RECORD OF DISCUSSION OF
THE THIRD BILATERAL CONSULTATION FORUM
BETWEEN
THE REPUBLIC OF INDONESIA AND THE REPUBLIC OF CHILE
BALI, MAY 27th, 2011

1. Pursuant to the Memorandum of Understanding between the Government of the Republic of Indonesia and the Government of the Republic of Chile on the Establishment of the Bilateral Consultation, signed on March 25th, 2002, and the Informal Bilateral Consultation held in Santiago, Chile on September 1st, 2008, the Third Meeting of the Bilateral Consultation was held in Bali, on May 27th, 2011.

2. The delegation of the Republic of Indonesia was led by H.E. Ambassador Retno L.P. Marsudi, Director General for America and Europe of the Ministry of Foreign Affairs of the Republic of Indonesia. The delegation of the Republic of Chile was led by H.E. Ambassador Fernando Schmidt Ariztía, Vice Minister of Foreign Affairs of the Republic of Chile.

3. The Head of the Indonesian Delegation in her opening statement extended a cordial welcome to H.E. Ambassador Fernando Schmidt Ariztía and viewed that the Bilateral Consultation Forum represents the strong commitment of the two Governments to further strengthen and deepen the bilateral relations. In this regard the Head of the Chilean Delegation responded and expressed his gratitude to H.E. Ambassador Retno L.P Marsudi for the warm welcome and hospitality extended to him and his entourage.

4. The Consultation was conducted in friendly and constructive atmosphere reflecting mutual understanding regarding a number of issues which are subject of common interests.

DISCUSSION ON BILATERAL COOPERATION

5. Both delegations attached great importance on efforts to strengthening the bilateral relations and friendship between the two countries.

Trade

6. Both delegations welcomed the increase of the bilateral trade volume. In this regard, the Indonesian delegation expressed its wishes to have a more balanced trade and to reduce its trade deficit with Chile. The Chilean delegation requested to the Indonesian counterparts to develop efforts to facilitate access of Chilean products to the Indonesian market.

7. The Chilean delegation reiterated its interest that the negotiation process on the establishment of the Free Trade Agreement between Indonesia and Chile, and referred to the result of the meeting between the Vice Minister for International Economic Relations of the Ministry of Foreign Affairs of the

Republic of Chile and the Minister of Trade of the Republic of Indonesia in Montana on May 19th, 2011 that the two countries will initially take a trade in goods approach in the Free Trade Agreement negotiation. The Chilean delegation also informed that it will send a team of expert to Indonesia on January 2012 to start the negotiation process.

8. Both delegations acknowledged the existing differential on their trade statistics, and encouraged to have exchanges of trade statistics.

9. The Chilean delegation proposed the feasibility of advancing in the line of the homologation/recognition between the Agricultural Agencies, to facilitate the approval of sanitary protocols for products of plant and animal origin, as this could be a great incentive for the import/export of new products.

10. The Chilean delegation requested that the Department of Trade and the Agency of Food Control to search for mechanisms that should facilitate the import and registration of Chilean wine to Indonesia.

11. The Indonesian delegation requested the Chilean authorities to facilitate the access of Indonesian products such as: palm oil, cocoa, spices, coffee, tea, essential oil, herbal products, processed food products, animal drugs.

12. The Chilean delegation informed the Indonesian delegation that Chile has a general and equal tariff that applies for imports of the same product from any country, except for those that under a commercial agreement have negotiated differentiated tariffs for their products.

Marine and Fisheries

13. The Indonesian delegation conveyed its interest to revitalize the cooperation between the two countries in the field of marine and fisheries and to revise the existing Memorandum of Understanding signed in 2003 which have been expired. In this regard, the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia will submit a draft of Memorandum of Understanding to the Ministry of Economy, Development and Reconstruction of the Republic of Chile regarding cooperation to develop seaweed cultivation.

Air Transportation

14. Both delegations acknowledged the importance of establishing air transport connection for enhancing people to people contact and increasing trade between the two countries. In this regard, the Indonesian delegation informed the readiness of the Ministry of Transportation of Indonesia to begin a discussion with its Chilean counterpart on the possibility to establish a Memorandum of Understanding and will submit the draft to its Chilean counterpart.

