperation in the fields of politics, society, economy, security defense, and culture, and is guided by the foreign policy of each country. International cooperation itself is divided into three types, namely Bilateral Cooperation, Multilateral Cooperation, and Regional Cooperation [6].

Indonesia itself international cooperation is carried out by many local governments. One is through *sister cities*. Because foreign relations in the form of international cooperation are a demand as well as a need for every country. Traditionally, foreign policy was the brother of the national government and local government to represent the country. In this regard, the state is an important factor in the structure and foreign policy. Simultaneously, with the increasingly complex pressures of globalization. The problems faced by each country in various aspects and sectors of life, be it social or economic and political, produce each other and the interdependence between countries in this world is also increasing [7].

2.2. Bilateral Relations

Yanuar Ikbar in the book *Methodology and Theory of International Relations* suggests that Bilateral Cooperation is cooperation carried out by or between two countries, this cooperation is usually in the form of diplomatic, trade, education, and culture, an example of this bilateral cooperation is Indonesia-Australia cooperation [8].

In bilateral relations, there is also bilateral cooperation, which refers to the mutual interaction of influences between two countries. The cooperation also involves other parties. For example, such as companies, institutions, as well as international organizations. Because basically, every anarchist international country needs another country so that the principles of its state are fulfilled. Bilateral cooperation is one of the efforts to integrate views to meet the common interests to be achieved. One of them is the cooperation carried out by Indonesia and Australia in handling *IUU Fishing*, which is also an effort by the two countries to be able to create maritime security in their respective countries. Because in this cooperation 4 aspects are interrelated and become the main focus of maritime security. ChristianBueger said, in *economic development, national security, and human security*, the IUU fishing problem raised by the author is directly related to having an impact on these four aspects [9].

In 2017, precisely in February, Indonesia and Australia issued a *Joint Declaration on Maritime Cooperation* to reaffirm their commitment to streamlining trade without barriers, freedom of navigation and overflight, sustainable use of marine resources, security, and stability in the region. There are five

pillars emphasized in the joint statement, namely enhancing economic and development partnerships, connecting communities, securing common territorial interests, maritime cooperation, and contributing to realizing stability and prosperity in the Indo-Pacific [10]. The relationship between Australia and Indonesia has been established for a long time and the historical foundation of the two countries has a positive relationship. Although, it is often hit by ups and downs. With bilateral relations that have been established before such as in this maritime field, where bilateral relations are inseparable from cooperation that refers to mutual interaction just like as well as bilateral relations between the two countries within the framework of IA-CEPA, both of which have advantages for Australia and Indonesia.

3. Research Method

In this research, the researchers the qualitative research method. The qualitative research method is a tool, technique, and strategy used by researchers to help collect, interpret, and analyze the data they have. Nature of qualitative research, the researcher is an important part of the research. In generating valid interpretations of data, the subjective role of researchers is needed. And then in the collection of data related to this study. Researchers use literature study techniques, reviewing relevant archives and internet searches, with the types derived from books, journals, articles, trusted online news, and other documents that support this research [11]. This research will discuss the IA-CEPA (Indonesia Australia-Comprehensive Economic *Partnership Agreement*) Cooperation and Improving Economic Growth After the C Ovid-19 Pandemic which has been negotiated by both countries as a solution to increase economic growth in Indonesia and Australia after Pandemic Covid-19.

4. Results and Discussion

4.1. Historical Indonesia-Australia Foreign Relations in Economic Aspects

Indonesia and Australia are two close neighbors and have established bilateral cooperative relations for many years in various fields. Because of the geographical proximity between these countries, Indonesia and Australia feel the need to establish this cooperative relationship which is considered important. Even so, in the course of the phenomenon of relations between the two countries is often colored by various frictions or tensions. In other words, although Indonesia and Australia are two close neighbors. Namun, the two have differences in various matters that sometimes cause tensions, even disputes in the course of relations between these countries [12].

