



Analysis of the Indonesia–EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) to Enhance Indonesia’s Export Market Access

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ABSTRACT

International trade plays an essential role in Indonesia’s economic expansion through both exports and imports. Nonetheless, obstacles such as the COVID-19 pandemic, non-tariff measures (NTMs), and protectionist policies have impeded Indonesia’s export performance. Agreements such as the Indonesia EFTA Comprehensive Economic Partnership Agreement (IE CEPA) open market access to EFTA, a region noted for its strong purchasing power. This research examines the effectiveness of IE CEPA in boosting Indonesia’s exports while identifying existing challenges and strategies for optimization. Using a qualitative descriptive analytical method, data were obtained through interviews and literature review. The results show that IE CEPA removes almost all tariffs on various Indonesian products. Moreover, the agreement alleviates non-tariff barriers and offers special programs for MSMEs. With its broad trade network, EFTA has the potential to act as a gateway for Indonesian products to enter the European market, enhancing competitiveness, exports, and investment. Despite EFTA’s significant purchasing power, Indonesia’s market share in the region was only 0.29 percent in 2018. Following the implementation of IE-CEPA, exports to Switzerland, Iceland, and Norway increased, while the trade deficit with Liechtenstein persisted. Products such as jewelry, coffee, and footwear successfully entered the Swiss market, whereas palm oil and motor vehicles have yet to show significant export growth. This agreement plays a strategic role in enhancing Indonesia’s global competitiveness.

Keywords: : IE-CEPA, Export, Competitiveness, Market Access

1. INTRODUCTION

International trade plays a crucial role in the economic growth of a country. At present, international trade activities tend to move toward free trade through bilateral and multilateral cooperation. Due to the limited availability of natural resources, no country can fully meet its own needs independently, making collaboration with other countries essential. In other words, a country cannot fulfill its needs without external support. International trade cooperation is often preceded by a legally binding agreement between the parties involved. Such agreements are designed to ensure that trade flows are not obstructed, thereby enabling global economic growth to accelerate through broader international trade (Suryanto & Kurniati, 2022).

Export–import activities are key factors in fostering global economic development. As a developing country, Indonesia benefits from a strategic geographic location and abundant natural resources, which provide the nation with considerable potential in international trade (Parta & Sudana, 2017). Indeed, Indonesia’s export activities have shown consistent growth in recent years.

At the beginning of 2020, global economic growth began to show signs of decline, both in developed and developing countries. The World Trade Organization (WTO) reported that 80 countries implemented export restrictions in response to the COVID-19 pandemic (Dermawan, 2021). This global health crisis reshaped international trade patterns and posed new challenges for Indonesia to maintain its position in the global market.

Beyond the pandemic, another significant challenge comes from the application of non-tariff measures (NTMs) imposed by many countries on foreign products. NTMs typically consist of technical requirements that exporting countries must comply with before their products can enter the destination market. In principle, such policies aim to protect domestic markets and industries. However, NTMs also generate economic implications for international trade, including changes in trade volumes, product prices, or both. Furthermore, NTMs often increase product prices due to additional costs known as compliance costs, or by limiting the availability of goods in the domestic market. In addition, protectionist measures adopted by states represent rational strategic foreign economic policies, yet they can significantly disrupt export–import activities

Based on data from the World Integrated Trade Solution (WITS), for Indonesia, the proportion of imported products affected by at least one non-tariff measure (NTM) reached 68.95 percent (coverage ratio of NTMs), while the percentage of imported products impacted by at least one NTM was 56.33 percent (frequency index of NTMs). Furthermore, the same data indicate that 59.75 percent of Indonesia’s export products are subject to NTMs imposed by trading partners (coverage ratio of NTMs), whereas 33.67 percent of exports are affected based on the frequency index of NTMs. This illustrates that many of Indonesia’s export products continue to face NTMs from partner countries, as do its imported products.

Promoting trade holds significant importance for Indonesia’s economy, as it supports the improvement of public welfare in line with the Preamble to the 1945 Constitution of the Republic of Indonesia. Therefore, the Government of Indonesia may engage in cooperation with other countries to fulfill the needs of its citizens, one of which is through the formation of international trade agreements. Such trade activities can expand access to foreign markets, boost competitiveness and productivity, attract investment, strengthen collaboration and capacity development, and promote the transfer of technology.

