Abstract

Indonesia plans to be a member of Trans-Pasific Partnership or TPP. This agreement pledge to eliminate all tariffs, taxes for easier access to invest between involved countries and would make the economy more open. However, one thing that differentiate TPP with other free trade agreements (FTAs) is that TPP does not acknowledge exclusive rights given to State-Owned Enterprises by the government. So there will be no discrimination toward foreign companies.

Jokowi has shown his intentions to join the TPP by declaring it directly to the US former president Barack Obama due to the opportunities that Indonesia possibly achieves. Under Jokowi's administration, Indonesia focuses on infrastructure development which aims to boost economic growth. Therefore, in order to make it happen, Jokowi cuts 42.000 regulations which hamper economic development. There are other 3.143 local regulations cut by Jokowi as well.

Indonesia has been working together with many countries as well as joining free trade agreements to achieve its goals. However, Indonesia could not maximize the advantages from joining it. Moreover, Indonesia experienced deficit in ACFTA with China as the block leader. Although Indonesia tried to compete with China's products, it always lost. Therefore, it is necessary to be having Indonesia joined TPP – as TPP is the biggest trade deal in 21st century – in which all experts expected developing countries would be benefited the most from this agreement.

Keywords: Indonesia, TPP, Trade and Investment, Comprehensive Partnership