

ABSTRACT

The controversy over President Joko Widodo's statement of intention that Indonesia wants to join the Trans-Pacific Partnership (TPP) is yet to calm down. The TPP is actually a comprehensive trade and investment agreement that would remove most tariffs, some tariff-rate quotas (TRQs), and many non-tariff barriers to goods and services trade and investment between the parties to the agreement. For Indonesia, TPP represents an opportunity to participate in one of the most important trade agreements globally and certainly the most important trade agreement in the Asia-Pacific region in terms of size and impact. Furthermore, TPP will become one of the largest commercial areas in the world with over 800 million people, contributing over 40% of the world Gross Domestic Product (GDP). Although the Treaty has not been signed yet, the discourse on the possibility of Indonesia joining the TPP has caught both media and public attention. The decision to join the TPP should be built upon a very deep consideration, with particular scrutiny on the political, economic and legal aspects. These three aspects are critical to the decision to accede to the Treaty. By using a descriptive-qualitative method, the study will describe the importance of joining the Trans-Pacific Partnership for the Republic of Indonesia. Moreover, the result shows that the TPP definitely covers all of the topics included in most modern FTAs. In addition, the TPP also goes beyond these traditional areas, providing disciplines to new areas such as anti-corruption, electronic commerce, and cyber security. However, there are challenges that might be faced such as, organizational challenges, public policy, economic development, overlapping agreement, and next generation of the TPP challenges. Yet, it seems to be covered by the opportunities embodied in the TPP, and it is surely reflected as the importance of joining the Agreement.

Keywords: Trans Pacific-Partnership, Free Trade Agreement, Republic of Indonesia, Challenges and Opportunities