Department for
Business & Trade

Information Note on Deepening the UK's Trade Relationship with Indonesia

July 2026

Contents

1 Introduction

1.1 Consultation on UK Trade Relationships

This consultation is to inform UK priorities in potential trade negotiations with

- Indonesia
- The Philippines
- United Arab Emirates (UAE)
- Uruguay

The UK is exploring how its trading relationships with these economies could be deepened.

CPTPP Parties, including the UK, established an Accession Working Group with Uruguay in 2025, and on 26 June 2026, CPTPP Parties announced the start of preparatory discussions on accession with Indonesia, The Philippines and the UAE. Uruguay's Accession Working Group is now well under way, with meetings scheduled throughout 2026.

The Government therefore wants to hear respondents' views on the opportunities, priorities and considerations associated with deepening the UK's trading relationships with these economies. CPTPP accession represents the most likely route to deepening trading relationships with the majority of them, but the consultation does not assume a single route and also invites views on other appropriate trade policy mechanisms, including bilateral free trade agreements where applicable and relevant.

1.2 Trade with Indonesia

The purpose of this Information Note is to provide information and data related to **the UK's trade relationship with Indonesia**. It is intended to be used by the public to help inform any consultation responses that they may have to the questions posed as part of the upcoming call for input on the future of the UK's trade relationships, which will open on 14th July 2026.

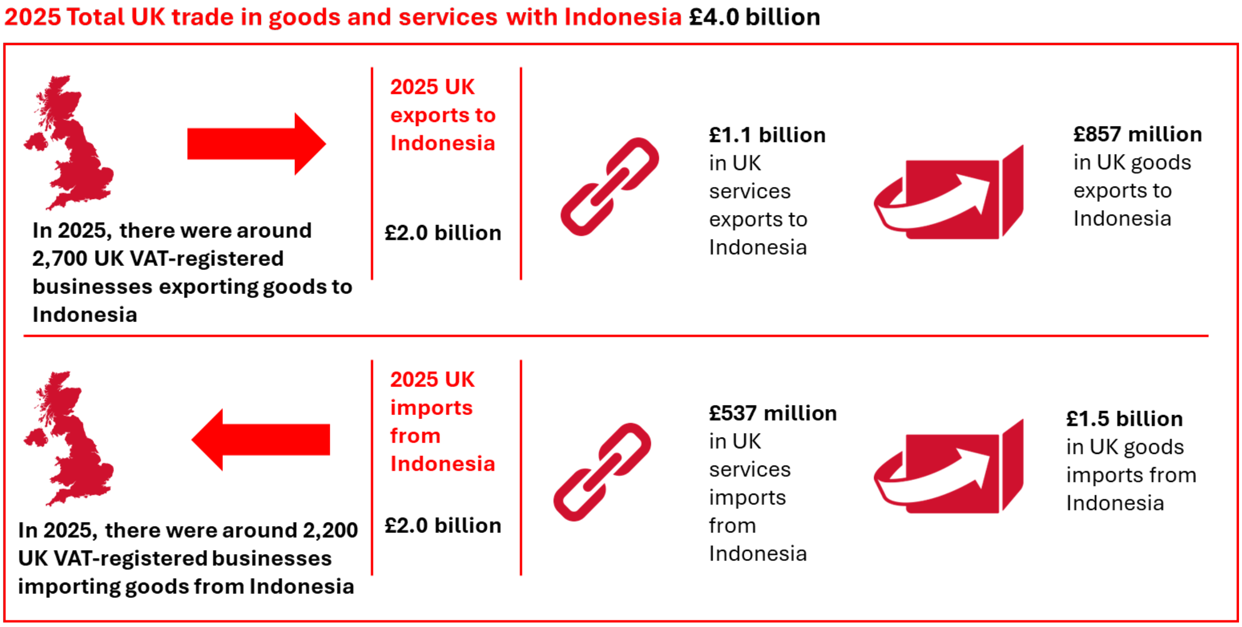
Indonesia is a member state of the Association of South East Asian Nations (ASEAN) alongside Brunei, Cambodia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste and Vietnam. ASEAN is an intergovernmental organisation that aims to promote economic and security cooperation among its eleven member states.

