

## **PRESS RELEASE**

### **Indonesia–US Conclude a Reciprocal Trade Agreement: IGJ Warns of the Risks of Mineral Sell-Offs and Accelerated Environmental Extraction in Indonesia**

**Jakarta, 24 December 2025** – Indonesia for Global Justice (IGJ) considers the substantive agreement on the *Agreements on Reciprocal Trade* (ART) between Indonesia and the United States as a step that poses serious risks to Indonesia’s economic sovereignty, environmental sustainability, and long-term development prospects. Behind the narrative of “balance” and “market access,” this agreement in fact perpetuates Indonesia’s long-standing dependency as a supplier of raw materials and strategic minerals for the industrial interests of developed countries, particularly the United States.

Rahmat Maulana Sidik, Executive Director of Indonesia for Global Justice (IGJ), emphasized that *“this reciprocal trade agreement has the potential to become a new gateway for the unchecked exploitation of Indonesia’s natural resources by the United States—especially critical minerals such as nickel, copper, tin, and cobalt—under the pretext of trade cooperation, national security, and technology.”*

In the current global geopolitical context, Indonesia’s minerals are increasingly treated as strategic commodities to support industrial production, energy transition agendas, and military interests of developed countries, without any guarantee of fair and equitable benefits for the Indonesian people.

#### **Trade Agreement or the Mortgage of Sovereignty?**

Indonesia’s commitment to opening market access for US products, addressing non-tariff barriers, and expanding cooperation in digital trade and technology must be viewed critically. Without transparency and strong domestic policy safeguards, these provisions risk constraining national industrial policy space and forcing Indonesia to submit to the standards and interests of major US corporations.

Meanwhile, US promises of tariff exemptions for Indonesian exports such as palm oil, coffee, cocoa, and tea cannot be considered equivalent concessions. These products remain embedded in a raw commodity-based trade structure with very low value added. At the same time, pressures on land, forests, and natural resources continue to intensify, increasing vulnerability and the risk of ecological disasters.

#### **Critical Minerals and Extractivism Disguised as Cooperation**

IGJ warns that this agreement may accelerate and entrench the mortgaging of Indonesia’s strategic minerals—such as nickel, copper, cobalt, and other critical minerals—to industrial interests and global supply chains dominated by the United States. This pattern only deepens extractivism, exacerbates environmental destruction, expands agrarian conflicts, and sacrifices Indigenous Peoples, local communities, and workers.

Rather than promoting fair and sustainable national industrialization, the *Agreements on Reciprocal Trade* risk locking Indonesia into a subordinate role as a supplier of raw and extremely cheap materials, while simultaneously remaining a market for foreign products and technologies.

#### **It Is Time to Change the Direction of Indonesia’s Trade Policy**

IGJ stresses that Indonesia must urgently move away from a development paradigm that continuously mortgages its minerals and raw commodities in exchange for short-term

promises of investment and market access. Trade agreements should instead strengthen economic and political sovereignty, promote people-centered and just industrialization, protect the environment, and ensure that benefits are distributed for the greatest prosperity of the people—rather than merely serving geopolitical and global corporate interests.

*“Without fundamental corrections, this Indonesia–US agreement is not a diplomatic victory, but rather a defeat and a step backward that sacrifices Indonesia’s economic future, ecological sustainability, and its people,”* Maulana stated.

Maulana further urged the Government of Indonesia to adhere to the fundamental principles enshrined in Article 33 paragraph (3) of the 1945 Constitution, which stipulates that land, water, and natural resources contained therein are controlled by the state and shall be used for the greatest prosperity of the people. Paragraph (4) further states that the Indonesian economy shall be organized based on principles of economic democracy, emphasizing togetherness, just efficiency, sustainability, environmental consciousness, self-reliance, and balance between national economic progress and unity.

*“The fundamental principles of our Constitution are clear and must guide the Government in reshaping Indonesia’s trade policy direction. Otherwise, Indonesia will remain a nation that is perpetually defeated by others: its critical minerals exhausted, yet lacking future technologies, its people impoverished, and its environment destroyed,”* Maulana concluded.

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**Related IGJ publications:**

1. Indonesia – Canada CEPA: Problems in the Investment Clause of the I-CA CEPA Agreement: <https://igj.or.id/wp-content/uploads/2025/12/English-of-Indonesia-Kanada-CEPA-Problematika-dalam-Klausul-Investasi-pada-Perjanjian-I-Ca-CEPA.pdf>.
2. I-EU CEPA: Who is Controls Indonesia’s Critical Minerals?: <https://igj.or.id/wp-content/uploads/2025/12/IEU-CEPA-WHO-CONTROLS-INDONESIAS-CRITICAL-MINERALS.pdf>.
3. Critical Minerals in the Grip of Trade Agreements: Challenges to Indonesia's Economic Policy and Sovereignty: <https://igj.or.id/2025/11/28/mineral-kritis-dalam-cengkeraman-perjanjian-dagang-tantangan-kebijakan-dan-kedaulatan-ekonomi-indonesia/>.

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