

Japan - Indonesia Joint Statement

- Towards Further Strengthening of the Strategic Partnership Underpinned by Sea and Democracy - March 23, 2015, Tokyo

Ir. H. Joko Widodo, President of the Republic of Indonesia, and Mrs. Iriana Joko Widodo visited Japan from March 22 to 25, 2015, at the invitation of Japan. President Joko Widodo and Mrs. Iriana Joko Widodo paid a visit to the Imperial Palace where they paid a State Call on Their Majesties the Emperor and the Empress of Japan followed by a court luncheon on 23 March 2015.

Mr. Shinzo Abe, Prime Minister of Japan and President Joko Widodo held a summit meeting on 23 March 2015. Both leaders expressed their commitment to strengthen the Strategic Partnership underpinned by sea and democracy based upon mutually beneficial cooperation, friendly relations and shared fundamental values.

I. Overview and Cooperation in the Maritime Areas

1 Both leaders affirmed that the two countries share common interest in maintaining and promoting peace, stability and prosperity regionally and globally. To achieve this objective, both leaders, recognizing that the two countries commonly share fundamental values such as freedom, democracy and rule of law as well as rules-based multilateral trading system, reiterated their determination to further strengthen the “Strategic Partnership” based on the long-lasting cordial friendship. Welcoming the development of democracy in Indonesia and the smooth implementation of the parliamentary election as well as the presidential election last year, Prime Minister Abe once again offered his congratulations on the election of President Joko Widodo based on the support of the Indonesian people. President Joko Widodo also congratulated Prime Minister Abe for his re-election and expressed his confidence that Prime Minister Abe will lead Japan to greater success and prosperity.

2 Prime Minister Abe highly valued Indonesia’s active role in contributing to the regional and global stability and prosperity including through ASEAN and other regional frameworks, and expressed his expectation to its further contribution. President Joko Widodo praised Japan’s enduring efforts and positive contributions to regional and global economic development as a peace-loving nation for 70 years since the end of World War II, and highly appreciated Japan’s peaceful orientation and determination to further contribute to the international society.

3 As leaders of maritime countries that are commonly surrounded and connected with the rest of the world by vast oceans, both leaders confirmed that free, open and stable seas are essential for peace, stability and prosperity of the region and the international community. In order to jointly

achieve this goal, building upon the long-standing history of cooperation between the two countries, and in accordance with international law including the 1982 United Nations Convention on the Law of the Sea (UNCLOS), they concurred in establishing Japan-Indonesia Maritime Forum as soon as possible in order to further strengthen and accelerate maritime cooperation inter alia in maritime safety and security, promotion of maritime industries, as one of the important pillars towards enhancing bilateral cooperative relationship.

4 Both leaders affirmed that the two countries have been building up maritime cooperation over the years including human resource development and provision of patrol vessels from Japan. On the basis of the bilateral collaboration, they shared the view to promote the cooperation in capacity building for maritime safety, promotion of fishing industry, marine living resources management, promotion of shipbuilding and shipping industries, development of infrastructures including ports, enhancement of connectivity, and enhancement of measures for maritime traffic safety, through technical cooperation including the dispatch of experts, provision of equipment and financial assistance.

5 Both leaders acknowledged that enhancing maritime security is an important element in maintaining peace and stability in the region. Both leaders underscored the importance of freedom of navigation and overflight on the high seas, unimpeded lawful commerce, as well as resolving maritime disputes by peaceful means, in accordance with universally recognised principles of international law including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

II. Political and Security Area

6 Both leaders shared the view that peace and stability in the region is essential for prosperity of the entire region and the international community and affirmed that they would deepen cooperation to ensure and to enhance it. Prime Minister Abe explained Japan's ongoing efforts to promote the policy of "Proactive Contribution to Peace" based on the principle of international cooperation. President Joko Widodo welcomed Japan's initiative, noting that the policy has been and will continue to be explained in a transparent manner, while expecting that the policy will strengthen international security, regional order and enhance confidence building.