Indonesia is party to the Regional Comprehensive Economic Partnership (RCEP), an FTA between ASEAN member states (minus Timor-Leste) plus Australia, China, Japan, New Zealand and South Korea. Timor-Leste officially became the 11th member of ASEAN on October 26, 2025. While this membership allows Timor-Leste to initiate the process of joining RCEP, it does not automatically make Timor-Leste an RCEP member.

On 26th June 2026, CPTPP Parties agreed to launch preparatory discussions with Indonesia.

The UK is party to CPTPP alongside Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

Figure 1: Goods and services trade between the UK and Indonesia, 2025



Sources: ONS, UK total trade: all countries seasonally adjusted data (Apr 2026). HMRC data source for Regional Trade Statistics business counts data: UK trade in goods statistics (Mar 2026). Note: Number of VAT registered business exports/imports only relates to businesses trading in goods, and therefore excludes any businesses that only trade in services. Trade figures have been rounded to the nearest £5 million.

1.3 Executive Summary

This Information Note brings together data to support informed and evidence–based submissions to the call for input regarding the future of the UK's trade relationship with Indonesia.

The information presented summarises the current trade and investment relationship between the UK and Indonesia. It outlines economic profiles and trade flows between the UK and Indonesia detailing goods, services, imports and exports. It includes analysis about trade and investment restrictions alongside a high-level breakdown of goods tariffs from the UK's Most-Favoured-Nation (MFN) schedule.

Feedback submitted will inform the UK's approach to trade with Indonesia and it is the aim of this call for input to encourage as wide a range of participants as possible.

A response can be submitted here: Call for Input on Deepening the UK's Trade Relationships and the questionnaire closes on 14th September 2026.

2. UK-Indonesia Trade Relationship

2.1 Overview of Economic Profiles

In 2025, Indonesia had a gross domestic product (GDP) of £1.1 trillion.[1] Total trade with the world (imports plus exports) is equal to 41% of GDP for Indonesia and 59% of GDP for the UK.[2]

Table 1: Headline economic indicators for the UK and Indonesia, 2025

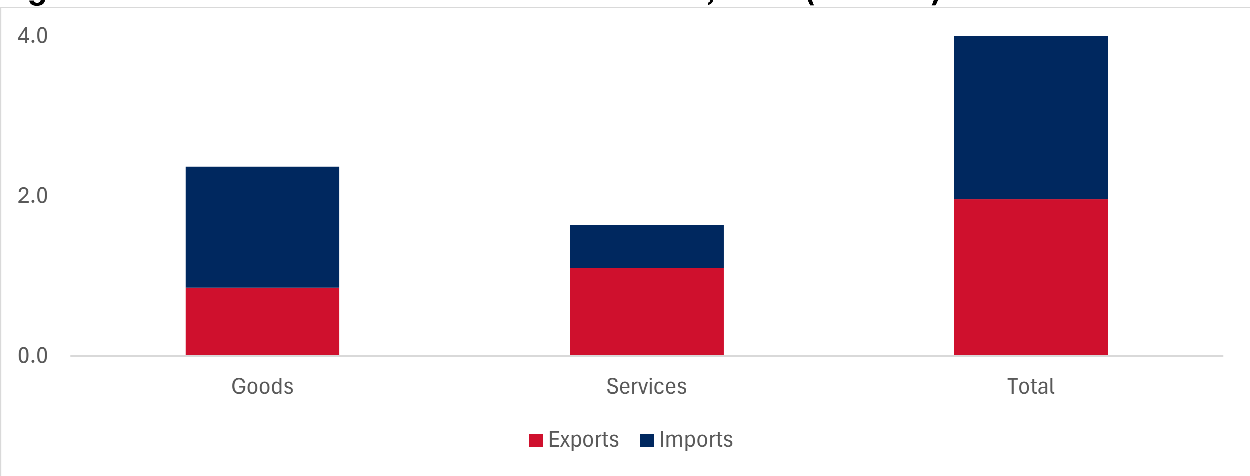
Economic indicator	GDP (£billion)	GDP per capita (£)	Population (millions)	Trade (% of GDP)
Indonesia	1,096	3,854	284	41
UK	3,036	43,692	69	59

Source: IMF. World Economic Outlook Database (April 2026). UNCTAD, Goods and Services (BPM6): Exports and imports of goods and services (April 2026).

