

# INDONESIAN ECONOMIC DIPLOMACY IN ACCELERATING INDONESIA-CANADA CEPA NEGOTIATIONS

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## ABSTRACT

*This research investigates the economic cooperation between Indonesia and Canada under the comprehensive economic agreement, which builds on a trade relationship established in 1951. The agreement aims to address trade challenges and boost economic activities between the two nations by incorporating economic, environmental, and human resource considerations, aligned with their national interests and values. Findings indicate that both countries are collaboratively overcoming trade barriers through comprehensive economic cooperation. Negotiations have advanced to the eighth round, addressing various sustainable issues and resulting in notable improvements in trade regulations, technical implementation, and overall cooperation. This research employs an exploratory qualitative method, focusing on bilateral cooperation and economic diplomacy. The aim is to examine and comprehend Indonesia's efforts at economic diplomacy in expediting the agreement negotiations, as well as to evaluate the effects of these initiatives on the bilateral economic ties between Canada and Indonesia, and the consequences for Indonesia's economic growth and global trade.*

## INTRODUCTION

In the era of increasingly complex globalization, international relations and international cooperation are becoming increasingly important for every country. These two things are closely related and inseparable. International relations refer to interactions and relationships between countries in various fields, such as politics, economics, social, culture, and security. Meanwhile, international cooperation is a joint effort made by countries to achieve common goals. International cooperation itself can be carried out either bilaterally or multilaterally. Bilateral cooperation itself is cooperation carried out by two countries with the aim of mutually benefiting both parties (LMS.Kemlu.id, 2022). On the other hand, multilateral cooperation is

cooperation carried out by more than two countries, but with the same goal.

International cooperation has many benefits for a country, including (1) to improve people's welfare through access to resources, technology and markets. This will result in increased economic growth, create jobs and improve people's standard of living; (2) to maintain peace and security, cooperation itself can help countries resolve conflicts peacefully and prevent war. Thus, creating a stable and safe environment; (3) to improve relations between countries. Through international cooperation, it will encourage improved good relations between the two countries, and increase mutual trust between them. (Zulkifli, 2014).

Indonesia itself is one of the countries that is active in establishing

cooperation. One of them is done with Canada through bilateral cooperation. Diplomatic relations between Indonesia and Canada began in 1952, which was marked by the signing of an agreement to open diplomatic representation (Kedubes RI-Canada, 2018). But historically, the relationship between the two countries actually began in 1948, when Indonesia was seeking international support through the UN forum regarding its independence in 1945. The relationship between the two countries became closer in 1997 when Indonesian Foreign Minister Ali Alatas and Canadian Foreign Minister Lloyd Axworthy signed a Joint Declaration on Increasing Bilateral Consultation towards a more strategic direction. Where the declaration includes a framework for cooperation on various issues, such as politics, economics, social and culture. The first meeting of the forum was held in May 2011 in Ottawa and then later held in Yogyakarta in 2012 (Kedubes RI-Canada, 2018).

In the economic sector, bilateral cooperation between Indonesia and Canada has also experienced quite good growth. Where in 2015 to 2019, the volume of exports and imports carried out by both countries experienced fluctuations that were considered quite good. Products exported from Indonesia to Canada are dominated by rubber products, apparel, electronic and machine spare parts, nickel, footwear, furniture, coffee and so on. Meanwhile, products imported from Canada include products such as cereals, fertilizers, electronic equipment, aluminum, iron ore and others (Kedubes RI-Canada, 2018).

Although in 2020 the trade activity of the two countries had decreased drastically due to the Covid-19 pandemic, it has strengthened again in the following years. This is also supported by the huge potential of the Indonesian goods market in Canada, which then led to economic cooperation through the ICA-CEPA cooperation framework. ICA-CEPA or the Indonesia-Canada Comprehensive Economic Partnership Agreement began in

2021. The purpose of this cooperation is to support economic growth, trade, and investment with the hope of providing benefits for trade and investment opportunities for both countries (DITJEN Perundingan Perdagangan Internasional, 2021).

