

**MISSION STATEMENT**  
**INDO DEFENSE - AEROSPACE AND DEFENSE**  
**TRADE MISSION**  
**INDO DEFENSE EXPO & FORUM**  
**OCTOBER 31- NOVEMBER 4, 2022**

**I. MISSION DESCRIPTION**

The United States Department of Commerce, International Trade Administration (ITA) is organizing an Indo Defense - Aerospace and Defense Trade Mission (IDADTM) to Indonesia. This trade mission will be done in conjunction with Indo Defense Expo & Forum which runs from November 2-5.

The IDADTM will include representatives from a variety of U.S. aerospace and defense industry manufacturers and service providers. This mission will involve combined activities connected to the Indo Defense Expo and Forum as well as tailored programs for U.S. companies seeking to identify and vet Indonesian partners. U.S. OEMs and defense service providers will have a major presence at the show which will be bolstered by participation in this trade mission.

Delegates will benefit from the guidance and insights of ITA's commercial teams working in these markets. The mission will introduce U.S. firms to aerospace and defense stakeholders in the region and assist U.S. companies in finding foreign business partners to export their products and services to Indonesia.

**II. COMMERCIAL SETTING**

**JAKARTA, INDONESIA**

Defense, security, and aerospace exports to Indonesia is one of the United States' largest economic impact opportunities in Southeast Asia's largest market. The region is economically and militarily strategically significant to U.S. interests and U.S. companies face considerable competition from regional and global competitors who have a vested interest in overtaking U.S. products and services in the defense market.

Indonesia, with its fragmented geography of more than 17,000 islands and more than 300 separate ethnic and linguistic groups, has ambitious plans to recapitalize its military. The country continues to face security challenges, both domestically throughout the vast Indonesian archipelago, and externally due to rising geopolitical tensions in the South China Sea. Indonesia's defense spending is expected to remain on an upwards trend. Indonesia is largely reliant on imports of advanced defense equipment as the country lacks local defense manufacturing capacity providing commercial opportunities for U.S. defense manufacturers through the defense supply chain.

For the U.S. government, this is an unparalleled opportunity to strengthen our relationship with Indonesia's Ministry of Defense and to showcase the technology, know-how, and capabilities U.S. companies have to offer, and to also demonstrate U.S. interest in partnering with Indonesia to increase their national security efforts. Indonesia allocated \$9.3 billion for defense in 2022. In June 2021, the Indonesian Ministry of Defense was preparing a proposal for \$125 billion in loans to modernize the

country's military. The plan, drafted in a presidential regulation, outlines an overall defense expenditure for a 25-year period of 2020-2044.

Indonesia is modernizing its front-line combat aircraft and recently announced it is looking to acquire 2 to 3 squadrons of new fighter jets, potentially Boeing F-15EX Eagle or France's Dassault Rafale. With this plan, the government abandoned the plan to buy Sukhoi SU-35 fighter jets from Russia. Indonesia and South Korea signed a joint engineering and development agreement for KAI KF-21 Boramae (formerly known as KF-X) 4.5 generation fighter aircraft development program in October 2014. The program is led by South Korea contributing 80% of the program's share, and Indonesia holds the remaining 20% stake. Indonesia plans to produce 48 KF-21 fighter jets for the Indonesian Air Force, offering opportunities for U.S. aircraft parts manufacturers and MRO suppliers.

As the Indonesian military expands its budget, there are opportunities for U.S. defense manufacturers to sell a range of military aircraft, unmanned aircraft systems (UAS) and counter-UAS equipment, vehicles, communications systems, spare parts, and maintenance services. Monitoring and protection of sea-borne traffic for both national security and fisheries enforcement presents new opportunities, as well.

### **Other Products and Services**

The foregoing analysis of the Aerospace and Defense opportunities in Indonesia is not intended to be exhaustive, but illustrative of the many opportunities available to U.S. businesses. Applications from companies selling products or services within the scope of this mission, but not specifically identified, will be considered and evaluated by the U.S. Department of Commerce. Companies whose products or services do not fit the scope of the mission may contact their local U.S. Export Assistance Center (USEAC) to learn about other business development missions and services that may provide more targeted export opportunities. Companies may go to <https://www.trade.gov/export-solutions> to obtain such information.