2.2 Trade Flows between the UK and Indonesia

Indonesia is the UK's 54th largest trading partner, accounting for 0.2% of total UK trade in 2025. Total trade in goods and services between the UK and Indonesia was £4.0 billion in 2025. As seen in Figure 2, UK exports to Indonesia were just over £2.0 billion in 2025, accounting for 0.2% of all UK exports. UK imports from Indonesia were just under £2.0 billion over the same period, accounting for over 0.2% of all UK imports.[3]

Figure 2: Trade between the UK and Indonesia, 2025 (£ billion)

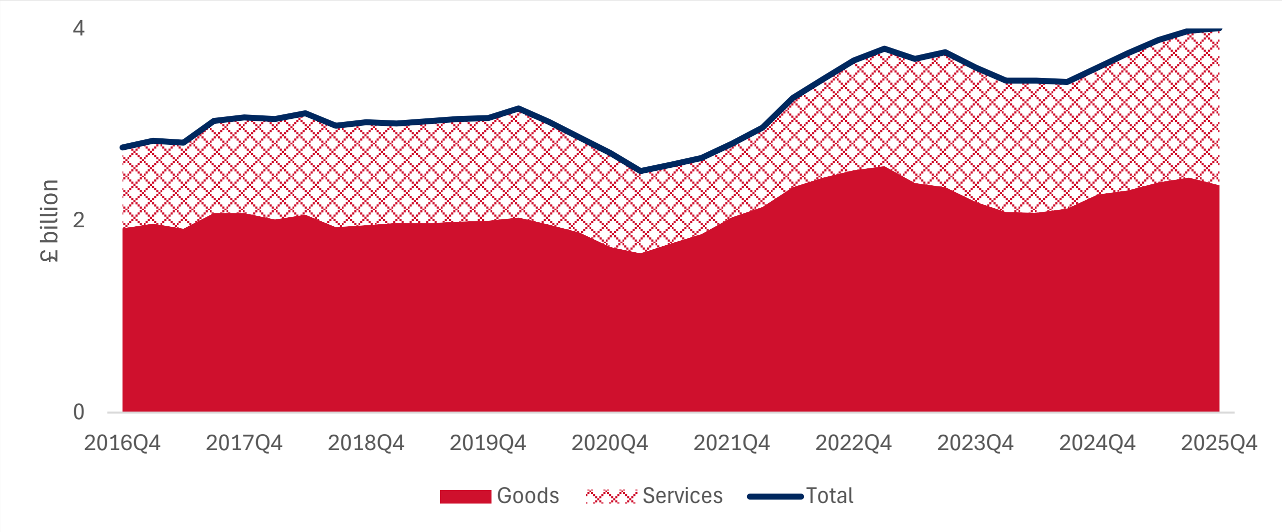


Source: ONS, UK total trade: all countries seasonally adjusted data (Apr 2026).

[1] IMF, World Economic Outlook Database (Apr 2026). Bank of England Data, average annual spot exchange rates (Dec 2025).
[2] UNCTAD, Goods and Services (BPM6): Exports and imports of goods and services (Aug 2025).
[3] ONS, UK total trade: all countries seasonally adjusted data (Apr 2026).

Figure 3 shows how UK trade with Indonesia has evolved since 2016, broken down by goods and services. UK trade with Indonesia has increased by 43% in current prices from 2016-2025, from around £2.8 billion to £4.0 billion.