At present, due to the stagnation of the World Trade Organization (WTO), regional and bilateral trade liberalization has gained momentum. Of the 260 free trade agreements (FTAs) established globally, 160 have already been signed and are in force (ARIC, 2020). Moreover, in light of global economic uncertainty, Indonesia seeks to minimize negative impacts by improving export performance and protecting its domestic market from global competition. Hence, strategic policies are needed to address the consequences of the pandemic and to mitigate or even eliminate NTMs, both of which significantly affect Indonesia’s trade performance today.

There are three approaches that Indonesia can pursue to safeguard its export performance through international trade. First, unilateralism (bottom-up approach), whereby a country voluntarily undertakes trade liberalization. Second, multilateralism (top-down approach), whereby liberalization occurs through the WTO framework. Third, bilateralism, which refers to a reciprocal approach. These three approaches can be realized through international trade agreements. Such agreements serve to remove trade barriers among participating countries, thereby fostering increased trade and strengthening trade capacity. In addition, they aim to reduce tariffs. For instance, the ASEAN–China Free Trade Area (ACFTA) eliminated tariffs on 90 percent of traded products between the two parties.

One example of Indonesia’s trade cooperation with other countries is its agreement with the member states of the European Free Trade Association (EFTA). EFTA comprises Iceland, Liechtenstein, Norway, and Switzerland. These nations possess one of the world’s most extensive networks of free trade and economic partnership agreements, encompassing over 60 countries and territories, including the European Union (EU). By early 2019, EFTA had finalized 29 trade agreements and was engaged in five ongoing negotiations.

EFTA countries are among the wealthiest in the world. According to World Bank data in 2018, their combined per capita gross domestic product (GDP) reached USD 384,586. Within the Organisation for Economic Co-operation and Development (OECD), EFTA members recorded the highest per capita GDP. Specifically, Switzerland, Norway, and Iceland had GDP per capita levels approximately 60%, 50%, and 30% higher than the EU average, respectively. Consequently, EFTA represents a significant market with strong purchasing power and a solid reputation as a reliable long-term trade and investment partner.

Based on Trademap data, over the past decade, EFTA’s trade in goods has grown at a faster rate than global trade, both in exports and imports. Given its characteristics, the EFTA market is categorized as a non-traditional market. In Indonesia’s export structure, destination countries are generally grouped into traditional

markets and non-traditional markets, the latter comprising both developed and untapped export markets (Sabaruddin, 2016).

With such vast potential and the existence of IE-CEPA, the challenge for Indonesia lies in maximizing the benefits of this cooperation. The research problem identified includes: what challenges does Indonesia currently face in the field of international trade with European countries, particularly EFTA members, that are relevant to the national economy, and how can these challenges be addressed? Based on this problem formulation, the specific objective of this study is to analyze Indonesia's capacity within the IE-CEPA framework to enhance its market access by examining the development of exports before and after the agreement's implementation. Thus, the objectives can be identified as formulating the current challenges faced by Indonesia in international trade with European countries, particularly with EFTA members, and determining strategies to overcome these issues. The urgency of this study lies in Indonesia's need to fully optimize the IE-CEPA agreement and to identify effective strategies for its implementation.

2. LITERATURE REVIEW

The IE-CEPA serves as the legal basis for economic collaboration between Indonesia and the European Free Trade Association (EFTA), encompassing trade in goods, trade in services, investment, and various other sectors mutually agreed upon by both parties. EFTA comprises four countries: Iceland, Liechtenstein, Norway, and Switzerland. This agreement represents Indonesia's first bilateral trade partnership with European nations. EFTA member states are recognized for maintaining one of the world's most extensive networks of free trade and economic partnership agreements, covering more than 60 countries and territories, including the European Union (EU). By early 2019, EFTA had concluded 29 trade agreements and was engaged in 5 ongoing negotiations. This cooperation is strategic for Indonesia, as it serves as a gateway to broader market access in Europe.

Market access is one of the primary dimensions of cooperation between Indonesia and EFTA, and expanding such access for both goods and services constitutes a core objective of the IE-CEPA (FTA Center, 2020). For Indonesia, this is particularly significant, as EFTA countries have the highest per capita GDP in Europe, making them highly lucrative markets with substantial purchasing power (Norman, 1989). Trademap data further support this, showing that EFTA's trade growth in both imports and exports has exceeded the pace of global trade over the past decade.