## **III. MISSION GOALS**

The goal of the trade mission is to create opportunities for U.S. companies to showcase their defense and aerospace equipment to Indonesia's defense, security, and law enforcement authorities. Participants in this mission will have an opportunity to connect with senior-level Indonesian officials in a setting that facilitates progress on business development projects. For companies new to the market, this will be an opportunity to make initial contacts, learn more about Southeast Asia's largest market, and gain perspective from CS on specific challenges for U.S. businesses operating in Indonesia such as navigating protectionist policies. By participating in an official U.S. industry delegation, rather than traveling to the region individually, U.S. industry representatives will enhance their ability to secure meetings and gain greater exposure to the region, as well as leverage the networks of prescreened industry buyers, distributors, and industry stakeholders developed by commercial specialists.

## **IV. MISSION SCENARIO**

The mission will be primarily based in Jakarta, where Indo Defense is held, but there will be the opportunity to connect with Indonesia's defense decision-makers at facilities near Jakarta and Bandung (three hours by car) to visit Indonesia's primary defense State-Owned Enterprises. The U.S. Commercial Service will maintain a booth within the U.S. Pavilion, where each participant may display company literature and conduct meetings with visitors to the Indo Defense Expo & Forum.

U.S. Commercial Service staff will be on-site and available to provide market information and offer logistical assistance to IDADTM participants. An evening reception will be organized at the Ambassador’s Residence.

**PROPOSED TIMETABLE:**

\***Note:** The final schedule and potential site visits will depend on the availability of host government and business officials, specific goals of mission participants, and ground transportation.

<b>Sunday, October 30, 2022</b>	<ul style="list-style-type: none"> <li>▪ Arrive in Jakarta</li> </ul>
<b>Monday, October 31, 2022</b>	<ul style="list-style-type: none"> <li>▪ Welcoming Remarks &amp; Introductions</li> <li>▪ Half day of briefing</li> <li>▪ Travel to Bandung</li> </ul>
<b>Tuesday November 1, 2022</b>	<ul style="list-style-type: none"> <li>▪ Site visit to defense State-Owned Enterprises manufacturing facilities in Bandung, West Java</li> <li>▪ Return to Jakarta</li> </ul>
<b>Wednesday November 2, 2022</b>	<ul style="list-style-type: none"> <li>▪ Full day of matchmaking</li> <li>▪ Evening reception at the Ambassador’s residence</li> </ul>
<b>Thursday November 3, 2022</b>	<ul style="list-style-type: none"> <li>▪ Indo Defense Expo &amp; Forum participation</li> <li>▪ Show Time Business-to-Government and Business-to-Business Meeting Program</li> </ul>
<b>Friday November 4, 2022</b>	<ul style="list-style-type: none"> <li>▪ Optional Indo Defense Expo Visit</li> <li>▪ Program Concludes</li> <li>▪ Return to U.S.</li> </ul>

**VI. PARTICIPATION REQUIREMENTS**

All parties interested in participating in the trade mission must complete and submit an application package for consideration by the U.S. Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 10 and a maximum of 15 firms and/or trade associations/organizations will be selected to participate in the mission from the applicant pool.

**FEES AND EXPENSES**

After a firm or trade association/organization has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee for the Indo Defense - Aerospace and Defense Trade Mission will be \$3,100 for small or medium-sized enterprises (SMEs)<sup>1</sup>; and \$4,500 for large firms or trade associations/organizations. The fee for each additional firm representative (large firm or SME/trade organization) is \$1,000. Expenses for travel, lodging, meals, and incidentals will be the responsibility of each mission participant. Interpreter and driver services can be arranged for additional cost. Delegation members will be able to take advantage of U.S. Embassy rates for hotel rooms.

<sup>1</sup> For purposes of assessing participation fees, an applicant is a small or medium-sized enterprise (SME) if it qualifies under the Small Business Administration’s (SBA) size standards (<https://www.sba.gov/document/support--table-size-standards>), which vary by North American Industry Classification System (NAICS) Code. The SBA Size Standards Tool [<https://www.sba.gov/size-standards/>] can help you determine the qualifications that apply to your company.

Upon notification of acceptance to participate, those selected have 5 business days to submit payment or the acceptance may be revoked.