Indonesia is an archipelagic country that is home to hundreds of millions of people, with many compound things. Dari started with various tribes or ethnicities, religions, cultures and races, ideologies, and their political attitudes and attitudes, and Indonesia itself was colonized by the Dutch, British, and Japanese. Inman, in his time facing colonization, the Indonesian nation was full of experiences of rebellion against the invaders. This, then, evokes militant traits in the Indonesian nation. Meanwhile, on the other hand, Australia is a very large continent in its own right, with its inhabitants being descendants of European immigrants who took over the continent from its indigenous people, the Aborigin tribe. The two countries also have different views and interests in bilateral relations in regional and international relations [13].

Indonesia itself has always viewed Australia as a country that is not so important. The government, press, and Non-Governmental Organizations (NGOs) in Australia are often seen as obstacles to Indonesia's domestic political, economic, and defense policies. This became even clearer when the case of wiretapping by the Australian Directorate of Signals came to light of a telephone conversation between President Susilo Bambang Yudhoyono and first lady Ani Yudhoyono and several other key officials. At that time, Indonesia acted decisively by sending home Duta Besar Indonesia to Australia and demanding an apology from the Australian government. Meanwhile, Australia itself views Indonesia in three main things, Psycho-historical perceptions, psycho-cultural perceptions, and geopolitical and geostrategic perceptions. From a psycho-historical perspective, Indonesia is seen as a country that could threaten Australia. Because of the actions of Indonesia in retaking West Irian, faced

confrontation with Malaysia and the integration of East Timor. From a psycho-cultural or cultural perspective, Indonesia is considered a colorful Asian nation culturally different from most white Australian citizens. Meanwhile, from a geopolitical and geostrategic perspective, Australia sees Indonesia as a country "from and through which attacks on Australia can be carried out" [14].

However, it is right to say that Indonesia and Australia have a historical foundation in terms of positive relations. Starting from the Australian Labor Union, especially the docker unions that helped Indonesia's struggle to maintain independence and achieve international recognition, by refusing to serve the needs of the Netherlands or its allies. Next, there is the role of UNCI (*United Nations Commission on Indonesia*)/ KTN (Commission of Three Countries). At that time, the representative of Australia, Tom Chitchley, sat on Indonesia's proposal. The aid from Australia put great pressure on the Dutch to negotiate and eventually granted recognition of sovereignty to the country [15].

The history of Indonesia-Australia bilateral relations since 1945 has always been colored by ups and downs [16]. There are periods when relations between the two neighboring countries are warm, close, and stable, but there are also moments when the relationship is cold, distant, and tumultuous [17]. The cycle is like following the spinning of a *roller-coaster* wheel, a crisis relationship situation is generally followed by various improvement efforts made by both parties towards a stable point of closeness, one of which is bilateral relations between the two countries in the economic field [18].

The liberalization of world trade makes trade between countries/regions necessary in streamlining the process of trade activities. Australia is also doing this to keep up with the flow of free trade. One of them is through trade cooperation carried out by Indonesia and Australia, namely *the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)* or also known as the Comprehensive Economic Partnership Agreement with Indonesia. Kerjasama IA-CEPA is a derivative of the ASEAN-Australia-New Zealand FTA cooperation, which aims to achieve sustainable economic growth and improve the welfare of people in both countries. The trade balance between Indonesia and Australia shows that Indonesia still tends to be an importer, but in manufacturing, Indonesia is more likely to be an exporter [19]. The advantages that Indonesia has to date show that Indonesia is still dominated by oil and gas exports [20].