Indonesia's engagement in free trade through the IE-CEPA reflects its strategic positioning within global commerce. Several studies have examined EFTA from perspectives such as economics, national interests, and trade barriers. For example, Tololiu's thesis, "The Indonesia-EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) as a Driver of Indonesia's Economic Recovery in 2020–2021", analyzed the agreement from an economic growth perspective (Tololiu, 2022). The study concluded that the partnership under the IE-CEPA framework reflects an interdependent relationship that provides mutual benefits. Specifically, the IE-CEPA has had a positive impact on Indonesia's economy, particularly in the sectors of trade (exports and imports) and investment, most notably during the COVID-19 pandemic in 2020–2021.

The study by Aulia et al. demonstrates that the IE-CEPA provides greater export quotas as well as reductions in import tariffs. The agreement also grants equal opportunities for palm oil exports. The reduction and even elimination of tariff and non-tariff barriers under this agreement create substantial opportunities for Indonesian products (Aulia et al., 2024).

This study highlights its novelty by extending beyond the findings of previous research. While earlier studies have shown that the IE-CEPA generates significant market opportunities and positive economic impacts for Indonesia, this research seeks to further examine Indonesia's capacity within the framework of the IE-CEPA to enhance its export market access to EFTA countries—an aspect that has not been thoroughly explored in prior studies.

3. RESEARCH METHODS

The research method employed in this article is qualitative in nature, with an explanatory purpose, as the study aims to elaborate on data in relation to the applied theories through research questions that seek to uncover the causes of a phenomenon (Neuman, 2014). This study can also be classified as descriptive-analytical research, with the objective of describing and analyzing the market access opportunities generated by the IE-CEPA agreement. Each trade agreement carries distinct types and scopes, which in turn influence market access.

Data collection was conducted through library research, drawing upon various sources such as academic journals, books, and other relevant references. Additional materials were obtained from official government documents, websites of both EFTA and Indonesian government institutions, news outlets, and reports from relevant agencies. These sources were selected in accordance with credibility standards to ensure the reliability of the information and data used in this study. To address the research problem, the collected data and information were analyzed using concepts related to trade agreements and free trade, with the aim of determining whether the IE-CEPA can enhance Indonesia's export performance to EFTA countries.

According to Salvatore, free trade establishes a trade system and strengthens cooperation through the creation of strategic partnerships (Salvatore, 2018), thereby facilitating trade flows. This system, as explained further by Lasut, suggests that trade agreements regulate specific aspects of international trade in order to maximize benefits for the participating countries (Lasut et al., 2024). Another concept applied is that of market access, as highlighted by Minahan, who argues that market access can stimulate export growth (Minahan et al., 2012), however, the extent of its impact depends on the type and scope of the trade agreement (Hantzsche et al., 2018).

4. RESULTS AND DISCUSSION

4.1. Indonesia's Market Access through IE-CEPA

The Comprehensive Economic Partnership Agreement (CEPA) is a form of trade agreement. According to an expert on the implementation of international trade agreements at the Ministry of Trade, CEPA is regarded as one of the most complex types of trade agreements because it covers a wide range of economic activities between participating countries. CEPA goes beyond the exchange of goods, as demonstrated in Indonesia's agreement with EFTA member states, and extends to multiple other areas. The IE-CEPA includes general provisions, trade in goods and services, investment, intellectual property rights protection, government procurement, competition, sustainable trade, cooperation and capacity building, as well as mechanisms for dispute settlement (Pratama & Yuliana, 2024).

The scope of this cooperation provides numerous benefits for Indonesia, one of which is enhanced market access to EFTA countries. Within this agreement, the market access obtained by Indonesia plays a crucial role, as it directly affects the country's competitiveness in the European market. Market access generated through such agreements warrants further examination, as it is heavily influenced by the type and scope of the cooperation agreed upon. Market access under the IE-CEPA can be observed in tariff-related provisions. For instance, in trade in goods, Iceland eliminated tariffs on up to 99.94% of its imports from Indonesia, Norway reduced tariffs by 99.75%, and Switzerland by 99.65%. Several provisions that are expected to facilitate greater export market access include:

- 1) Imposition of 0% tariffs on jewelry, fiber optics, gold, essential oils, tin, and footwear exported to Switzerland;
- 2) Imposition of 0% tariffs on textiles, blankets, footwear, pipes, and bicycles exported to Norway;
- 3) Imposition of 0% tariffs on tires, cinnamon, furniture, paper, and textiles exported to Iceland; and
- 4) Imposition of 0% tariffs on electronic equipment, machinery, footwear, furniture, and motor vehicle accessories exported to Liechtenstein.