This cooperation is considered important due to the dynamic geopolitical changes in the world, thus requiring strategic cooperation to be able to create new market opportunities post-pandemic. Indonesia itself sees the ICA-CEPA cooperation as an opportunity for Indonesian product penetration in the South American region. Therefore, this cooperation needs to be made a success so that market access can increase. In the first ICA-CEPA meeting held online, the issues discussed included market access for trade in goods, services, investment, and other aspects of trade (DITJEN Perundingan Perdagangan Internasional, 2021). This cooperation will not only benefit Indonesia, but also Canada. Where through this cooperation, it can open up opportunities for the Canadian market to be able to compete in the Southeast Asia Region since Indonesia has vital position in their regional organization namely Association of Southeast Asian Nations (ASEAN) (Ramadhony & Firmansyah, 2022), which can also encourage increased Canadian trade.

Canada itself is ranked 32nd as Indonesia's import destination country with a total trade transaction of USD 2.4 billion in 2020. In the same period, Indonesia managed to export goods worth USD 789.1 million. Since 2016, Canadian investment in Indonesia has been recorded at USD 718 million, divided into several sectors, such as mining, hotels, restaurants and logistics (DITJEN Perundingan Perdagangan Internasional, 2021). Given this potential, ICA-CEPA collaboration must be fulfilled in order to benefit both sides' economies.

Canada is a country with a significant market for Indonesia that can be used as a bilateral trading partner, according to

research by Eka Choirulina and Deki Paryadi regarding the Market Access Strategy for Indonesia-Canada Trade Cooperation within the Framework of the Comprehensive Economic Partnership Agreement (CEPA), which was released in 2022 (Choirulina & Paryadi, 2022). Additionally, Canada and Indonesia are partners in a number of international organizations, indicating positive links between the two nations that may boost the likelihood of successful bilateral collaboration.

Since the strategic cooperation framework for the ICA-CEPA discussions is still being finalized, it is crucial to be able to analyze options for investigating international trade cooperation in a bilateral scheme. Whereas this study will highlight Indonesia's ability and power in taking use of cooperative opportunities. Furthermore, this study will address the measures that Indonesia must take to realize its full potential in making extensive use of the Canadian market. In light of the foregoing context, the following research issues will be addressed in this study: What progress has Indonesia made in promoting the quickening of the ICA-CEPA negotiations through economic diplomacy?

This study aims to examine and comprehend Indonesia's efforts at economic diplomacy in expediting the Indonesia-Canada Comprehensive Economic Partnership Agreement (ICA-CEPA) negotiations. Furthermore, the purpose of this study is to evaluate the effects of these economic diplomacy initiatives on the bilateral economic ties between Canada and Indonesia, as well as the consequences for the country's economic growth and global trade.

## **CONCEPTUAL FRAMEWORK**

### **Bilateral Cooperation**

There are various definitions of collaboration in international relations, such as bilateral, multilateral, and regional cooperation. Generally speaking, the foundation of international cooperation is the belief that shared values, interests, or

objectives can result in anything, be promoted, or be achieved by all parties involved (Perwita & Yani, 2014). From that it is safe to assume that the definition of bilateral cooperation is a cooperative partnership between two nations with the goal of achieving mutual advantages through the fulfillment of each nation's objectives. Political, social, cultural, educational, economic, and other topics are all included in bilateral cooperation, which is not restricted to just one topic.

This cooperation is built on relationships that have developed over a long time, resulting in mutual reliance and typically sharing issues or objectives (Umar, 2022). In addition, bilateral cooperation is often taken as a trade diplomacy route (Perwita & Yani, 2005). This is because it is easier for both sides to go into depth about their respective national interests. This affects the cooperation's ultimate outcomes as well.