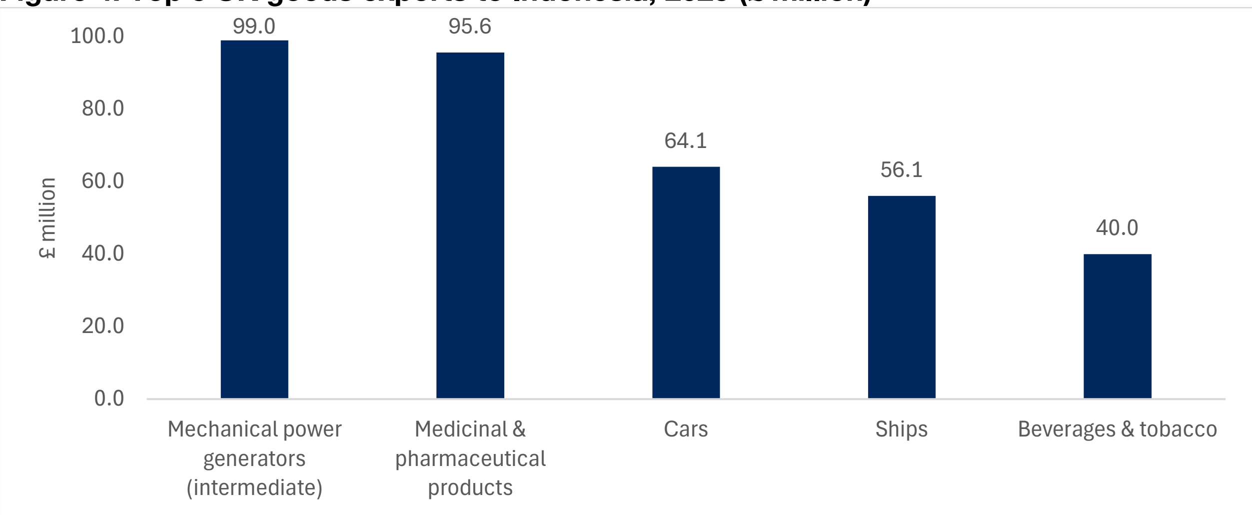
Figure 3: UK trade with Indonesia over time (£ billion)



Source: ONS, UK total trade: all countries seasonally adjusted data (Apr 2026).

The UK's top three goods exported to Indonesia in 2025 were mechanical power generators – intermediate, e.g., internal combustion engines and rotary converters (£99 million), Medicinal & pharmaceutical products (£95.6 million) and Cars (£64.1 million). These categories account for 30% of all UK goods exports to Indonesia. The top five UK goods exported to Indonesia in 2025 are shown in Figure 4.

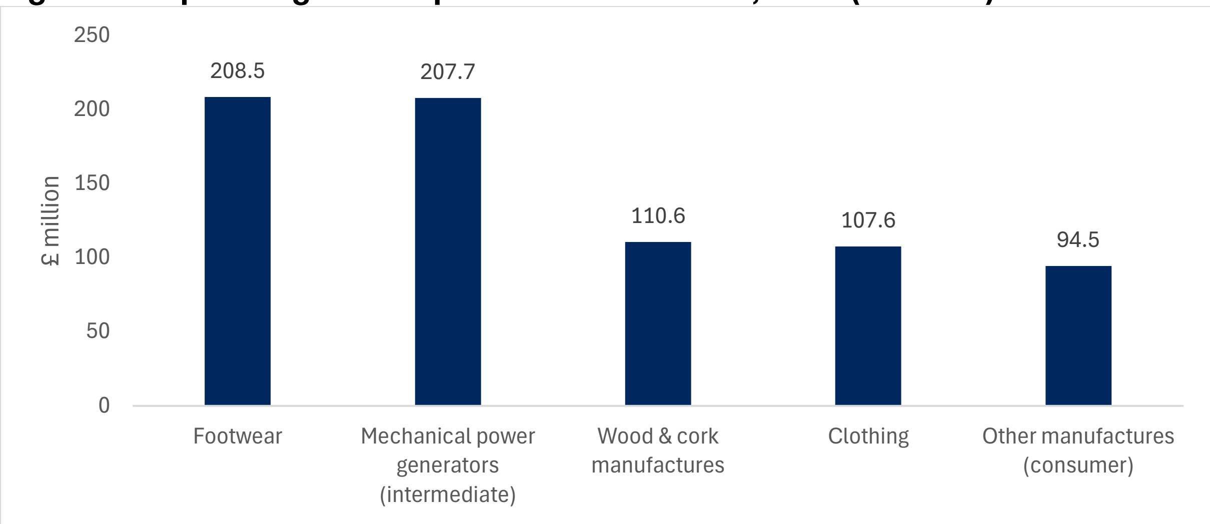
Figure 4: Top 5 UK goods exports to Indonesia, 2025 (£ million)



Source: ONS, Trade in goods: country-by-commodity, non-seasonally adjusted (Mar 2026). The commodities are categorised based on SITC codes using level 2 and 3 codes.