In addition, the IE-CEPA provides export market access for palm oil and its derivative products, with Iceland and Norway imposing zero percent tariffs. As stated by the Ministry of Finance, Switzerland, which had previously imposed restrictions on its palm oil market, reopened access to Indonesian products through

the application of tariff rate quotas (TRQ) covering crude palm oil (CPO), stearin, kernel, and other palm oil derivatives. These quotas are scheduled to rise by 5 percent annually until the fifth year.

Another important element of the agreement is the removal of non-tariff barriers. The Indonesia–EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) seeks to minimize these barriers to promote smoother trade flows between Indonesia and EFTA member countries. One example is the elimination of technical trade barriers through the harmonization of standards and technical regulations, enabling Indonesian products to more easily meet the requirements of EFTA markets. In addition, the agreement provides for mutual recognition of certification and conformity assessment, enabling products certified in Indonesia to be more readily accepted within EFTA member states. These provisions collectively help lower costs and shorten processing times for market entry, thereby enhancing the competitiveness of Indonesian exports.

Moreover, global market access encompasses not only trade policy elements such as tariffs and non-tariff barriers but also regulatory aspects. Under this agreement, the regulation pertaining to market access specifically addresses palm oil. EFTA’s commitment regarding Indonesian palm oil provides the most favorable terms ever extended to Indonesia. Additionally, the IE-CEPA incorporates special schemes designed to strengthen and expand opportunities for Indonesian MSMEs (Micro, Small, and Medium Enterprises) to gain full market access in Iceland and Norway, with the exception of palm oil products used as animal feed other than for fish.

As for Switzerland, market access provisions include (Häberli, 2008):

- a) Duty-Free Access: for palm oil products used as animal feed, technical purposes, and re- exports.
- b) Margin of Preference (MoP) of 30–40%: applied to a total quota of 10,000 tons of products such as stearin, kernel, and other palm oil derivatives, with quotas increasing by 5% per year until the fifth year after the agreement’s entry into force (EIF).
- c) Equal Treatment: Switzerland has committed to granting Indonesia the same preferential treatment if, in the future, it extends more favorable terms to other crude palm oil (CPO) producers, including Malaysia.
- d) Additional Requirements: Swiss preferences are accompanied by provisions related to sustainability and shipment, with a maximum container capacity of 22 tons.

Global market access also entails the involvement of public institutions. The Indonesia–EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) necessitates the active participation of various public bodies in its implementation. One such institution is the National Legal Development Agency (BPHN) under the Ministry of Law and Human Rights, which contributes to the harmonization of the Academic Draft and Bill related to the ratification of the IE-CEPA. The BPHN ensures that the agreement aligns with Indonesia’s national legal framework, enabling its implementation to proceed effectively and in compliance with existing laws and regulations (Sriwidodo & Sinaulan, 2025).

In addition, the Ministry of Trade of the Republic of Indonesia, through the FTA Center, provides information and support to businesses regarding the utilization of the IE-CEPA. The FTA Center assists in understanding the provisions of the agreement, export procedures, and market opportunities in EFTA countries, thereby enabling businesses to maximize the benefits of the agreement (Chowdhury, 2025). The role of these public institutions is crucial in ensuring that the IE-CEPA is effectively implemented, delivers optimal benefits to Indonesia’s economy, and supports businesses in seizing available opportunities.

Furthermore, another crucial aspect is access to EFTA’s industrial networks. The Indonesia–EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) provides Indonesia with the opportunity to capitalize on EFTA’s broad industrial cooperation networks. EFTA has one of the world’s most extensive FTA/CEPA frameworks, including agreements with the European Union, enabling it to function as a hub or gateway for expanding market access in trade in goods and services, as well as for fostering Indonesian investment.

By utilizing EFTA’s industrial networks, Indonesia can enhance its exports, improve access to raw materials and capital goods, and strengthen its competitiveness in the global market. Moreover, the agreement is expected to bolster Indonesia’s competitiveness within ASEAN and with other countries that already have cooperation agreements with EFTA (Manurung, 2016). Through the IE-CEPA, Indonesia has the potential to

deepen its integration into global industrial networks, increase exports, and attract foreign investment to support national economic growth.