7 Both leaders welcomed the outcomes of the Japan-Indonesia Ministerial-Level Strategic Dialogue between the foreign ministers of the two countries, and affirmed their intention to continue the Dialogue. Both leaders also welcomed the signing of the Memorandum between the Ministry of Defense of the Republic of Indonesia and the Ministry of Defense of Japan on Cooperation and Exchanges in the field of Defense. On that basis, they reaffirmed their willingness to hold the "Joint Foreign and Defense Ministerial Consultation" aimed at enhancing communication between the

Foreign and Defense Ministers of the two countries and further promoting cooperation in the field of security and defense.

8 Prime Minister Abe extended his condolences to the victims and families of the victims of the crash of the Air Asia flight QZ8501 in December last year. President Joko Widodo expressed his appreciation for the participation in search and rescue operations by the Japanese Maritime Self-Defense Force. Based upon this experience, both sides affirmed that they will further increase cooperation on humanitarian assistance, disaster relief, and maritime search and rescue in the region.

III. Economic Cooperation

9 Both leaders expressed their strong commitment to expand bilateral trade and investment cooperation, recognizing that mutually beneficial economic partnership through, inter alia cooperation, trade and investment facilitation, rules-based multilateral trading system would contribute to the economic development not only of their countries but also of the entire region. Prime Minister Abe expressed Japan's intention to support and provide possible assistance for the agenda that President Joko Widodo's has been promoting such as regional development, inequality correction, export promotion, industrial sophistication, development of supporting industries, enhancement of agriculture and fishery in Indonesia, and for the projects which realize the agenda such as development of power plants, deep sea ports, toll roads, disaster prevention facilities, airports, air navigation system, telecommunications, railways, mass rapid transit, and utilization of renewable energy resources. President Joko Widodo welcomed Prime Minister Abe's commitment to promote the development of Quality Infrastructure for Quality Growth through people-centered investment, as an effective approach to close the global infrastructure gap, which is a major bottleneck for global growth.

10 Both leaders concurred in launching "PROMOSI: Japan-Indonesia Investment and Export Promotion Initiative" consisting of following components:

(1) Promotion of business and investment friendly environment in Indonesia:

- enhancement of investment promotion measures such as one stop service for investment
- development of high quality infrastructure, such as railway, port, road, sewerage, airports, air navigation system, disaster prevention facilities, electricity and telecommunications in addition to cooperation between private sectors
- facilitation of important projects of mass rapid transit, electricity, port etc.

(2) Enhancement of industrial human resource development:

- implementation of training programs in supporting industries, small and medium-sized enterprises as well as agricultural and food industry

(3) Strengthening of economic dialogue and cooperation between both governments and private

sectors:

- Establishment of a new ministerial dialogue on development of trade and investment environment, infrastructure, economic and industrial cooperation involving public and private sectors
 - enhancement of cooperation between related authorities including JETRO and BPKM as well as JETRO and Ministry of Trade of Indonesia, including through dispatch of policy advisers from Japan
- (4) Promotion of economic partnership in bilateral and multilateral settings and regional economic integration

11 President Joko Widodo appreciated the constructive role of Japan in supporting Indonesia's economic development and for Japan's position as one of Indonesia's largest investment and trading partners. Taking into account the strong economic potentials of Indonesia, President Joko Widodo encouraged Japanese enterprises to make use of Indonesia as their production base for manufacturing export products to the international market. Both leaders, appreciating sincerely the Japanese business investment in Indonesia in wide-ranging areas including automotive manufacture and electrical/electronic equipment as well as in steel, metal, rubber and textile industries, shared the intention to encourage Japanese private sector to further explore investment opportunities in agricultural, maritime, logistics and infrastructure sectors.