Participants selected for a trade mission will be expected to pay for the cost of personal expenses, including, but not limited to, international travel, lodging, meals, transportation, communication, and incidentals, unless otherwise noted. Participants will, however, be able to take advantage of U.S. Government rates for hotel rooms. In the event that a mission is cancelled, no personal expenses paid in anticipation of a mission will be reimbursed. However, participation fees for a cancelled mission will be reimbursed to the extent they have not already been expended in anticipation of the mission.

If a visa is required to travel on a particular mission, applying for and obtaining such a visa will be the responsibility of the mission participant. Government fees and processing expenses to obtain such a visa are not included in the participation fee. However, the Department of Commerce will provide instructions to each participant on the procedures required to obtain business visas.

Trade Mission members participate in trade missions and undertake mission-related travel at their own risk. The nature of the security situation in a given foreign market at a given time cannot be guaranteed. The U.S. Government does not make any representations or guarantees as to the safety or security of participants. The U.S. Department of State issues U.S. Government international travel alerts and warnings for U.S. citizens available at <https://travel.state.gov/content/passports/en/alertswarnings.html>. Any question regarding insurance coverage must be resolved by the participant and its insurer of choice.

## **CONDITIONS FOR PARTICIPATION**

Applicants must submit a completed and signed mission application and supplemental application materials, including adequate information on their products and/or services, primary market objectives, and goals for participation that is adequate to allow the Department of Commerce to evaluate their application. If the Department of Commerce receives an incomplete application, the Department may either: reject the application, request additional information/clarification, or take the lack of information into account when evaluating the application. If the requisite minimum number of participants is not selected for a particular mission by the recruitment deadline, the mission may be cancelled.

Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, are marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content by value. In the case of a trade association or organization, the applicant must certify that, for each firm or service provider to be represented by the association/organization, the products and/or services the represented firm or service provider seeks to export are either produced in the United States or, if not, marketed under the name of a U.S. firm and have at least 51% U.S. content.

A trade association/organization applicant must certify to the above for all of the companies it seeks to represent on the mission. In addition, each applicant must:

- Certify that the products and services that it wishes to market through the mission would be in compliance with U.S. export controls and regulations;
- Certify that it has identified any matter pending before any bureau or office in the Department of Commerce;
- Certify that it has identified any pending litigation (including any administrative proceedings)

to which it is a party that involves the Department of Commerce; and

- Sign and submit an agreement that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

In the case of a trade association/organization, the applicant must certify that each firm or service provider to be represented by the association/organization can make the above certifications.

## **SELECTION CRITERIA**

Targeted mission participants are U.S. firms, services providers and trade associations/organizations providing or promoting U.S. products and services that have an interest in entering or expanding their business in the mission's destination country. The following criteria will be evaluated in selecting participants:

- Suitability of the applicant's (or in the case of a trade association/organization, represented firm's or service provider's) products or services to these markets;
- The applicant's (or in the case of a trade association/organization, represented firm's or service provider's) potential for business in the markets, including likelihood of exports resulting from the mission; and
- Consistency of the applicant's (or in the case of a trade association/organization, represented firm's or service provider's) goals and objectives with the stated scope of the mission.

Balance of applicant's size and location may also be considered during the review process.

Referrals from a political party or partisan political group or any information, including on the application, containing references to political contributions or other partisan political activities will be excluded from the application and will not be considered during the selection process. The sender will be notified of these exclusions.

## **IMPORTANT NOTE ABOUT THE COVID-19 PANDEMIC**

Travel and in-person activities are contingent upon the safety and health conditions in the United States and the mission countries. Should safety or health conditions not be appropriate for travel and/or in-person activities, the Department will consider postponing the event or offering a virtual program in lieu of an in-person agenda. In the event of a postponement, the Department will notify the public and applicants previously selected to participate in this mission will need to confirm their availability but need not reapply. Should the decision be made to organize a virtual program, the Department will adjust fees, accordingly, prepare an agenda for virtual activities, and notify the previous selected applicants with the option to opt-in to the new virtual program.

## **TIMELINE FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Commerce Department trade mission calendar (<http://export.gov/trademissions>) and other Internet websites, press releases to general and trade media, direct mail, notices by industry trade associations/organizations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. Recruitment for the mission will begin immediately and conclude no later than **September 19, 2022**. The U.S. Department of Commerce will review applications and inform applicants of selection decisions on a rolling basis. Applications received after **September 19, 2022** will be considered only if space and scheduling constraints permit.

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