4.2. Indonesia-Australia Potential to Build Economic Cooperation within the IA-CEPA Framework

The cooperation agreement between Indonesia and Australia named *the Indonesia-Australia Comprehensive Partnership Agreement (IA-CEPA)*, is effective from July 5, 2020. The existence of IA-CEPA creates a framework for Australia and Indonesia to open up huge market potential through bilateral economic partnerships, encouraging economic cooperation between businesses, communities, and individuals. Indonesia itself has become a growing market for exporters of Australian goods and services. In 2018-2019, it showed that the total two-way trade in goods and services with Indonesia reached A\$17.8 billion, making Indonesia the 13th largest trading partner of Australia. IA-CEPA offers an opportunity for Australian and Indonesian companies to expand and diversify this economic partnership. Indonesia itself is one of the fastest-growing economies in the Indo-Pacific and offers significant opportunities for Australian companies. According to some estimates, Indonesia is predicted to become the fifth largest economic power by 2030, and IA-CEPA will ensure that Australia will be well-positioned to deepen economic cooperation and contribute to the growth of Indonesia. A strategic partner and the two largest economies in Southeast Asia in this agreement also complement and support common interests in building a safe and prosperous region. The arrangements in the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) between the Australian and Indonesian governments remain unchanged. Although IA-CEPA is based on results in AANZFTA, the two agreements will continue to operate side-by-side when IA-CEPA comes into force and companies in the business will also be able to continue using AANZFTA [21].

Australia itself can offer all the benefits for Indonesia including Indonesia getting investment, capacity building in this case employment, as well as knowledge and technology transfer. IA-CEPA can assist Indonesia in increasing competitiveness and also access to a wide market for products related to the industry, forestry, fisheries, agriculture, and even employment in Indonesia. The benefits obtained from these two collaborations should be used as precisely as possible so that the

implementation and results provided can be maximized to improve the economies of the two countries after the Covid-19 pandemic.

One of the highlights of this cooperation is exports and imports from both countries. Moreover, both have a positive bilateral relationship that has been established for a long time, although it is colored by various patterns of ups and downs. With the advantages that both countries have, both geographically and demographically. Indonesia carries out IA-CEPA cooperation with the potential and opportunity to restore the economy after the Covid-19 pandemic. Policies implemented by IA-CEPA include a 0% customs tariff cut for product exports to Australia, vocational education, and also an internship program to improve the quality of resources people in Indonesia. In addition, this agreement focuses on both countries becoming the *Economic Powerhouse*. Through the elimination of customs tariffs, IA-CEPA can be a catalyst for increasing exports of Indonesian products to the Australian market, such as automotive products, textiles, wood, rubber, electronics, machinery, food, and beverages, as well as the development of creative industries. IA-CEPA can be a bridge between Indonesia and Australia, where the advantages of both countries can be utilized appropriately o as to increase productivity and minimize operational costs. For example, in the food and beverage sector, Indonesia can use foodstuffs imported from Australia at more affordable prices and these processed products can be resold at competitive prices in Australia, as well as a collaboration between the two to target market access in third countries, this is called *the Economic Powerhouse* [2 2].

Since the enactment of IA-CEPA, Indonesian exports to Australia have succeeded in lifting the Indonesian economy. Data compiled by the Ministry of Trade (Kemendag) shows that the average monthly export value of the Republic of Indonesia to Australia rose from US\$ 189.38 million in the January-June period to US\$ 228.33 million in the July-December 2020 period. Exports in that year reached US\$ 2.5 billion, an increase of 7.63 percent compared to total exports in 2019. Meanwhile, Australia's largest export to Indonesia is so far dominated by raw commodities. Among them is coal with a value of US\$610.9 million, iron ore worth US\$450.3 million, live cattle with a value of US\$434.8 million, and sugar worth US\$429.2 million [23]. Based on data reported by Databoks, Indonesia-Australia trade has set a record in 2021 since 1989 with the value of trade in goods between Indonesia and Australia reaching US\$ 12.64 billion according to data from the United Nations trade database (*UN Comtrade*) and this is the highest since 1989. Where throughout 2021, the value of Indonesia's exports of goods to Australia grew 28.62% (yoy) to US\$ 3.22 billion with its main commodities consisting of Seminyak, television equipment, wood, fertilizer, and iron or steel. Meanwhile, the value of Indonesia's imports from the country grew 102.83% (yoy) to US\$ 9.42 billion with its main commodities consisting of b or bara, s realia such as wheat, and iron [24].