The UK's top three goods imported from Indonesia in 2025 were footwear (£208.5 million), mechanical machinery – intermediate, e.g., internal combustion engines and rotary converters (£207.7 million), and wood & cork manufactures (£110.6 million). These categories account for 35% of all UK goods imports from Indonesia.[4]

Figure 5: Top 5 UK goods imports from Indonesia, 2025 (£ million)



Source: ONS, [Trade in goods: country-by-commodity, non-seasonally adjusted](#) (Mar 2026). The commodities are categorised based on SITC codes using level 2 and 3 codes.

Figure 6: UK regional trade in goods with Indonesia, 2025 (£ million)

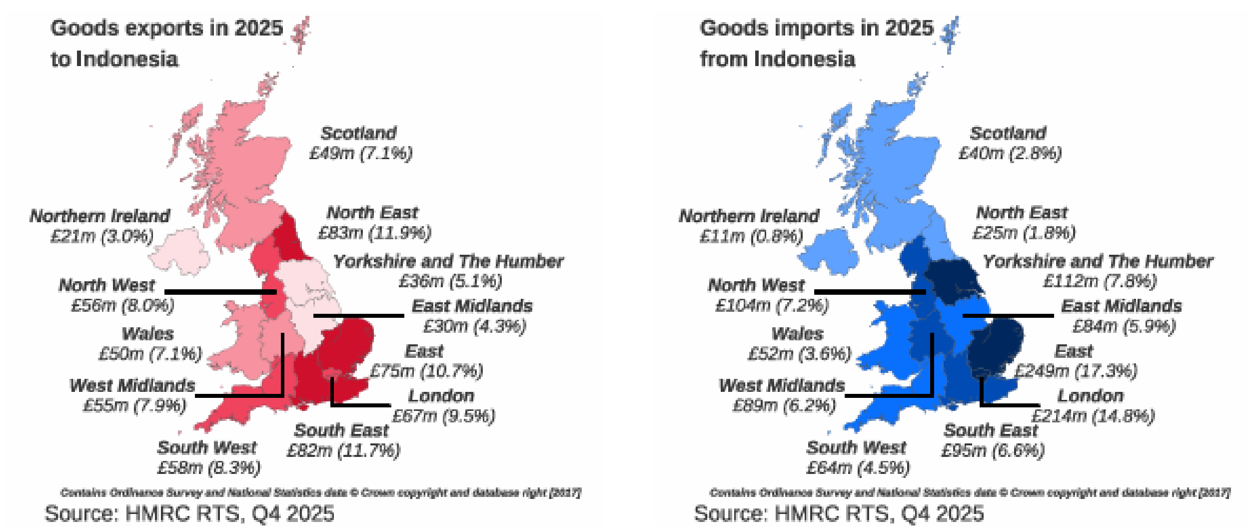


Figure 6 shows the value of UK goods exports and imports between each UK region and Indonesia in 2025. The North East of England (£83 million or 11.9%), the South East of England (£82 million or 11.7%) and the East of England (£75 million or 10.7%) accounted for the largest shares of goods exports destined for Indonesia. For goods imported from Indonesia, the East of England (£249 million or 17.3%),

[4] ONS, [Trade in goods: country-by-commodity, non-seasonally adjusted](#) (Oct 2024). The commodities are categorised based on SITC codes using level 2 and 3 codes.

London (£214 million or 14.8%) and the North West (£104 million or 7.2%) accounted for the largest shares.[5]

2.3 Basis of the Current Trade Relationship

2.3.1 Goods Market Access Between the UK and Indonesia

In 2025, Indonesia was the UK's 49th largest goods trading partner and the 50th largest goods export market.[6]

The UK and Indonesia currently trade under MFN terms although some imports from Indonesia currently have preferential access to the UK market under the UK's Developing Country Trading Scheme (DCTS). However, Indonesia is set to graduate from the DCTS at the start of 2027 and will then only trade on MFN terms.

A simple average applied tariff is a numerical average of all tariff rates applied by a partner country. A trade weighted average tariff accounts for the proportion of trade on those tariff lines.