International cooperation, especially bilateral cooperation, is formed as a result of international life in various fields, which then gives rise to dependency (Rana, 2018). Building enduring positive relationships between nations can help to maximize bilateral relations or collaboration in general by promoting the acceleration of a certain objective's accomplishment. It is therefore possible to conclude that in the case of ICA-CEPA, the foundation of this cooperation is ongoing communication that builds mutual confidence and an awareness of each party's economic objectives and potential (Zulkifli, 2014). Thus, in order to promote faster economic growth on both sides, a thorough execution of strategic collaboration is required.

## **METODE**

To determine the efforts and strategies undertaken by Indonesia to accelerate the implementation of economic diplomacy through ICA-CEPA, this study uses an exploratory qualitative research method (Creswell & Creswell, 2018). By using an approach that explores social phenomena

as an effort to understand an individual or group in responding to social or human problems, it is hoped that this research can be an effort to produce information and knowledge in the field of international relations in a structured manner. In the process, this exploratory qualitative research will be carried out with a literature study complemented by observations to obtain ideas that correlate with the observed social phenomena (Creswell & Creswell, 2018), which in this article refers to the discussion regarding Indonesia's economic diplomacy in accelerating the ICA-CEPA cooperation negotiation process.

Exploratory qualitative research is usually not bound by a rigid framework and is open-ended, so the information obtained is broader and deeper. This method allows researchers to explore various perspectives and dynamics that may not have been previously identified (Creswell & Creswell, 2018). In the context of analyzing Indonesia's efforts to accelerate the ICA-CEPA negotiation process, this approach is considered very appropriate because it can provide detailed and rich information. Thus, the research results can be understood comprehensively, covering various aspects that affect the implementation process, as well as the challenges and opportunities faced.

## **RESULT AND DISCUSSION**

### **Canada's Market Potential for Indonesia**

Diplomatic relations between Indonesia and Canada have been established since 1952, marked by the signing of an agreement between the two countries to open diplomatic representatives in each country. The commitment to cooperation between Indonesia and Canada is not limited to just one issue, but also to aspects outside of politics and economics, such as democracy and human rights. In addition, Canada also has the same commitment as Indonesia regarding economic growth and development efforts in order to reduce poverty rates (Choirulina & Paryadi, 2022). This is proven in several multilateral

collaborations that the two countries have participated in regarding the economic sector, such as the Asia-Pacific Economic Cooperation (APEC), ASEAN-Canada, ASEAN Regional Forum (ARF), G20 and others (KADIN Indonesia, 2022).

Indonesia and Canada have had economic cooperation for a long time, but they do not yet have a free trade agreement. Trade relations between Indonesia and Canada can be considered quite good, where Canada itself is ranked 31st as Indonesia's export destination. Canada itself is considered one of the leading markets for Indonesian products in the Americas. Where Canada is in second place after the United States (US) (Alya Andira, 2024). In 2019 alone, Indonesia's total trade with Canada reached US\$ 2.68 billion (Lumanauw, 2020) and import transactions of goods from Canada to Indonesia are also quite high (Global Affairs Canada, 2020). Thus, it is believed that there is still room for development of this potential by intensifying cooperation (Yueh, 2020).

The products exported by Indonesia to Canada are quite diverse, dominated by agricultural products such as coffee, tubers, spices and others (Darmawan, 2022). Meanwhile, Indonesia's main import commodities from Canada are wheat, fertilizer, sawdust, soybeans and iron ore (Kemendag.go.id, 2022). The value of Indonesia-Canada exports and imports in 2022 increased quite significantly compared to the previous year. In 2021, Indonesia's trade was recorded at US\$ 1.06 billion and in 2022 it increased to US\$ 2.9 billion with an increase of 39.6% (Kemendag.go.id, 2022). Indonesia's exports to Canada in the same period reached US\$ 884 million with an import value of US\$ 1.9 billion (Kemendag.go.id, 2022). Based on these potentials, Indonesia and Canada made a significant decision through ICA-CEPA to engage in comprehensive strategic cooperation in the economic sector.