With the advantages that the two countries have in terms of exports and imports, it has made a good contribution to the economies of the two countries. Especially for Indonesia, as a developing country, Indonesia proves that its commodities are so superior to be able to compete in the global market, it can be seen how Indonesia managed to grow its export value to Australia in 2021. The contribution made by the two countries in this cooperation can be a catalyst for increasing exports of Indonesian products to the Australian market. Likewise, imports from Australia come at a more affordable price. Thus, through this, the implementation of the *Economic Powerhouse* is well established. The two countries can collaborate and benefit by selling products to third-world markets. Cooperation with this concept has the potential to provide sustainable and sustainable income opportunities for both countries with greater results because raw materials have been processed and marketed when the goods have become products worth selling. There was a record-breaking success in Indonesia-Australia trade as previously presented, namely with the value of trade in goods between Indonesia and Australia reaching US\$ 12.64 billion in 2021 and which is the highest since 1989. The projections from IA-CEPA in recovering the economies of the two countries from the impact of the Covid-19 pandemic, which with the increase in the growth of import and export values between Australia and Indonesia proves that their contribution has succeeded in influencing the increasing economic growth of Indonesia and Australia after the Covid-19 pandemic.

4.3. Implementation of IA-CEPA Cooperation in Improving the Economy of Both Countries

The implementation of the IA-CEPA cooperation can be used as a strategic role in taking the next step for the economic recovery process of Indonesia and Australia during the pandemic at that time and is projected to improve the economies of both countries after the Covid-19 pandemic. As we know, the world is experiencing an economic downturn, even to the point of reaching negative thresholds and contracting. That's why many countries have flocked to create policies to mitigate the impact. Where the pandemic itself is a global problem that has succeeded in destroying various sectors. The sector that is significantly affected is the economic sector. This affects world economic growth which also affects each country in the world.

In 2018, the growth rate of the World Gross Domestic Product stood at 3.28%, down 0.1% from 2017. Then, in 2019 the growth rate of the World Gross Domestic Product to 2.61%, down 0.66% from 2018. Going into 2020 the growth rate of the World's Gross Domestic Product met a decline. It is at a negative threshold of -3.27%, down 5.89% from 2019. This shows how much Covid-19 is very influential on the economic sector. Moreover, Covid-19 has been declared a pandemic which means it has a big impact on many people in various parts of the world. Based on data reported by Macrotren shows that the growth rate of the World Gross Domestic Product in 2020 was the lowest (negative) in the period from 1961 to 2021. However, the growth rate of the World Gross Domestic Product began to see an increase in 2021 with a figure of 5.80%, an increase from the previous year of 9.07% in 2020. The data also shows that this increase is the highest of the World's Gross Domestic Product growth rate since 1961. Where, in that period the world experienced an increase (positive) before the pandemic, namely in 2010 with a figure touching 4.53%. This proves that after the pandemic that hit the world, the economic sector seems to have begun to adapt and recover in 2021, after experiencing a peak decline in the growth rate of the World's Gross Domestic Product in 2020 [25].