Under Indonesia's MFN tariff schedule, 13% of tariff lines are already subject to a zero MFN tariff. The simple average applied MFN tariff rate across all goods in Indonesia was 8% in 2025. UK exports faced a trade weighted average tariff of 6.3% in 2025.[7] Examples of key UK exports facing high MFN tariffs with Indonesia include whiskies (150%), cars (up to 50%), and medicaments (5%).[8]

In 2025, under the current UK Global Tariff (UKGT) schedule, 47% of tariff lines are already subjected to zero MFN tariff. The simple average applied tariff rate of the UKGT was 5.1% across all goods in 2025. Through the DCTS scheme, Indonesia currently benefits from reduced tariffs on a further 42% of lines. Accordingly, the trade-weighted average tariff on UK imports from Indonesia in 2025 was 3.6%.[9] Top UK imports from Indonesia subjected to UKGT tariffs include footwear (up to 16%), bicycles (14-15%), and clothing (up to 9.6%).

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[5] HMRC data source for regional UK trade data: HMRC Regional Trade Statistics – 2025 Annual (Mar 2026), data extracted from the spreadsheet download using the HMRC interactive tables). Totals presented will differ from overall HMRC trade figures due to the exclusion of trade in non-monetary gold and non-response estimates and the exclusion of data not allocated to a UK country or region. Figures from HMRC were reported on a physical movement basis and are not directly comparable to trade data from ONS which are reported on a change of ownership basis. Percentages will not total 100% as data not allocated to a single UK country or English region are not presented.
[6] DBT Trade and Investment Factsheet: Indonesia (Feb 2026).
[7] WTO, WTO Tariff & Trade Data (2024 data, accessed July 2026).
[8] WTO, Integrated Database and Consolidated Tariff Schedules (June 2025).
[9] DBT calculations using 2025 HMRC annual imports by preference (accessed July 2026) and DBT tariff estimates. This does not account for TRQs and may therefore differ from tariffs faced where reduced in-quota MFN rates apply.

2.3.2 Services Relationship between UK and Indonesia

The OECD Services Trade Restrictiveness Index (STRI) measures regulatory barriers to services trade, with higher scores indicating greater restrictiveness. The 2024 OECD STRI highlighted that Indonesia is above the OECD average and is one of the highest compared to most countries in the STRI sample, being placed 44th out of the 51 countries included. This means that Indonesia is relatively highly restrictive when comparing Indonesia's sectors to the STRI average. Architecture services, rail freight transport, engineering and logistics customs brokerage are the sectors with the lowest relative STRI scores, meaning they are the least restrictive sectors compared to the world average. By contrast, telecommunications, accounting and legal services are the most restrictive sectors in Indonesia.[10]

Regarding the UK's current trade in services relationship with Indonesia, in 2025, Indonesia was the UK's 57th largest services trading partner and the 54th largest services export market. In this period, UK services exports to Indonesia were led by other business services, which was valued at £293 million. This was followed by travel (£292 million) and insurance and pensions (£115 million).[11]

Trade in services between the UK and Indonesia is governed by their respective commitments under the General Agreement on Trade in Services (GATS), which sets out the baseline level of access and treatment guaranteed to all members of the World Trade Organisation (WTO).

In 2025, UK services imports from Indonesia were led by travel, which was valued at £322 million. This was followed by other business services (£129 million) and government services (£25 million).[12]

2.3.3 Temporary Entry between the UK and Indonesia

Currently, the UK and Indonesia's trade relationship for Temporary Entry is governed by respective commitments in GATS. Indonesia takes GATS commitments on intra-corporate transferees, and temporary entry is granted on the basis of an economic needs test.

2.3.4 Investment between the UK and Indonesia

Commitments on commercial presence (mode 3 services) with Indonesia are governed by GATS, which sets out the baseline level of access and treatment guaranteed to all WTO members.

In 2024 the stock of Foreign Direct Investment (FDI) from the UK in Indonesia was £7.1 billion. This accounted for 0.4% of the UK's total outward FDI stock.[13]

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[10] OECD, Services Trade Restrictiveness Index: Indonesia (2024 annual).
[11] DBT, Trade and Investment Factsheet: Indonesia (Feb 2026).
[12] DBT, Trade and Investment Factsheet: Indonesia (Feb 2026).
[13] ONS, Data related to Foreign direct investment involving UK companies (Jan 2026).