The ICA-CEPA is anticipated to benefit commerce, investment, and economic growth in and of itself, all of which

will increase job prospects in both nations. Furthermore, it is envisaged that Indonesian products and services will be able to outperform those from ASEAN nations that have already established trade agreements with Canada through strategic economic cooperation (Choirulina & Paryadi, 2022). The creation of collaboration agreements must be done carefully and take into account a number of factors in order to get the best results. For instance, the economies of both nations, security and stability considerations, accessibility and technological issues, and others.

Indonesia itself has several goals that it wants to achieve through the ICA-CEPA cooperation, including (1) increasing potential and international trade partners that are useful for opening new markets, especially after the pandemic (Directorate General of International Trade Negotiations, 2021), (2) intensifying bilateral cooperation relations, (3) equalizing the competitiveness of Indonesian products; (4) increasing investment; (5) encouraging business actors as a whole (DITJEN Perundingan Perdagangan Internasional, 2021). Strategic actions are required to attain these objectives and get the best possible outcomes. Indonesia is therefore totally dedicated to putting together ICA-CEPA, both in terms of talks and execution.

### **ICA-CEPA Negotiation Stages**

In formulating the ICA-CEPA strategy itself, there are three stages, namely the input stage, the matching stage, and the decision-making stage (Choirulina & Paryadi, 2022). The ICA-CEPA, which was first launched on June 21, 2021 through a cooperation scheme, has entered its initial stage. Where the scheme discusses market and service access, capacity development and trade and investment facilities (Choirulina & Paryadi, 2022). Which includes, among other things, market access, facility regulations and cooperation (DITJEN Perundingan Perdagangan Internasional, 2021). The first formulation or discussion of ICA-CEPA was held in the first quarter of

2021 online. In the discussion, market access for trade in goods, services, investment and other trade areas were discussed in detail by both parties. In the first discussion, Indonesia was represented by the Minister of Trade, Muhammad Lutfi together with the Minister of Small Business, Export Promotion and International Trade of Canada, Mary Ng (Government of Canada, 2024).

In 2022, Canada and Indonesia held discussions again on ICA-CEPA. In the meeting, Indonesia was represented by the Director General of International Trade Negotiations, Djatmiko Bris Witjaksono as the Chief Negotiator for Indonesia, while Canada was represented by the Associate Assistant Deputy Minister, Trade Policy and Negotiations for Global Affairs, Arun Alexander as the Chief Negotiator for Canada. Overall, the ICA-CEPA negotiations included discussions divided into 17 working groups and 3 expert-level discussions. The working groups are (1) trade in goods; (2) trade in services; (3) digital trade; (4) legal provisions and institutional issues; (5) trade security; (6) rules of origin; (7) sanitary and phytosanitary; (8) good regulatory practices; (9) investment; (10) intellectual property; (11) economic and technical cooperation; (12) government procurement; (13) transparency; (14) competition; (15) dispute resolution; (16) customs procedures and trade facilitation; and (17) technical regulations and conformity assessment procedures (STRACAP) (Biro Hubungan Masyarakat Kementerian Perdagangan Indonesia, 2022)

Meanwhile, the Expert Level Discussion was conducted to discuss inclusive trade, labor and the environment. In the first round of negotiations, both parties focused on views related to national policies to understand each other's positions on issues in general. Where the hope is to be able to maximize the results that will later have an impact from this cooperation. For Indonesia itself, through ICA-CEPA, it is hoped that it can increase exports of goods

and services, invite foreign investment to Indonesia, encourage cooperation in priority sectors, including the MSME sector (Biro Hubungan Masyarakat Kementerian Perdagangan Indonesia, 2022).