12 Both leaders welcomed the convening of *Indonesia Business Forum and Individual Investment Consultation Program* on the occasion of President Joko Widodo's visit to Japan aiming at the expansion of bilateral trade and investment cooperation. They also welcomed the signing of Memorandum of Understanding between Japan External Trade Organization (JETRO) and the Indonesian Ministry of Trade and also between JETRO and the Indonesian Investment Coordinating Board (BKPM), with the objective of finding more Japanese companies having interest in expanding their business in Indonesia, promoting local industries, and dispatching policy experts. They confirmed the spirit of free and fair trade and need to solve particular issues promptly through dialogue between the two countries. They also shared the intention to promote and facilitate Foreign Direct Investment activities of Japanese enterprises in Indonesia and vice versa.

13 Both leaders welcomed financing agreement on Jakarta Mass Rapid Transit (MRT) North-South Line and East-West Line Projects and Java-Sumatra Interconnection Transmission Line Project as they would contribute to development in Indonesia, and confirmed to sign the exchange of notes at an early stage for prompt realization of the projects. They showed their expectations that the construction of new sea ports would contribute to strengthen the metropolitan industrial zone and increase the export of their products and, for the development of these new ports, they confirmed to pursue the best matching of public and private involvement.

14 Both leaders confirmed that they will advance a general review of the Japan-Indonesia Economic Partnership Agreement (JIEPA) with the aim of further deepening and improving the trade and investment relations between the two countries. President Joko Widodo expressed his expectation that through the general review both sides would enjoy further mutual benefits in a balanced manner. They confirmed that Japan and Indonesia would actively engage and were committed to pursuing economic partnership and regional economic integration, with a view to strengthening the industrial competitiveness and promoting expansion of supply chain in the region, taking into consideration the possibility that the ASEAN Economic Community (AEC) and the Regional Comprehensive Economic Partnership (RCEP) could bring the opportunity for further development of Indonesia as a base of production and export in the Asian region.

15 Both leaders affirmed the importance of enhancing cooperation to develop high quality infrastructure such as development of power plants, including local ones, based on “35GW program” of Indonesia. They affirmed the significance of high-efficient coal-fired power plants in addressing climate change and as a source of electricity and concurred on the importance of sharing the necessity of continued public financial supports by OECD countries for coal-fired power generation in international fora. They also affirmed importance of advancing cooperation and consultation to solve the issues in the area of development and trade of natural resources including petroleum, natural gas, coal, metal, etc., taking into account their respective laws and regulations. Prime Minister Abe expressed his hope for the production sharing contracts (PSC) of Japanese corporations in Mahakam Block and Masela Block to be extended.

16 The two leaders took note of the importance of reviewing the Agreement between the Government of the Republic of Indonesia and the Government of Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income signed in 1982 with a view to promoting investment flows between the two countries, taking into account the current economic dynamics. The two leaders shared the view on the necessity to commence the review process.

IV. People-to-People and Cultural Exchange

17 Recognizing that cultural exchange and people-to-people exchange including through tourism are irreplaceable investment in deeper and more multi-layered relations of friendship and cooperation between the two countries for the future, both leaders affirmed to further move these initiatives forward. In this connection, President Joko Widodo welcomed the decision by the Government of Japan which commenced waiving visa requirements for Indonesian ordinary e-passport holders in December 2014. Prime Minister Abe welcomed the recent announcement by the Government of Indonesia to waive visa requirements for Japanese nationals.

18 President Joko Widodo highly appreciated Japan's cooperation in people-to-people exchange, such as JENESYS 2.0, a succeeding program of the JENESYS project (Japan-East Asia Network of Exchange for Students and Youths) implemented under Prime Minister Abe's initiative. The President also welcomed "WA Project—Toward Interactive Asia through Fusion and Harmony" which promotes two-way arts and cultural exchange and Japanese language learning assistance and expressed his willingness to cooperate for the smooth implementation of the project.

19 Both leaders affirmed that the two countries will cooperate towards the Jakarta Asian Games and Asian Para Games in 2018 and 2020 Olympic and Paralympic Games in Tokyo. They shared the intention to bilaterally cooperate in the field of sports, including the promotion of sporting values through the implementation of Japan's international contribution plan "Sport for Tomorrow" Programme. Both leaders underlined the importance of contribution of private sectors to the success of these important sports events.