Figure 1 World GDP Growth Rate 2018-2021

Source: World GDP Growth Rate 1961-2023 | MacroTrends



Figure 2 World GDP Growth Rate 1961-2021

Source: World GDP Growth Rate 1961-2023 | MacroTrends

Covid-19, which at that time was declared a pandemic, made it a common thorny problem that has plagued the world, making all sectors have to join hands to solve it shoulder to shoulder. The economic sector was also affected which made the whole country have to survive the impact of Covid-19. The declining world economy, even to the point of meeting the negative threshold, greatly affects the economies of each country, for example, Indonesia and Australia. Indonesia's Gross Domestic Product in the range of 2018 to 2021, experienced a sharp decline in 2020. As such, the pandemic hit the world economy and affected each country itself. In 2018 Indonesia's Gross Domestic Product growth rate was at a positive figure of 5.17% with an increase of 0.1% from 2017. However, in 2019 Indonesia's Gross Domestic Product growth rate decreased to 5.02%, down by 0.15% from 2018. Meanwhile, in 2020 Indonesia experienced a slump. Where Indonesia's Gross Domestic Product growth rate decreased sharply to minus 2.07%, down by 7.08% from 2019. This magnitude of the effect that the pandemic has brought to the world economy also shackles Indonesia. In 2021, the Indonesian economy began to see an increase. Where Indonesia's Gross Domestic Product growth rate increased by 5.76% from 2020 to 3.69%. After experiencing the adverse effects of the pandemic, Indonesia managed to bounce back by showing its increase in the following year [26].



Figure 3 Indonesia's GDP Growth Rate 2018-2021

Source: Indonesia GDP Growth Rate 1961-2023 | MacroTrends

In this case, Australia has also experienced a decline due to the pandemic that has hit the world. However, it is not as bad as felt in Indonesia. Australia's Gross Domestic Product growth rate in 2018 stood at 2.87%, up 0.58% from 2017. In 2019 Australia's Gross Domestic Product growth rate should fall to 2.11%, down 0.76% from 2018. Then, in 2020 Australia should experience a decline to the minus threshold of being at -0.00%, a decrease of 2.12% from 2019. However, in the following year, where the growth rate of the world's Gross Domestic Product should increase. Australia also experienced an increase in their Gross Domestic Product of 1.48%, they managed to increase their growth rate in 2021 with an increase of 1.48% from 2020 [27].



Figure 4 Australian GDP Growth Rate 2018-2021

Source: Australia GDP Growth Rate 1961-2023 | MacroTrends

The Covid-19 pandemic has had a very significant impact on the world community. The sector that has a very pronounced impact is the economy. In this case, the author sees a positive increase after many countries experienced a slump due to the pandemic. It is undeniable that the world community has begun to adapt and recover from the impact that has been caused by the pandemic. As such, the pandemic, which is a very obvious world problem, has an impact on the world economy. Where the impact of the decline in the level of the world economy will also inevitably hit each country. In this case, the author sees that the recovery of the world economy has also been successfully carried out by several countries in the world. Although, it has to experience a slump before. Among them are those carried out by Indonesia and Australia. As Dr. Tedros Adhanom Ghebreyesus has revealed in his press conference said that every sector and every individual should be involved in the fight. To restore the world economy, the world community must act simultaneously, one of which is through bilateral cooperation. In response to this economic recovery between countries, Indonesia and Australia carried out cooperation in the economic sector which they referred to as IA-CEPA (Indonesia-Australia *Comprehensive Economic Partnership Agreement*).

To restore the economies of Indonesia and Australia after the Covid-19 pandemic, the IA-CEPA cooperation was built for such a positive impact. The goods and services sector is helped very well through cooperation built by developing the electric vehicle industry. Indonesia as a country developing an electric vehicle manufacturing industry will benefit greatly. Through the availability of mining and mineral resources in Australia, it can meet the production needs of these electric cars. The implementation of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) opens up opportunities with a smooth path for Indonesian electric vehicles to be able to access the Australian market. The increasingly rolling IA CEPA opens up opportunities for Indonesian exporters to explore the market of neighboring Australia. With the removal of all Australian import duties, IA-CEPA also encourages the potential for an '*economic powerhouse*' partnership between Indonesian and Australian businesses. Director General of National Export Development of the Ministry of Trade Didi Sumedi said, even if it will circulate in Australia, namely electric vehicle products and *spare parts* [28]. In addition, the convenience that Australia provides to Indonesia by providing natural resources needs to produce electric cars. Australia and Indonesia are also implementing IA-CEPA through mechanisms in agriculture, with Australia and Indonesia meeting to discuss improving the cooperation. As Australia is the world's largest wheat producer. Australia has become a major supplier of Indonesian wheat needs which is the raw material for the instant noodle, pasta, and biscuit industries. Not only that, but Indonesian wheat pumps from Australia increased in 2021. The increase in raw material imports is in line with the increase in exports of Indonesian wheat derivative products with high added value to the world. In addition, in this cooperation, Australia is famous for its agricultural cooperation sector which consists of trade in cattle and beef along with cow's milk products, wheat, urea fertilizer, and in the meeting Australia also introduced *Agriculture Visa Program* which provides the Indonesian workforce with the opportunity to improve skills and knowledge in Australia to work in agriculture [29].