The OECD restrictiveness index highlights that Indonesia's investment environment has remained relatively unchanged over the period 2021-2024. The index score for 'foreign equity limits' fell in 2024, indicating that it has become more open to investment. Regarding FDI restrictions that Indonesia imposes on investors, all sectors impose some degree of restrictions on foreign investors. The most restrictive sectors for investment are 'construction of buildings and specialised construction activities', 'retail sale in specialised stores, including retail sale of motor vehicles and motorcycles' and 'other monetary intermediation'. 'Fishing' is the least restrictive sector for investment.[14]

2.3.5 Government Procurement in Indonesia

Indonesia is not a member of the World Trade Organization Agreement on Government Procurement, though it has been an observer since 2012. The UK has no existing international trade commitments on government procurement with Indonesia.

Indonesia has a sizeable Government procurement market, worth IDR 1,168 trillion at central and sub-central level in the financial year 2019.[15] Government policy is focused on promoting domestic suppliers and producers via several procurement requirements. This has expanded procurement price preferences for goods and services incorporating at least 25% local content for all bids over a certain threshold, as well as thresholds for international tenders.[16]

2.3.6 Labour Commitments in the UK and Indonesia

There are currently no bilateral arrangements in place between the UK and Indonesia relating to labour standards.

Through their membership of the International Labour Organization (ILO), the UK and Indonesia have committed to uphold internationally recognised labour rights in their domestic laws, including rights relating to freedom of association, the elimination of forced and child labour, the elimination of discrimination in employment, and a safe and healthy working environment. The UK and Indonesia have both ratified eight of the ten ILO Fundamental Conventions.

2.3.7 Environmental Commitments in the UK and Indonesia

The UK and Indonesia have in place a Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade in Timber Products. Beyond this, there are currently no legally binding, bilateral arrangements between the UK and Indonesia relating to environmental protections and standards. The UK-Indonesia

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[14] OECD, FDI Regulatory Restrictiveness Index (Oct 2025).
[15] WTO, Trade Policy Review: Indonesia (Feb 2021). GBP figures not available due to lack of exchange rate data in 2019 for Indonesian Rupiah.
[16] WTO, Trade Policy Review: Indonesia (Feb 2021).

Strategic Partnership includes content on environment and climate under its Climate, Energy and Nature strategic pillar.

The UK and Indonesia are both party to Multilateral Environmental Agreements (MEAs) including the Paris Agreement on climate change, the Convention on Biological Diversity, the Basel Convention on hazardous waste, the Montreal Protocol on ozone-depleting substances, the Stockholm Convention on Persistent Organic Pollutants and the Convention on International Trade in Endangered Flora and Fauna.

3. Questions for Stakeholders

This call for input forms part of the Department for Business and Trade's work to consider its approach to future trade policy. It asks for views on deepening the UK's trade relationships with Indonesia plus three other economies – the Philippines, the United Arab Emirates and Uruguay.

Respondents will have the option to choose which economies from the above list they would like to submit views on.

For each economy the respondent chooses to submit views on, the survey asks two main questions:

1. What issues would you like us to consider regarding deepening the UK's trade relationship with this economy?

2. Based on your selection(s) in the previous question, please provide further detail on why you think the UK Government should consider these issues, regarding deepening the UK's trade relationship with this economy?

With this in mind, responses to this call for input could highlight:

- Challenges or constraints when trading or investing in Indonesia, and if so, what are these challenges and constraints, and how significant is the impact on your business activity?

- How would you expect your business to respond if restrictions were removed on trade or investment with Indonesia? For example, might you look to increase trade and investment or attract increased trade and investment from Indonesia?

- Are there any areas where you see opportunities from increased liberalisation of trade between the UK and Indonesia?

- Are there any areas where you would have concerns about increased liberalisation of trade between the UK and Indonesia?

4. Drafting a Response to the Questions

The Department for Business and Trade (DBT) is committed to delivering benefits across the UK.

The responses to this call for input will help inform the UK's strategy and positions for engaging with Indonesia and so it is important that you set out your priorities in your response.

Prior to submitting your response, we encourage you to talk to a range of experts in your organisation to understand the full picture of current trading priorities.

Where it is relevant, we welcome the inclusion of figures, data and evidence to illustrate the examples you give in your response. More detailed answers will help the UK to best understand your needs. Further, we are keen to ensure consideration is given to those with characteristics under the Equality Act 2010 as part of this questionnaire.