The second round will be held on August 15-19, 2022. Indonesia is still led by Djatmiko Bris Witjaksoono and Canada is led by Jay Allen. The issues discussed are still related to the 17 sectors in the first negotiations. However, this time the Indonesian delegation is strengthened by the presence of the Ministry of Foreign Affairs, Coordinating Ministry for Economic Affairs, Ministry of Finance, Ministry of Law and Human Rights, Ministry of Maritime Affairs and Fisheries, Ministry of Investment/BKPM, Ministry of Agriculture, Ministry of Communication and Information, Ministry of Manpower, Ministry of Industry, Ministry of Environment and Forestry, Ministry of Religion, Ministry of National Development Planning, National Standardization Agency, Government Goods/Services Procurement Policy Institute, Business Competition Supervisory Commission, Bank Indonesia, Financial Services Authority, and Food and Drug Supervisory Agency (Mulyati & Martha, 2022). It is anticipated that the second online cycle of ICA-CEPA will provide a boost of confidence for business actors in Indonesia. Through phased negotiations, it is anticipated that the talks will be finished on schedule and in good time for its implementation to take place soon.

The third round of ICA-CEPA was held two months later, at the end of October and the beginning of November. The Indonesian delegation was still led by Djatmiko Bris Witjaksono and Canada was led by Aaron Fowler, as the Director General of Negotiations and Agri-Food Agreements for Canada. In the third round, the discussions covered the level of liberalization and modalities of trade in goods that will be used in the ICA-CEPA scheme. By holding further discussions, it proves that Indonesia is fully committed to economic cooperation with Canada. For this

reason, these negotiations aim to maintain the momentum of the negotiations and meet the target of completing the negotiations which are planned to be completed by the end of 2023 (Kemendag.go.id, 2022). Through these negotiations it is hoped that it can achieve the elimination or reduction of import duties on several Indonesian products in the Canadian market. Where this can increase the volume of Indonesian exports.

The fourth negotiation was held face-to-face in Bandung on February 20-24, 2024. This face-to-face meeting is expected to accelerate the discussion and implementation process. In the fourth round, Indonesia and Canada were still led by the same negotiating team, namely Djatmiko Bris Witjaksono and Aaron Fowler. This meeting discussed trade issues including liberalization of trade in goods, trade in services, technical cooperation, standards, institutional issues, and non-traditional trade issues covering employment, the environment and including inclusive trade (Kemendag.go.id, 2023).

The fifth round of negotiations was then held on June 5, 2023 in Ottawa, Canada. This fifth round succeeded in achieving substantive progress in discussing 19 issues of trade in goods, services, and investment. Then the series was continued online on June 17-12, 2023. On June 5-12, 2023, the discussion focused more on issues of government procurement, inclusive trade, the environment, and employment (Mulyati & Martha, 2023). One of the strategies undertaken by Indonesia to accelerate the implementation of ICA-CEPA is through the G7 meeting in May 2023. Where both parties agreed to encourage the acceleration of negotiations and give a mandate to negotiators to be able to produce a joint agreement at the ASEAN-Canada Summit meeting. In this round, in August 2023, both parties comprehensively discussed the issues of transparency, responsible business behavior, and good regulatory practices (Mulyati & Martha, 2023).

The next round of ICA-CEPA was then carried out on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting (AMM) series which was held on November 14-15, 2023. This meeting was accompanied by the Director General of Indonesian Trade Negotiations, Zulhas, and Djatmiko Bris Witjaksono. Where this meeting is a continuation of the sixth round which discussed customs texts and trade facilities, telecommunications services and business competition. The sixth meeting also discussed transparency and cooperation for State-Owned Enterprises (SOE's). It is hoped that its implementation can be realized in 2025 (Abbas & Martha, 2023). The meeting also discussed the potential of Canadian products that can enter Indonesia such as wheat, soybeans and meat. Where later a verification and assessment visit will be carried out to the Canadian Foreign Halal Institution / *Lembaga Halal Luar Negeri* (LHLN). Canada is also interested in being able to import processed food and organic food from 27 Indonesian companies to be included in Canada's purchase plan to Indonesia (Abbas & Martha, 2023).