The IE-CEPA also positions EFTA as a potential hub or gateway for expanding market access in trade in goods and services while simultaneously fostering Indonesian investment growth. This potential is supported by EFTA's extensive global FTA/CEPA network, including with the European Union, as well as by the characteristics of EFTA markets, which are marked by high purchasing power and significant levels of foreign investment. However, this potential has not yet been fully optimized. Furthermore, the relationship between Indonesian goods, services, and investments and those of EFTA is complementary rather than competitive (Santoso & Moenardy, 2023).

Considering the scope of market access provided by the IE-CEPA, this agreement plays a crucial role for Indonesia. EFTA serves as a gateway for Indonesian products to enter European markets and reach new markets. In addition, the CEPA opens opportunities for access to non-traditional markets, supports the expansion of Indonesia's exports, and promotes a positive profile of Indonesian products in European and global markets, including palm oil and its derivatives.

EFTA maintains trade networks with 29 countries in Europe as well as trade relations with ASEAN. Therefore, this agreement has the potential to increase exports and facilitate access to raw materials and capital goods, thereby enhancing Indonesia's competitiveness²⁸ Clearly, the IE-CEPA functions as a strategic instrument for securing market access for Indonesia. This reflects the trade liberalization system adopted by Indonesia.

Indonesia's market access to EFTA countries represents a concrete outcome of strengthened cooperation through the establishment of strategic trade partnerships under the IE-CEPA. All the market access provisions described above are the result of agreements mutually reached between Indonesia and EFTA member states.

4.2. Increasing Export Volume through Market Access under IE-CEPA

The cooperation agreement between Indonesia and EFTA member states provides extensive market access. Market access is highly crucial in such agreements, as it has the potential to drive an increase in Indonesia's exports. In this section, the researcher seeks to analyze the growth of exports. In the trade of goods, Iceland eliminated tariffs on 99.94% of its imports from Indonesia, Norway by 99.75%, and Switzerland by 99.65%. In addition, Indonesia also secured preferential tariffs for products such as palm oil, fish, gold, footwear, coffee, toys, textiles, furniture, electrical equipment, machinery, bicycles, and tires. These products benefit from lower import tariffs compared to the general rates applied under the Most Favoured Nation (MFN) scheme, thereby making Indonesian exports more competitive and affordable.

Indonesia must optimize the potential of the EFTA market, which has high purchasing power. However, in 2018, Indonesia's market share in this region was only 0.29%. Among OECD member countries, EFTA states recorded the highest GDP per capita. Indonesia's trade performance with EFTA still lags behind its exports to other advanced European countries. Nevertheless, based on data from Statistics

Indonesia (BPS), Indonesia's export trend to EFTA countries between 2014 and 2018 grew by 17.07%, while overall trade grew by 13.6% during the same period. Indonesia's trade balance with EFTA recorded a surplus in 2015, 2016, and 2017. However, in 2018, Indonesia experienced a deficit of USD 331.93 million from a total trade value of USD 1.79 billion, with exports amounting to USD 732 million and imports at USD 1.06 billion. Table 1 illustrates the development of Indonesia's trade balance with EFTA countries. The table shows the trend of Indonesia's exports to EFTA both before and after the implementation of the IE-CEPA

Table 1. Indonesia's Trade Balance with EFTA

EFTA	Indonesia			
	Before IE-CEPA		After IE-CEPA	
	2020	2021	2022	2023
Swiss	1.696.327	632.778	1.012.867	1.514.344
Norwegia	-123.933	-169.599	-116.794	235.987
Islandia	-2179	10.125	13.265	6.895
Liechtenstein	-800	-5.000	-1.100	-1.300

Source: Trademap

Unit: Thousand US\$

To explain the development of Indonesia's exports through the IE-CEPA, this study considers a four-year research period, covering the years before and after the implementation of the IE-CEPA, given that data are only available up to 2023. Within this four-year timeframe, the development of Indonesia's exports to EFTA countries shows that, prior to the IE-CEPA, from 2020 to 2021 Indonesia experienced trade balance deficits with Norway, Iceland, and Liechtenstein.

The deficit with Norway was significant, amounting to US\$ 123,933,000 in 2020 and rising to US\$ 169,599,000 in 2021. Similarly, Indonesia recorded a deficit with Liechtenstein of US\$ 800,000 in 2020 and US\$ 5,000,000 in 2021, during the same pre-implementation period. In contrast, Iceland contributed a deficit of US\$ 2,179,000 in 2020, but by 2021 Indonesia achieved a surplus of US\$ 10,125,000. Switzerland presents a different case. Prior to the IE-CEPA, Indonesia maintained a trade surplus with Switzerland, showing an overall upward trend with slight fluctuations. The surplus decreased from US\$ 1,696,327,000 in 2020 to US\$ 632,778,000 in 2021, but it nonetheless remained in Indonesia's favor.