V. Regional and International Cooperation

20 In the historic year of launching of ASEAN economic integration and of the tenth anniversary of East Asia Summit, both leaders renewed their recognition on the growing importance of ASEAN and other regional frameworks and confirmed their commitment to closely cooperating in strengthening these frameworks. They reaffirmed their support for ASEAN's centrality.

21 Both leaders expressed, together with the international community, resolute condemnation over acts of terror including the outrageous and impermissible murders of the two Japanese nationals by the ISIL and the attack at the National Bardo Museum in Tunis on 18 March 2015. They shared the view to strengthen collaboration between the two countries in the area of counter-terrorism and transnational crimes. They shared the recognition that the two countries will never give in to terrorism, and will actively contribute to the peace and stability of the world together with the international community in an unwavering manner. They also shared the view on the imperative need to address the issue of radicalism and reiterated the importance of promoting moderation as well as holistic approach which includes socio-cultural, religious and economic aspects.

22 Both leaders shared the recognition that the issue of South China Sea is directly related to the peace and stability of the region. They also reaffirmed the importance of the full implementation of the Declaration of the Conduct of Parties in the South China Sea and the early realization of a regional Code of Conduct in the South China Sea. Both leaders underlined the imperative necessity to resolve differences and disputes in the South China Sea by peaceful means, exercising self-restraint, without resorting to the threat or use of force. Prime Minister Abe welcomed President Joko Widodo's commitment to proactively contribute to this issue.

23 Both leaders shared the view that peace, security and stability on the Korean Peninsula are of great importance. Prime Minister Abe explained the bilateral relations between Japan and DPRK including the abductions issue. President Joko Widodo expressed his hope that the bilateral relations between Japan and DPRK can further evolve.

24 Prime Minister Abe welcomed Indonesia's chairmanship of the Indian Ocean Rim Association (IORA) 2015-2017. As a dialogue partner of IORA, Japan was confident that Indonesia would lead IORA towards deeper and more effective cooperation in six priority areas namely maritime safety and security; trade and investment facilitation; disaster risk management; academic, science and technology; as well as tourism and cultural exchanges.

25 Prime Minister Abe appreciated Indonesia's initiative to commemorate the 60th anniversary of the Asian and African Conference in April this year and expressed the intention to cooperate for the success of the conference. Prime Minister Abe welcomed Indonesia's participation in the Third UN World Conference on Disaster Risk Reduction in March this year.

26 Both leaders reiterated their strong commitment to promote nuclear disarmament, non-proliferation and peaceful uses of nuclear energy, recognizing that this year marks 70 years since atomic bombings in Hiroshima and Nagasaki, and expressed their willingness to continue to cooperate for the successful NPT Review Conference in 2015. Both leaders welcomed the contribution of the Non-proliferation and Disarmament Initiative (NPDI) to the 2015 NPT review process. They shared the need of the early entry into force of the CTBT. In this regard, Prime Minister Abe welcomed Indonesia's ratification of CTBT in 2012.

27 Both leaders reaffirmed the urgent need for UN reform including the Security Council reform in all its aspects. They emphasized the importance to make the Security Council more efficient, transparent and representative of the realities of the 21st century. In this context, both sides shared the view to enhance cooperation for achieving concrete outcomes this year, which celebrates the 70th anniversary of the founding of the UN.

28 Both leaders also shared the view on the importance of promoting harmony and cooperation among civilizations, cultures and religions. President Joko Widodo welcomed Prime Minister Abe's initiative to hold High-Level Seminar on Peacebuilding, National Reconciliation and Democratization in Asia in June, 2015, in Tokyo. Prime Minister Abe welcomed Indonesia's commitment to organize an Asia-Pacific Regional Conference on Peacekeeping Operations in July, 2015 in Jakarta. Mindful of the importance of international issues of the day such as combating terrorism and transnational crimes including IUU fishing and illicit drug trafficking, repressing

piracy and armed robbery against ships at sea, the United Nations Security Council reform, disarmament and non-proliferation, they shared the intention to tackle these issues together as the two countries have the willingness and ability to contribute to the global agenda.