At the seventh meeting held on March 5-8, 2024, which was held in Semarang, Central Java. The negotiations discussed trade in goods, trade in services, rules of origin, government procurement of goods and services, investment, intellectual property, customs and trade facilitation, economic cooperation, inclusive trade, and employment (Abbas & Martha, 2024a). The next round of negotiations was held in Ottawa, Canada on 24-28 June 2024. Where the discussion emphasized the Critical Mineral Dialogue, as a real manifestation of strategic cooperation between Indonesia and Canada, as critical mineral producing countries that have a large influence in the world (Abbas & Martha, 2024b).

The dialogue on critical minerals is proposed to explore the advantages of both countries in terms of mineral resource processing and technology development.

Through this eighth dialogue, it is hoped that important chapters such as transparency, anti-corruption and responsible business behavior can be comprehensively discussed. The goal is for the cooperation carried out by both parties to run well, which can then produce good results for improving the economies of both countries. In addition, negotiating technical details is also an important concern, to show the commitment of both countries as stated in the ICA-CEPA Negotiation Acceleration Work Program agreed by both countries (Abbas & Martha, 2024a). ICA-CEPA itself is planned to be completed by the end of 2024, which is accelerated from the previous plan to be completed in 2025.

To achieve this target, Indonesia is implementing a proactive strategy by continuing to intensively communicate and negotiate regarding crucial issues that can encourage an increase in the Indonesian economy (Kurmala, 2024). Indonesia also seeks to strengthen negotiations by prioritizing the strength factor it has. Indonesia as a country rich in raw material availability is an important factor in developing this trade cooperation. In addition, the availability of labor with a large population is a major factor in Indonesia's strength (Choirulina & Paryadi, 2022). For Indonesia itself, Canada is considered a country that has good opportunities to be developed as a new partner and market. This is based on several factors such as (1) security factors, which will have an impact on the stability of cooperation; (2) competent technology factors, it is hoped that there will be a transfer of skills and knowledge to the Indonesian workforce (Choirulina & Paryadi, 2022).

### **Indonesia's Efforts to Accelerate ICA-CEPA Negotiations**

The ICA-CEPA, which is planned to be completed by the end of 2024, is a sign that this cooperation is approaching the point of implementation. It is not without reason that the negotiations are carried out in several stages, which have so far reached

the eighth round of negotiations. This is because the opportunity for comprehensive economic cooperation is considered an opportunity by both parties. To take advantage of this opportunity, comprehensive or detailed preparation is needed, both from the areas of cooperation covered to matters concerning the technicalities and actors involved.

Moreover, this cooperation is carried out bilaterally, which means that only two parties can be considered to provide benefits. Both countries can each prioritize their national interests, which are adjusted to the value or purpose of cooperation. Globalization has also become a condition where bilateral cooperation is seen as a special way in economic cooperation. Where countries can easily promote trade and investment (Rana, 2018), which then provides many benefits for both parties. Through economic diplomacy carried out bilaterally, ICA-CEPA can provide better market access for Indonesia to Canada, and vice versa.

This is achieved through the elimination or reduction of duties on several Indonesian products. In addition, CEPA also provides legal protection and fair treatment for Indonesian products (Monica, 2023). Economic investment opportunities are another benefit that Indonesia can get from ICA-CEPA. These chances will not only boost economic flows but also advance technology and knowledge-based capacities. While both parties hope to boost their own economies through economic diplomacy, the effects are seen in more ways than one. Through technical training, environmental cooperation, sustainable development, and other means, ICA-CEPA uniquely offers Indonesia the chance to grow and innovate.

