



## PRESS RELEASE

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### **Trade Mission to Ukraine: A Promising Market Opportunity**

**Kiev, 24 May 2013** – In an effort to diversify markets and products to non-traditional market regions, the Indonesian Ministry of Trade conducted a trade mission to Central European countries, namely Ukraine. *“This trade mission is expected to lessen the obstacles that arise in our trade relationship with Ukraine. For that, cooperation between Indonesia and Ukraine is expected to strengthen so that its the benefits can be reaped together,”* said the Director General of National Export Development Gusmardi Bustami who is leading the aforementioned trade mission on 24-29 May 2013.

During the trade mission to Kiev, Ukraine, the Indonesian Ministry of Trade invited the local government and entrepreneurs to attend the business forum being held today, Friday (24/5). During this opportunity, the Director General of National Export Development explained about the development of Indonesia’s macro Economy and the potential and opportunities for trade cooperation between Indonesia and Ukraine.

Currently, Indonesia’s GDP is USD 1.2 trillion, which ranks 15<sup>th</sup> in the list of the world’s largest economies. In fact in 2011, the growth of Indonesia’s GDP was an increase of 6.5 percent and is the highest among all ASEAN member countries. Meanwhile, Ukraine’s GDP in 2012 was USD 175 billion with a population total of 45.7 million people with an income per capita of USD 7,600.

Ukraine is one of Indonesia’s most potential trade partners. The Total trade between Indonesia and Ukraine in 2012 was USD 1.32 billion with a trend of 3.79% during 2008-2012. The Indonesian export value to Ukraine in 2012 was USD 548.9 million, while Indonesia’s import value from Ukraine for the same year was USD 774.1 million, which makes it a trade deficit for Indonesia in the amount of USD 225.2 million.

Indonesia’s main export products to Ukraine are: palm oil; nickel ore; vegetable and animal oil; coal; paper and carton paper and its articles; refrigerators; men and boys apparel; and lysine and its esters. Ukraine ranks 32<sup>nd</sup> in the list of Indonesian export destination countries while it currently ranks 30<sup>th</sup> in the list of suppliers to Indonesia. Among ASEAN exporters to Ukraine, Indonesia is ranked highest. ASEAN countries that follow are Vietnam, Malaysia, Thailand, Singapore, and the Philippines.

Indonesia also has potential products that can be developed through cooperation with Ukraine entrepreneurs such as food and beverages, automotive components and parts, spa products even

things from the defense industry. *“Besides making products, we also encourage our local exporters to add value to their products. This is a big opportunity for Ukrainian entrepreneurs to invest in a certain industry, which begin from the processing of raw materials into products both for export and the domestic market,”* said Gusmardi.

The Director General of National Export Development also promoted the 28<sup>th</sup> Trade Expo Indonesia (TEI), which will be held on 16-20 October 2013 in Jakarta. TEI is the biggest products and services exhibition in Indonesia, which offers a great chance to connect directly with Indonesian entrepreneurs. The Director General of National Export Development also invited local entrepreneurs that were present to attend the 28<sup>th</sup> TEI.

*“By visiting this event, we hope Ukrainian entrepreneurs that come can explore all of Indonesia’s potential and develop their business. Indonesia is one of the potential countries that produce high quality commodities and a country that shows strong commitment to global trade partners in providing products that are needed,”* he added.

Besides promoting the 28<sup>th</sup> TEI, Gusmardi explained that this year Indonesia will be the host of the APEC Economic Leaders' Meeting on 7-8 October 2013 and the WTO Ministerial Conference on 3-6 December 2013.

Furthermore, during the one on one business matching event, the Ministry of Trade conducted a meeting with the Chamber of Commerce and Industry of Ukraine and several associations in order to achieve strategic steps in increasing opportunities for trade relations with Ukraine.

### **Windows to Indonesia Exhibition**

This trade mission in Kiev, Ukraine, also supports the lone exhibition “Windows to Indonesia”, which was held on 24-26 May 2013. This exhibition was opened by the Indonesian Ambassador to the Ukraine, Niniek K naryatie, accompanied by the Director General of National Export Development, Gusmardi Bustami, and the *Director General for Investment Innovation Activity and Development of State-private Partnership* of the Ukraine Ministry of Trade and Economic Development Viktor Mykolayovyc. Ambassador Niniek said that the “Windows to Indonesia” exhibition was meant for the people of Ukraine to know more about Indonesia, not only from one point of view namely trade, but also from the industry, tourism, forestry, marine and fishery, and investment and culture point of view.

During this exhibition coordinated by the Indonesian Embassy in Ukraine, the Directorate General of National Export Development facilitated several entrepreneurs so that they can showcase their products to the people of Ukraine. These companies were: PT. Bina Karya Prima (cooking oil products); PT. Sinar Mas Argo Resources and Technology (margarine and cooking oil products); PT. Bayu Rizky Abadi (leather jacket products); PT. Elang Perdana Tyre Industry (automobile tires products); PT. Tirta Marta (jewelry and handicraft products); PT. Pesona Kriya Aulia (produk jewelry products); Permata Bunda (fashion products); Tenun Gaya (fashion products); Mo En Da Batik (fashion products); and PT. Sekawan Cosmetics (cosmetic products).

In order to find market opportunity to Ukraine, the Indonesian Embassy in Ukraine facilitated those aforementioned entrepreneurs to directly visit the biggest retail company in Ukraine,

Auchan, which markets products from all over the world. To enter the Ukrainian market, the Indonesian entrepreneurs were asked to submit a proposal for their products, which includes a product explanation and the proposed sales price. The people at the company suggested that Indonesian entrepreneurs find distributors that can market their products to supermarkets or large shopping centers in the Ukraine. In this case, the people at the Indonesian Embassy in Ukraine can facilitate them by giving a list of supplying distributors in the Ukraine.

### **Indonesia-Ukraine Bilateral Meeting**

One day before the business forum and the opening of the Windows to Indonesia exhibition, a bilateral meeting between Indonesia and Ukraine was held. Indonesia was represented by the Director General of National Export Development of the Ministry of Trade, the Indonesian Ambassador to the Ukraine, and representatives from the Ministry of Industry and the Indonesia Investment Coordinating Board while Ukraine was represented by representatives from the Ministry of Economic Development and Trade Ukraine, namely the Director General for Investment Innovation Activity and Development of State-private Partnership, Viktor Mykolayovyc, and the Director General for Foreign Economic Policy, Yuriy Oleksandrovych Petroskiy, on 23 May 2013.

In the meeting, Gusmardi talked about trade between Indonesia and Ukraine as well as opportunities to increase trade and investment of both countries. Meanwhile, the Ukrainians explained their economic condition and informed that Ukraine is currently in the list of top 100 countries with the highest rank in doing business. Ukraine would like bilateral cooperation between the two countries to increase.

The Ukrainians proposed to restart the Joint Commission Meeting (JCM) at the Ministerial level, an event that was discontinued after being held in Kiev in 2005 and in Jakarta in 2009. They hope that the JCM can be held in December 2013 in Kiev. To prepare for this, both parties have agreed to form a Working Group on Trade and Investment at the Senior Official level in order to resolve any issues that will be raised in the upcoming JCM.

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