After the implementation of the IE-CEPA, Indonesia's trade balance with EFTA countries experienced notable changes, with significant increases observed in most cases, except with Liechtenstein, which continued to generate a trade deficit for Indonesia of US\$ 1,100,000 in 2022 and US\$ 1,300,000 in 2023. Export growth was particularly evident in Switzerland and Iceland, both of which contributed trade surpluses to Indonesia. In 2022, Indonesia's trade surplus with Switzerland amounted to US\$ 1,012,867,000 and increased further in 2023 to US\$ 1,514,344,000. A similar pattern was observed with Iceland, though at a smaller scale. In 2022, Indonesia recorded a trade surplus of US\$ 13,265,000 with Iceland, which then declined to US\$ 6,895,000 in 2023, though it remained in surplus.

In contrast to Switzerland and Iceland, Indonesia's trade balance with Norway still recorded a deficit of US\$ 116,794,000 in 2022 but shifted to a surplus of US\$ 235,987,000 in 2023. Among the four EFTA countries, only Liechtenstein showed no improvement in Indonesia's export performance following the implementation of the IE-CEPA.

A comparison of Indonesia's trade balance with EFTA member states before and after the implementation of the IE-CEPA clearly illustrates substantial shifts in Indonesia's export performance. Following the implementation of the agreement, Indonesia's trade balance with Switzerland, Iceland, and Norway improved significantly through increased exports, whereas with Liechtenstein, Indonesia continued to experience high levels of imports without any notable improvement in exports. This indicates that the implementation of the IE-CEPA has yet to generate a positive impact on Indonesia's export performance to Liechtenstein.

Table 2. Indonesia's Export Commodities to EFTA

Swiss	Islandia	Norwegia
Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	Nickel and articles thereof
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	Ships, boats and floating structures
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats;	Articles of iron or steel
Essential oils and resinoids; perfumery, cosmetic or toilet preparations	Rubber and articles thereof	Wood and articles of wood; wood charcoal
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	Paper and paperboard; articles of paper pulp, of paper or of paperboard	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...

Footwear, gaiters and the like; parts of such articles	Wood and articles of wood; wood charcoal	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	Miscellaneous chemical products	Other made-up textile articles; sets; worn clothing and worn textile articles; rags
Residues and waste from the food industries; prepared animal fodder	Fish and crustaceans, molluscs and other aquatic invertebrates	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
Articles of apparel and clothing accessories, not knitted or crocheted	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof
Articles of apparel and clothing accessories, knitted or crocheted	Aircraft, spacecraft, and parts thereof	Preparations of vegetables, fruit, nuts or other parts of plants
Plastics and articles thereof	Footwear, gaiters and the like; parts of such articles	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; ...
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; ...	Plastics and articles thereof
Organic chemicals	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	Miscellaneous edible preparations
Preparations of vegetables, fruit, nuts or other parts of plants	Products of animal origin, not elsewhere specified or included	Articles of apparel and clothing accessories, not knitted or crocheted
Miscellaneous chemical products	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	Footwear, gaiters and the like; parts of such articles
Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	Articles of stone, plaster, cement, asbestos, mica or similar materials	Rubber and articles thereof
Articles of iron or steel	Commodities not elsewhere specified	Organic chemicals
Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	Coffee, tea, maté and spices
Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring ...	Iron and steel	Preparations of cereals, flour, starch or milk; pastrycooks' products
Toys, games and sports requisites; parts and accessories thereof	Articles of iron or steel	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or ...
Fish and crustaceans, molluscs and other aquatic invertebrates	Copper and articles thereof	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...

Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	Nickel and articles thereof	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical
Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	Aluminium and articles thereof	Articles of apparel and clothing accessories, knitted or crocheted
Tobacco and manufactured tobacco substitutes; products, whether or not containing nicotine, ...	Lead and articles thereof	Musical instruments; parts and accessories of such articles
Rubber and articles thereof	Zinc and articles thereof	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; ...	Tin and articles thereof	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...
Pharmaceutical products	Other base metals; cermets; articles thereof	Miscellaneous chemical products
Paper and paperboard; articles of paper pulp, of paper or of paperboard	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork
Wood and articles of wood; wood charcoal	Miscellaneous articles of base metal	Paper and paperboard; articles of paper pulp, of paper or of paperboard
Miscellaneous articles of base metal	Headgear and parts thereof	Toys, games and sports requisites; parts and accessories thereof
Miscellaneous edible preparations	Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof	Edible fruit and nuts; peel of citrus fruit or melons
Commodities not elsewhere specified	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	Sugars and sugar confectionery
Musical instruments; parts and accessories of such articles	Plastics and articles thereof	Articles of stone, plaster, cement, asbestos, mica or similar materials
Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or ...	Cork and articles of cork	Commodities not elsewhere specified
Coffee, tea, maté and spices	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, ...	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...
Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	Silk	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...

Other made-up textile articles; sets; worn clothing and worn textile articles; rags	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	Iron and steel
Edible fruit and nuts; peel of citrus fruit or melons	Cotton	Glass and glassware
Articles of stone, plaster, cement, asbestos, mica or similar materials	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	Miscellaneous manufactured articles
Glass and glassware	Man-made filaments; strip and the like of man-made textile materials	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
Miscellaneous manufactured articles	Man-made staple fibres	Man-made staple fibres
Cocoa and cocoa preparations	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	Products of animal origin, not elsewhere specified or included
Aluminium and articles thereof	Carpets and other textile floor coverings	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles
Ceramic products	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	Headgear and parts thereof
Products of animal origin, not elsewhere specified or included	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable ...	Miscellaneous articles of base metal
Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable ...	Knitted or crocheted fabrics	Man-made filaments; strip and the like of man-made textile materials
Headgear and parts thereof	Articles of apparel and clothing accessories, knitted or crocheted	Ceramic products
Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	Articles of apparel and clothing accessories, not knitted or crocheted	Fish and crustaceans, molluscs and other aquatic invertebrates
Works of art, collectors' pieces and antiques	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	Works of art, collectors' pieces and antiques
Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	
Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	Edible vegetables and certain roots and tubers	
Lac; gums, resins and other vegetable saps and extracts	Edible fruit and nuts; peel of citrus fruit or melons	

Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial ...	Coffee, tea, maté and spices	
Aircraft, spacecraft, and parts thereof		
Copper and articles thereof		
Printed books, newspapers, pictures and other products of the printing industry; manuscripts, ...		
Cotton		
Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof		
Clocks and watches and parts thereof		
Man-made filaments; strip and the like of man-made textile materials		
Preparations of cereals, flour, starch or milk; pastrycooks' products		
Sugars and sugar confectionery		

Source: Trademap

In Table 2, the researcher was only able to obtain data on the list of products exported by Indonesia to Switzerland, Iceland, and Norway for the period 2019–2023, sourced from Trademap and Statistics Indonesia (BPS). However, no specific data were available regarding the products exported to and imported from Liechtenstein, either from Trademap or BPS; only trade balance figures could be obtained. Therefore, the table above illustrates the types of products exported by Indonesia to EFTA countries, which can then be compared with data on potential Indonesian products in the EFTA market.

Table 3. Opportunities for Indonesian products in the EFTA market

Countries	Potential Export Products
Switzerland & Liechtenstein	Precious Metal Jewellery,
	Coffee
	Footwear.
	Palm Oil (Excluding Crude) & Fractions
Norway	Immunology.
	Nickel Matte
	Sports Footwear,
	Coffee.
Iceland	Seats Of Cane, Osier & Similar,
	Shrimp
	Crude Coconut Oil
	Coffee
	Palm Oil (Excluding Crude) & Fractions
	Motor Vehicles

Source : Kemendag

Table 3 presents data on Indonesian products with potential for the EFTA market, compiled from the IE-CEPA factsheet. When compared with the list of products that Indonesia has exported to EFTA countries after the implementation of the IE-CEPA and the table of potential Indonesian products in the EFTA market, it can be observed that, for the Swiss market, Indonesia successfully exported products such as precious metal jewelry, coffee, and footwear. However, for products such as palm oil (excluding crude) and its fractions, no

export values to Switzerland have yet been recorded, despite Indonesia having the highest supply capacity. This is also the case for immunological products, which were identified as having strong potential demand in Switzerland but have not yet been exported according to Trademap data.