The IA-CEPA collaboration also has several other programs related to employment, with several programs namely joint skill exchange, training in the workplace, and also the requirements for work visas and vacations. The cooperation established by the IA-CEPA has been successful in improving the knowledge and skills of the Indonesian workforce, especially in the industrial field. The development of human resources under the auspices of IA-CEPA supports Indonesia's economic recovery, through the *Catalyst Initiative* which offers an investment in two regions in West Java with \$594.00 or RP 6.3 billion for the destruction of hospitals and the plan for hospital expansion. These aims t were the community's need for increasing health facilities as well as overcoming infrastructure problems and also expand hospital capacity. Of course, the construction of this new hospital will create jobs for the people of Indonesia [30]. Moreover, when e pandemic hit the world. In some countries around the world has been a surge in citizens who have been forced to accept layoffs. As a result, people's income decreases, and allying and selling activities are hampered, so that a country's economic growth becomes minus.

The IA-CEPA partnership has also succeeded in increasing the GDP of Indonesia with a projection of 0.23% in 2030 or 1.65 Australian Dollars per year. IA-CEPA can also facilitate Australia's exports as a result of the abolition of taxes, and other inhibitions. From this IA-CEPA cooperation, the export value of Australian goods has increased compared to the export of Indonesian goods. But that doesn't mean Indonesia gets bad results. In fact, in this case, Indonesia also benefited from the service sector which experienced a surplus of 2,656 million Australian Dollars, and Indonesia also received an investment of 5,632 million Australian Dollars and an Indonesia investment in Australia of 1,076 million Australian Dollars. In addition, a large item that Australia exports to Indonesia is beef. According to BPS data quoted from the journal Policy Simulation on the Implementation of the Indonesia-Australia Comprehensive Agreement (IA-CEPA) for the domestic beef market of 46.78% frozen and fresh beef from Australia [31].

In addition, the Covid-19 pandemic condition has prompted IA-CEPA to develop a program called Katalis. The program focuses on business development between Australia and Indonesia. Its programs were supported by the government for a period of five years (2021-2025) by complementing the activities of the Australian development program. Catalysts also play a role in economic recovery and health for the people of Indonesia, especially those in West Java Province as discussed earlier. Katalis uses two districts in West Java Province to be the location for the construction of several new hospitals. In this regard, Katalis focuses on economic recovery during the pandemic by expanding market access, offering better market integration, and improving the skills of human resources in Indonesia, especially in sectors affected by the Covid-19 pandemic [32].

5. Conclusion

This research concludes that IA-CEPA cooperation, which is bilateral cooperation, has provided mutually beneficial benefits for both countries. With this cooperation, Indonesia has provided a strategic market for Australia which has export-import activities and products of good quality. On the other hand, for Indonesia, this collaboration has brought benefits in terms of knowledge transfer and improving the quality of employment, as well as in the development of the electric car industry sector, especially the manufacture of car batteries. This research also shows that cooperation between the two countries in the trade sector has a positive perspective in maintaining and supporting the efforts of both countries to increase their economic growth. In addition, both countries have succeeded in increasing their economic growth in 2021, which means that progress has been made through policy stimulus and cooperation, after experiencing a slump due to the Covid-19 pandemic crisis.

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