

Indonesia and US finalize trade deal with 19% reciprocal tariff intact

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Indonesia and the United States (US) have concluded a landmark trade agreement under which Washington will maintain a 19 % reciprocal tariff rate on Indonesian imports. Indonesian President Prabowo Subianto and US President Donald Trump signed a document on **Friday 20th Feb 2026**, confirming their strong commitment to implementing the agreement.

Under the deal, the White House said Indonesia has agreed to eliminate tariff barriers on over 99 % of US exports across all sectors, including **agricultural** and health products, **seafood**, ICT goods, automotive products, and chemicals. Certain identified products from Indonesia will receive a 0% reciprocal tariff rate, including selected **textile** and apparel goods for a tobe-specified import volume.

The White House said Indonesia would also address and prevent barriers to US agricultural products by exempting **food and agricultural goods** from all import licensing regimes and ensuring transparency and fairness in geographical indications, including for meats and cheeses.

Both countries will also cooperate to increase supply chain resilience, address duty evasion, and ensure adequate export controls and investment security. In addition, Indonesia will address a range of non-tariff barriers by exempting US companies and goods from local content requirements, recognising US federal motor vehicle safety and emission standards. Indonesia will also remove burdensome certification and labelling requirements, eliminating pre-shipment requirements, and take steps to resolve longstanding intellectual property issues.

The White House said that both countries also welcomed commercial agreements valued at approximately **US\$33 billion** in **agriculture**, aerospace, and energy in the US, which are expected to further increase US exports to Indonesia.

President Prabowo Subianto witnessed the **signing of 11 memoranda of understanding (MoUs)** worth US\$38.4 billion between Indonesian and US businesses on **Wednesday, 18th Feb 2026**. The agreements were signed during a Business Summit roundtable organised by the US-ASEAN Business Council (US-ABC) at the U.S. Chamber of Commerce building in Washington DC.

The commitments include purchases of approximately US\$15 billion in **US energy** commodities, procurement of commercial aircraft and aviation-related goods and services worth about US\$13.5 billion, including from Boeing, and over US\$4.5 billion in **US agricultural products**. The US currently runs its 15th-largest goods trade deficit with Indonesia, totalling US\$23.7 billion in 2025. Before the agreement, Indonesia's simple average applied tariff stood at eight per cent compared with 3.3 per cent in the US.

“The signing of these 11 MoUs represents concrete collaboration between the public and private sectors of both countries across various fields,” the State Secretariat said in an official statement.

Notably, the total value of the 11 agreements exceeds the USD 7 billion previously cited by US-ABC, which included Indonesia's planned purchases of 1 million tonnes of **US soybeans**, 1.6 million tonnes of **corn** and 93,000 tonnes of **cotton**. The council said Indonesia would also buy 1 million tons of wheat this year and up to 5 million tons by 2030.

Some of the notable MoUs included;

- An agriculture (corn) MoU between PT Cargill Indonesia, PT Arena Agro Andalan and Cargill Inc;
- A cotton MoU between Busana Apparel Group and the U.S. National Cotton Council;
- A cotton MoU between Daehan Global and the U.S. National Cotton Council;
- A furniture and wood products MoU between HIMKI and the American Hardwood Export Council.

Indonesia's imports from the US included soybeans valued at US\$685 million, wheat at US\$1.25 billion, cotton at US\$122 million, and US shredded worn clothing for recycling at US\$200 million. Between 2015 and 2024, it imported an average of 2.3 million metric tons of soybeans, nearly 800,000 tons of wheat, around 180,000 tons of cotton, and less than 100,000 tons of corn annually, per US Census Bureau data. In recent years, Indonesia has spent approximately US\$3 billion yearly on US agricultural products, ranking as the 11th-largest market for US farm goods.

In July 2025, Indonesia revealed business agreements with the US totaling US\$34 billion as part of tariff negotiations, which included wheat and soybean import deals similar to those finalized on Wednesday.