The meetings that were held in stages also confirmed that bilateral diplomacy was going well, especially since each country expressed its national interests in the hope of achieving them. Detailed discussions on important issues in economic cooperation also showed that economic diplomacy includes aspects of commercial

openness in which strategy is needed. Through this economic diplomacy, both parties promote their countries optimally. Like Indonesia which promotes the potential of its resources, while Canada promotes its technology and stability.

Based on the concept of bilateral cooperation which emphasizes the pattern of interaction that is established over a long period of time will create dependence on each other, or interdependence. This is what happened between Indonesia and Canada, a long interaction resulted in various activities and ties, one of which is economic. Which ties are the basis for the ICA-CEPA. This also applies to the diplomacy and negotiation process in the implementation process of the ICA-CEPA. Where ongoing and continuous meetings give rise to strengthening the pattern of interaction between the two countries, which encourages the emergence of mutual trust. In addition, the function of the concept of bilateral cooperation itself is to produce long-term good relations (Prasetyo, 2023), in this case ICA-CEPA can be seen as a good thing that will last a long time between the two countries.

However, of course, in carrying out bilateral cooperation, a supporting concept is needed. In this case, economic diplomacy is the answer that is in harmony with the bilateral cooperation ICA-CEPA between Indonesia and Canada. Economic diplomacy for ICA-CEPA has been implemented since the formulation of the cooperation. Which was finally inaugurated in 2021 as the starting point for the formation of ICA-CEPA. Economic diplomacy itself is carried out by the government as a state actor representing the interests of the country. Where in this case many elements of government are involved such as the Ministry of Trade, Ministry of Economy, Ministry of Finance, Ministry of Foreign Affairs and so on. The role of each element of government provides the view that the ICA-CEPA cooperation is considered important by both parties. Which shows that ICA-CEPA requires a lot of consideration from various perspectives, to produce maximum results.

Moreover, ICA-CEPA does not only discuss the core aspects of international trade such as exports and imports, but also highlights environmental aspects and service aspects to the law in it. So it is right to involve many elements of government in it. The hope is to achieve optimal results that are in line with national interests in all aspects of the field. Not only emphasizing the economic aspect, but also considering aspects of foreign policy and so on.

Economic diplomacy itself, which is seen as a tool to achieve prosperity for a country, needs to consider ways to support domestic policies. Therefore, economic diplomacy cannot stand alone, even though it is implemented to achieve economic growth for a country. The involvement of many parties for a more comprehensive discussion will lead to the strategic implementation of the ICA-CEPA itself.

## CONCLUSION

International cooperation is growing rapidly in the era of globalization. Where access is getting easier, but also leads to high competition. One of them is in the field of economics and trade. Indonesia and Canada themselves have established economic relations for quite a long time. Even with quite high export and import transactions. However, with the existence of a free market, competition becomes higher, resulting in a decrease in export and import transactions between the two countries. In response to this, Indonesia and Canada formed the ICA-CEPA cooperation framework to encourage comprehensive economic growth.

ICA-CEPA was formed to increase the potential for exports and imports between Indonesia and Canada by reducing trade barriers. In addition, ICA-CEPA also pays attention to environmental aspects and improving human resources so that the cooperation can be established sustainably. In its formulation and implementation, both countries use bilateral economic diplomacy that focuses on the strengths and opportunities of each country. This is intended to achieve maximum results while

still considering the national interests and values of each country. So that it does not only solve one problem, but also takes advantage of this bilateral cooperation opportunity to resolve related obstacles. ICA-CEPA itself is currently still in the discussion stage which is scheduled to be completed by the end of 2024.

Through this study, it can be seen that economic cooperation between Indonesia and Canada through ICA-CEPA is seen as a good opportunity, which can have an impact on improving the economy of both countries. However, because this cooperation is still in the discussion stage and has not been implemented, further research is recommended to analyze the impact of ICA-CEPA cooperation on improving the Indonesian economy along with the obstacles faced.

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