Once you have answered several questions to tell us who you represent, this call for input provides the opportunity to provide information in three ways:

1. You will be able to answer the questionnaire
2. You may submit your own evidence directly.
3. You will also have the option to complete both the questionnaire and submit your own evidence.

Please follow the link to see the questions: Call for Input on Deepening the UK's Trade Relationships and the questionnaire closes on 14th September 2026.

5. Conclusion

This Information Note has presented data about the UK and Indonesia's trade relationship. It does not interpret the data and is available for respondents to the call for input to use this in their analysis if they wish to do so.

Respondents can also refer to experiences and insights from other sources to support their submission. The more detail that can be provided the better as this enables a more informed UK approach to trade with Indonesia. Ideas for what to include in a response have been provided in Section 4 of this document.

The UK Government encourages feedback from as wide a range of stakeholders as possible.

A response to the call for input can be submitted here: Call for Input on Deepening the UK's Trade Relationships and the questionnaire closes on 14th September 2026.

6. Glossary

Accession: Becoming party to CPTPP, signing on to its agreements.

ASEAN: Association of South East Asian Nations. An intergovernmental organisation that aims to promote economic and security cooperation among its eleven member states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Vietnam.

Bilateral: Agreement between two parties.

CPTPP: Comprehensive and Progressive Agreement for Trans-Pacific Partnership. A trade agreement spanning 12 economies including the UK, which the UK officially acceded to on 15 December 2024. The other 11 Parties to the agreement are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

DCTS: Developing Countries Trading Scheme. The UK's preferential trading scheme for developing countries.

Foreign Direct Investment (FDI): Investment by an entity in a foreign operation, or establishment of a new operation in another country.

Free Trade Agreement (FTA): A treaty among two or more countries to form a free trade area. This means having zero tariffs (or reduced tariffs) and reducing other regulatory restrictions on trade in substantially all goods and/or services.

GATS: The WTO's General Agreement on Trade in Services.

Gross Domestic Product (GDP): the standard measure of the value added created through the production of goods and services in a country during a certain period.

ILO: International Labour Organization. United Nations agency for promoting labour rights.

Market access: Conditions set by governments to control which goods or services can or cannot enter their domestic market.

Most-Favoured-Nation (MFN): A non-discrimination principle enshrined in many WTO rules that prohibits a WTO member from treating some WTO members more favourably than others. The MFN obligation requires each WTO member, in its trade with all other WTO members, to give the best ("most-favoured") treatment that it accords in trade with any other WTO member. If, for example, a country lowers tariffs on goods from the GCC, it must also do so on similar goods from Argentina. Exceptions to the MFN principle exist under WTO law, such as in the form of Customs Unions, Free Trade Agreements, Generalized System of Preferences and certain trade remedies. FTAs often contain their own MFN commitments between the treaty partners.

Multilateral: Agreement at global or near-global level.

Multilateral Environmental Agreement (MEA): Binding international agreements for promoting cooperation on environmental issues.

National Treatment: A non-discrimination principle enshrined in many WTO rules that prohibits a WTO member from treating imported goods or foreign services and services suppliers less favourably than domestic goods or services and services suppliers in its domestic market. The national treatment obligation helps ensure imported goods and services are not unfairly disadvantaged compared with their domestic counterparts. Such obligations may also be included in FTAs between the country parties.

OECD: Organisation for Economic Co-operation and Development. An intergovernmental organisation which provides a forum for the promotion of policies which improve economic outcomes.

Party (plural Parties): An economy that has entered into a legally binding agreement.

Plurilateral: Agreement between more than two member states of the World Trade Organization.

RCEP: Regional Comprehensive Economic Partnership. Free Trade Agreement between the 10 ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) and Australia, China, Japan, New Zealand and South Korea.

Tariff Rate Quota (TRQ): The application of a higher tariff or tax on certain goods once an agreed quota (amount) of imports is reached.

Tariffs: Refers to customs duties on imports of goods, levied either as a percentage of value or on the basis of a formula (e.g. 10 per cent or £7 per 100 kg).

Trade liberalisation: The removal or reduction of restrictions or barriers to trade.

WTO: World Trade Organization. International organization dealing with the rules of trade between nations.

Department for Business and Trade

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