Visa Exemption

15. Both delegations noted that the two countries has established a good cooperation in this field with Chile granting 60 days of visa exemption for Indonesian citizen while Indonesia granting 30 days of visa exemption for Chilean citizen. In this regard, the Indonesian delegation has informed the Chilean delegation that the Indonesian Government could not grant 60 days of visa exemption for Chilean citizen, on reciprocal basis, due to its national regulation.

Diplomatic Training

16. Both delegations discussed the cooperation in diplomatic training and agreed to further promote cooperation between the Centre for Education and Training of the Ministry of Foreign Affairs of the Republic of Indonesia and Andres Bello Diplomatic Academy. In this regard, the Chilean delegation proposed a possibility to organize teleconference class in English between the two diplomatic training centers.

Education

17. The Indonesian delegation submitted information that one participant from Chile joined for the first time in the 2010/2011 Darmasiswa Program conducted by the Indonesian Government.

18. Both delegations agreed to further enhance cooperation in the field of education and promote communication between the Ministries of Education of the two countries.

Energy

19. Both delegations noted that the Agreed Minutes between the Ministry of Energy and Mineral Resources of the Republic of Indonesia and the Ministry of Economy and Energy of the Republic of Chile on Energy Cooperation especially liquefied natural gas has not been implemented. In this context, the Indonesian delegation expressed their interest to seek the possibility to establish cooperation in the field of new and renewable energy.

20. Both delegations agreed to request the Ministries concerned of the two countries to further discuss ways and means to explore possibilities of developing new and renewable energy.

Natural Disaster Management

21. Both delegations noted that due to their geographical and geological circumstances, Indonesia and Chile are prone to natural disaster such as earthquake and tsunami.

22. The Indonesian delegation welcomed Chile's interest in developing cooperation in natural disaster relief. The National Agency for Disaster Management of

Indonesia has been considering some areas to be explored in initiating the cooperation.

23. The Chilean delegation expressed its appreciation to the Government of Indonesia for its humanitarian assistance in the amount of US$ 1 million to the Government of Chile during the earthquake in Chile in 2010.

Interfaith Youth Camp

24. The Chilean delegation expressed its intention to establish cooperation with Indonesia and to organize an Interfaith Youth Camp. In this regard, the Government of Chile plans to send fifteen Chilean youth to attend the Interfaith Youth Camp. The Indonesian delegation will further coordinate this matter with the pertinent Indonesian authorities.

Sports

25. Both delegations discussed the possibility to promote cooperation in sports especially football and agreed to encourage both National Football Association to make further contact in this regard.

DISCUSSION ON OTHER ISSUES

26. The Indonesian delegation informed about Indonesian candidacy for the Director General of Food and Agriculture Organization post for the period of 2012 – 2015 and hoped Chile will lend it support for Indonesian candidate. In this regard, the Chilean delegation informed that bound to Chile's commitment to UNASUR, it has supported the candidacy of Brazil. Nonetheless, Indonesian delegation expressed its hope that Chile will support Indonesian candidacy if the election continue to the second round.

27. The Chilean delegation informed about the newly formed Latin America Arc of Pacific Alliance, consisted of Chile, Colombia, Peru and Mexico, and its intention to establish cooperation with Asia and conduct political dialog with ASEAN.

28. Both delegations expressed its continued support for the cooperation between the East Asian and Latin American countries within the framework of the Forum for East Asia and Latin America Cooperation (FEALAC). The Chilean delegation wished that the Minister of Foreign Affairs of the Republic of Indonesia could visit Chile en route to attend the FEALAC Foreign Ministerial Meeting which will be held in Buenos Aires, Argentina, on August 22nd – 25th, 2011.

DATE AND VENUE OF THE FOURTH MEETING OF THE BILATERAL CONSULTATION FORUM

29. The two delegations agreed to meet for the next Bilateral Consultation Forum in Chile. The venue, date, and agenda of the Forum are to be communicated through diplomatic channel.

Done in Bali, Indonesia, on May 27th, 2011 in English language.

FOR THE GOVERNMENT OF THE REPUBLIC OF INDONESIA	FOR THE GOVERNMENT OF THE REPUBLIC OF CHILE
Ambassador Retno L.P. Marsudi	**Ambassador Fernando Schmidt Ariztía**
Director General for America and Europe	Vice Minister of Foreign Affairs
Ministry of Foreign Affairs of the Republic of Indonesia	of the Republic of Chile

REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES
SUBSECRETARIO