Turning to the Norwegian market, the comparison of the two tables shows that Indonesia has been able to capitalize on nearly all of the identified product opportunities through the IE-CEPA. These include nickel matte, sports footwear, and coffee, all of which have been successfully exported. Likewise, products such as seats of cane, osier, and similar items, which represent Indonesia's highest supply capacity, have also been successfully exported to Norway after the implementation of the IE-CEPA. Furthermore, nickel matte, which was identified as the product with the strongest potential demand in Norway, has been effectively maximized through Indonesian exports.

Next, in the case of the Icelandic market, a comparison of the two tables indicates that the products successfully exported by Indonesia to Iceland are shrimp and coffee, while crude coconut oil has shown no export value since the implementation of the IE-CEPA. Likewise, for Indonesia's highest supply capacity product, palm oil (excluding crude) and its fractions, no export value has been recorded. Additionally, motor vehicles for the transport of persons, which represent Iceland's strongest potential demand, have also not demonstrated any export activity following the implementation of the IE-CEPA.

Based on these findings, several strategic measures need to be undertaken to maximize the benefits of the IE-CEPA for Indonesia:

1. **Diversification of Export Products:** Efforts should be made to enhance the competitiveness and accessibility of high-potential products that remain underutilized in the EFTA market, such as palm oil (excluding crude), crude coconut oil, and motor vehicles.
2. **Strengthening Trade Cooperation:** The government and business actors need to optimize preferential tariff facilities and promote economic diplomacy to expand Indonesia's trade networks with EFTA countries.
3. **Enhancing Industrial Capacity:** Domestic industries must strengthen product competitiveness in terms of quality, quantity, and certification in line with EFTA standards to facilitate greater acceptance in these markets.
4. **Utilization of Data and Market Research:** Further research should be conducted on technical trade barriers and market preferences in EFTA to identify new export opportunities and develop more effective market penetration strategies.

Through these strategic measures, Indonesia can better optimize the benefits of the IE-CEPA to increase exports and strengthen its international trade competitiveness in the European region, particularly with EFTA member states.

5. CONCLUSIONS

The results of this study demonstrate that the implementation of the Indonesia–EFTA Comprehensive Economic Partnership Agreement (IE-CEPA) has had a positive impact on enhancing Indonesia's exports to EFTA member states, particularly Switzerland, Iceland, and Norway. Trade data before and after the implementation of the IE-CEPA reveal an upward trend in Indonesia's exports. In terms of trade volume, the IE-CEPA has facilitated an increase in Indonesia's exports to Switzerland, Norway, and Iceland. Switzerland has emerged as Indonesia's primary trading partner, recording a significant trade surplus, while Iceland and Norway have shown positive trends with more substantial surpluses following the implementation of the IE-CEPA, despite several potential products that have not yet been fully optimized. Conversely, the impact of the agreement has not been significantly evident in Indonesia's trade relations with Liechtenstein, which continues to record a trade deficit.

Several of Indonesia's leading export products that have successfully penetrated the EFTA market after the enforcement of the IE-CEPA include precious metal jewelry, coffee, footwear, nickel matte, and shrimp. However, certain high-potential export products remain underutilized, such as crude coconut oil, palm oil (excluding crude), and immunological products, which have yet to demonstrate significant export values to EFTA member states.

Furthermore, the agreement enables Indonesia to leverage EFTA's extensive industrial network, which includes cooperation with the European Union and various other countries. This has the potential to position EFTA as a strategic hub for Indonesian products and investments, not only within Europe but also on a global scale. Moving forward, Indonesia needs to maximize the benefits of the IE-CEPA through appropriate strategies, including enhancing the competitiveness of export products, diversifying product portfolios, and optimizing the utilization of various facilities provided under the agreement. In addition, continuous efforts are required to strengthen trade and investment relations with EFTA countries so that the benefits of this agreement can be further expanded and deliver a positive impact on the national economy.

Nevertheless, the vast potential of the IE-CEPA has not yet been fully realized, particularly with respect to products with high supply capacity and strong demand, such as palm oil, its derivatives, and immunological products. Optimizing the market access offered by the IE-CEPA requires more targeted strategies, including strengthening the competitiveness of MSMEs, expanding market penetration for new flagship products, and reinforcing industrial linkages through EFTA's role as a global trade hub.

Thus, the IE-CEPA is not merely a trade agreement, but also a strategic instrument that can drive Indonesia's economic growth by expanding market access, attracting investment, and fostering deeper integration into global trade networks.

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